

# 12<sup>th</sup> Annual Report 2017-2018

Scaling new heights  
with the ladder of innovation



Sadbhav Infrastructure Project Limited



With just over a decade in business, your company has become India's one of the largest BOT asset owner in the space of roads and highways. Our incorporation seems to us like just yesterday. We continue to grow ourselves more quickly from here onwards under the guidance of our Chairman, Mr. Shashin V. Patel and in the footsteps of our Chairman Emeritus, Mr. Vishnubhai M. Patel. We have equipped ourselves with the technologies and know-how to increase the speed of growth.

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SIPL's operational assets and projects are in the high-growth states with a growth rate above the national average, inflation and debt levels below the national average, and fiscal deficit less than the target set by FRBM Act. These states have recorded the highest growth in aggregate GVA of labour intensive sectors like infrastructure sector resulting in creation of more employment and business opportunities.



**Sadbhav Infrastructure Project Limited**  
Listed Road & Highways BOT Company  
in India with a portfolio of 11 BOT projects  
and 12 Hybrid Annuity projects



**Mr. Vishnubhai M. Patel**  
Chairman Emeritus

For Sadbhav Infrastructure Project Limited, innovation is not an end-result. It is the process through which we try to change our paradigm and approach to address new challenges and opportunities so that the things happen in much better and effective way. At SIPL, a synergy of our expertise in engineering, project management, construction, and operations management helps us to add more feathers in our cap through new project milestones. We believe that our business is not just to build, own and operate the roads and highways, but we are in the business of giving people a raceway to joy, progress and prosperity.

“ A nation’s infrastructure is shaped by the passion of its citizens to create change. ”

# Surging with the Nation's Growth

Economic growth of the country has brought in its own set of challenges and opportunities for the infrastructure sector. For connecting the areas and maintaining smooth flow of traffic, the construction of new and developed roads is must. Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of economic corridors, inter corridors and feeder routes, national corridor efficiency improvement, border and international connectivity roads, coastal and port connectivity roads and green-field expressways.

SIPL has been developing such large projects on BOT basis and has been applauded by the clients for its on-time execution and management of operations of large and prestigious highway projects. SIPL's operational portfolio comprises of 10 Toll projects and 1 Annuity project with total project cost of approx ₹ 219 Billion while bidding process is in progress for new projects. During FY 18, your Company's standalone revenue scaled new height of ₹ 3,377.92 mn with PAT of ₹ 677.40 mn

and net worth of ₹ 14,019.48 mn. SIPL's operational assets include ARRIL, AJTL, BRTPL, BHTPL, DPTL, HYTPL, MBCPNL, RHTPL, RPTPL, SUTPL and connects the nation from Kandla in the west to Hyderabad in the south and Mumbai to Rohtak & Hissar in the north.

SIPL has invested in the state-of-the-art and the latest equipment and technologies with own fleets and maintenance facilities in each region enhancing the operational efficiency of assets. Employees being our key stakeholders, your Company has well-defined HR, health and safety policies being implemented through dedicated teams at each site level. Well-laid recruitment, training and development, motivation & recreation activities are being conducted on periodic basis for our employees spread across the country. Your Company complies with the environment and other statutory rules and has been taking the initiatives to conserve the environment and bio-diversity across all project sites. At SIPL, we are poised to scale new heights of innovation to surge with the prosperous future that the country is embarking upon.







## The Road So Far

### Sustained Growth in Asset Base

Consistent Asset Addition to Portfolio Indicating a Strong Operational and Execution Capability

		Annual Addition of Operational Assets								MBHPL <sup>2</sup>
		Denotes projects that have become operational in that year								
OPERATIONAL	Assets	ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
		ARRIL	AJTL	NSEL	DPTL	HYTPL	BHTPL	MBCPNL <sup>2</sup>	RPTPL	SUTPL
OPERATIONAL	Assets	FY 09	FY 10 <sup>1</sup>	FY 11	FY 12	FY 13	FY 14	FY 16	FY 17	FY 18
		1	2	3	4	6	8	9	11	12
		305	569	680	1,035	1,566	1,890	2,207	2,951	3,338
OPERATIONAL	Assets	FY 09	FY 10 <sup>1</sup>	FY 11	FY 12	FY 13	FY 14	FY 16	FY 17	FY 18
		5	8	12	26	45	71	82	102	110
		5	8	12	26	45	71	82	102	110

#### Notes

1. The company had divested its stake in Mumbai Nasik Expressway Limited (MNEL) in FY16. The same has not been included above.
2. MBCPNL had 6, 9, 13, 16 and 18 check posts operational in FY14, FY15, FY16, FY17 and FY18 respectively.
3. Stake in Annuity 2 is currently owned by SEL.



# Corporate Information

“ Project execution takes teamwork, groundwork and a lot of hard work.”

**Mr. Vishnubhai M. Patel**  
Chairman Emeritus



## BOARD OF DIRECTORS



**Mr. Shashin V. Patel**  
Chairman &  
Non-Executive Director



**Mr. Vasistha C. Patel**  
Managing Director



**Mr. Nitin R. Patel**  
Non-Executive Director



**Mr. Sandip V. Patel**  
Independent Director



**Mr. Atul N. Ruparel**  
Independent Director



**Mr. Arun S. Patel**  
Independent Director



**Mr. Mirat N. Bhadlawala**  
Independent Director



**Mrs. Daksha N. Shah**  
Independent Director

## BOARD COMMITTEES

### Audit Committee

**Mr. Sandip V. Patel**  
Chairman

**Mr. Arun S. Patel**  
Member

**Mr. Nitin R. Patel**  
Member

### Nomination and Remuneration Committee

**Mr. Atul N. Ruparel**  
Chairman

**Mr. Mirat N. Bhadlawala**  
Member

**Mr. Shashin V. Patel**  
Member

### Stakeholders Relationship Committee

**Mr. Nitin R. Patel**  
Chairman

**Mr. Vasistha C. Patel**  
Member

**Mr. Arun S. Patel**  
Member

**Mr. Sandip V. Patel**  
Member

### Finance and Investment Committee

**Mr. Shashin V. Patel**  
Chairman

**Mr. Vasistha C. Patel**  
Member

**Mr. Nitin R. Patel**  
Member

**Mr. Arun S. Patel**  
Member

### Corporate Social Responsibility Committee

**Mr. Vasistha C. Patel**  
Chairman

**Mr. Nitin R. Patel**  
Member

**Mr. Sandip V. Patel**  
Member

**Mr. Atul N. Ruparel**  
Member

## BANKERS

IDBI Bank

Union Bank of India

ICICI Bank

## COMPANY SECRETARY

**Mr. Hardik Modi**

## CHIEF FINANCIAL OFFICER

**Mr. Varun Mehta**

## STATUTORY AUDITORS

**M/s. Manubhai & Shah LLP**

**M/s. S R B C & Co. LLP**

## REGISTERED OFFICE

“Sadbhav House”,  
Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad - 380006.  
Website: [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in)

**CIN: L45202GJ2007PLC049808**

## CORPORATE OFFICE

“Sadbhav”, Nr. Havmor Restaurant,  
B/h. Navrangpura Bus Stand,  
Navrangpura,  
Ahmedabad - 380009.

## REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400083.



# Message From Chairman



Company's consolidated cash profits has increased from ₹ 1,917 mn in FY17 to ₹ 2,799 mn in FY18.

“ Bridging the socio-economic divide within the country while bridging the physical divide is a road ahead for us to build sustainable tomorrow.

”

Dear Stakeholders,

Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited (SEL) has been scaling new heights by its exemplary performance year over year and surpassing own landmarks. SIPL has been thriving upon its competencies gained over the years since its inception in the areas of the development, operation and maintenance of highways, roads and other relative aspects. SIPL is a young organization with just a decade since its incorporation and also with average age of its employees at 31 years, SIPL is eagerly waiting to contribute towards nation building. It took your company 9 years (2008 to 2016) to complete the 11 operational projects, however with increase in its scale of operations and zeal to grow, your company is poised to complete 12 under-construction projects in next 3 years. Your company's DNA is to do prudent bidding with focus on reasonable but sustainable returns and we would continue to bid in similar manner as done in past.





SIPL is a listed road and highways Built, Operate and Transfer (BOT) Company with a portfolio of 23 projects which consists of 10 BOT (Toll) projects (9 are operational and 1 is partially operational), 1 operational BOT (Annuity) project and 12 Hybrid Annuity Mode (HAM) under-construction projects. Total project cost involving the projects (including under construction) of approximately ₹ 219 bn (Lane km of operational projects are 3,338, lane km of under construction projects are 2,457 and total project cost of operational projects are ₹ 110 bn and total project cost of under construction projects are ₹ 119 bn). Eight out of 11 operational projects have credit rating of A- or above. With an average residual life of 15 years, SIPL's entire portfolio of current BOT projects exhibits a stability of revenue.

SIPL has charted an upward route for itself by expanding under selectively diversified portfolio located in high growth states of India (Haryana,

Rajasthan, Gujarat, Maharashtra, Karnataka, and Telngana) and other important corridors, simultaneously creating a value for its investors. Apart from a fabulous track record of timely completion of projects, your Company also enjoys the benefit of being an integrated structured with presence across the entire road sector value chain with strong finance, execution and toll collection and O&M capabilities.

As the macro-economic scenario across the world is fast-changing, infrastructure development sector has become core focus area. SIPL has posted substantial growth over previous year and has generated total revenue of ₹ 3,377.92 mn on standalone basis and net profit of ₹ 677.40 mn for the financial year ending March, 2018. With an unflinching commitment of creating high quality construction work alongside a provision for advisory and project management services for all its projects, SIPL seeks great advantage from over 30 years



of relationships established by SEL, our corporate promoter, with its record execution of projects in the construction activities in transport, mining and irrigation sectors.

Scaling new heights has been achieved due to unwavering commitment of our management and employees to innovate and augment all our processes, skills and operations. In all our endeavours, we try to follow our vision and mission with an equal emphasis on values like transparency, accountability and equity which are intrinsic to our culture.

We have created a congenial internal environment that provides ample opportunities of growth to an individual and opportunities to enhance one's skills. This has resulted in passion, perfection and progressive outlook of employees to achieve goals set for them.

We engage with all our internal and external stakeholders through different communication mediums and make all efforts to understand and

map their expectations. This helps us to bridge the gap by taking necessary initiatives and make our bond stronger.

I hereby take this opportunity to thank all our stakeholders on behalf of Board of Directors for their continued patronage and making our endeavour successful. I also appreciate all our clients, shareholders, financiers for endorsing our growth strategies and motivating us to achieve what we have envisioned. I assure you that SIPL will leave no stone unturned to reach new echelons of success and add value to your investment in our Company. We at SIPL are committed to usher in the better future for the Company.

Regards,



**Shashin V. Patel**  
Chairman



# Message From Managing Director



“ The Principle is competing against yourself. It's about self-improvement, about being better than you were the day before. ”

- Steve Young

Dear Stakeholders,

Once again, I am delighted to report to you successful year. During the year, Company has delivered a record performance.

Your Company reported at standalone level, the revenue from operations amounting ₹ 3,377.92 mn as against ₹ 2,854.45 mn in

the previous year. The net profit for the year amounting ₹ 677.40 mn against ₹ 411.57 mn reported in the previous year which resulted cash profit of ₹ 794.74.

The consolidated revenue from operations increased for amounting ₹ 22,760.58 mn as against ₹ 13,480.09 mn in the previous year Your Company has achieved consolidated total income from tolling business for amount of ₹ 10,726.43 mn and generated a cash profits of ₹ 2,004.27 mn. Increase in cash profits is the result of completion of refinance of debt in 9 operational SPVs thereby reducing the interest rate and increase in traffic especially after the hiccups seen during demonetization and GST.

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend @ 3% i.e. 0.30 (Thirty Paise) per equity shares of ₹ 10 for Financial year 2017-18 taking the total Dividend @ 5% i.e. ₹ 0.50 (Fifty Paise) per Equity Share of ₹ 10 each (including interim dividend @ 2% i.e. ₹ 0.20 per equity share of ₹ 10 each already declared by Board of Directors of the Company in 2017) to shareholders of the Company.



During the year, we have bagged five new projects i.e. Jodhpur Ring Road - Rajasthan, Tumkur to Shivamogga (package III) - Karnataka, Anjar to Bhuj - Gujarat, Visakhapatnam Port Road - Andhra Pradesh and Kim to Ankleshwar - Gujarat. Out of total twelve HAM projects, we have already achieved financial closure for eight projects out of which seven projects where construction is going on.

During last 2 years, your Company is the frontrunner for bidding of HAM projects and we are cautiously optimistic for the HAM projects in 2018-19 also. The model per se is a very good model which has addressed many concerns of various stakeholders.

Your Company has successfully implemented collection of toll through digital mode and have installed 131 POS machines / adopted Fastag System / Highway Sathi Mobile application and also collecting collection has

through cashless transactions. This helped in improving operational efficiencies at Toll plaza. It has reduced service time, cash managements, and coins management for us and users.

### ***Going Forward***

The Government has committed sizeable budgetary allocation to augmenting road infrastructure. We expect this momentum to continue, aided by increased investments through Bharatmala Pariyojna. The National Highway network is to be expanded from 96,000 km to 2,00,000 km over the next 5 years. There will be marked improvements and value addition in construction activities from the policy guidelines being formulated and implemented by the Government of India. The sector will see change in the roads and highways are constructed by increasing quality, technology interventions and safety standards.

In the coming years, our focus is to 1) complete all the existing 12 under-construction projects within the envisaged time and costs 2) monetisation of assets 3) increase use of technology in operations and maintenance of roads.

With this, I would like to heartily thank for the support and confidence extended to the Management.

I reassure all our shareholders that the Company shall continue to work even more untiringly to sustain this trust.

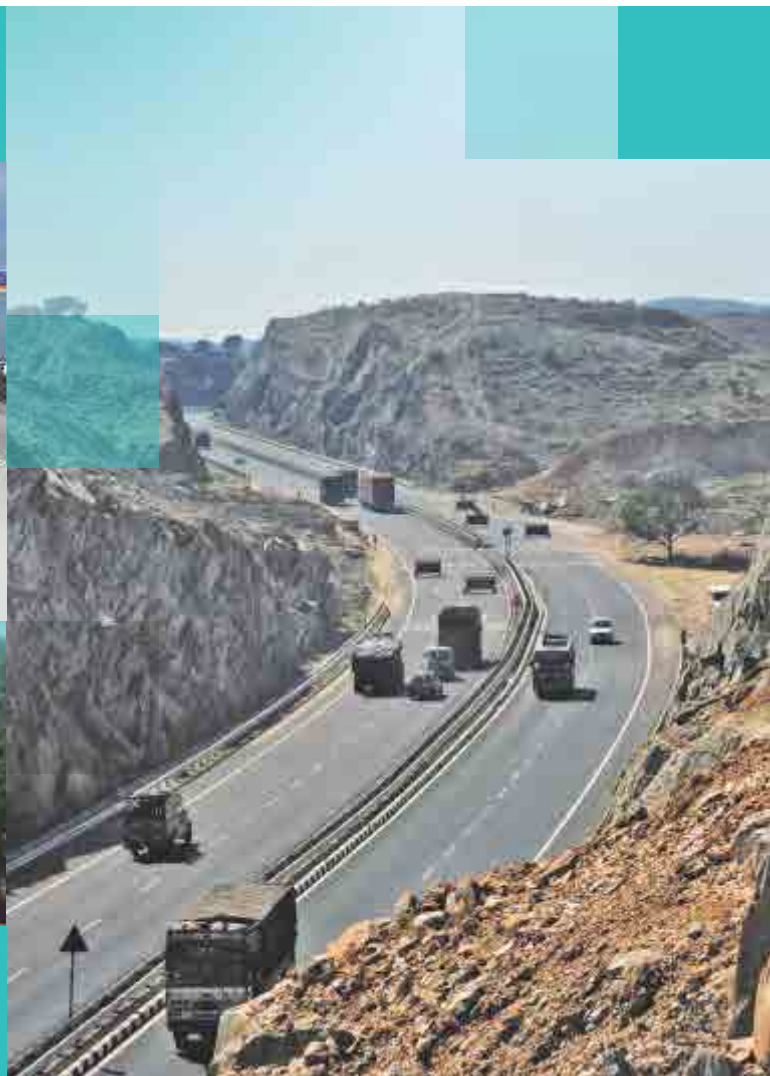
Regards,



**Vasistha C. Patel**  
Managing Director









# Financial Highlights



**Average Residual  
Life more than  
15 Years**

**Total Cash Income  
from Operations  
₹ 14,098 Million**

**Cash EBITDA  
₹ 11,259  
Million**

(INR in Million)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
	As per Ind AS			As per IGAAP	
Turnover	3,377.92	2,854.45	857.97	701.07	899.22
Total Income	3,847.50	3,137.11	1,263.53	1,073.05	1,158.32
Earning Before Depreciation, Interest and Tax (EBDIT)	2,684.43	1,827.74	796.94	427.67	561.21
Exception Item	-	0.00	616.00	0.00	0.00
Depreciation	4.12	6.88	0.66	1.29	1.14
Interest (Finance Cost)	1,634.20	1,294.99	1,400.02	1,037.52	526.77
Profit After Tax	677.40	411.57	10.38	-632.68	29.39
Equity Dividend %	0.5%	0.00	0.00	0.00	0.00
Dividend Payout	176.11	0.00	0.00	0.00	0.00
Equity Share Capital	3,522.25	3,522.25	3,522.25	3,109.63	260.07
Other equity	10,497.23	9,905.04	8,935.98	5,326.29	8,036.00
Net worth	14,019.48	13,427.29	12,458.23	8,435.92	8,318.58
Gross Fixed Assets	11.54		0.78	17.11	17.04
Net Fixed Assets	4.69		0.50	12.84	14.07
Total Assets	31,122.17	27,765.40	25,019.01	22,041.46	15,924.83
Total Debt (Loan Fund)	12,376.50	12,654.38	11,721.23	12,763.55	6,697.46
Earning Per Share (in ₹)	1.92	1.17	0.03	-2.04	1.13
Book Value Per Share (in ₹)	39.80	38.12	35.37	27.13	319.86
Weighted No. of Shares	352.23	352.23	333.91	309.70	26.01

**Note:**

1. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares
2. Total Income means credit side of P&L statement.
3. EBDIT means PBT+Depreciation+Finance Cost-Other Income

4. Total Debt includes interest accrued but not due.

5. Figures of 2014-15 and 2015-16 has been restated as per per Ind AS

## Notice

**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of **SADBHAV INFRASTRUCTURE PROJECT LIMITED** will be held on Thursday, the 27<sup>th</sup> day of September, 2018 at 11:00 AM at Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad - 380006 to transact the following businesses:

### ORDINARY BUSINESS

**1. To consider and adopt:**

(a) the audited Standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon; and

(b) the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2018, and the report of Auditors thereon.

**2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2017-18.**

**3. To appoint a Director in place of Mr. Shashin V. Patel (DIN: 00048328) who retires by rotation and being eligible, offers himself for reappointment.**

**4. To appoint Joint Statutory Auditors of the Company and fix their remuneration**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S G D G & Associates LLP, Chartered Accountants, Ahmedabad (Firm Registration No. W100188), be and is hereby appointed as Joint Statutory Auditors of the Company in place of the retiring auditors M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 106041W/W100136, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 17<sup>th</sup> AGM to be held in 2023, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

**5. Ratification of Remuneration to Cost Auditor**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. J. B. Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 amounting to ₹ 25,000/- per annum plus applicable tax and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

**6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 42, 71, and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and other applicable SEBI regulations and guidelines, issued, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules, regulations and guidelines, Consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including

the powers conferred by the Resolution) for making offers or invitations to subscribe to Secured/Unsecured/Redeemable Non-Convertible Debentures ("NCDs") including but not limited to subordinated Debentures, bond, and/or other debt securities etc. on a private placement basis in one or more tranches during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the numbers of NCDs, tranches, issue price, tenor, interest rate, premium/discount, listing and to do all such acts, things, deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements/papers/writings, as may be required in this regard."

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

By Order of the Board of Directors  
**Sadbhav Infrastructure Project Limited**

**Registered Office:**  
"Sadbhav House", Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad - 380006  
CIN: L45202GJ2007PLC049808

**Hardik Modi**  
Company Secretary  
Membership No.: F9193

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolutions or Power of attorney authorizing their representative to attend and vote on their behalf at the meeting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 5 and 6 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item No. 3, pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
4. A route map giving directions to reach the venue of the 12<sup>th</sup> Annual General Meeting is given at the end of the Notice.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.
7. Relevant documents referred to in accompanying Notice and Statement are open for inspection by members at Registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at venue of the meeting by members attending meeting.
9. Book Closure and Dividend
  - i) The Register of Members and Share Transfer Books of the Company will remain closed from, Thursday, 20<sup>th</sup> September 2018 to Thursday, 27<sup>th</sup> September, 2018 (both days inclusive).
  - ii) The Company has fixed Wednesday, 19<sup>th</sup> September, 2018 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended 31<sup>st</sup> March, 2018.
  - iii) If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be paid within stipulated time lines as under:



I. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, 19<sup>th</sup> September, 2018;

II. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Wednesday, 19<sup>th</sup> September, 2018.

10. Payment of dividend through electronic means:

(a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, Link Intime India Private Limited. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

(b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Share Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this matter.

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, it has been mandated the Company/RTA to obtain copy of PAN Card and Bank Account details from all the shareholders holding shares in physical form. Accordingly, shareholders who are holding shares in physical mode are requested to kindly furnish self-attested copy of your PAN card and original cancelled Cheque leaf/Attested Bank Passbook showing the name of Account holder along with an application.

Also note that in pursuance to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated 8<sup>th</sup> June, 2018, request for effecting transfer of securities shall not be processed w.e.f 5<sup>th</sup> December, 2018 unless the securities are held in the dematerialized form.

Therefore, all shareholders who are holding shares in physical mode are requested to kindly dematerialize the equity shares of the Company at the earliest.

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.

13. Unclaimed Dividends:

Members are hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) ('IEPF Rules'), the Company is also obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to the Demat Account of the IEPF Authority notified by the Ministry of Corporate Affairs ('IEPF Demat Account').

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

14. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 12<sup>th</sup> Annual General Meeting ('AGM') by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Ltd. (CDSL).

The members may cast their votes using an electronic voting system from place other than the venue of the Meeting ('remote e-voting'). In addition, the facility of voting through Ballot Paper shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

**The procedure and instructions for voting through electronic means are as follows:**

#### SECTION A - E-VOTING PROCESS

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on attendance slip.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of Sadbhav Infrastructure Project Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

## SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. A member may exercise his/her vote at any general meeting by electronic means and the business may be transacted through such voting. Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. The remote e-voting period commences on Monday, 24<sup>th</sup> September, 2018 (9:00 a.m. IST) and ends on, Wednesday, 26<sup>th</sup> September, 2018 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 20<sup>th</sup> September, 2018 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evotingindia.com](http://www.evotingindia.com)
- vi. Mr. Ravi Kapoor, Company Secretary in Practice, Proprietor of M/s. Ravi Kapoor & Associates (M. No.: FCS 2587; CP No: 2407) (Shaival Plaza, 4<sup>th</sup> Floor, Gujarat College Road, Ellisbridge, Ahmedabad - 380006) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Ravi Kapoor.
- vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- viii. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

- ix. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite number of votes.
  - x. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
  - xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
15. Electronic copy of Annual Report 2017-18 is being sent to all the members whose email-ID are registered with the Company/Depository Participant(s) for communication purposes unless any member has required for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017-18 is being sent in the permitted mode. Members may also note that the notice of the 12<sup>th</sup> Annual General Meeting and Annual Report for 2017-18 will also be available on the company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) for their download. The physical copies of the aforesaid documents will also be available at the registered office of the company during office hours on all working days between 12.00 noon to 2.00 p.m., except Saturday, Sunday and holidays.

#### Details of Directors Seeking Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Director	Mr. Shashin V. Patel
Date of Birth	2 <sup>nd</sup> April, 1981
Date of Appointment	18 <sup>th</sup> January, 2007
Disclosures of relationship between Directors inter-se	N.A
Functional Expertise	In field of Management Information System, Project bidding and execution
Directorship in other Companies	1. Sadbhav Engineering Limited 2. Shreenathji-Udaipur Tollway Private Limited 3. Nagpur - Seoni Express Way Limited 4. Bhilwara-Rajsamand Tollway Private Limited 5. Sadbhav Nainital Highway Private Limited 6. Sadbhav Bhavnagar Highway Private Limited 7. Sadbhav Jodhpur Ring Road Private Limited 8. Sadbhav Una Highway Private Limited
Chairman/ Member of Committee in other Companies	1. Bhilwara-Rajsamand Tollway Private Limited Audit Committee (Member) 2. Shreenathji-Udaipur Tollway Private Limited Audit Committee (Member)
No. of Equity Shares held in the Company	814110 Equity Shares

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

##### Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. J. B. Mistri & Co, Cost Accountant in Practice (Firm Reg. No. 101067), to conduct the audit of the cost records maintained by the Company for the financial year 2018-19, at their meeting held on 8th May, 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2018-19 as set out in the resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

## Item No. 6

As per provisions of Section 42, 71 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for “non-convertible debentures”, it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offer(s) or invitation(s) for such debentures during the year.

Accordingly, the Shareholders of the Company had passed a Special Resolution at the last (11th) Annual General Meeting (AGM) of the Company held on 26th September, 2017, to raise funds through Private Placement of Secured/Unsecured Non-Convertible and/ or other Debt Securities by way of issue of secured/ unsecured non-convertible debentures of the Company, in one or more tranches, to such person or persons, who may or may not be the debenture holders of the Company, within the overall market borrowing programme of the Company. However, the above approval of shareholders is valid only upto 25th September, 2018. In order to facilitate raising of funds thereafter and in line with the aforesaid statutory provisions, it is necessary to pass a Special Resolution at this Annual General Meeting for raising of funds through private placement of secured / unsecured non-convertible debentures and/ or other Debt Securities during a period of one year from the date of passing of this resolution.

Further, the Board of Directors of the Company (the “Board”) or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the issue, including the class of investors to whom the debentures are to be allotted, the number of debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer documents and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

The Board of Directors recommends the resolution mentioned in Item No. 6 of the notice for approval of members.

Date: 8<sup>th</sup> August, 2018

Place: Ahmedabad

By Order of the Board of Directors  
**Sadbhav Infrastructure Project Limited**

**Registered Office:**

“Sadbhav House”,  
Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad – 380006  
CIN: L45202GJ2007PLC049808

**Hardik Modi**  
Company Secretary  
Membership No.: F9193

# Directors' Report

To,  
The Members,

Your Directors have pleasure in submitting their 12<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018.

## FINANCIAL RESULTS

The Group's financial performances for the year under review along with previous year's figures are given hereunder: (₹ in Million)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	3,377.92	2,854.45	22,760.58	13480.09
Other Income	469.58	282.65	464.22	558.81
Total Revenue	3,847.50	3137.10	23,224.80	14038.90
Profit Before Taxation	1,046.11	525.88	(2,972.22)	(3524.95)
Tax Expense	368.71	114.31	407.51	76.04
Profit/(Loss) for the period after tax and minority interest	677.40	411.57	(3,290.37)	(3531.44)
Other comprehensive income	(0.01)	(0.37)	1.37	(8.45)
Total comprehensive income (after tax)	677.39	411.20	(3,289.00)	(3539.89)

## DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend @ 3% i.e. ₹ 0.30 (Thirty Paise) per equity shares of ₹ 10/- for Financial year 2017-18 taking the total Dividend @ 5% i.e. ₹ 0.50 (Fifty paise) per Equity Share of ₹ 10/- each (including interim dividend @ 2% i.e. ₹ 0.20 per equity share of ₹ 10/- each already declared by Board of Directors of the Company on 17<sup>th</sup> November, 2017) to shareholders of the Company. If the dividend, as recommended above, is declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 17.61 crores.

## DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India ('SEBI'), by its notification dated 8<sup>th</sup> July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalization calculated as on 31<sup>st</sup> March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/dividend-distribution-policy.pdf>

## RESERVES

Company has transferred ₹ 462.19 Million to Debenture Redemption Reserve Account.

## SHARE CAPITAL

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2018 is ₹ 352,22,52,160/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, your Company reported a top-line growth of 18.34% over the previous year. At Standalone level, the Revenue from Operations amounted to ₹ 3377.92 Million as against ₹ 2,854.45 Million in the previous year. The Net Profit before Tax amounted to ₹ 1,046.11 as against ₹ 525.88 Million in the previous year. The Net Profit for the year amounted to ₹ 677.40 Million against ₹ 411.57 Million reported in the previous year and total comprehensive income for the year amounted to ₹ 677.39 Million as against ₹ 411.20 Million in the previous year.

The Consolidated Revenue from Operations amounted to ₹ 22,760.58 Million as against ₹ 13,480.09 Million in the previous year,



registering a growth of 68.85%. The Consolidated Net Loss before Tax amounted to ₹ 2,972.22 Million as against ₹ 3,524.95 Million in the previous year. The Consolidated Net Loss after Tax amounted to ₹ 3,379.73 Million as against ₹ 3,600.99 Million in previous year and Total Comprehensive Loss for the year amounted to ₹ 3,378.47 Million against ₹ 3,609.64 Million in previous year.

The performance and financial position of the subsidiary companies are included in the Consolidated Financial Statements forming part of this Annual Report.

## **CORPORATE GOVERNANCE**

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There are no material changes in the nature of business during the year.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitment if any affecting the financial position of the company occurred between the ends of the financial year to which this financial statements relate and the date of the report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## **RISK MANAGEMENT**

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Company has adopted a Risk Management Policy, pursuant to Section 134 of the Act.

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **i) Changes in Directors and Key Managerial Personnel:**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Shashin V. Patel (DIN: 00048328), Chairman and Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

During the year, Mr. Vasistha C. Patel was re-appointed as Managing Director of the Company w.e.f. 1<sup>st</sup> January, 2018 and Mr. Varun Mehta was re-appointed as Chief Financial Officer of the Company.

There were no other changes in Key Managerial Personnel during the year.



**ii) Declaration by an Independent Director(s):**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

**iii) Procedure for Nomination and Appointment of Directors:**

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidate's vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

**iv) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

**v) Annual Evaluation of Board Performance and Performance of its Committees and of Directors:**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Directors were evaluated on aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/support to management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

## NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

Details of the Remuneration Policy are given in the Corporate Governance Report.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website.

The consolidated financial results reflect the operations of the following subsidiaries.

Sr. No.	Name of Company	CIN/GLN	Address of The Company	Holding/ Subsidiary / Associate
1	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
2	Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
3	Bijapur-Hungund Tollway Private Limited	U45203GJ2010PTC059669	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
4	Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
5	Dhule Palesner Tollway Limited *	U45203MH2009PLC191222	701,7th Floor, "C" Wing, Godrej Coliseum, B/h Everard Nagar, Sion (East) Mumbai - 400022	Wholly owned subsidiary Company
6	Hyderabad Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
7	Maharashtra Border Check Post Network Limited**	U45201GJ2009PLC056327	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company

8	Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
9	Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
10	Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
11	Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
12	Sadbhav Nainital Highway Private Limited	U45309GJ2016PTC091777	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
13	Sadbhav Rudrapur Highway Private Limited	U45203GJ2016PTC091774	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
14	Sadbhav Bhavnagar Highway Private Limited	U45309GJ2016PTC092557	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
15	Sadbhav Una Highway Private Limited	U45500GJ2016PTC092589	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
16	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PTC094257	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
17	Sadbhav Vidarbha Highway Private Limited	U45500GJ2017PTC097040	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
18	Sadbhav Udaipur Highway Private Limited	U45309GJ2017PTC097508	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
19	Sadbhav Jodhpur Ring Road Private Limited	U45309GJ2018PTC100367	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
20	Sadbhav Tumkur Highway Private Limited	U45309GJ2018PTC101396	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company

\* Pursuant to acquisition of 100% stake in Dhule Palesner Tollway Limited from Sadbhav Engineering Limited, Hindustan Construction Company Limited and John Laing Investment Limited, as at the date of this report, 100 shares each of Sadbhav Engineering Limited, Hindustan Construction Company Limited and John Laing Investment Limited are pending for transfer due to pending approval from NHAI.

\*\* In terms of Memorandum of Understanding (MOU) dated January 17, 2017 between the Company and Sadbhav Engineering Limited ('SEL'), SEL reduced its commitment, to sell investment in MBCPNL to third party, from 22% to 9% and resultantly, transferred such 13% ownership / beneficial ownership in MBCPNL to the Company, raising Company's holding to 91%. SEL reaffirms that consideration received by it aggregating to INR 280.13 Million, is towards transfer of entire ownership of 91% in MBCPNL, and hence, no further payment is required to be made by SIPL to SEL. The procedural formalities for transfer of equity shares were in progress as on the date of balance sheet. By virtue of MOU, 2.63% shares of MBCPNL are pending for transfer from SEL to SIPL.

# After end of the financial year 2017-18 and the date of this report, Three new wholly owned subsidiary Companies i.e. Sadbhav Bhimasar Bhuj Highway Private Limited, Sadbhav Kim Expressway Private Limited and Sadbhav Vizag Port Road Private Limited were incorporated with an object to execute highway projects as per the concessions agreements signed with NHAI and Sadbhav Hybrid Annuity Projects Limited was incorporated for providing, developing, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control or acquire, any infrastructure facilities, to undertake hybrid annuity mode projects.

## PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 attached as **Annexure - 1** which forms part of this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

## FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31<sup>st</sup> March, 2018, there were no deposits which were unpaid or unclaimed and due for repayment.

## INSURANCE

All properties and insurable interests of the company to the extent required have been adequately insured.



## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were at arm's length basis. A detailed report on material contracts and arrangements made during the year 2017-18, being arm's length transactions have been reported and annexed hereto in Form AOC-2 as **Annexure - 2** and forms part of this report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

## NUMBER OF MEETINGS OF THE BOARD

During the year, Five (5) board meetings were convened and held. Details of board meetings and committee meeting are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## COMMITTEES OF BOARD

The Board has constituted an Audit Committee with Mr. Sandip V. Patel as Chairman and Mr. Arun S. Patel and Mr. Nitin R. Patel, as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

## DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF).

The provisions of Section 125(2) of the Act do not apply as there was no unclaimed and unpaid dividend or any other amount which require to transfer to Investor Education and Protection Fund (IEPF).

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in utmost transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as apart of its social objectives. This policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities.



The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Vasistha C. Patel as Chairman and Mr. Nitin R. Patel, Mr. Sandip V. Patel, and Mr. Atul N. Ruparel as Members of the Committee.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ii. Recommending the amount of expenditure for the CSR activities.
- iii. Monitoring CSR activities from time to time.

In view of the net average loss of ₹ 24.34 Million under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. Accordingly, the details of the CSR activities during the year under review are not provided in this Report. The Report on CSR activities is attached as **Annexure - 3**.

## **BUSINESS RESPONSIBILITY REPORTING**

As per Regulation 34 (2) (f) of the Listing Regulations, listed companies shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format. This provision is applicable to top 500 listed companies based on market capitalization as on 31<sup>st</sup> March, 2018. The Business Responsibility Report of the Company for the financial year ended on March 31, 2018 has been provided separately and forming part of the Annual Report.

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## **FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/familiarization-programme-for-independent-directors-2017-18.pdf>

## **AUDITORS**

### **(i) Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 106041W/W100136 were appointed as Joint Statutory Auditors of the Company from conclusion of the 8<sup>th</sup> Annual General Meeting (AGM) of the Company held on 5<sup>th</sup> September, 2014 till the conclusion of the 12<sup>th</sup> AGM to be held in the year 2018. The term of M/s. Manubhai & Shah LLP has been expiring in the year 2018. In place of said Joint Statutory Auditor, Board has recommended to appoint M/s. S G D G & Associates LLP, Chartered Accountants, Ahmedabad (S G D G) (Firm Registration No. W100188) from conclusion of the AGM to be held in the year 2018 till the conclusion of the 17<sup>th</sup> AGM to be held in 2023.

S G D G have given their consent to act as Joint Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of S G D G and authorize the Board of Directors to fix their remuneration.

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S R B C & Co. LLP, Chartered Accountants having Firm Registration No. 324982E was appointed as Joint Statutory Auditors of the Company from conclusion of the 8<sup>th</sup> Annual General Meeting (AGM) of the Company held on 5<sup>th</sup> September, 2014 till the conclusion of the 13<sup>th</sup> AGM to be held in the year 2019.

The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting and M/s. S R B C & Co. LLP, Chartered Accountants, will continue to act as auditors of the Company till financial year 2018-19.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

**(ii) Cost Auditors**

The company has received a letter from the cost auditors M/s. J B Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The board of directors of the company has appointed M/s. J B Mistri & Co. & Associates, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. The Cost Audit Report for the year 2016-17 was filed with the Ministry of Corporate Affairs within stipulated time lines. The members are requested to ratify the remuneration to be paid to the cost auditors of the company.

**(iii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Ashish Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is annexed as **Annexure - 4**.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

**SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed as **Annexure - 5**.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no earning in the foreign currency and no foreign exchange earning and out go during the year.

Since the Company does not have any manufacturing activities, the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 are not applicable.

**PARTICULARS OF EMPLOYEES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as **Annexure - 6** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the registered office of the Company during working hours, pursuant to the provisions of the first proviso to Section 136(1) of the Act and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

**ACKNOWLEDGEMENTS**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**For and on behalf of the Board of Directors**

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

**Shashin V. Patel**  
Chairman  
DIN: 00048328

# Annexure - 1

## FORM AOC-1

(Pursuant to first provision to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures

Name of the Subsidiary Company	Part "A": Subsidiaries																		(₹ in Million)	
	Aurangabad -Jalna Toll Way Limited	Ahmedabad Ring Road Infra- structure Limited	Bilapur- Hungund Tollway Private Limited	Bhilwara- Rajsamand Tollway Private Limited	Dhule Palesner Tollway Limited	Hyderabad -Yadgiri Tollway Private Limited	Maharashtra Border Check Post Network Limited	Nagpur - Seoni Express- way Limited	Rohtak - Hissar Tollway Private Limited	Rohtak- Panipat Tollway Private Limited	Shreenathji -Udaipur Tollway Private Limited	Sadbhav Rudrapur Highway Private Limited	Sadbhav Nainital Highway Private Limited	Sadbhav Bhavnagar Highway Private Limited	Sadbhav Una Highway Private Limited	Sadbhav Bangalore Highway Private Limited	Sadbhav Vidarbha Highway Private Limited	Sadbhav Udaipur Highway Private Limited		Sadbhav Jodhpur Ringroad Private Limited
Reporting period	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	From 24 <sup>th</sup> April, 2017 to 31 <sup>st</sup> March, 2018	From 23 <sup>rd</sup> May, 2017 to 31 <sup>st</sup> March, 2018	From 03 <sup>rd</sup> January, 2017 to 31 <sup>st</sup> March, 2018	
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	19.71	104.60	1,009.60	173.40	687.80	32.47	0.50	480.00	107.68	21.86	337.43	10.00	10.00	40.00	40.00	151.25	0.50	110.50	0.50	3,337.80
Reserves & Surplus	(68.67)	195.70	(977.55)	954.63	63.76	(148.48)	3,062.36	(1,087.89)	(657.67)	(3,821.24)	1,299.25	295.50	481.27	340.84	226.86	465.61	336.84	331.96	(0.02)	1,293.05
Total Assets	2,383.62	3,369.985	9,205.08	4,098.65	11,506.14	6,252.41	15,408.58	2,285.20	10,329.14	18,272.57	14,319.63	2,832.91	1,570.27	2,719.03	1,904.21	2,416.31	761.25	2,326.18	0.50	111,961.65
Total Liabilities (excluding Share Capital and Reserves & Surplus	2,432.58	3,069.68	9,173.03	2,970.62	10,754.59	6,368.42	12,345.72	2,893.08	10,879.13	22,071.95	12,682.95	2,527.41	1,079.00	2,338.20	1,637.35	1,799.45	423.91	1,883.71	0.02	107,330.80
Investments	0.00	57.22	258.54	2.29	45.43	3.43	0.00	32.83	1.24	32.98	2.08	0.00	0.00	0.00	5.01	1.08	0.00	0.00	0.00	442.12
Turnover	527.79	997.14	1,286.99	496.62	1,821.24	735.50	2,979.37	35.60	994.84	1,832.83	1,099.14	2,330.24	670.32	2,335.39	1,124.48	1,366.69	637.09	1,427.21	0.00	22,698.50
Profit/(Loss) Before Taxation	47.36	131.36	(393.55)	(106.39)	(368.49)	(215.88)	12.83	(118.69)	(1,063.45)	(1,448.30)	(615.49)	24.68	50.00	34.16	53.43	13.14	34.89	18.08	(0.02)	(3,910.33)
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for Taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.90	16.41	11.02	17.62	5.00	11.52	6.01	0.00	75.50
Profit/(Loss) After Taxation	47.36	131.36	(393.94)	(106.39)	(368.49)	(215.88)	12.83	(118.69)	(1,063.45)	(1,448.30)	(615.49)	16.78	33.59	23.14	35.81	8.13	23.37	12.06	(0.02)	(3,986.21)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of Shareholding	100.00%	100.00%	77.00%	100.00%	100.00%	100.00%	91.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Figures in bracket show negative figures.

#### Notes:

1. Name of Subsidiaries which are yet to commence operations

- Sadbhav Jodhpur Ring Road Private Limited
- Sadbhav Tumkur Highway Private Limited
- Sadbhav Bhimasar Bhuj Highway Private Limited
- Sadbhav Kim Empressway Private Limited
- Sadbhav Vizag Port Road Private Limited

2. Name of Subsidiaries which have been liquidated or sold during the year: N.A

3. Part B is not applicable as there are no associate Companies/Joint Ventures of the Company as on 31<sup>st</sup> march, 2018.

For and on behalf of Board of Directors

**Shashin V. Patel**  
Chairman  
DIN: 00048328

**Vasistha C. Patel**  
Managing Director  
DIN: 00048324

**Hardik Modi**  
Company Secretary

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

**Varun Mehta**  
Chief Financial Officer

## Annexure - 2

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts/arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Justification for entering into such contracts or arrangements or transactions:

(f) Date(s) of approval by the Board:

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ In Million	Date(s) of approval by the Board	Amount Paid / Received in advance
1	Ahmedabad Ring Road Infrastructure Project Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	15.12	N.A	Nil
2	Aurangabad Jalna Tollway Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	13.71	N.A	Nil
3	Dhule Palesner Tollway Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	643.23	N.A	Nil
4	Hyderabad Yadgiri Tollway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	43.24	N.A	Nil
5	Maharashtra Border Check Post Network Limited	Subsidiary	Sale of Services (including contract revenue)	2017-18	265.27	N.A	Nil
6	Nagpur Seoni Express Way Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	16.92	N.A	Nil
7	Rohtak Panipat Tollway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	32.44	N.A	Nil



8	Shreenathji Udaipur Tollway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	38.78	N.A	Nil
9	Bhilwara Rajsamand Tollway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	28.13	N.A	Nil
10	Sadbhav Una Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	205.08	N.A	Nil
11	Sadbhav Bhavnagar Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	285.03	N.A	Nil
12	Sadbhav Rudrapur Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	276.00	N.A	Nil
13	Sadbhav Nainital Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	255.50	N.A	Nil
14	Sadbhav Bangalore Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	385.00	N.A	Nil
15	Sadbhav Udaipur Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	274.48	N.A	Nil
16	Sadbhav Vidarbha Highway Private Limited	Wholly Owned Subsidiary	Sale of Services (including contract revenue)	2017-18	600.00	N.A	Nil
17	Sadbhav Engineering Limited	Holding Company	Rent paid	2017-18	0.90	N.A	Nil
18	Sadbhav Engineering Limited	Holding Company	Sale of Machinery	2017-18	2.64	N.A	Nil

**Note:**

All above transactions have been entered in the ordinary course of business and arm's length basis, hence approval of Board is not required under Section 188 of the Companies Act, 2013.

**For, Sadbhav Infrastructure Project Limited**

**Shashin V. Patel**  
Chairman  
DIN: 00048328

## Annexure - 3 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Company recognizes that as a responsible corporate entity its functions and operations have an impact on society and on the environment. In addition to ensuring that operations are conducted efficiently and in a manner that meets governmental environmental standards, the Company is committed in ensuring that the communities where it operates also benefits and develops together.

Company with an intention to actively participate in the development of the communities where projects are located, has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and is placed on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/corporate-social-responsibility-policy.pdf>.

- 2. The Composition of the CSR Committee:**

Mr. Vasistha C. Patel	-	Chairman and Member
Mr. Nitin R. Patel	-	Member
Mr. Sandip V. Patel	-	Member
Mr. Atul N. Ruparel	-	Member

- 3. Average net profit/(loss) of the company for last three financial years:** Loss of ₹ 24.34 Million
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** N.A.
- 5. Details of CSR spent during the financial year:**
- (a) Total amount to be spent for the financial year: NIL  
(b) Amount unspent, if any: NIL  
(c) Manner in which the amount spent during the financial year is detailed below: NIL
- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:** N.A.
- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:** N.A.

**For, Sadbhav Infrastructure Project Limited**

**Vasistha C. Patel**  
Chairman of CSR Committee and Managing Director  
DIN: 0004834

**Shashin V. Patel**  
Director  
DIN: 00048328

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Sadbhav Infrastructure Project Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadbhav Infrastructure Project Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of Sadbhav Infrastructure Project Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Infrastructure Project Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2018 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; Not Applicable.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable.
- (vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable to the Company.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For, Ashish Shah & Associates**

**Ashish Shah**

Company Secretary in practice  
FCS No.: 5974 • C P No.: 4178

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

## ***Annexure - A***

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To,  
The Members,  
**Sadbhav Infrastructure Project Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, Ashish Shah & Associates**

**Ashish Shah**

Company Secretary in practice  
FCS No.: 5974 • C P No.: 4178

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad



## Annexure - 5

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2018  
[Pursuant to Section 92(3) of the Companies Act, 2013 & Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

CIN	L45202GJ2007PLC049808
Registration Date	18 <sup>th</sup> January, 2007
Name of the Company	Sadbhav Infrastructure Project Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of Registered Office and Contact Details	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006 Tel: 079-26463384; Fax: 079-26400210 Email: <a href="mailto:investor@sadbhavinfra.co.in">investor@sadbhavinfra.co.in</a> Website: <a href="http://www.sadbhavinfra.co.in">www.sadbhavinfra.co.in</a>
Whether listed company	Yes
Name, Address and Contact Details of Registrar & Transfer Agent (RTA), if any	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel: 022-49186000; Fax: 022-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services	42101	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Aurangabad - Jalna Tollway Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2007PLC049814	Subsidiary	100%	2(87)
2	Ahmedabad Ring Road Infrastructure Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2006PLC048981	Subsidiary	100%	2(87)
3	Bijapur-Hungund Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2010PTC059669	Subsidiary	77%	2(87)
4	Bhilwara-Rajsamand Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2012PTC072902	Subsidiary	100%	2(87)
5	Dhule Palesner Tollway Limited 701, 7 <sup>th</sup> Floor, “C” Wing, Godrej Coliseum, B/h Everard Nagar, Sion (East), Mumbai-400022	U45203MH2009PLC191222	Subsidiary	99.99%	2(87)
6	Hyderabad-Yadgiri Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2010PTC059262	Subsidiary	100%	2(87)

7	Maharashtra Border Check Post Network Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45201GJ2009PLC056327	Subsidiary	91.00%	2(87)
8	Nagpur – Seoni Expressway Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2007PLC049963	Subsidiary	99.99%	2(87)
9	Rohtak-Hissar Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2013PTC074446	Subsidiary	100%	2(87)
10	Rohtak-Panipat Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45202GJ2010PTC059322	Subsidiary	100%	2(87)
11	Sadbhav Bangalore Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45202GJ2016PTC094257	Subsidiary	100%	2(87)
12	Sadbhav Bhavnagar Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2016PTC092557	Subsidiary	100%	2(87)
13	Sadbhav Engineering Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	L45400GJ1988PLC011322	Holding	Nil	2(46)
14	Sadbhav Nainital Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2016PTC091777	Subsidiary	100%	2(87)
15	Sadbhav Rudrapur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2016PTC091774	Subsidiary	100%	2(87)
16	Sadbhav Una Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45500GJ2016PTC092589	Subsidiary	100%	2(87)
17	Shreenathij-Udaipur Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45201GJ2012PTC069676	Subsidiary	100%	2(87)
18	Sadbhav Jodhpur Ring Road Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC100367	Subsidiary	100%	2(87)
19	Sadbhav Vidarbha Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45500GJ2017PTC097040	Subsidiary	100%	2(87)
20	Sadbhav Udaipur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2017PTC097508	Subsidiary	100%	2(87)
21	Sadbhav Tumkur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101396	Subsidiary	100%	2(87)
22	Sadbhav Bhimasar Bhuj Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101821	Subsidiary	100%	2(87)
23	Sadbhav Vizag Port Road Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101832	Subsidiary	100%	2(87)
24	Sadbhav Kim Expressway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101800	Subsidiary	100%	2(87)
25	Sadbhav Hybrid Annuity Projects Limited Block No. J -59, Ground Floor Saket New Delhi- 110017	U45500DL2018PLC335787	Subsidiary	100%	2(87)

**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31ST MARCH, 2018**  
**A) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2017				No. of Shares held at the end of the year as on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2247484	-	2247484	0.64	2027484	-	2027484	0.58	(0.06)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	241783427	-	241783427	68.94	242223427	-	242223427	68.77	(0.17)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):</b>	<b>244030911</b>	<b>-</b>	<b>244030911</b>	<b>68.28</b>	<b>244250911</b>	<b>-</b>	<b>244250911</b>	<b>69.35</b>	<b>(0.23)</b>
<b>(2) Foreign</b>									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>244030911</b>	<b>-</b>	<b>244030911</b>	<b>69.28</b>	<b>244250911</b>	<b>-</b>	<b>244250911</b>	<b>69.35</b>	<b>(0.23)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds/UTI	17675480	-	17675480	5.02	21732782	-	21732782	6.17	1.15
b) Banks / FI	-	-	-	-	120458	-	120458	0.03	0.03
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	13693425	-	13693425	3.89	-	-	-	-	(3.89)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	9131170	-	9131170	2.59	38620388	-	38620388	10.96	8.37
<b>Sub-total (B)(1):</b>	<b>40500075</b>	<b>-</b>	<b>40500075</b>	<b>11.50</b>	<b>60473628</b>	<b>-</b>	<b>60473628</b>	<b>17.13</b>	<b>5.63</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	4458390	-	4458390	1.27	6682535	-	6682535	1.90	(0.63)
ii) Overseas	58243720	-	58243720	16.53	29121860	-	29121860	8.27	(8.26)
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1642552	13	1642565	0.47	3380424	13	3380437	0.96	0.49
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	2775587	-	2775587	0.79	6775675	-	6775675	1.92	1.13
c) Others (specify)									
Hindu Undivided Family	338321	-	338321	0.10	537746	-	537746	0.15	0.05

NRI (Non Repat)	53271	-	53271	0.02	34680	-	34680	0.01	(0.01)
NRI (Repat)	23672	-	23672	0.01	523229	-	523229	0.15	0.14
Clearing Member	158704	-	158704	0.05	444515	-	444515	0.13	0.08
<b>Sub-total (B)(2):-</b>	<b>67694217</b>	<b>13</b>	<b>67694230</b>	<b>19.22</b>	<b>47500664</b>	<b>13</b>	<b>47500677</b>	<b>13.49</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>108194292</b>	<b>13</b>	<b>108194305</b>	<b>30.72</b>	<b>107974292</b>	<b>13</b>	<b>107974305</b>	<b>30.65</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>352225203</b>	<b>13</b>	<b>352225216</b>	<b>100.00</b>	<b>352225203</b>	<b>13</b>	<b>352225216</b>	<b>100.00</b>	-

#### B) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Sadbhav Engineering Limited	241783427	68.64	10.00	242223427	68.77	10.00	0.12
Vishnubhai Patel	1213374	0.34	-	1213374	0.34	-	-
Shashin Patel	704110	0.20	-	814110	0.23	-	0.03
Rajeshreeben Patel	330000	0.09	-	-	-	-	(0.09)
<b>Total</b>	<b>244030911</b>	<b>69.28</b>	<b>10.00</b>	<b>244250911</b>	<b>69.34</b>	<b>10.00</b>	

#### C. Change in Promoters' shareholding

For Each of the Promoters	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Sadbhav Engineering Limited	241783427	68.64		-				
			24-11-2017	Purchase of Shares	440000	0.12	242223427	68.77
			31-03-2018	At the end of the year	-	-	242223427	68.77
Vishnubhai M. Patel	1213374	0.34	-	-	-	-		0.34
			31-03-2018	At the end of the year	-	-	1213374	0.34
Shashin V. Patel	704110	0.20	13-10-2017	Purchase of Shares	110000	0.03	814110	0.23
			31-03-2018	At the end of the year	-	-	814110	0.23
Rajeshreeben Patel	330000	0.09	24-11-2017	Sale of shares	(330000)	(0.09)	0	0.00
			31-03-2018	At the end of the year	-	-	0	0

#### D) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Promoters	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Xander Investment Holding XVII Limited	29121860	8.27	-	-	-	-		
			17-11-2017	Sale of Shares	(3500000)	(0.99)	25621860	7.27
			24-11-2017	Sale of Shares	(3747860)	(1.06)	21874000	6.2102
			01-12-2017	Sale of Shares	(3624000)	(1.02)	18250000	5.1813
			08-12-2017	Sale of Shares	(13955000)	(3.96)	4295000	1.2194
			15-12-2017	Sale of Shares	(4295000)	(1.21)	0	0
			31-03-2018	At the end of the year	-	-	0	0



Norwest Venture Partners Vii-A-Mauritius	29121860	8.27	31-03-2018	At the end of the year	29121860	8.27	29121860	8.27
Amanza Holdings Private Limited	13225812	3.75	-	-	-	-		
			12-05-2017	Sale of Shares	(13225812)	(3.75)	0	0
			31-03-2018	At the end of the year	-	-	0	0
HDFC Trustee Company Limited-HDFC Equity Fund	8641315	2.45	21-04-2017	Purchase of Shares	356000	0.1	8997315	2.55
			02-06-2017	Purchase of Shares	233000	0.06	9230315	2.62
			09-06-2017	Purchase of Shares	234011	0.06	9464326	2.68
			06-10-2017	Purchase of Shares	1200000	0.34	10664326	3.02
			27-10-2017	Purchase of Shares	500000	0.14	11164326	3.16
			03-11-2017	Purchase of Shares	1455000	0.41	12619326	3.58
			08-12-2017	Sale of Shares	(59000)	(0.016)	12560326	3.57
			09-03-2018	Sale of Shares	(1000000)	(0.28)	11560326	3.28
			16-03-2018	Sale of Shares	(3000000)	(0.85)	8560326	2.43
			23-03-2018	Sale of Shares	(450000)	(0.12)	8110326	2.30
			31-03-2018	At the end of the year	(300000)	Sale of Shares	7810326	2.22
Nomura India Investment Fund Mother Fund	4854310	1.38	12-05-2017	Purchase of Shares	12046685	3.42	16900995	4.79
			08-12-2017	Purchase of Shares	9230000	2.62	26130995	7.41
			26-01-2018	Purchase of Shares	25000	0.007	26155995	7.42
			09-02-2018	Purchase of Shares	100000	0.028	26255995	7.45
			31-03-2018	At the end of the year	-	-	26255995	7.45
Tata Mutual Fund-Tata Infrastructure Fund	9034165	2.56	21-04-2017	Sale of Shares	(344192)	(0.09)	8689973	2.4672
			02-06-2017	Sale of Shares	(233050)	(0.06)	8456923	2.401
			06-10-2017	Sale of Shares	(1200000)	(0.34)	7256923	2.0603
			20-10-2017	Sale of Shares	(30000)	(0.008)	7226923	2.0518
			27-10-2017	Sale of Shares	(2000000)	(0.56)	5226923	1.484
			03-11-2017	Sale of Shares	(3100498)	(0.88)	2126425	0.6037
			31-03-2018	At the end of the year	-	-		
LTS Investment Fund Limited*	2925000	0.83	19-05-2017	Sale of Shares	(15000)	(0.004)	2910000	0.83
			23-02-2018	Sale of Shares	(237783)	(0.06)	2672217	0.76
			02-03-2018	Sale of Shares	(37842)	(0.01)	2634375	0.75
			31-03-2018	At the end of the year	-	-	2634375	0.75
Morgan Stanley Mauritius Company Limited	1351860	0.38	12-05-2017	Sale of Shares	(93621)	(0.002)	1258239	0.36
			10-11-2017	Sale of Shares	(413189)	(0.11)	845050	0.24
			17-11-2017	Sale of Shares	(72626)	(0.02)	772424	0.22
			24-11-2017	Sale of Shares	(230190)	(0.06)	542234	0.15
			01-12-2017	Sale of Shares	(141994)	(0.04)	400240	0.11
			23-02-2018	Sale of Shares	(201631)	(0.05)	198609	0.05
			02-03-2018	Sale of Shares	(39370)	(0.01)	159239	0.04
			09-03-2018	Sale of Shares	(3634)	(0.001)	155605	0.04
			31-03-2018	At the end of the year	-	-	155605	0.04
Tata AIA Life Insurance Co Ltd.-Whole Life MID CAP Equity Fund-ULIF 009 04/01/07 WLE 110*	1288457	0.37	29-09-2017	Sale of Shares	(16609)	(0.04)	1271848	0.3611
			06-10-2017	Sale of Shares	(1852)	0.00	1269996	0.3606
			03-11-2017	Sale of Shares	(101399)	(0.02)	1168597	0.3318
			10-11-2017	Sale of Shares	(187962)	(0.05)	980635	0.2784
			17-11-2017	Sale of Shares	(599858)	(0.17)	380777	0.1081
			24-11-2017	Sale of Shares	(380777)	(0.10)	0	0.0000
			31-03-2018	At the end of the year	-	-	0	0

Reliance Capital Trustee Co Ltd A/C-Reliance Regular Savings Fund-Balanced Option	-	-	24-11-2017	Purchase of Shares	1000000	0.28	1000000	0.2839
			01-12-2017	Purchase of Shares	2992201	0.84	3992201	1.1334
			15-12-2017	Purchase of Shares	2500000	0.70	6492201	1.8432
			12-01-2018	Purchase of Shares	88560	0.025	6580761	1.8683
			19-01-2018	Purchase of Shares	51440	0.01	6632201	1.8829
			26-01-2018	Purchase of Shares	49000	0.01	6681201	1.8969
			02-02-2018	Purchase of Shares	170000	0.04	6851201	1.9451
			09-02-2018	Purchase of Shares	74500	0.02	6925701	1.9663
			16-02-2018	Purchase of Shares	25180	0.007	6950881	1.9734
			23-02-2018	Purchase of Shares	145150	0.04	7096031	2.0146
			09-03-2018	Purchase of Shares	1000000	0.28	8096031	2.2985
			16-03-2018	Purchase of Shares	2200000	0.62	10296031	2.9231
			23-03-2018	Purchase of Shares	1000000	0.28	11296031	3.207
Nomura Funds Ireland Public Limited Company- Nomura Funds Ireland - India Equity Fund	-	-	31-03-2018	At the end of the year	500000	0.14	11796031	3.349
			12-05-2017	Purchase of Shares	1179127	0.33	1179127	0.3348
			09-06-2017	Purchase of Shares	4563	0	1183690	0.3361
			10-11-2017	Purchase of Shares	143647	0.04	1327337	0.3768
			17-11-2017	Purchase of Shares	561593	0.15	1888930	0.5363
			08-12-2017	Purchase of Shares	770000	0.21	2658930	0.7549
			23-02-2018	Purchase of Shares	457250	0.12	3116180	0.8847
			02-03-2018	Purchase of Shares	36053	0.01	3152233	0.8949
Hsbc Global Investment Funds - Indian Equity	-	-	23-03-2018	Purchase of Shares	547000	0.15	3699233	1.0502
			31-03-2018	At the end of the year	-	-	3699233	1.0502
			17-11-2017	Purchase of Shares	3196747	0.9	3196747	0.9076
			08-12-2017	Purchase of Shares	9473	0	3206220	0.9103
			15-12-2017	Purchase of Shares	150000	0.04	3356220	0.9529
Hsbc Indian Equity Mother Fund	-	-	16-02-2018	Sales of Shares	(5700)	(0.001)	3350520	0.9512
			31-03-2018	At the end of the year	-	-	3350520	0.9512
			03-11-2017	Purchase of Shares	1000456	0.28	1000456	0.284
			08-12-2017	Purchase of Shares	10540	0.002	1010996	0.287
ICICI Prudential Life Insurance Company Limited*	1266720	0.36	15-12-2017	Purchase of Shares	150000	0.04	1160996	0.3296
			14-04-2017	Purchase of Shares	13397	0.003	1280117	0.3634
			21-04-2017	Purchase of Shares	2176	0	1282293	0.3641
			28-04-2017	Purchase of Shares	13654	0	1295947	0.3679
			05-05-2017	Purchase of Shares	8205	0.002	1304152	0.3703
			12-05-2017	Purchase of Shares	1055	0.00002	1305207	0.3706
			26-05-2017	Purchase of Shares	14078	0.003	1319285	0.3746
			02-06-2017	Purchase of Shares	4071	0.001	1323356	0.3757
			09-06-2017	Purchase of Shares	247240	0.07	1570596	0.4459
			14-07-2017	Purchase of Shares	157	0	1570753	0.446
			11-08-2017	Purchase of Shares	3333	0	1574086	0.4469
			18-08-2017	Purchase of Shares	28652	0.008	1602738	0.455
			25-08-2017	Purchase of Shares	12928	0.003	1615666	0.4587
			01-09-2017	Purchase of Shares	4135	0	1619801	0.4599
			31-03-2018	At the end of the year	-	-	1619801	0.4599

\* Shareholding of above top ten shareholders have been consolidated based on PAN.

**E) Shareholding of Directors and Key Managerial Personnel (KMP)**

For Each Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Vasistha C. Patel	550000	0.16	21-11-2017	Sale of shares	(110000)	(0.03)	440000	0.12
			31-03-2018	At the end of the year	-	-	440000	0.12
Shashin V. Patel	704110	0.20	03-10-2017	Purchase of shares	110000	0.03	814110	0.23
			31-03-2018	At the end of the year	-	-	814110	0.23
Nitin R. Patel	1811	0.00	-	-	-	-	1811	0.00
			31-03-2018	At the end of the year	-	-	1811	0.00
Arun S. Patel	1885	0.00	-	-	-	-	1885	0.00
			31-03-2018	At the end of the year	-	-	1885	0.00
Atul N. Ruparel	0	0.00	-	-	-	-	0	0.00
			31-03-2018	At the end of the year	-	-	0	0.00
Mirat N. Bhadlawala	0	0.00	-	-	-	-	0	0.00
			31-03-2018	At the end of the year	-	-	0	0.00
Sandip V. Patel	1885	0.00	-	-	-	-	1885	0.00
			31-03-2018	At the end of the year	-	-	1885	0.00
Daksha N. Shah	0	0.00	-	-	-	-	0	0.00
			31-03-2018	At the end of the year	-	-	0	0.00
Varun M. Mehta (CFO)	1885	0.00	-	-	-	-	1885	0.00
			31-12-2017	Sale of shares	(1885)	0.00	1885	0.00
			31-03-2018	At the end of the year	-	-	0	0.00
Hardik J. Modi	0	0.00	-	-	-	-	0	0.00
			31-03-2018	At the end of the year	-	-	0	0.00

**V) INDEBTEDNESS - indebtedness of the company including interest outstanding/accrued but not due for payment (₹ in Million)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year including</b>				
i) Principal Amount	8,005.41	4,859.78	-	12,865.19
ii) Interest due but not paid	-	89.58	-	89.58
iii) Interest accrued but not due	738.40	-	-	738.40
<b>Total (i+ii+iii)</b>	<b>8,743.81</b>	<b>4,949.36</b>	<b>-</b>	<b>13,693.17</b>
<b>Change in Indebtedness during the financial year</b>				
*Addition	845.80	2,308.38	-	3,154.18
*Reduction	(570.84)	(744.38)	-	(1,315.22)
<b>Net Change</b>	<b>274.96</b>	<b>1,564.01</b>	<b>-</b>	<b>1,838.97</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7,724.32	5,932.18	-	13,656.50
ii) Interest due but not paid	-	581.19	-	581.19
iii) Interest accrued but not due	1,294.45	-	-	1,294.45
<b>Total (i+ii+iii)</b>	<b>9,018.77</b>	<b>6,513.37</b>	<b>-</b>	<b>15,532.14</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Million)

Sr.	Particulars of Remuneration	Mr. Vasistha C. Patel Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.00	3.00
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify....	-	-
5	Others, (please specify) Leave Encashment	0.25	0.25
	Total (A)	3.25	3.25
	Ceiling as per the Act	As per Part II of Schedule V of the Companies Act, 2013	

### B. Remuneration to other Directors

#### (i) Independent Directors

(₹ in Million)

Particulars of Remuneration	Mr. Sandip V. Patel	Mr. Arun S. Patel	Mr. Atul N. Ruparel	Mr. Mirat N. Bhadlawala	Mrs. Daksha N. Shah	Total
(a) Fee for attending Board and Committee meetings	0.06	0.075	0.03	0.045	0.075	0.285
(b) Commission	-	-	-	-	-	-
(c) Other, please specify	-	-	-	-	-	-
<b>Total (i)</b>	<b>0.06</b>	<b>0.075</b>	<b>0.03</b>	<b>0.045</b>	<b>0.075</b>	<b>0.285</b>

#### (ii) Other Non-Executive Directors

(₹ in Million)

Particulars of Remuneration	Mr. Shashin V. Patel	Mr. Nitin R. Patel	Total
(a) Fee for attending Board and Committee meetings	0.075	0.075	0.15
(b) Commission	-	-	-
(c) Other, please specify	-	-	-
<b>Total (ii)</b>	<b>0.075</b>	<b>0.075</b>	<b>0.15</b>
<b>Total (i) + (ii)</b>	<b>0.075</b>	<b>0.075</b>	<b>0.15</b>



**C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in Million)

Sr.	Particulars of Remuneration	Mr. Varun M. Mehta Chief Financial Officer	Mr. Hardik J. Modi Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.57	0.68	4.25
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify			
	- Gratuity	-	-	-
	Total (A)	3.57	0.68	4.25

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

**Shashin V. Patel**  
 Chairman  
 DIN: 00048328

## Annexure - 6

### Detail under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2017-18:

Name of Directors	Designation	Ratio of remuneration of the Directors to the median remuneration of the employees	% increase in remuneration in the financial year
Mr. Vasistha C. Patel	Managing Director	10:1	NIL
Mr. Shashin V. Patel <sup>^</sup>	Non-Executive Director	0.26:1	N.A.
Mr. Nitin R. Patel <sup>^</sup>	Non-Executive Director	0.31:1	N.A.
Mr. Sandip V. Patel <sup>^</sup>	Independent Director	0.31:1	N.A.
Mr. Arun S. Patel <sup>^</sup>	Independent Director	0.31:1	N.A.
Mr. Atul N. Ruparel <sup>^</sup>	Independent Director	0.21:1	N.A.
Mr. Mirat N. Bhadlawala <sup>^</sup>	Independent Director	0.26:1	N.A.
Mrs. Daksha N. Shah <sup>^</sup>	Independent Director	0.31:1	N.A.

<sup>^</sup> Reflects sitting fees.

The percentage increase in remuneration of the Chief Financial Officer is 8% and of the Company Secretary is 7%.

- B. The percentage increase in the median remuneration of employees in the financial year 2017-2018: 8%
- C. There were 41 employees on the rolls of Company as on March 31, 2018.
- D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 7.40% whereas the increase in the managerial remuneration for the same financial year was 4.51%. Comparison of the remuneration of the Key Managerial Personnel against the performance.
- E. It is here by affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## Annexure - 7

### BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2017-18

#### Section A: General Information about the Company

1.	Corporate Identity Number(CIN)	L45202GJ2007PLC049808	
2.	Name of the Company	Sadbhav Infrastructure Project Limited	
3.	Registered Address	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006	
4.	Website	<a href="http://www.sadbhavinfra.co.in">www.sadbhavinfra.co.in</a>	
5.	E-mailid	<a href="mailto:investor@sadbhavinfra.co.in">investor@sadbhavinfra.co.in</a>	
6.	Financial Year reported	2017-18	
7	Sector(s) that the Company is engaged in (industrial activity code wise)	<b>Industrial Group</b>	<b>Description</b>
		42101	Development, construction as well as operations & maintenance of Infrastructure projects and related consulting and advisory services.
8.	List three key product/services that the Company manufactures/provides(as in balance sheet)	Development, operation and maintenance of national and state highways and roads in several states in India.	
9.	Total number of locations where business activity is undertaken by the Company: I. Number of International Locations ii. Number of National Locations	NIL Presently Company executes various projects across 8 states in India	
10.	Markets served by the Company (Local/State/National/International)	Company executed projects across various states in India.	

#### Section B: Financial Details of the Company

1	Paid up capital (INR)	₹ 3,522.25 Million
2	Total turnover (INR)	₹ 3,847.50 Million
3	Total Profit after taxes (INR)	₹ 677.40 Million
4	Total Profit after taxes and other Comprehensive income (INR)	₹ 677.39 Million
5	Total Spending on CSR as percentage of profit After tax (%)	N.A
6	List of activities in which expenditure in 4 above has been incurred	N.A

#### Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?	Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
3	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]	No other entity / entities participate in the BR initiatives of the Company.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR:

#### a) Details of the Director/Directors responsible for implementation of the BR Policy/Policies:

Directors Identification Number (DIN)	00048328
Name	Mr. Shashin V. Patel
Designation	Chairman

#### b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00466330
2	Name	Mr. Nitin R. Patel
3	Designation	Director
4	Telephone Number	+91 79 40400400
5	E mail Id	<a href="mailto:investor@sadbhavinfra.co.in">investor@sadbhavinfra.co.in</a>

### 2. Principle-wise (as per NVGs) BR Policy/Policies:

#### a) Details of compliance (Reply in Y/N)

Sr. No	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer - Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for .....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	-	Y	Y	Y	Y	-	-	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.sadbhavinfra.co.in/en/about.html">http://www.sadbhavinfra.co.in/en/about.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y



b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Director periodically assesses the BR performance of the Company.
b	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	In line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG), company will publish Business Responsibility Report (BRR) Annually.

### Section E: Principle-wise Performance

#### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally, the Policy on Code of Conduct for Employees applies to all employees of Group companies. These do not extend to other entities.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

#### Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	Development, operation and maintenance of national and state highways and roads in several states in India.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):  a. Reduction during sourcing / production / distribution achieved since the previous year through the value chain: b. Reduction during usage by consumers (energy, water) achieved since the previous year?	Not applicable.  Not applicable. Company is not in business of manufacturing of goods or consumable products.

3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>As part of sourcing strategy, our priority is to source local raw materials for construction of Roads and Toll Plazas. Moreover, we strive to design and construct sustainable Projects which incorporate conservation measures, continuous monitoring of environment and use of resources that are environment friendly, adoption of green technologies and deployment of fuel efficient plants and machineries.</p> <p>Invariably, construction material like sand and aggregates are procured locally eliminating unnecessary transportation. While, it may not be possible to procure Bitumen Steel and Cement locally, in such cases only, the nearest source is explored for procurement.</p>
4	<p>Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>We always engage local contractors in the vicinity of our projects for supply of goods and services like housekeeping services, security, accommodation and provide mess facilities for staff. In addition, employment to local youth is provided in various functions in our Project / Toll offices and Toll plazas.</p> <p>Our regular interaction with the vendors and educating them the standards of quality required by us and their importance helps to enhance their approach and understanding of support functions. Apart from this, at the project sites, steps undertaken to award small / petty contracts to locals pertaining to job work, equipment supply, supplies, manpower, etc. thereby building the capability / capability at local level.</p>
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Recycling the product is not applicable as consumable goods and the associated packing material is not applicable.

**Principle 3: Business should promote the well being of all employees**

1	Please indicate total number of employees	41
2	Please indicate total number of employees hired on temporary / contractual / casual basis	8
3	Please indicate the number of permanent women employees	1
4	Please indicate the number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by the Management?	No
6	What percentage of permanent employees is members of this recognized employee association?	N.A
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	<p>A. Permanent employees : 70%</p> <p>B. Permanent women employees : 100%</p> <p>C. Casual / Temporary / Contractual employee : 80%</p> <p>D. Employees with disabilities : N/A</p>

**Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:**

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, Stakeholders of the company have been mapped through a formal process of consultations at all operations. The Company's key stakeholders include employees, suppliers, business partners, regulatory agencies and especially local communities around its sites of operations.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, the Company has identified the disadvantaged, vulnerable and the marginalized sections within the local communities around its sites of operations.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	As and when circumstances occur.

**Principle 5: Business should respect and promote human rights:**

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Yes. Policy on human rights covers employees of the company as well as employees of the subsidiaries.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

**Principle 6: Business should respect, protect, and make effort to restore the environment**

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	Yes, it extends to Company as well as subsidiaries.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.	No, the Company does not have any project globally.
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyper link for web page etc.	No
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. Complied with.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	Nil

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	No
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	We have been suggesting changes in policies to remove bottlenecks impacting the growth of infrastructure in the country and simplification of arbitration policies.

**Principle 8: Business should support inclusive growth and equitable development**

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Company has a well drafted CSR Policy in line with Section 135 and Schedule VII of the Companies Act, 2013.
2	Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?	N.A
3	Have you done any impact assessment of your initiative?	No
4	What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?	No
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	No

**Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner**

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	N.A
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	No



# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all faces of its functioning and its interactions with stakeholders. To create a culture of corporate governance, the company has adopted practices such as constitution of various Board Committees for effective internal control system, adequate and timely compliance, fair representation of professionally qualified, non-executive and independent directors on the Board, disclosure of material information, effective management control, etc. The company is committed to achieve good corporate governance for betterment of sustainable growth and enhancement of stakeholders' value. So far as compliance with the requirement of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

## 2. BOARD OF DIRECTORS

### A. Composition of Board:

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors including Independent Directors. As on March 31, 2018, the Board comprised of eight directors which include one Executive Director and seven Non-Executive Directors including five Independent Directors (including one woman Director). Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, accounts, audit, legal and industry. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise to the Company and which enable them to effectively contribute to the Company in their capacity as Directors. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being Independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors are related to each other.

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 20 Companies and in more than 10 public Companies as prescribed under Section 165(1) of the Act. All Directors are also in compliance of the limit on Independent Directorships of listed Companies as prescribed in Regulation 25(1) of the Listing Regulations, and do not serve as an Independent Director in more than seven listed Companies. The Managing Director does not serve as Independent Director in any listed Company.

The composition of Board of Directors as on 31st March, 2018 is as under.

Name	Designation	Category	No. of Equity Shares held	No. of Directorship held in other Public Limited Companies	No. of Committee Membership in other companies <sup>#</sup>	No. of Committee Chairmanship in other companies <sup>#</sup>
Mr. Vasistha C. Patel (DIN: 00048324)	Managing Director	Executive Director	440000	8	2	Nil
Mr. Shashin V. Patel (DIN: 00048328)	Chairman & Non-Executive Director	Promoter, Non-Executive Director	814110	11	4	Nil
Mr. Nitin R. Patel (DIN: 00466330)	Director	Non-Independent, Non-Executive Director	191806	9	6	Nil
Mr. Sandip V. Patel (DIN: 00449028)	Director	Independent, Non-Executive Director	2030	8	3	3
Mr. Mirat N. Bhadlawala (DIN: 01027984)	Director	Independent, Non-Executive Director	Nil	10	5	4
Mr. Arun S. Patel (DIN: 06365699)	Director	Independent, Non-Executive Director	1885	9	6	4
Mr. Atul N. Ruparel (DIN: 00485470)	Director	Independent, Non-Executive Director	Nil	10	3	5
Mrs. Daksha N. Shah (DIN: 00376899)	Director	Independent, Non-Executive Director	Nil	4	1	1

<sup>#</sup> Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Infrastructure Project Limited) have been considered for committee position.

<sup>\*</sup> Mr. Shashin Patel is son of Mr. Vishnubhai Patel, Chairman Emeritus of the Company. Mr. Vasistha Patel is son-in-law of Mr. Vishnubhai Patel, Chairman Emeritus of the Company. Mr. Vasistha Patel and Mr. Shashin Patel are brother-in-laws. Except this, none of the other Directors are related to any other on the Board in terms of definition of 'relative' as per Companies Act, 2013.

## B. Board Meeting And Procedure:

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months. During the year under review, 5 (Five) Board Meetings were held on 18<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 11<sup>th</sup> November, 2017 17<sup>th</sup> November and 2<sup>nd</sup> February, 2018. The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations.

The meetings of the Board of Directors are scheduled well in advance. The Company Secretary, in consultation with Managing Director and other Directors, prepares detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings.

### Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vasistha C. Patel	5	4	Yes
Mr. Shashin V. Patel	5	5	Yes
Mr. Nitin R. Patel	5	5	Yes
Mr. Sandip Patel	5	4	Yes
Mr. Mirat N. Bhadlawala	5	4	Yes
Mr. Arun S. Patel	5	5	Yes
Mr. Atul N. Ruparel	5	3	Yes
Mrs. Daksha N. Shah	5	5	Yes

## C. Evaluation of Board Performance:

During the year, the Board in consultation with Nomination and Remuneration Committee, has adopted a formal mechanism to lay down the evaluation criteria for the performance of the Chairman, the Board, the Committees and Executive/Non-Executive/Independent Directors, excluding the Director being evaluated. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation on different criteria, which reflected the overall engagement of the Board and its Committees with the Company.

## D. Separate Meeting of Independent Directors:

During the year under review, in compliance with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company, without attendance of Non-Independent Directors and members of management, was held on 12<sup>th</sup> February, 2018, wherein, the Independent Directors:

1. Reviewed the performance of Non-Independent Directors;
2. Reviewed the performance of Board as a whole;
3. Reviewed the performance of Chairman of the Company;
4. Assessed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

#### **E. Familiarization Programme for Independent Directors:**

The Company familiarized its Independent Directors with the Corporate Structure of the group, nature of the industry in which Company operates, business model of the Company, project details, toll income and financials, etc. through familiarization programme held on 12<sup>th</sup> February, 2018. The detailed familiarization programme for Independent Directors is available on the website of the company at <http://www.sadbhavinfra.co.in/en/pdf/familiarization-programme-for-independent-directors-2017-18.pdf>

### **3. COMMITTEES OF THE BOARD**

There are following Committee of Board during the year 2017-18.

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Stakeholder' Relationship Committee
- (4) Finance and Investment Committee
- (5) Corporate Social Responsibility Committee
- (6) Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, re-constituting, assigning and co-opting the members of the Committees.

#### **A. Audit Committee**

##### **I. Terms of Reference:**

The terms of reference of the Audit Committee, inter alia, includes following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the Statutory Auditor of the Company and fixation of audit fee;
- Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process;
- Approving payments to Statutory Auditors for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issued and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the proposed offer by the Company.
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management system;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- Reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control system;
- Reviewing the adequacy of internal audit function if any, including the structure of internal audit department, reporting structure coverage and frequency of internal audit;
- Discussing with Internal Auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- Approving the appointment of the Chief Financial Officer or any other person handling the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

## II. Composition and Attendance:

The Company has Independent Audit Committee, constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Committee are financially literate. The Company Secretary acts as the secretary to the Committee. Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2017.

During the year 2017-18, 4 (four) meetings of the Audit Committee were held on 18<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 11<sup>th</sup> November, 2017, and 2<sup>nd</sup> February, 2018.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Sandip V. Patel	Chairman	Independent, Non-Executive Director	4	3
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	4	4
Mr. Nitin R. Patel	Member	Non-Independent, Non-Executive Director	4	4

## B. Nomination and Remuneration Committee

### I. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- Formulating criteria for evaluation of the Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluations of every Director's performance;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and determining remuneration packages of such Directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting a fixed and variable component;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

## II. Composition and Attendance:

The Company has Nomination and Remuneration Committee, constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Atul N. Ruparel, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2017.

During the year 2017-18, 2 (two) meetings of the Nomination and Remuneration Committee were held on 10<sup>th</sup> August, 2017 and 11<sup>th</sup> November, 2017.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Atul N. Ruparel	Chairman	Independent, Non-Executive Director	2	1
Mr. Mirat N. Bhadlawala	Member	Independent, Non-Executive Director	2	2
Mr. Shashin V. Patel	Member	Promoter, Non-Executive Director	2	2



### III. Remuneration Policy:

The remuneration policy of the Company has been formulated by ensuring that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis.

#### i) Remuneration to Non-Executive Directors

During the year 2017-18, Non-Executive Directors are paid sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### ii) Remuneration to Managing Director

Remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Mr. Vasistha C. Patel, Managing Director was paid remuneration of ₹ 2.50 Lakh per month by way of salary for the financial year ended 31<sup>st</sup> March, 2018 excluding leave encashment. Mr. Vasistha C. Patel, Managing Director was also entitled to receive commission on profits as well as other perquisites as determined by the Board of Directors and approved by shareholders.

The Company has entered into an agreement with Mr. Vasistha C. Patel for his employment for a period of Five years. Either party to an agreement is entitled to terminate the agreement by giving not less than 90 days' notice in writing to other party.

Details of the remuneration paid to Executive and Non-Executive Directors during the year 2017-18 are as under.

Name of Directors	Salary (₹ In Lakh)	Sitting Fees (₹ In Lakh)	Terms of appointment
Mr. Vasistha C. Patel	32.50	Nil	5 years from 1 <sup>st</sup> January, 2018
Mr. Shashin V. Patel	Nil	0.75	Nil
Mr. Nitin R. Patel	Nil	0.90	Nil
Mr. Sandip V. Patel	Nil	0.90	5 years from 5 <sup>th</sup> September, 2014
Mr. Mirat N. Bhadlawala	Nil	0.75	5 years from 22 <sup>nd</sup> October, 2014
Mr. Arun S. Patel	Nil	0.90	5 years from 22 <sup>nd</sup> October, 2014
Mr. Atul N. Ruparel	Nil	0.60	5 years from 22 <sup>nd</sup> October, 2014
Mrs. Daksha N. Shah	Nil	0.90	5 years from 24 <sup>th</sup> March, 2015

### C. Stakeholders' Relationship Committee

#### I. Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee, inter alia, includes following:

- Redressal of shareholders'/investors' grievances;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividend, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders;
- Carrying out any other function as prescribed under the Equity Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### II. Composition and Attendance:

The Company has constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company Secretary acts as the secretary to the Committee. Mr. Nitin R. Patel, Chairman of the Stakeholders' Relationship Committee, was present at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2017.

During the year 2017-18, 4 (four) meetings of the Stakeholders' Relationship Committee were held on 18<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 11<sup>th</sup> November, 2017 and 2<sup>nd</sup> February, 2018.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Nitin R. Patel	Chairman	Non-Independent, Non-Executive Director	4	4
Mr. Vasistha C. Patel	Member	Executive Director	4	3
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	4	4
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	4	3

### III. No. of Complaints received and resolved during the year:

Particulars	No. of Complaints
Complaints at the beginning of the year	Nil
Complaints received during the year	Nil
Complaints resolved during the year	Nil
Complaints remains unresolved at the end of the year	Nil

### D. Finance and Investment Committee

The Board has constituted Finance Committee as “Finance and Investment Committee” comprising of Mr. Shashin V. Patel, Mr. Vasistha C. Patel, Mr. Nitin R. Patel and Mr. Arun Patel, to review investment of funds, approval of short terms and/or long terms loans, banking transactions, avail financial facilities for Company and any other matters related to finance and investments of the company as decided by the Board of Directors of the Company.

Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

During the year 2017-18, 9 (Nine) meetings of the Finance and Investment Committee were held on 2<sup>nd</sup> May, 2017, 29<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 16<sup>th</sup> October, 2017, 20<sup>th</sup> December, 2017, 29<sup>th</sup> January, 2018, 19<sup>th</sup> February, 2018, 21<sup>st</sup> March, 2018 and 29<sup>th</sup> March, 2018.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Shashin V. Patel	Chairman	Non-Independent, Non-Executive Director	9	5
Mr. Vasistha C. Patel	Member	Executive Director	9	9
Mr. Nitin R. Patel	Member	Independent, Non-Executive Director	9	9
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	9	9

### E. Corporate Social Responsibility Committee

Company has duly constituted Corporate Social Responsibility Committee (known as “CSR Committee”) in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013, for the purpose of activities to be undertaken by the company towards the Corporate Social Responsibility (CSR).

The terms of reference of CSR Committee includes, formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and providing guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year 2017-18, 1 (one) meeting of the CSR Committee was held on 17<sup>th</sup> November, 2017.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vasistha C. Patel	Chairman	Executive Director	1	1
Mr. Nitin R. Patel	Member	Non-Independent, Non-Executive Director	1	1
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	1	1
Mr. Atul N. Ruparel	Member	Independent, Non-Executive Director	1	1

## F. Risk Management Committee

In compliance of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and majority of members of the Committee are members of Board of Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks as also identify business opportunities. The Committee has been delegated powers to monitor and review risk management plans. The Committee is headed by Mr. Vasistha C. Patel as Chairman of the Committee. Mr. Nitin R. Patel and Mr. Sandip Patel are members of the Committee. The Committee meets as and when the need to review the management plans.

## 4. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Financial Year	Day, Date& Time	Venue	Special Resolution passed
2016-17	Tuesday, 26 <sup>th</sup> September, 2017 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - To increase borrowing limits - To create charge on Company's properties - Approval of Conversion of loan in to equity - Considered and decided place of maintenance and keeping Register of Members and other registers at place other than the Registered office of the Company. - Alteration of Articles of Association.
2015-16	Wednesday, 28 <sup>th</sup> September, 2016 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - To increase borrowing limits - To create charge on Company's properties
2014-15	Monday, 28 <sup>th</sup> December, 2015 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on Private Placement basis - To authorize Board of Directors to make Investment on behalf of the Company - To Approve Related Party Transactions

During the year 2017-18, no Special Resolution was passed through postal ballot and there is no resolution proposed to be passed through postal ballot

## 5. MEANS OF COMMUNICATION

- The quarterly, half yearly and annual financial results and other statutory information are generally communicated to the shareholders by way of an advertisement in an English newspaper viz. 'The Economic Times (English)' and in a vernacular language newspaper viz. 'The Economic Times (Gujarati)' as per requirements of the Listing Regulations.
- The Company is promptly reporting all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in)
- The financials and other material information were uploaded by the Company on the websites of NSE and BSE i.e. [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively through NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE).
- Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website, [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in)
- The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, Management's Discussion and Analysis, Report on Corporate Governance and Audited Financial Results.

## 6. GENERAL SHAREHOLDERS INFORMATION

### A. General Information:

#### 1. Annual General Meeting

Date and Time

: Thursday, 27<sup>th</sup> day of September, 2018 at 11:00 a.m.

Venue

: Lions Hall, Nr. Mithakhali Six Road, Ellisbridge, Ahmedabad - 380006, Gujarat.

#### 2. Financial Year

: 1<sup>st</sup> April to 31<sup>st</sup> March

3. **Book Closure Date** : Thursday, 20<sup>th</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (both day inclusive)
4. **Dividend Payment Date** : Payment of dividend will be made within stipulated time lines.
5. **Listing on Stock Exchanges Equity Shares** : **BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  
: **National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
- Debt Securities (Debentures)** : **BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
6. **Listing Fees** : Company has paid the annual listing fees for the financial year 2018-19 to the above Stock Exchanges.
7. **Stock Code**  
**BSE Limited** : 539346  
**National Stock Exchange of India Limited** : SADBHIN  
**ISIN for Equity Shares** : INE764L01010

**B. Debt Securities (Debentures):**

Following Redeemable, Secured, Non-Convertible Debentures of the Company are listed on Wholesome Debt Market at BSE

Sr.	Script Code	ISIN	Description
1	950354	INE764L07017	421623 Fully Paid, Rated, Listed, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1000/- each
2	950355	INE764L07025	702702 Fully Paid, Rated, Listed, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1000/- each
3	951478	INE764L07033	480 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – I) of Face Value of ₹ 10,00,000/- each
4	951479	INE764L07041	480 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – II) of Face Value of ₹ 10,00,000/- each
5	951480	INE764L07058	640 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – III) of Face Value of ₹ 10,00,000/- each
6	951596	INE764L07066	800 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – A) of Face Value of ₹ 10,00,000/- each
7	951707	INE764L07074	500 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – B) of Face Value of ₹ 10,00,000/- each
8	951959	INE764L07082	700 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (Series – C) of Face Value of ₹ 10,00,000/- each
9	954961	INE764L07090	500 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 1; Series – I) of Face Value of ₹ 10,00,000/- each
10	954962	INE764L07108	500 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 1; Series – II) of Face Value of ₹ 10,00,000/- each
11	954963	INE764L07116	500 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 1; Series – III) of Face Value of ₹ 10,00,000/- each
12	954964	INE764L07124	500 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 1; Series – IV) of Face Value of ₹ 10,00,000/- each
13	955591	INE764L07132	250 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 2; Series – A) of Face Value of ₹ 10,00,000/- each
14	955589	INE764L07140	250 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 2; Series – B) of Face Value of ₹ 10,00,000/- each
15	955940	INE764L07157	250 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 2; Series – C) of Face Value of ₹ 10,00,000/- each
16	955941	INE764L07165	250 Senior, Taxable, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Tranche – 2; Series D) of Face Value of ₹ 10,00,000/- each

**C. Details of Debenture Trustee:**

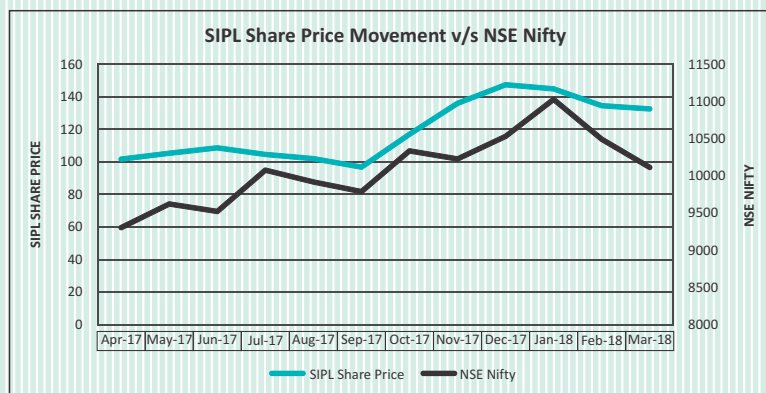
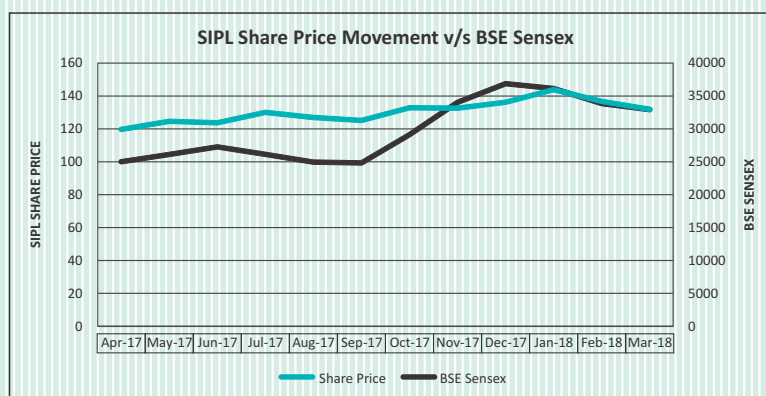
<b>VISTRA ITCL (INDIA) LIMITED</b> (Formerly known as IL&FS Trust Company Limited)	IL&FS Financial Centre, Plot C-22 G Block, BandraKurla Complex, Bandra (East), Mumbai – 400051. Tel: 022-26593612; Fax: 022- 26533297 Email: <a href="mailto:itclcomplianceofficer@vistra.com">itclcomplianceofficer@vistra.com</a> Website: <a href="http://www.vistraitcl.com">www.vistraitcl.com</a>
<b>CATALYST TRUSTEESHIP LIMITED</b> (Formerly known as GDA Trusteeship Limited)	Office No. 83 – 87, 8 <sup>th</sup> Floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021. Tel: 022-49220555; Fax: 022-49220505 Email: <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a> Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
<b>IDBI TRUSTEESHIP SERVICES LIMITED</b>	Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001 Tel: 022-40807000; Fax: 022-66311776 Email: <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a> Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>



**D. Market Price Data:**

Below mentioned are the details of high/low, Number and Value of shares traded during each month in the last financial year.

Month	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Volume	High	Low	Volume
Apr-2017	106.60	93.00	190339	102	100	35806
May-2017	118.85	99.70	13963483	108.00	102.65	250276
June-2017	119.30	102	153795	109.9	106.1	10262
July-2017	112.90	99.50	49208	107.5	104.35	3652
Aug-2017	106.80	96.00	32445	105.7	101.25	5314
Sep-2017	109.00	89.65	66847	105.00	96.00	58994
Oct-2017	122.00	93.25	723609	119.9	113.1	192465
Nov-2017	146.95	110.05	8288137	137.7	133.85	1022212
Dec-2017	153.75	130.00	3291453	149.4	143.95	437173
Jan-2018	157.50	136.85	944953	146.3	136.65	198133
Feb-2018	148.10	125.00	416255	138.4	133.3	183234
Mar-2018	138.90	119.30	3286545	135.8	128.1	910734

**E. Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:****F. Registrar & Share Transfer Agent:**

Name and Address : M/s. Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083  
Phone : 022-49186000  
Fax : 022-49186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**G. Share Transfer System:**

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar & Share Transfer Agents. The Company has a Stakeholders' Relationship Committee for redressing the complaints/queries of shareholders and investors.

Pursuant to Regulation 40(9) of the Listing Regulations with the stock exchanges, the Company obtains a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### H. Shareholding as on 31<sup>st</sup> March, 2018:

##### i) Distribution of Shareholding as on 31<sup>st</sup> March, 2018

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Capital
1–500	8154	86.4412	1112173	0.3158
501–1000	508	5.3853	434157	0.1233
1001–2000	271	2.8729	433770	0.1232
2001–3000	95	1.0071	241104	0.0685
3001–4000	62	0.6573	226409	0.0643
4001–5000	60	0.6361	286721	0.0814
5001–10000	114	1.2085	865820	0.2458
10001 & Above	169	1.7916	348625062	98.9779
<b>Total</b>	<b>9433</b>	<b>100.00</b>	<b>352225216</b>	<b>100.00</b>

##### ii) Categories of Shareholders as on 31<sup>st</sup> March, 2018

Category	No. of Shares held		Total No. of Shares	% of holding
	Demat	Physical		
Promoters	244250911	-	244250911	69.34
Mutual Fund	21732782	-	21732782	6.1701
Banks/Financial Institutions/Central Govt./State Govt./Trusts & Insurance Companies	120458	-	120458	0.0342
FII / Foreign Portfolio Investors	38620388	-	38620388	10.96
NRI (Repatriable & Non-Repatriable)	557909	-	557909	0.1583
Foreign Companies	29121860	-	29121860	8.26
Other Corporate Bodies	6682535	-	6682535	1.8972
Indian Public / HUF	10693845	13	4756473	3.0361
Clearing Member	444515	-	444515	0.1262
<b>Total</b>	<b>352225203</b>	<b>13</b>	<b>352225216</b>	<b>100.00</b>

#### I. Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. Equity Shares of the Company representing 99.99% of the Company's paid up share capital are in dematerialized form as on 31<sup>st</sup> March, 2018 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of which are as under.

Sr.	Mode of Holding	No. of Shares	% of Total Capital
1	NSDL	347270106	98.59
2	CDSL	4955097	1.41
3	Physical	13	0.0000
	<b>Total</b>	<b>352225216</b>	<b>100.00</b>

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

ISIN number for dematerialization of the equity shares of the Company is INE764L01010.

#### J. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

#### K. Commodity price risk or foreign exchange risk and hedging: Not Applicable

#### L. Plant Locations: The Company does not have any manufacturing plant.

#### M. Address for Correspondence:

Shareholders may correspond to the Company Secretary of the Company or at the office of Registrar & Transfer Agent at the below mentioned addresses.

Mr. Hardik Modi Company Secretary & Compliance Officer "Sadbhav", Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380009 Phone: 079-40400400 Fax: 079-40400444 Email: <a href="mailto:investor@sadbhavinfra.co.in">investor@sadbhavinfra.co.in</a> Website: <a href="http://www.sadbhavinfra.co.in">www.sadbhavinfra.co.in</a>	M/s. Link Intime India Private Limited Registrar & Transfer Agent C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Phone: 022-49186000 Fax: 022-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
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## 7. OTHER DISCLOSURES

- A. All transactions entered into with related parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2017-18, were in the ordinary course of business and on an arm's length basis. There were no materially significant Related Party Transactions during the financial year 2017-18 that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>
- B. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Further, there are no penalties or strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.
- C. In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The said policy is uploaded on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/whistle-blower-policy.pdf>

All protected disclosures should be in writing and can be submitted by hand delivery or by courier or post or by electronic mode addressed to the Chairman of the Audit Committee of the Company on below mentioned address.

### Chairman of Audit Committee

Sadbhav Infrastructure Project Limited  
 "Sadbhav", Nr. Havmor Restaurant,  
 B/h Navrangpura Bus Stand, Navrangpura,  
 Ahmedabad - 380009

- D. The Company has complied with all the mandatory and non mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:

The following non-mandatory requirements have been adopted by the Company:

- The Report of Auditors is with unmodified opinion with respect to the Audited Financial Results (Standalone and consolidated) of the Company for the quarter and year ended on 31<sup>st</sup> March, 2018.
  - The Company has appointed separate persons to the posts of Chairman and Managing Director.
  - The Internal Auditor reports directly to the Audit Committee.
- E. Company has obtained a certificate affirming the compliances from M/s. Ravi Kapoor & Associates, Practicing Company Secretaries and the same is attached to this report.
- F. The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at [http://www.sadbhavinfra.co.in/en/pdf/policy\\_for\\_determining\\_material\\_subsidary\\_co.pdf](http://www.sadbhavinfra.co.in/en/pdf/policy_for_determining_material_subsidary_co.pdf)
- G. The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31<sup>st</sup> March, 2018 in compliance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is attached to this report.
- H. The Company has a well-defined risk management framework in place. The Audit Committee of the Board is also regularly informed about the business risks and the steps taken to mitigate the same. The implementation of the risk assessment and minimization procedures is an ongoing process and the Board members are periodically informed of the status.

- I. The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website <http://www.sadbhavinfra.co.in/en/pdf/code-of-conduct.pdf>. All Board Members and Senior Personnel have affirmed compliance of Code of Conduct. A declaration signed by the Managing Director to this effect is attached to this report.
- J. In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed an Insider Trading Code to avoid any insider trading and it is applicable to all Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The said code laid down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company. The code has been placed on the Company's website <http://www.sadbhavinfra.co.in/en/pdf/insider-trading-code-SIPL.pdf>.
- K. A Management Discussion and Analysis Report forms part of this Annual Report and includes discussion on various matters specified under Regulation 34(2)(e) and Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- L. In preparation of financial statements, the Company has followed the Indian Accounting Standards (IndAS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all members of the Board and Senior Management personnel have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2018.

**For, Sadbhav Infrastructure Project Limited**

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

**Vasistha C. Patel**  
Managing Director  
DIN: 00048324

### ***Certification on Financial Statements of the Company***

We, Vasistha C. Patel, Managing Director and Varun Mehta, Chief Finance Officer of Sadbhav Infrastructure Project Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2018 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

**Vasistha C. Patel**  
Managing Director  
DIN: 00048324

**Varun Mehta**  
Chief Financial Officer



## ***Compliance Certificate by Practicing Company Secretary***

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To,  
The Members of  
**Sadbhav Infrastructure Project Limited**

We have examined the Compliance Conditions of Corporate Governance by Sadbhav Infrastructure Project Limited for the year ended on 31<sup>st</sup> March, 2018 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Ravi Kapoor & Associates**  
Company Secretaries

**Ravi Kapoor**  
Proprietor  
Membership No.: 2587

Date: 8<sup>th</sup> August, 2018  
Place: Ahmedabad

# Management Discussion & Analysis

## CAVEAT

Under this section of the Annual Report 2017-2018 in adherence to the rules and regulations as mandated by the Securities and Exchange Board of India, we would like to provide a statutory warning to the stakeholders and readers alike. The projections listed here along with describing the Company's objectives and approximate estimate may be forward looking in the current scenario and set in the framework meaning of applicable securities laws and regulations. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective. Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company's operations' substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward- looking statements expressed in this report, consequent to any new information, future events or otherwise.

Along with predictions of the future based on the foundation of existing scenario, the company presents its annual report for the year 2017-2018.

## ABOUT THE COMPANY

Sadbhav Infrastructure Project Limited ("SIPL") is a subsidiary of Sadbhav Engineering Limited (SEL). SIPL was incorporated as a holding company for Built, Operate and Transfer (BOT) projects roads and highways in 2007. The essential task of SIPL has been development, operation and maintenance of road infrastructure assets. The current portfolio of a total of 23 projects which consists of 10 BOT (Toll) projects (9 are operational and 1 is partially operational), 1 operational BOT (Annuity) project and 12 Hybrid Annuity Mode ("HAM") under-construction projects. Total Project costs of all 23 projects is ₹ 219 Billion. Seven out of these 12 HAM projects are under construction and 6 Projects are under development. Earlier portfolio of 11 projects has been operational overcoming all challenges in relation to construction, stabilising the project and arranging the finance to fund the project. Total project costs for twelve HAM projects is INR 110,810 mn and equity invested in these 12 HAM projects (including subdebt) as on March 2018 is INR 2,689 mn. Eight out of eleven operational BOT projects and Seven out of twelve HAM projects have credit rating of A- or above.

With an average residual life of more than 15 years, entire portfolio of current BOT projects exhibits a stability and visibility of revenue. Your organization has a diverse order portfolio that involves the development, operation and maintenance of national and state highways and roads across the Country and consists of 22% in Maharashtra, 11% in Haryana, 16% in Karnataka, 18% in Rajasthan, 21% in Gujarat and 12% in the other parts of the Country. SEL, the corporate promoter for the company has an established track record of executing projects and experience of over 30 years in construction activities in the transport, mining and irrigation sectors since its incorporation in 1988. Our core focus is on the operations and development of roads and highways where the Company has consolidated its presence since incorporation.

SIPL enjoys the benefit of being present in the entire value chain of BOT roads projects thereby reducing reliance on third parties and also increasing the profitability by retaining the margins. Traffic (for BOT (Toll) projects) and EPC consultants are appointed to carry out detailed study of the traffic growth (for BOT (Toll) projects) and the road structure and In-house financial and traffic (for BOT (Toll) projects) estimates of the assets are arrived at before helping in submitting rational bids for the assets. Lenders are approached for achievement of Financial Closure (FC) of the project and then EPC contractors are finalized before the appointed date and initial work on the project is carried out. During FY18, your company has submitted the bids for 27 HAM projects of length 1547 kms of total project costs of ₹ 30151 crores. Out of these 27 bids, your company has won 5 projects, L2 in 8 projects, L3 in 7 projects and more than L3 in balance projects. It means your company is in top 3 for 20 projects out of 27 projects which signifies the seriousness of your company in the new model started by NHAI. Your company continue to remain bullish in the HAM projects.

## 1. GLOBAL ECONOMIC SCENARIO

As per World Bank, despite recent softening, global economic growth will remain robust at 3.1 percent in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off. However as per IMF, global growth is expected to achieve its fastest pace in six years in 2018 and 2019 of 3.9 percent. As per both World Bank and IMF, global growth is expected to soften in 2020 and beyond.

As per World Bank, activity in advanced economies is expected to grow 2.2 percent in 2018 before easing to a 2 percent rate of expansion next year, as central banks gradually remove monetary stimulus. As per IMF, advanced economy growth is expected to be 2.4 percent in 2018 before easing to 2.2 percent in 2019. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year's increase. Growth in non-resource-intensive countries is expected to remain robust, supported by improving agricultural conditions and infrastructure investment. As per IMF, growth in emerging and developing economies is expected to be 4.9 percent in 2018 and 5.1 percent in 2019.

As per World Bank, growth in the South Asia is projected to strengthen to 6.9 percent in 2018 and to 7.1 percent in 2019, mainly as factors holding back growth in India fade. Growth in India is projected to advance 7.3 percent in Fiscal Year 2018/19 (April 1, 2018-March 31, 2019) and 7.5 percent in FY 2019/20, reflecting robust private consumption and strengthening investment. As per IMF, India is expected to grow at 7.3 percent in 2018 and 7.5 percent in 2019.

## 2. ROAD INFRASTRUCTURAL PERIPHERY IN THE INDIAN ECONOMY

India has the second largest road network across the world at 5.4 million km. This road network transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic. The construction of highways reached 122,432 km during FY2017-18 which was constructed at an average of 28 km per day. Total length of roads constructed under Prime Minister's Gram Sadak Yojana (PMGSY) was 47,447 km in 2017-18.

The Government of India has been putting major thrust on road and infrastructure building in the Country. The Government of India has recently signed a US\$ 210 million deal with World Bank to improve rural roads at a stretch of 10,510 km in Madhya Pradesh under the Gram Sadak Yojana programme. It has also signed US\$ 500 million loan agreement with World Bank to provide additional funding for construction of 7,000 km climate resilient roads out of which 3,500 km will be built using green technologies under Pradhan Mantri Gram Sadak Yojana (PMGDY). The government, through a series of initiatives, is working on policies to attract significant investor interest. The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE). The government has identified development of 2,000 km of coastal roads to improve the connectivity between ports and remote villages.

The National Highways Authority of India (NHAI) plans to build 50,000 km of roads worth US\$ 250 billion by 2022 as part of a long-term goal of doubling the length of the national highway network to 200,000 km. The Government of India will spend around ₹ 1 lakh crore (US\$ 15.26 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY). It has also decided to invest ₹ 7 trillion (US\$ 107.82 billion) for construction of new roads and highways over the next five years.

## 3. OPPORTUNITIES & STRENGTHS

SIPL observes the stability and growth of toll revenues as strategic locations of our projects are in high economic growth areas. The organisation's competent teams for each areas of operation has enabled it to build-up a sizeable and diverse portfolio with effective toll collection and toll management systems. Your company looks forward to capture the immense growth opportunity in the Indian road sector by abiding to the Green Highways Policy (Plantation, Transplantation, Beautification and Maintenance Policy -2015). Under PPP financing scheme by NHAI in highway development, a model concession agreement was signed upon so as to benefit the contenders in the construction market. SIPL has already exhibited its credibility by timely executing projects of immense repute. SIPL is poised to participate in improving the road connectivity by building innovative structures under evolving models like Hybrid Annuity model. Ministry of Roads, Transport and Highways (MoRTH), Government of India has introduced various reforms in the bid and tender structure and invitation of public feedback through a mechanism of inviting a project for public comments. SIPL had lauded this move by the Government as it considers itself as an organisation contributing towards the society and believe in the inclusivity of all. Recently, a Memorandum of Understanding has been signed between the Ministry of Railways and Ministry of Roads, Transport and Highways (MoRTH) regarding construction of road over/ under bridges on national highway corridors. SIPL has implored this as a massive opportunity to display and deliver an outstanding performance. Most Projects awarded in recent years by NHAI are in HAM mode and this model provides enormous opportunity to your company to grow with balanced risk-reward ratio.

## 4. RISKS & CHALLENGES

The management of company has identified the risk in two categories:

### Internal and Business Risks

The successful completion of projects depends on our EPC contractors and is therefore, sometimes, contingent on their performance. Timely completion of projects also depends on various other factors such as land acquisition, approvals and clearances, local issues and some of these factors are dependent on third parties. These projects are high value contracts. Some of these entail a penalty for delay in completion of the project on time. These may adversely affect our profitability. Also, cost overrun due to problems of land acquisitions, removal of encroachment and complying with environmental standard and our insurance coverage may not adequately protect us against possible risk of loss. Delay due to sub-contactor's performance and shortage in supply of raw materials can postpone projects and eventually result in delay of the payment. Non-maintenance / break-down, mishandling of machines and equipments pose a major risk towards non execution of projects and liability towards the organization. A temporary setback is faced by the organization if any key managerial personnel were to leave.

Any negligence towards health and safety of workforce and employees can affect our performance. An additional financial burden on the company, due to repayment and interest on external commercial borrowings, which is required to be made in fluctuating foreign currency, also contributes towards internal risks faced by the organisation.



### External Risks

External Risks beyond the control of Management are identified in various ways. Any change in the government policy particularly related to road sectors and vehicles, political situation, regulatory environment and civil disturbances will have adverse effect on company's business. Natural risks like adverse weather condition, floods, earthquakes etc. However these risks are passed on by taking the Insurance Coverage from Insurance Company. Changes in the tax structure like GST, entry tax, RTO tax etc. also play a major role. An increase or decrease or withdrawal of tax benefits and other incentives by the Government will have an impact on our net income. Deviation from estimated traffic volume may affect future earnings in case of toll based BOT projects. Changes in the bidding model by NHAI and other related authorities poses risk towards growth in business.

### Availability of funds and interest rate risk

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. SIPL intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms for the projects. However, SIPL believes that its ability to continue to arrange for fund requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control.

However, your Company's track record has enabled it to raise funds at competitive rates. Your company has successfully completed refinancing of debt by reducing the interest rates in 9 operational SPVs by raising Rupee Term Loan and Non-Convertible Debentures from Banks/Financial Institutions/Infra Debt Funds/Mutual Funds. Your company has also completed financial closure of 8 HAM projects.

### Traffic growth risk

Toll revenue is a function of the toll rates and traffic growth.

Toll rates: NHAI and other state Governments have been implementing a policy of linking toll rates increase to change in Wholesale Price Index (WPI). All Toll projects have fixed annual or periodical increase in their toll rates, according to the Concession Agreement with respective authorities. However, 2 toll projects have toll rate increase which are not linked to WPI.

Traffic growth: Rapid economic development increases traffic growth while low economic activity has a negative impact on traffic volume. Development in Project Influence Area (PIA) is very critical for the traffic growth.

## 5. MINIMIZING RISKS

A risk management exercise not only identifies risks, but also reduces risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of the Company's business operations which are reviewed periodically by the Directors of the Company. This provides a window for quick decisions. We plan elaborately to execute all our projects before the scheduled time. We have a proven track record of completing work within the stipulated time. We have a full-fledged team of technical experts at our workshop, who are responsible for the repairs and maintenance of the equipment. Therefore, work without stoppages or no significant labour disruptions during its operational history was paved way for by our extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation policies to protect against losses caused to workmen through accident. Most of the critical work during the operation period is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from them. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results even from the downturn of economic situations. We also regularly conduct third audits of the toll management systems and toll collection systems in order to identify lacunas and improve our operational performance.

## 6. SEGMENT WISE PERFORMANCE

During the year 2017-18, the Company has only one reportable business segment, that of infrastructure development. A segment wise performance on consolidated basis is given in the consolidated financial statements.

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

We have internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectiveness of this system of internal control is extensive internal audits, regular reviews by the management team and standard policies and guidelines to ensure the reliability of financial and all other records. Therefore, the ERP-SAP system of the company, which is already operative, was established. It connects all the project sites with the corporate office by providing real time information to the top management of the Company. Ideation to centralize the entire data process is being acted upon by SIPL so as to increase the control of operations.



## 8. FINANCIAL OVERVIEW

We generate revenues primarily from toll collection, user fee and annuity receipts. The company also provides operation, maintenance, advisory and project management services for our projects. For the financial year ended 31<sup>st</sup> March, 2018,

Your Company reported at Standalone level, the Revenue from Operations amounting ₹ 3,377.92 Million as against ₹ 2,854.45 Million in the previous year. The Net Profit before Tax amounting ₹ 1,046.11 as against ₹ 525.88 Million in the previous year. The Net Profit for the year amounting ₹ 677.40 Million against ₹ 411.57 Million reported in the previous year which resulted Cash Profit of ₹ 794.74 Million.

The Consolidated Revenue from Operations amounting ₹ 22,760.58 Million as against ₹ 13,480.09 Million in the previous year. The Consolidated Net Loss before Tax amounted to ₹ 2,972.22 Million as against ₹ 3,524.95 Million in the previous year. The Consolidated Net Loss after Tax amounted to ₹ 3,379.73 Million as against ₹ 3,600.99 Million in previous year. Your Company has achieved consolidated total income from tolling business for amount of ₹ 10,726.43 Million and generated a cash profits of ₹ 2,004.27 Million.

## 9. HUMAN RESOURCE DEVELOPMENT

A major part of the company strategy is satiated towards our employees whose relentless support and devotion took our company to great heights. With construction that binds the nation, our employees have been our core strength to deepen the roots. Therefore, as recognition of their perseverance and endeavour, SIPL bears the responsibility of their welfare providing them with many social amenities including Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance. A dedicated and competitive talent is braced in the mould of the vision and mission of the Company. The potential of each employee is advanced and skills are honed due to the provision of right opportunities to grow. This includes regular in-house and external training along for knowledge and skill development. A value-driven work environment with satisfaction and appreciation as well as professionalism has led us build an excellent team. We are having 2,169 employees including employees of subsidiary companies as on 31st March, 2018

# Independent Auditor's Report

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To,  
The Members of  
**Sadbhav Infrastructure Project Limited**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sadbhav Infrastructure Project Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure 2**” to this report; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 39 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 8, 2018

**For MANUBHAI & SHAH LLP**

Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

per **K. C. Patel**

Partner

Membership Number: 30083

Place of Signature: Ahmedabad

Date: May 8, 2018

**Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of SADBHAV Infrastructure Project Limited for the year ended March 31, 2018**

- (i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification;
- c) As per the Company's records, there are no immovable properties held as property, plant and equipment by the company during the year. Accordingly, the provisions of clause 3(i)(c) of the order are not applicable to the Company and hence not commented upon.
- (ii) The management has conducted physical verification of inventories, in the nature of project inventory, at reasonable interval during the year and no material discrepancies were noticed on such physical verification.
- (iii) a) The Company has granted loan to seventeen subsidiary Companies covered in the register maintained under section 189 of the Act including interest free subordinate debt of INR 19,057.07 million in the nature of Project Sponsor Contribution as per Sponsor Support and Equity Contribution Agreement entered with the lenders of each special purpose entities as per service concession arrangement of each project. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.
- b) The Company has granted loans that are re-payable on demand to companies covered in the register maintained under section 189 of the Companies Act, 2013 except subordinate debts in the nature of promoter's contribution which are recoverable on achievement of certain financial performance of respective investee entities. The borrower have been regular in payment of principal and interest, if any, as demanded except interest amounting to INR 383.29 million related to certain loan transaction granted by the company to a subsidiary Company.
- c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are outstanding for more than ninety days except interest of INR 383.29 million on demand loan which is overdue for more than ninety days from a company covered in the register maintained under section 189 of the Act and in our opinion, at the year end, reasonable steps have been taken by the Company for recovery of the interest.
- (iv) In our opinion and according to the information and explanations given to us and based on legal opinion taken by the Company on applicability of section 185 of Act, in respect of loans to subsidiary entities in the nature of interest free subordinate debt as a project sponsor contribution, the Company has complied with the provisions of section 185 of the Companies Act, 2013. Further, based on the information and explanations given to us, being an Infrastructure Company, provision of section 186 of the Act is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provision of clause 3(v) of the order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to road and other infrastructure project related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, employee's state Insurance, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanation given to us there are no dues payable on account of customs duty and excise duty during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, employee's state Insurance, goods and service tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable, except as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Due Date	Date of Payment
MVAT Act, 2002	MVAT	15.58	April 2017 to June 2017	21 <sup>st</sup> of next month	-



- c) According to the information, explanation and records of the Company, the dues outstanding of income tax, sales tax, service tax, values added tax, goods and service tax and other material Statutory dues on account of any disputes as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax*	40.98	FY 2009 -10 and FY 2010 -11	CESTAT Ahmedabad

\*Net of INR 2.50 Million paid under protest.

- (viii) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to bank and dues to debenture holders. The Company does not have any dues payable to the financial institutions and government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon. The Company has not raised any money by way of term loans during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 8, 2018

**For MANUBHAI & SHAH LLP**

Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

per **K. C. Patel**

Partner

Membership Number: 30083

Place of Signature: Ahmedabad

Date: May 8, 2018

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sadbhav Infrastructure Project Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 8, 2018

**For MANUBHAI & SHAH LLP**

Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

per **K. C. Patel**

Partner

Membership Number: 30083

Place of Signature: Ahmedabad

Date: May 8, 2018

# Balance Sheet as at March 31, 2018

(INR in Million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	5	1.81	8.44
(b) Investment property	6	2.88	2.88
(c) Financial assets			
(i) Investments	7	24,232.72	22,565.22
(ii) Other financial assets	11	28.43	0.06
(d) Deferred tax assets (Net)	29	-	72.11
(e) Other assets	12	19.02	75.09
<b>Total Non-current assets</b>		<b>24,284.86</b>	<b>22,723.80</b>
<b>2 Current Assets</b>			
(a) Financial assets			
(i) Trade receivables	8	1,205.77	674.70
(ii) Cash and cash equivalents	9	13.61	35.74
(iii) Bank balances other than (ii) above	9	21.08	21.08
(iv) Loans	10	4,743.25	3,815.62
(v) Other financial assets	11	815.39	451.91
(b) Other assets	12	38.21	42.54
<b>Total Current assets</b>		<b>6,837.31</b>	<b>5,041.59</b>
<b>Total Assets</b>		<b>31,122.17</b>	<b>27,765.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13	3,522.25	3,522.25
Other equity	14	10,497.23	9,905.04
<b>Total equity</b>		<b>14,019.48</b>	<b>13,427.29</b>
<b>LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	6,795.34	8,110.82
(ii) Other financial liabilities	19	791.05	652.56
(b) Deferred tax liability (Net)	29	51.31	-
(c) Provisions	16	2.29	1.66
<b>Total Non-current liabilities</b>		<b>7,639.99</b>	<b>8,765.04</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	5,581.16	4,543.55
(ii) Trade payables	18	847.00	491.20
(iii) Other financial liabilities	19	2,375.97	388.39
(b) Other liabilities	20	533.52	100.87
(c) Provisions	16	0.89	0.81
(d) Current tax liabilities (Net)	21	124.16	48.24
<b>Total Current liabilities</b>		<b>9,462.70</b>	<b>5,573.06</b>
<b>Total Equity and Liabilities</b>		<b>31,122.17</b>	<b>27,765.39</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of these Standalone financial statements

As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary

Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer

# Statement of Profit and Loss for the year ended March 31, 2018

(INR in Million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>INCOME</b>			
<b>I</b> Revenue from operations	22	3,377.92	2,854.45
<b>II</b> Other income	23	469.58	282.65
<b>III Total Income (I + II)</b>		<b>3,847.50</b>	<b>3,137.10</b>
<b>EXPENSES</b>			
Consumption of project materials	24	150.32	245.54
Sub-contractors charges	25	913.32	939.61
Employee benefits expenses	26	35.26	31.89
Finance cost	27	1,634.20	1,294.99
Depreciation expenses	5	4.12	6.88
Other expenses	28	64.17	92.31
<b>IV Total expenses</b>		<b>2,801.39</b>	<b>2,611.22</b>
<b>V Profit before tax (III - IV)</b>		<b>1,046.11</b>	<b>525.88</b>
<b>VI Tax expenses</b>	29		
Current tax		244.83	133.80
Deferred tax		123.41	(19.59)
Adjustment of tax relating to earlier years		0.47	0.10
<b>Total tax expenses</b>		<b>368.71</b>	<b>114.31</b>
<b>VII Profit for the year (V - VI)</b>		<b>677.40</b>	<b>411.57</b>
<b>Other Comprehensive Income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurements losses on defined benefit plans (refer note 34)		0.01	0.37
Income tax effect		-	-
<b>VIII Total Comprehensive Income for the year</b>		<b>0.01</b>	<b>0.37</b>
<b>IX Total Comprehensive Income for the year, net of tax (VII-VIII)</b>		<b>677.39</b>	<b>411.20</b>
<b>Earning per share [Nominal value of share INR 10/-]</b>			
Basic and diluted	33	1.92	1.17
Summary of significant accounting policies			
The accompanying notes are an integral part of these Standalone financial statements			

## As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary

Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer



# Statement of Changes in Equity for the year ended March 31, 2018

## A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	INR in Million
As at April 01, 2016	352,225,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2017	352,225,216	3,522.25
As at April 01, 2017	352,225,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2018	352,225,216	3,522.25

## B Other Equity

(INR in Million)

Particulars	Equity Component of Compound Financial Instruments (Note 14)	Reserves and Surplus			Total
		Securities Premium (Note 14)	Debenture Redemption Reserve (Note 14)	Retained Earning (Note 14)	
As at April 01, 2016	532.22	8,986.75	109.21	(186.86)	9,441.32
Profit for the year	-	-	-	411.57	411.57
<b>Other comprehensive Income</b>					
Re-measurements (losses) on defined benefit plans	-	-	-	(0.37)	(0.37)
<b>Total comprehensive income for the year</b>	-	-	-	<b>411.20</b>	<b>411.20</b>
Transfer to debenture redemption reserve	-	-	224.34	(224.34)	-
Adjustment on account of deferred tax assets	-	52.52	-	-	52.52
As at March 31, 2017	532.22	9,039.27	333.55	-	9,905.04
As at April 01, 2017	532.22	9,039.27	333.55	-	9,905.04
Profit for the year	-	-	-	677.40	677.40
Interim dividend paid (including dividend distribution tax)	-	-	-	(85.20)	(85.20)
<b>Other comprehensive Income</b>					
Re-measurements (losses) on defined benefit plans	-	-	-	(0.01)	(0.01)
<b>Total comprehensive income for the year</b>	-	-	-	<b>592.19</b>	<b>592.19</b>
Transfer to debenture redemption reserve	-	-	462.19	(462.19)	-
As at March 31, 2018	532.22	9,039.27	795.74	130.00	10,497.23

The accompanying notes are an integral part of these Standalone financial statements

### As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary

Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer

# Cash flow statement for the year ended March 31, 2018

(INR in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash flows from operating activities</b>		
Profit before tax	1,046.11	525.88
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation expenses	4.12	6.88
Interest and other borrowing cost	1,634.20	1,294.99
Gain on sale of units of mutual funds	(0.13)	(0.34)
Interest Income	(469.45)	(282.31)
<b>Operating profit before working capital changes</b>	<b>2,214.85</b>	<b>1,545.10</b>
<b>Movement in Working Capital:</b>		
(Increase) in other financial asset	(17.96)	(10.27)
Decrease / (Increase) in other assets	60.40	(4.86)
Decrease in inventories	-	4.26
(Increase) in trade receivables	(531.07)	(303.46)
Increase in other financial liabilities	9.23	0.46
Increase in other liabilities and provisions	433.35	14.74
Increase in trade payables	355.80	28.85
<b>Cash generated from operations</b>	<b>2,524.60</b>	<b>1,274.82</b>
Direct taxes refunded / (paid including TDS)	162.79	(44.12)
<b>Net cash flow from operating activities (A)</b>	<b>2,361.81</b>	<b>1,318.94</b>
<b>Cash flows from investing activities</b>		
Purchase of property plant and equipment	(0.14)	(14.82)
Proceeds from sale of property plant and equipment	2.64	-
Investments in subsidiaries	(262.25)	(264.21)
Short term loan given	(1,779.83)	(3,080.60)
Proceeds from short term loan given	502.21	1,870.74
Sub-Ordinate debt given (refer note 3 below)	(1,278.55)	(1,128.09)
Sub-Ordinate debt received back	223.30	-
Investments in bank deposits (having original maturity of more than three months)	(28.37)	(0.06)
Purchase of mutual fund units (having original maturity of more than three months)	(75.00)	(146.50)
Redemption of mutual fund units (having original maturity of more than three months)	75.13	146.84
Interest received	117.34	161.25
<b>Net cash flow (used in) investing activities (B)</b>	<b>(2,503.52)</b>	<b>(2,455.45)</b>
<b>Cash flows from financing activities</b>		
Share issue expenses	-	(0.97)
Repayment of excess amount received toward share application	-	(0.09)
Proceeds from non-current borrowings	-	3,000.00
Repayment of non-current borrowings	(281.08)	-
Proceeds from current borrowings	2,081.76	4,862.12
Repayment of current borrowings	(1,044.16)	(5,854.96)
Dividend paid on equity shares (including dividend distribution tax)	(85.20)	-
Interest and other borrowing cost paid	(551.76)	(879.82)
<b>Net cash generated from financing activities (C)</b>	<b>119.58</b>	<b>1,126.28</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(22.13)</b>	<b>(10.23)</b>
Cash and cash equivalents at beginning of the year	35.74	45.97
<b>Cash and cash equivalents at end of the year</b>	<b>13.61</b>	<b>35.74</b>

# Cash flow statement for the year ended March 31, 2018

## Notes:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>1. Components of Cash and Cash Equivalents (Refer note 9)</b>		
Cash on hand	0.01	0.01
Balance with banks		
in Current accounts	13.57	35.70
in Current accounts earmarked for unpaid share application refund money	0.03	0.03
<b>Cash and cash equivalents</b>	<b>13.61</b>	<b>35.74</b>

2. The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

3. During the year, the company has converted short term loan given to a subsidiary of INR 350.00 Million (March 31, 2017: INR 80.00 Million) into a sub-ordinate debt. Thus, the impact of these transaction has not been given in the cash flow statement.

## 4. Amendments to Indian Accounting Standard 7 "Statement of Cash flows":

The Company applied for the first time amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after April 1, 2017. The amendments require the Company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as fair value changes). The Company has provided the information for current year which given as below:

Changes in liabilities arising from financing activities					(INR in Million)
Particulars	April 1, 2017	Net Cash flow	Change in fair value	Others*	March 31, 2018
Non-current borrowings (including current maturities)	8,321.63	(281.08)	34.80	-	8,075.34
Current borrowings	4,543.55	1,037.61	-	-	5,581.16
Interest accrued	827.99	(521.30)	-	1,568.94	1,875.63
<b>Total</b>	<b>13,693.17</b>	<b>235.23</b>	<b>34.80</b>	<b>1,568.94</b>	<b>15,532.13</b>

\* Represent interest accrued during the year

5. Figures in brackets represents cash outflows.

## As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

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per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary  
Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 1. Company information

Sadbhav Infrastructure Project Limited (the "Company or SIPL") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at "Sadbhav House", Opp. Law Garden Police Chawki, Ellisbridge, Ahmedabad-380006.

The Company is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements. The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 08, 2018.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

## 3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its financial statements:

### 3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period;
- Held primarily for the purpose of trading; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



## 3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

### **Contractual Income:**

Contract revenue and costs associated with project related activities are accrued and recognized by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. Value added tax / Goods and Service Tax collected on behalf of the government is not an economic benefit flowing to the company. Hence, it is excluded from revenue

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is accrued as "Unearned Revenue". Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

### **Income from sale of services:**

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on the contractual term of the arrangement. Service tax / Goods and Service tax collected on behalf of the government is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

### **Interest**

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### **Dividend**

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 3.3 Property, Plant and Equipment:

Property, Plant and Equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

### **De-recognition**

An item of property, plant and equipments is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Depreciation

Depreciation on Property, Plant and Equipments is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.4 Impairment - Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecasts calculation. These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired.

### 3.5 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

An investment property is de-recognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

### 3.6 Inventory

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

### 3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 - Borrowing Cost.

### 3.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

## 3.9 Investment in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary.

## 3.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- **Financial assets at amortized cost:**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in "Financial assets at amortised cost" are met. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

- **Perpetual debt**

The Company invests in a subordinated perpetual debt, without coupon and redeemable at the issuer's option. The Company classifies these instrument as equity under Ind AS 32.

- **Financial assets at fair value through profit or loss:**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

#### iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## iv. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## b) Financial Liabilities

### i. Initial recognition and measurement of financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value, in case of loan and borrowings and payables, fair value is reduced by directly attributable transaction costs.

### ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses on changes in fair value of such liability are recognised in the statement of profit or loss.

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### iii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the company currently has enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 3.11 Fair Value Measurement

The company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

## 3.12 Employee Benefits

### a) Short Term Employee Benefits

All employee benefits expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

### b) Post-Employment Benefits

#### (i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is charged to statement of profit & loss account during the period in which the employee renders the related service.

## (ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

## c) Other employment benefits

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave are expected to be carried forward beyond 12 month from the reporting date.

## 3.13 Income tax

Income tax expense comprises current tax and deferred tax.

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

# ***Notes to Standalone Financial Statements for the year ended March 31, 2018***

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Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## **3.14 Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss, net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

## **3.15 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date.

## **3.16 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

## **3.17 Cash dividend distribution to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **3.18 Earnings per share**

Basic EPS is calculated by dividing the profit / loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## **3.19 Segment reporting**

Based on management approach as defined in Indian Accounting Standard 108 – "Operating Segment", Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 4. Significant accounting judgements, estimates and assumption

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Revenue and expenses of construction contracts

As described in Note 3.2, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the company applies past experience in estimating the main elements of construction contracts and relies on objective data. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

### Impairment of Investments

The Company reviews its carrying value of its investments carried at cost annually, or more frequently when there is indication for impairments. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### Property, plant and equipment

Refer Note 3.3 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 5. Property, Plant and Equipment

(INR in Million)

Particulars	Office equipments	Computers	Machineries	Vehicles	Total
<b>At cost</b>					
<b>As at April 01, 2016</b>	<b>0.01</b>	<b>0.07</b>	<b>0.55</b>	<b>-</b>	<b>0.63</b>
Addition	-	0.03	14.53	0.26	<b>14.82</b>
Disposal / adjustment	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0.01</b>	<b>0.10</b>	<b>15.08</b>	<b>0.26</b>	<b>15.45</b>
Addition	-	0.14	-	-	0.14
Disposal / adjustment	-	-	6.93	-	6.93
<b>As at March 31, 2018</b>	<b>0.01</b>	<b>0.24</b>	<b>8.15</b>	<b>0.26</b>	<b>8.66</b>
<b>Accumulated Depreciation</b>					
<b>As at April 01, 2016</b>	<b>0.01</b>	<b>0.03</b>	<b>0.10</b>	<b>-</b>	<b>0.14</b>
Charge for the year	-	0.02	6.72	0.14	6.88
On disposal / adjustment	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0.01</b>	<b>0.05</b>	<b>6.82</b>	<b>0.14</b>	<b>7.02</b>
Charge for the year	-	0.09	3.95	0.08	4.12
On disposal / adjustment	-	-	4.29	-	4.29
<b>As at March 31, 2018</b>	<b>0.01</b>	<b>0.14</b>	<b>6.48</b>	<b>0.22</b>	<b>6.85</b>
<b>Net Block</b>					
<b>As at March 31, 2017</b>	<b>-</b>	<b>0.05</b>	<b>8.27</b>	<b>0.12</b>	<b>8.44</b>
<b>As at March 31, 2018</b>	<b>-</b>	<b>0.10</b>	<b>1.67</b>	<b>0.04</b>	<b>1.81</b>

### Notes:

- The Company has elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP (Indian accounting principle generally accepted in India as prescribed under section 133 of the Company Act, 2013 read with the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- Property, Plant and Equipments has been pledged/hypothecated against non-current borrowings in order to fulfill the collateral requirement for the Lenders (refer note 15).

## 6. Investment Property

(INR in Million)

Particulars	Freehold Land	Total
<b>At cost</b>		
<b>As at April 01, 2016</b>	<b>2.88</b>	<b>2.88</b>
Addition	-	-
Disposal / adjustment	-	-
<b>As at March 31, 2017</b>	<b>2.88</b>	<b>2.88</b>
Addition	-	-
Disposal / adjustment	-	-
<b>As at March 31, 2018</b>	<b>2.88</b>	<b>2.88</b>
<b>Accumulated Depreciation</b>		
<b>As at April 01, 2016</b>	<b>-</b>	<b>-</b>
Addition	-	-
On disposal / adjustment	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>
Charge for the year	-	-
On disposal / adjustment	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>-</b>
<b>Net Amount</b>		
<b>As at March 31, 2017</b>	<b>2.88</b>	<b>2.88</b>
<b>As at March 31, 2018</b>	<b>2.88</b>	<b>2.88</b>

### Notes:

- There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above property.
- There are three lands with the company of which two lands are situated at Kadi Gujarat and one land at Tiruvallur, Chennai. These lands have been mortgaged against non-current borrowings to fulfill the collateral requirements of lenders (refer note 15).
- The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair value disclosure for investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 7. Investments

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Trade Investments</b>		
<b>Unquoted</b>		
<b>In Equity Shares of subsidiaries (valued at cost)</b>		
10,460,000 (31 March 2017: 10,460,000) fully paid up equity shares of INR 10 each in Ahmedabad Ring Road Infrastructure Limited (ARRIL)	1,036.80	1,036.80
1,971,053 (31 March 2017: 1,971,053) fully paid up equity shares of INR 10 each in Aurangabad Jalna Tollway Limited (AJTL) (refer note (c) below)	835.73	835.73
77,739,200 (31 March 2017: 77,739,200) fully paid up equity shares of INR 10 each in Bijapur Hungund Tollway Private Limited (BHTPL)	777.39	777.39
3,247,383 (31 March 2017: 3,247,383) fully paid up equity shares of INR 10 each in Hyderabad Yadgiri Tollway Private Limited (HYTPL) (refer note (c) below)	173.24	173.24
2,186,445 (31 March 2017: 2,186,445) fully paid up equity shares of INR 10 each in Rohtak Panipat Tollway Private Limited (RPTPL) (refer note (c) below)	217.74	217.74
45,500 (31 March 2017: 45,500) fully paid up equity shares of INR 10 each in Maharashtra Border Check Post Network Limited (MBCPNL) (refer note (d) below)	280.13	280.13
33,743,237 (31 March 2017: 33,743,237) fully paid up equity shares of INR 10 each in Shreenathji-Udaipur Tollway Private Limited (SUTPL)	337.43	337.43
17,340,000 (31 March 2017: 17,340,000) fully paid up equity shares of INR 10 each in Bhilwara-Rajsamand Tollway Private Limited (BRTPL)	173.40	173.40
10,768,000 (31 March 2017: 10,768,000) fully paid up equity shares of INR 10 each in Rohtak-Hissar Tollway Private Limited (RHTPL) (refer note (c) below)	107.68	107.68
47,999,700 (31 March 2017: 47,999,700) fully paid up equity shares of INR 10 each in Nagpur Seoni Expressway Limited (NSEL) (refer note (c) below)	316.77	316.77
68,779,700 (31 March 2017: 68,779,700) fully paid up equity shares of INR 10 each in Dhule Palenser Tollway Limited (DPTL)	556.59	556.59
4,000,000 (31 March 2017: 4,000,000) fully paid up equity shares of INR 10 each in Sadbhav Bhavnagar Highway Private Limited (SBHPL)	40.00	40.00
1,000,000 (31 March 2017: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Nainital Highway Private Limited (SNHPL)	10.00	10.00
1,000,000 (31 March 2017: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Rudrapur Highway Private Limited (SRHPL)	10.00	10.00
4,000,000 (31 March 2017: 4,000,000) fully paid up equity shares of INR 10 each in Sadbhav Una Highway Private Limited (SUHPL)	40.00	40.00
15,125,000 (31 March 2017: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Bangalore Highway Private Limited (SBGHPL)	151.25	0.50
50,000 (31 March 2017: Nil) fully paid up equity shares of INR 10 each in Sadbhav Vidarbha Highway Private Limited (SVHPL)	0.50	-
11,050,000 (31 March 2017: Nil) fully paid up equity shares of INR 10 each in Sadbhav Udaipur Highway Private Limited (SUDHPL)	110.50	-
50,000 (31 March 2017: Nil) fully paid up equity shares of INR 10 each in Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	0.50	-
	<b>5,175.65</b>	<b>4,913.40</b>
<b>Investment in Perpetual Debts (valued at cost) (refer note (b) and (c) below)</b>		
Sub-ordinate Debts	19,057.07	17,651.82
<b>Total</b>	<b>24,232.72</b>	<b>22,565.22</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note:

- (a) Aggregate cost of unquoted investments (including sub-debts) as at March 31, 2018 INR 24,232.72 million (March 31, 2017: INR 22,565.22 million).
- (b) Investment in perpetual debts in form of Sub-ordinate debts are interest free, redeemable at issuer's option and redemption can be deferred indefinitely as per the terms of contract.
- (c) The Company is having investments (including subordinate debts) of INR 6,270.86 million (March 31, 2017: 6270.86, million) to operating subsidiaries, engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India. The net worth of such entities have fully eroded based on the latest financial statements.  
Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims lodged, debt refinancing and the strategic nature of these investments, no provision/adjustment to the carrying value of the said investments (including subordinate debts) as at March 31, 2018 is considered necessary by the management.
- (d) In term of Memorandum of Understanding (MOU) dated January 17, 2017 between the Company and Sadbhav Engineering Limited (SEL), SEL reduced its commitment, and sold its investment in MBCPNL to third party, transferring 13% ownership/beneficial ownership in MBCPNL to the Company, raising the Company's holding to 91% and thereby reducing its share from 22% to 9%. The procedural formalities for transfer of equity shares were in progress as on March 31, 2017.
- (e) The Company has pledged following investment in equity shares of subsidiaries, in favour of lenders for term loan facilities availed by the respective SPVs:

	March 31, 2018		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	3,138,000	30.00%
Aurangabad Jalna Tollway Limited	1,971,053	591,315	30.00%
Bhilwara-Rajsamand Tollway Private Limited	17,340,000	8,843,400	51.00%
Bijapur Hungund Tollway Private Limited	77,739,200	51,489,600	66.23%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	1,656,166	51.00%
Maharashtra Border Check Post Network Limited	45,500	13,453	29.27%
Nagpur Seoni Expressway Limited	47,999,700	47,520,000	99.00%
Rohtak-Hissar Tollway Private Limited	10,768,000	5,491,681.00	51.00%
Rohtak Panipat Tollway Private Limited	2,186,445	1,115,087	51.00%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	10,122,971	30.00%
Dhule Palenser Tollway Limited	68,779,700	22,697,400	33.00%
Sadbhav Una Highway Private Limited	4,000,000	2,040,000	51.00%
Sadbhav Bhavnagar Highway Private Limited	4,000,000	2,040,000	51.00%
Sadbhav Rudrapur Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Nainital Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Bangalore Highway Private Limited	15,125,000	7,713,750	51.00%
Sadbhav Udaipur Highway Private Limited	11,050,000	3,315,000	30.00%
Sadbhav Vidarbha Highway Private Limited	50,000	15,000	30.00%
Sadbhav Jodhpur Ring Road Private Limited	50,000	-	0.00%

## Notes to Standalone Financial Statements for the year ended March 31, 2018

	March 31, 2017		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	627,600	6.00%
Aurangabad Jalna Tollway Limited	1,971,053	591,315	30.00%
Bhilwara-Rajsamand Tollway Private Limited	17,340,000	8,843,400	51.00%
Bijapur Hungund Tollway Private Limited	77,739,200	71,701,792	92.23%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	2,630,570	81.01%
Maharashtra Border Check Post Network Limited	45,500	13,453	29.57%
Nagpur Seoni Expressway Limited	47,999,700	47,520,000	99.00%
Rohtak-Hissar Tollway Private Limited	10,768,000	5,491,681	51.00%
Rohtak Panipat Tollway Private Limited	2,186,445	1,115,087	51.00%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	17,209,052	51.00%
Dhule Palenser Tollway Limited	68,779,700	22,697,400	33.00%
Sadbhav Una Highway Private Limited	4,000,000	1,200,000	30.00%
Sadbhav Bhavnagar Highway Private Limited	4,000,000	1,200,000	30.00%
Sadbhav Rudrapur Highway Private Limited	1,000,000	300,000	30.00%
Sadbhav Nainital Highway Private Limited	1,000,000	300,000	30.00%
Sadbhav Bangalore Highway Private Limited	50,000	-	0.00%
Sadbhav Udaipur Highway Private Limited	-	-	-
Sadbhav Vidarbha Highway Private Limited	-	-	-
Sadbhav Jodhpur Ring Road Private Limited	-	-	-

- (f) Following investment in equity shares of subsidiaries are pledged in favour of lenders for long term borrowing availed by the company.

	March 31, 2018		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	7,321,940	70.00%
Maharashtra Border Check Post Network Limited	45,500	23,000	50.55%
Rohtak Panipat Tollway Private Limited	2,186,445	10,71,198	48.99%
Aurangabad Jalna Tollway Limited	1,971,053	965,816	49.00%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	616,663	18.99%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	15,184,457	45.00%

	March 31, 2017		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	9,832,340	94.00%
Maharashtra Border Check Post Network Limited	45,500	23,000	50.55%
Rohtak Panipat Tollway Private Limited	2,186,445	1,071,198	48.99%
Aurangabad Jalna Tollway Limited	1,971,053	965,816	49.00%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	616,663	18.99%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	15,184,457	45.00%



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 8. Trade receivables (unsecured considered good)

(INR in Million)

	March 31, 2018	March 31, 2017
Receivable from related parties (refer note 38)	1,205.77	674.70
<b>Total</b>	<b>1,205.77</b>	<b>674.70</b>

### Notes

- (a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (b) For terms and conditions relating to related party receivable, refer note 38.
- (c) Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

## 9. Cash and Bank Balance

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Cash and cash equivalents</b>		
Cash on hand	0.01	0.01
Balance With Banks		
In Current Accounts	13.57	35.70
In current accounts earmarked for unpaid share application refund money	0.03	0.03
<b>Total</b>	<b>13.61</b>	<b>35.74</b>
<b>Other Bank Balances</b>		
Deposits with original maturity over 3 months but less than 12 months (refer note below)	21.08	21.08
<b>Total</b>	<b>21.08</b>	<b>21.08</b>

### Note

Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of redeemable non-convertible debentures (NCD) of INR 1,124.32 million (March 31, 2017: 1,405.41 million).

## 10. Loans

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Unsecured, Considered good</b>		
Loans to related parties (refer note 38)	4,572.54	3,645.25
Inter corporate loans	170.71	170.37
<b>Total</b>	<b>4,743.25</b>	<b>3,815.62</b>

### Note

The Company has granted interest bearing loans aggregating INR 4,572.54 million (March 31, 2017: INR 3,645.25 million) (including renewals on due dates) as at March 31, 2018 to its subsidiaries. The funds are advanced based on business needs of the subsidiaries company in accordance with Lender's loan agreements and sponsor support and equity contribution agreement of the respective SPV entities.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 11. Other Financial Assets

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Non Current</b>		
Fixed deposits with banks having more than 12 months maturity	28.43	0.06
<b>Total - A</b>	<b>28.43</b>	<b>0.06</b>
<b>Current</b>		
Receivable from subsidiaries (refer note 38)	78.67	63.79
Interest receivable from related parties (refer note 38)	732.81	387.39
Interest receivable on fixed deposit with bank	0.79	0.70
Others	3.12	0.03
<b>Total - B</b>	<b>815.39</b>	<b>451.91</b>
<b>Total = A+B</b>	<b>843.82</b>	<b>451.97</b>

## 12. Other Assets

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Non Current</b>		
Advance income tax (net of provisions)	3.66	60.91
Deposits (refer note 39)	4.32	4.32
Tax credits and receivables	11.04	9.86
<b>Total - A</b>	<b>19.02</b>	<b>75.09</b>
<b>Current</b>		
Advances to contractors	14.90	12.84
Advance to employees	2.00	-
Prepaid expenses	11.55	2.53
Unbilled revenue (refer note 35)	9.76	22.21
Tax credits and receivables	-	4.96
<b>Total - B</b>	<b>38.21</b>	<b>42.54</b>
<b>Total = A+B</b>	<b>57.23</b>	<b>117.63</b>

## 13. Equity Share Capital

	March 31, 2018		March 31, 2017	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
<b>Authorized share capital</b>				
Equity shares of INR 10 each	403,000,000	4,030.00	403,000,000	4,030.00
	<b>403,000,000</b>	<b>4,030.00</b>	<b>403,000,000</b>	<b>4,030.00</b>
<b>Issued, subscribed and fully paid</b>				
Equity shares of INR 10 each	352,225,216	3,522.25	352,225,216	3,522.25
<b>Total</b>	<b>352,225,216</b>	<b>3,522.25</b>	<b>352,225,216</b>	<b>3,522.25</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	March 31, 2018		March 31, 2017	
Equity Shares	No. of Shares	(INR in Million)	No. of Shares	(INR in Million)
<b>At the beginning of the year</b>	<b>352,225,216</b>	<b>3,522.25</b>	<b>352,225,216</b>	<b>3,522.25</b>
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>352,225,216</b>	<b>3,522.25</b>	<b>352,225,216</b>	<b>3,522.25</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## (b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

## (c) Shares held by holding company:

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

(INR in Million)

	March 31, 2018	March 31, 2017
Sadbhav Engineering Limited, holding company 242,223,427 (31 March 2017: 241,783,427) equity shares	2,422.23	2,417.83

## (d) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	March 31, 2018		March 31, 2017	
	No. of Shares	% holding in class	No. of Shares	% holding in class
<b>Equity shares of INR 10/- each fully paid</b>				
Sadbhav Engineering Limited	242,223,427	68.77%	241,783,427	68.64%
Xander Investment Holding XVII Ltd	-	-	29,121,860	8.27%
Norwest Venture Partners VII-A Mauritius	29,121,860	8.27%	29,121,860	8.27%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## (e) Aggregate number of equity shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of balance sheet:

The Company had issued 282,693,710 equity shares of INR 10/- each as fully paid bonus shares in the ratio of 10:1 by capitalisation of INR 2,826.94 million from Securities Premium Account in the financial year 2014-15.

## 14. Other Equity

(INR in Million)

	March 31, 2018	March 31, 2017
<b>14.1 Equity Component of Compound Financial Instrument</b> (refer note (a) below & 38)		
Balance at the beginning of the year	532.22	532.22
<b>Balance at the end of the year</b>	<b>532.22</b>	<b>532.22</b>
<b>14.2 Securities premium account</b>		
<b>Balance at the beginning of the year</b>	<b>9,039.27</b>	<b>8,986.75</b>
Add: Addition during the year		
Deferred tax assets	-	52.52
<b>Balance at the end of the year</b>	<b>9,039.27</b>	<b>9,039.27</b>
<b>14.3 Debenture Redemption Reserve</b>		
<b>Balance at the beginning of the year</b>	<b>333.55</b>	<b>109.21</b>
Add: Transfer from surplus of statement of profit & loss (refer note (b))	462.19	224.34
<b>Balance at the end of the year</b>	<b>795.74</b>	<b>333.55</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 14. Other Equity (Continued)

(INR in Million)

	March 31, 2018	March 31, 2017
<b>14.4 Retained Earnings</b>		
Balance at the beginning of the year	-	(186.86)
Adjustment during year		
Add: Profit for the year	677.40	411.57
Less: Interim dividend paid (including dividend distribution tax)	(85.20)	-
Add/ (Less): Other comprehensive Income for the year	(0.01)	(0.37)
Less: Transfer to debenture redemption reserve during the year (refer note (b))	(462.19)	(224.35)
<b>Balance at the end of the year</b>	<b>130.00</b>	<b>-</b>
<b>Total (14.1+14.2+14.3+14.4)</b>	<b>10,497.23</b>	<b>9,905.04</b>

### Notes

- a Interest free loan given by Promotors (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby promotors have given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014.

Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been classified in the Other Equity and liability component in the Long term borrowings (refer note 15). Interest on liability component is recognised using the effective interest method.

- b The Company has issued redeemable non-convertible debentures (refer note 15). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create Debenture Redemption Reserve ('DRR') out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. DRR is required to be created over the life of debentures, and accordingly, the company has transferred INR 462.19 million to DRR. Further, the Company has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve during the year.

## 15. Non-Current Borrowings

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Secured</b>		
<b>Redeemable, Non Convertible Debentures</b>		
2,000 (31 March 2017: 2,000) of INR 10,00,000 each	2,000.00	2,000.00
1,600 (31 March 2017: 1,600) of INR 10,00,000 each	1,600.00	1,600.00
1,124,324 (31 March 2017: 1,405,405) of INR 1,000 each	1,124.32	1,405.41
3,000 (31 March 2017: 3,000) of INR 10,00,000 each	3,000.00	3,000.00
	<b>7,724.32</b>	<b>8,005.41</b>
<b>Unsecured</b>		
Liability Component of Compound Financial Instrument (refer note 38)	351.02	316.22
<b>Total (A)</b>	<b>8,075.34</b>	<b>8,321.63</b>
<b>Less: Current maturities of non-current borrowing (refer note 19)</b>		
Redeemable, Non Convertible Debentures	1,280.00	210.81
<b>Total (B)</b>	<b>1,280.00</b>	<b>210.81</b>
<b>Total Non-current Borrowings (C=A-B)</b>	<b>6,795.34</b>	<b>8,110.82</b>

- (a) 2,000 Redeemable Non-Convertible Debentures (NCD ) are secured by:

(i) first ranking charge created on 10,71,198 Shares of the Company in the Rohtak Panipat Tollway Private Limited(RPTPL); (ii) the Corporate guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective security documents.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

**(b) 1,600 Redeemable , Non Convertible debentures (NCD) are secured by:**

(i) an unconditional , irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palsner Tollway Limited (DPTL) representing 46,082,466 equity shares. However, pending for pledge of the shares of DPTL with lender, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,540 equity shares have been pledged. (iv) Working Capital Demand Loan (WC DL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

**(c) 1,124,324 (March 31, 2017: 1,405,405) Redeemable Non Convertible debentures (NCD) are secured by:**

(i) Pledge of 19.46% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the Promotors i.e. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the company.

**(d) 3,000 Redeemable , Non Convertible debentures (NCD) are secured by:**

(i) Pledge of 15% shareholding of Shreenathji-Udaipur Tollway Private Limited representing 5,061,486 equity shares held by the Company. (ii) Pledge of 16% shareholding of Maharashtra Border Check Post Network Limited representing 8,000 equity shares held by the Company (iii) Pledge of 18.99% shareholding of Hyderabad Yadgiri Tollway Private Limited representing 616,663 equity shares held by the Company (iv) Pledge of 49% shareholding of Aurangabad-Jalna Tollway Limited representing 965,816 equity shares held by the Company (v) Pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 1,464,400 equity shares held by the Company (v) A first charge over the Designated A/c-Debtenture Payments and all funds and monies lying therein present & future.

**(e) Terms of Repayment for:**

**(i) 2,000 Redeemable Non-Convertible Debentures (NCDs)**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

**(ii) 1,600 Redeemable , Non Convertible debentures (NCD)**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	18-Apr-18
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

**(iii) 1,124,324 (March 31, 2017: 1,405,405) Redeemable Non Convertible debentures (NCD)**

NCD is having a floating interest rate carrying from 12.74% to 11.96 % which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.

The Company shall have an option to repay the Facility at end of 4th year and 5th year with the condition that the minimum yield on the entire facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## (iv) 3,000 Redeemable , Non Convertible debentures (NCD)

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment
Series I	500	2.60%	Bullet Repayment
Series II	500	2.60%	Bullet Repayment
Series III	500	2.60%	Bullet Repayment
Series IV	500	2.60%	Bullet Repayment
Series A	250	0%	Bullet Repayment
Series B	250	0%	Bullet Repayment
Series C	250	0%	Bullet Repayment
Series D	250	0%	Bullet Repayment

The debenture holders at the end of Year 3 shall have the right to seek prepayment / early redemption of Series III and Series IV debentures in full. Thereupon, the Company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture Trust Deed.

## (v) Liability component of compound financial instruments

Interest free loan given by Promotors (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby promotors have given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been classified in the Other Equity and liability component in the Long term borrowings (refer note 15). Interest on liability component is recognised using the effective interest method.

## (vi) Debt covenants

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. The Company has satisfied all the debts covenants prescribed in the terms of respective loan agreement as at reporting date.

## 16. Provisions

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Non Current</b>		
Provision for employee benefits - Gratuity (refer note 34)	2.29	1.66
<b>Total - A</b>	<b>2.29</b>	<b>1.66</b>
<b>Current</b>		
Provision for employee benefits - Gratuity (refer note 34)	0.28	0.11
Provision for employee benefits - Leave encashment	0.61	0.70
<b>Total - B</b>	<b>0.89</b>	<b>0.81</b>
<b>Total = A+B</b>	<b>3.19</b>	<b>2.47</b>

## 17. Current Borrowings

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Loans repayable on demand</b>		
Related parties (unsecured) (refer note 38)	5,463.56	4,425.95
Interest free loan from Others (unsecured)	17.60	17.60
Working capital demand loan from banks (unsecured)	100.00	100.00
<b>Total</b>	<b>5,581.16</b>	<b>4,543.55</b>

### Notes

- 1 Loan from related parties carries interest of 8.75% to 11% p.a. and is repayable on demand/call notice.
- 2 Interest free loan from others is repayable on demand.
- 3 Working capital demand loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the Holding company. The working capital demand loan is repayable within 90 days of borrowing and carries interest from 10.50% to 9.10% p.a.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 18. Trade Payables

(INR in Million)

	March 31, 2018	March 31, 2017
Trade payables* (refer note 38)	847.00	491.20
<b>Total</b>	<b>847.00</b>	<b>491.20</b>

\*As per intimation available with the Company, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.

## 19. Other Financial Liabilities

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Non current</b>		
Interest accrued but not due on non-convertible debentures	791.05	652.56
<b>Total - A</b>	<b>791.05</b>	<b>652.56</b>
<b>Current</b>		
Current maturities of non-current borrowing (refer note 15)	1,280.00	210.81
Interest accrued but not due on borrowing	503.40	85.85
Interest accrued and due on borrowing (refer note 38)	581.19	89.58
Employee emoluments payable	3.19	2.12
Share application money refundable	0.03	0.03
Others	8.16	-
<b>Total - B</b>	<b>2,375.97</b>	<b>388.39</b>
<b>Total = A+B</b>	<b>3,167.02</b>	<b>1,040.95</b>

## 20. Other Current Liabilities

(INR in Million)

	March 31, 2018	March 31, 2017
Advance from customer (refer note 35 and 38)	90.00	-
Unearned revenue (refer note 35)	265.93	62.08
Statutory dues payable	177.59	38.79
<b>Total</b>	<b>533.52</b>	<b>100.87</b>

## 21. Current Tax Liabilities (Net)

(INR in Million)

	March 31, 2018	March 31, 2017
Provision for Income tax (net of advance tax and TDS)	124.16	48.24
<b>Total</b>	<b>124.16</b>	<b>48.24</b>

## 22. Revenue from Operations (Refer note 38)

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Contractual income</b>		
Engineering, procurement & construction (EPC) and other contract income (refer note below and 35)	3,071.35	2,642.54
Operational and maintenance income	232.09	205.91
<b>Sale of service</b>		
Project management fees	74.48	6.00
<b>Total</b>	<b>3,377.92</b>	<b>2,854.45</b>

### Note

- The contractual income includes cost escalation claim, of INR 130.75 million (31 March 2017: INR 43.12 million) from Maharashtra Border Check Post Network Limited, a subsidiary, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 23. Other Income

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Interest Income on</b>		
Corporate loan	459.87	268.62
Fixed deposit	2.99	1.66
Income tax refund	6.59	12.03
Gain on sale of units in mutual funds	0.13	0.34
<b>Total</b>	<b>469.58</b>	<b>282.65</b>

## 24. Consumption of Project Materials

(INR in Million)

	March 31, 2018	March 31, 2017
Project inventory at the beginning of the year	-	4.26
Add: Purchase of project materials during the year	150.32	241.28
	<b>150.32</b>	<b>245.54</b>
Less: Project inventory at the end of the year	-	-
<b>Consumption of Project Materials</b>	<b>150.32</b>	<b>245.54</b>

## 25. Sub Contractors Charges

(INR in Million)

	March 31, 2018	March 31, 2017
Construction contract charges to sub-contractors	465.49	547.28
Operation and maintenance charges to sub-contractors	447.82	392.33
<b>Total</b>	<b>913.32</b>	<b>939.61</b>

## 26. Employee Benefit Expenses

(INR in Million)

	March 31, 2018	March 31, 2017
Salaries, bonus and wages (including managerial remuneration) (refer note 34)	33.19	30.54
Contribution to provident fund and other funds (refer note 34)	0.97	0.87
Gratuity expenses (refer note 34)	0.96	0.39
Staff welfare expenses	0.14	0.09
<b>Total</b>	<b>35.26</b>	<b>31.89</b>

## 27. Finance cost

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Interest on</b>		
Debenture	1,000.30	773.26
Short term borrowings	556.16	480.72
Unwinding of discount on interest free loan	34.80	31.34
Others	12.48	0.01
<b>Other Borrowing cost</b>		
Bank charges and other finance costs	30.46	9.66
<b>Total</b>	<b>1,634.20</b>	<b>1,294.99</b>

## 28. Other expenses

(INR in Million)

	March 31, 2018	March 31, 2017
Rent (refer note 37 and 38)	1.08	7.96
Rates and taxes	2.99	8.19
Repairs & maintenance	1.43	0.01
Insurance	1.24	0.72
Travelling expenses	2.40	1.47
Legal and professional fees	50.45	67.30
Auditors' remuneration (refer below)	2.07	2.52
Director sitting fees	0.48	0.66
Annual listing fees	1.35	1.27
Miscellaneous expenses	0.68	2.21
<b>Total</b>	<b>64.17</b>	<b>92.31</b>



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Payment to auditors

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Towards</b>		
Statutory audit fees (includes limited review fees)	1.99	1.91
Certification fees	0.08	0.61
<b>Total</b>	<b>2.07</b>	<b>2.52</b>

## 29. Income Tax Expense

The major component of income tax expenses for the year ended March 31, 2018 and March 31, 2017 are as under:

### (a) Profit and Loss Section

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Current tax</b>		
Current tax charges	244.83	133.80
	<b>244.83</b>	<b>133.80</b>
<b>Deferred tax</b>		
Deferred tax charge	63.98	98.42
MAT Credit (taken)	59.43	(118.01)
<b>Total deferred income tax expense</b>	<b>123.41</b>	<b>(19.59)</b>
Adjustments in respect of current tax of earlier years	0.47	0.10
<b>Tax Expense reported in the Statement of Profit and Loss</b>	<b>368.71</b>	<b>114.31</b>

### Deferred tax items relating to equity

Deferred tax related to items recognised in equity during the year

### Particulars

(INR in Million)

	March 31, 2018	March 31, 2017
Expenditure allowed over the period -Share issue expenses	-	(52.52)
	-	<b>(52.52)</b>

### (b) A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(INR in Million)

	March 31, 2018	March 31, 2017
<b>Accounting profit before tax</b>	<b>1,046.11</b>	<b>525.88</b>
Statutory Income tax rate	34.61%	34.61%
<b>Expected Income tax expenses</b>	<b>362.04</b>	<b>182.00</b>
<b>Tax Effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses</b>		
Tax effect of non deductible items	4.32	21.56
Tax in respect of earlier years	0.47	0.10
Tax on income at different rates	1.88	0.69
Tax effect on brought forward losses not recognised earlier	-	(90.04)
<b>Income tax expenses as per normal tax rate</b>	<b>368.71</b>	<b>114.30</b>
<b>Consequent to reconciliation items shown above, the effective tax rate</b>	<b>35.25%</b>	<b>21.74%</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## (c) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

(INR in Million)

Particulars	Balance sheet		Statement of Profit and Loss / Equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact of EIR of borrowings	-	-	-	3.54
Impact on liability component of Compound instruments	(148.31)	(160.35)	12.04	3.20
Accelerated depreciation for tax purpose	2.47	1.60	0.87	1.59
Expenditure allowed on payment basis	0.94	1.59	(0.65)	0.93
Expenditure allowed over the period	35.01	52.52	(17.51)	52.52
Unused tax losses available for offsetting against future taxable income	-	58.74	(58.74)	(107.68)
Tax Credit Entitlement under MAT	58.58	118.01	(59.43)	118.01
<b>Total deferred tax expenses /(Income)</b>			<b>(123.41)</b>	<b>72.11</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(51.31)</b>	<b>72.11</b>		

(d) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet at:

Financial Year	Amount (INR in Million)	Expiry Year
2016-17	58.58	2031-32
<b>Total</b>	<b>58.58</b>	

## 30. Disclosure of Financial Instruments by Category

(INR in Million)

Particulars	Note no.	March 31, 2018				March 31, 2017			
		FVTPL	FVTOCI	Amortized cost	Cost	FVTPL	FVTOCI	Amortized cost	Cost
Financial asset									
Investments	7	-	-	-	24,232.72	-	-	-	22,565.22
Trade receivables	8	-	-	1,205.77	-	-	-	674.70	-
Cash and cash equivalents	9	-	-	13.61	-	-	-	35.74	-
Other bank balances	9	-	-	21.08	-	-	-	21.08	-
Loans	10	-	-	4,743.25	-	-	-	3,815.62	-
Other financial assets	11	-	-	843.82	-	-	-	451.97	-
Total financial assets		-	-	6,827.53	24,232.72	-	-	4,999.11	22,565.22
Financial liabilities									
Non current borrowings	15	-	-	6,795.34	-	-	-	8,110.82	-
Current borrowings	17	-	-	5,581.16	-	-	-	4,543.55	-
Trade payables	18	-	-	847.00	-	-	-	491.20	-
Other financial liabilities	19	-	-	3,167.02	-	-	-	1,040.96	-
Total Financial Liabilities		-	-	16,390.52	-	-	-	14,186.53	-

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 31. Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in Million)

Particulars	Note no.	March 31, 2018		March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>					
Redeemable, Non convertible debentures	15	7,724.32	7,709.67	8,005.41	8,227.49
<b>Total Financial Liabilities</b>		<b>7,724.32</b>	<b>7,709.67</b>	<b>8,005.41</b>	<b>8,227.49</b>

### Notes:

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## 32. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018 and March 31, 2017

(INR in Million)

	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2018	March 31, 2017
<b>Liabilities measured at fair value</b>			
<b>Liabilities for which fair value are disclosed</b>			
Redeemable, Non convertible debentures	15	7,709.67	8,227.49

There have been no transfers between level 1 and level 2 during the years.

## 33. Earning Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(INR in Million)

	March 31, 2018	March 31, 2017
Profit after tax for the year available for equity shareholders	677.40	411.57
Number of equity shares at the end of the year	352,225,216	352,225,216
Weighted average number of equity shares for basic and diluted EPS	352,225,216	352,225,216
Nominal value of equity shares	10	10
<b>Earnings per share</b>	<b>1.92</b>	<b>1.17</b>

## 34. Employee Benefits Disclosure

### A Defined Contribution Plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

	March 31, 2018	March 31, 2017
Contribution to Provident funds	0.83	0.77
Contribution to Employee State Insurance	0.13	0.09
Contribution to Benevolent funds	0.01	0.01
<b>Total</b>	<b>0.97</b>	<b>0.87</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## B Defined benefit plans - Gratuity benefit plan:

The Company has a gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

	(INR in Million)	
	March 31, 2018	March 31, 2017
Defined benefit obligations as at beginning of the year- A	1.77	1.20
<b>Cost charged to statement of profit and loss</b>		
Current service cost	0.49	0.30
Past service cost	0.35	-
Interest cost	0.13	0.09
<b>Sub-total included in statement of profit and loss - B</b>	<b>0.97</b>	<b>0.39</b>
<b>Remeasurement (gains)/losses in other comprehensive income</b>		
Actuarial loss / (gain) due to change in financial assumptions	(0.06)	0.05
Actuarial loss / (gain) due to experience	0.07	0.32
<b>Sub-total included in other comprehensive income - C</b>	<b>0.01</b>	<b>0.37</b>
<b>Benefit paid - D</b>	<b>(0.18)</b>	<b>(0.19)</b>
<b>Defined benefit obligations as at end of the year (A+B+C+D)</b>	<b>2.57</b>	<b>1.77</b>
Current	2.29	1.66
Non-current	0.28	0.11

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

	(INR in Million)	
	March 31, 2018	March 31, 2017
Discount Rate	7.55%	7.15%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	March 31, 2018	March 31, 2017
Discount rate	0.50% increase	(0.08)	(0.06)
	0.50% decrease	0.08	0.06
Salary Growth Rate	0.50% increase	0.04	0.03
	0.50% decrease	(0.05)	(0.04)
Withdrawal rate	10% increase	0.02	0.02
	10% decrease	(0.02)	(0.01)

## D Maturity Profile of the Defined Benefit Obligation:

	As at March 31, 2018	
	INR in Million	%
2019	0.22	5.30%
2020	0.19	4.50%
2021	0.19	4.40%
2022	0.44	10.60%
2023	0.22	5.20%
2024 - 2028	1.25	29.90%



# Notes to Standalone Financial Statements for the year ended March 31, 2018

	As at March 31, 2017	
	INR in Million	%
2018	0.11	3.80%
2019	0.19	6.30%
2020	0.16	5.30%
2021	0.15	4.90%
2022	0.31	10.50%
2023 - 2027	0.63	21.10%

The average future duration of the defined benefit plan obligation at the end of the reporting period is 21.83 years (March 31, 2017: 23.25 years).

## C Other employee benefit:

Salaries, wages and bonus include INR 2.95 million (March 31, 2017: INR 2.62 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, Bonus and leave travel allowance.

## 35. Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

(INR in Million)

	March 31, 2018	March 31, 2017
I Contract revenue recognized as revenue in the year	3,071.35	2,642.53
II For Contracts that are in progress:		
a. Contract costs incurred and recognized upto reporting date	2,923.23	2,870.75
b. Profits (less recognized losses) upto reporting	3,820.69	2,353.38
c. Advances received	90.00	-
d. Retention Money	-	25.10
III Unbilled Revenue	9.76	22.21
IV Unearned Revenue	265.93	62.08

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

## 36. Segment Reporting

The segment reporting is in accordance with the internal financial reports derived from ERP system implemented from April 01, 2017 which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered BOT segment as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

## 37. Operating Lease:

The company has taken office space on operating leases basis. There are no sub-leases and the leases are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent nor any escalation clause in the lease agreements. During the year, the Company has incurred INR 0.90 million (March 31, 2017: INR 0.90 million) towards rent for office space.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 38. Related Party disclosures

Related party disclosures as required under the Indian Accounting Standard (Ind AS) - 24 on "Related Party Disclosures" are given below:

### (a) Name of related party and nature of relationship

#### Related Parties where control exists:

Holding Company	Sadbhav Engineering Limited (SEL)
Subsidiaries	Ahmedabad Ring Road Infrastructure Limited (ARRIL)
	Aurangabad Jalna Toll Way Limited (AJTL)
	Bijapur Hungund Tollway Private Limited (BHTPL)
	Hyderabad Yadgiri Tollway Private Limited (HYTPL)
	Rohtak Panipat Tollway Private Limited (RPTPL)
	Maharashtra Border Check Post Network Limited (MBCPNL)
	Nagpur Seoni Express Way Limited (NSEWL)
	Shreenathji-Udaipur Toll way Private Limited (SUTPL)
	Bhilwara-Rajsamand Toll way Private Limited (BRTPL)
	Rohtak Hissar Tollway Private Limited (RHTPL)
	Dhule Palesnar Tollway Limited (DPTL)
	Sadbhav Bhavnagar Highway Private Limited (SBHPL)
	Sadbhav Nainital Highway Private Limited (SNHPL)
	Sadbhav Rudrapur Highway Private Limited (SRHPL)
	Sadbhav Una Highway Private Limited (SUHPL)
	Sadbhav Bangalore Highway Private Limited (SBGHPL)
	Sadbhav Vidarbha Highway Private Limited (SVHPL) (w.e.f April 24, 2017)
	Sadbhav Udaipur Highway Private Limited (SUDHPL) (w.e.f May 23, 2017)
	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) (w.e.f January 3, 2018)
	Sadbhav Tumkur Highway Private Limited (STHPL) (w.e.f March 20, 2018)

### (b) Related parties with whom transactions have taken place

Fellow Subsidiary	Mysore-Bellary Highway Pvt. Ltd. (MBHPL)
Key managerial personnel (KMP)	Mr. Vasistha C Patel, Managing Director
	Mr. Vishnubhai M Patel, Chairman and Non-Executive Director (upto March 03, 2017)
	Mr. Shashin V. Patel, Chairman and Non-Executive Director (w.e.f March 03, 2017)
	Mr. Nitin R. Patel, Non-Executive Director
	Mr. Atul Ruparel, Independent Director
	Mr. Arun Kumar Patel, Independent Director
	Mr. Mirat Bhadlawala, Independent Director
	Mrs. Dakshaben Shah, Independent Director
	Mr. Sandip Patel, Independent Director
	Late Dr. Jagdish Joshipura, Independent Director (upto November 12, 2016)
	Mr. Varun Mehta, Chief Financial Officer
	Mr. Hardik Modi, Company Secretary (w.e.f July 08, 2016)
	Mr. Gaurav Vesasi, Company Secretary (upto May 31, 2016)

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## (c) Transactions with Related Parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Unsecured loan taken								
	SEL	1,544.53	4,215.12	-	-	-	-	-	-
	ARRIL	-	-	58.50	247.00	-	-	-	-
	HYTPL	-	-	178.73	-	-	-	-	-
2	Unsecured loan repaid (including interest)								
	SEL	596.95	5,580.93	-	-	-	-	-	-
	ARRIL	-	-	59.00	182.68	-	-	-	-
	HYTPL	-	-	88.21	-	-	-	-	-
3	Interest expense								
	SEL	537.51	466.27	-	-	-	-	-	-
	ARRIL	-	-	7.38	4.94	-	-	-	-
	HYTPL	-	-	1.58	-	-	-	-	-
4	Unsecured loan given								
	AJTL	-	-	45.90	34.85	-	-	-	-
	BRTPL	-	-	10.25	333.82	-	-	-	-
	DPTL	-	-	45.20	449.35	-	-	-	-
	HYTPL	-	-	87.50	250.22	-	-	-	-
	MBCPNL	-	-	690.62	651.92	-	-	-	-
	MBHPL	-	-	-	-	-	24.80	-	-
	NSEL	-	-	10.26	261.97	-	-	-	-
	RHTPL	-	-	737.30	493.17	-	-	-	-
	RPTPL	-	-	411.62	405.70	-	-	-	-
	SUTPL	-	-	368.02	161.90	-	-	-	-
	SBHPL	-	-	1.00	3.30	-	-	-	-
	SUHPL	-	-	-	2.40	-	-	-	-
	SNHPL	-	-	22.42	3.70	-	-	-	-
	SRHPL	-	-	0.80	3.50	-	-	-	-
	SBGHPL	-	-	1.61	-	-	-	-	-
	SUDHPL	-	-	2.90	-	-	-	-	-
5	Proceeds from unsecured loan given including interest								
	AJTL	-	-	254.30	379.85	-	-	-	-
	BRTPL	-	-	39.17	369.21	-	-	-	-
	HYTPL	-	-	329.97	209.02	-	-	-	-
	MBCPNL	-	-	541.58	102.03	-	-	-	-
	MBHPL	-	-	-	-	7.40	24.80	-	-
	DPTL	-	-	301.08	340.72	-	-	-	-
	NSEL	-	-	10.20	-	-	-	-	-
	RHTPL	-	-	-	452.74	-	-	-	-
	RPTPL	-	-	-	15.00	-	-	-	-
	SBHPL	-	-	3.24	-	-	-	-	-
	SRHPL	-	-	4.30	-	-	-	-	-
	SUTPL	-	-	70.50	30.00	-	-	-	-
	SUHPL	-	-	2.40	-	-	-	-	-
	SUDHPL	-	-	2.93	-	-	-	-	-
	SBGHPL	-	-	0.13	-	-	-	-	-
6	Sub ordinate debt given								
	MBCPNL	-	-	350.00	-	-	-	-	-
	SUDHPL	-	-	319.90	-	-	-	-	-
	SBHPL	-	-	14.36	303.36	-	-	-	-
	SUHPL	-	-	7.13	183.94	-	-	-	-
	SRHPL	-	-	6.05	272.96	-	-	-	-
	SNHPL	-	-	160.14	287.82	-	-	-	-
	SBGHPL	-	-	457.50	-	-	-	-	-
	SVHPL	-	-	313.47	-	-	-	-	-

# Notes to Standalone Financial Statements for the year ended March 31, 2018

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
7	Sub ordinate debt received back								
	BHTPL	-	-	223.30	-	-	-	-	-
8	Sale of Services (including contract revenue) (excluding taxes)								
	SEL	-	247.37	-	-	-	-	-	-
	ARRIL	-	-	15.12	13.64	-	-	-	-
	AJTL	-	-	13.71	461.22	-	-	-	-
	DPTL	-	-	643.23	55.63	-	-	-	-
	HYTPL	-	-	43.24	13.32	-	-	-	-
	MBCPNL	-	-	265.27	152.33	-	-	-	-
	NSEL	-	-	16.92	207.30	-	-	-	-
	RPTPL	-	-	32.44	31.61	-	-	-	-
	RHTPL	-	-	-	231.97	-	-	-	-
	SUTPL	-	-	38.78	276.87	-	-	-	-
	BRTPL	-	-	28.13	179.95	-	-	-	-
	SUHPL	-	-	205.08	177.00	-	-	-	-
	SBHPL	-	-	285.03	246.00	-	-	-	-
	SRHPL	-	-	276.00	276.00	-	-	-	-
	SNHPL	-	-	255.50	292.00	-	-	-	-
	SBGHPL	-	-	385.00	-	-	-	-	-
	SUDHPL	-	-	274.48	-	-	-	-	-
	SVHPL	-	-	600.00	-	-	-	-	-
9	Reimbursement of expenses (Net)								
	SEL	-	4.86	-	-	-	-	-	-
	AJTL	-	-	-	2.07	-	-	-	-
	DPTL	-	-	0.40	-	-	-	-	-
	HYTPL	-	-	0.05	-	-	-	-	-
	RPTPL	-	-	0.05	-	-	-	-	-
	RHTPL	-	-	1.12	-	-	-	-	-
	MBCPNL	-	-	48.64	42.61	-	-	-	-
	SUTPL	-	-	-	0.80	-	-	-	-
	MBHPL	-	-	-	-	15.80	51.26	-	-
	SVHPL	-	-	0.02	-	-	-	-	-
	NSEL	-	-	0.91	-	-	-	-	-
	SBGHPL	-	-	2.91	0.02	-	-	-	-
	SBHPL	-	-	-	0.05	-	-	-	-
	SNHPL	-	-	-	0.29	-	-	-	-
	SRHPL	-	-	-	0.29	-	-	-	-
	SVHPL	-	-	0.02	0.06	-	-	-	-
10	Interest income								
	AJTL	-	-	16.57	34.63	-	-	-	-
	BRTPL	-	-	9.75	4.93	-	-	-	-
	DPTL	-	-	10.68	6.82	-	-	-	-
	HYTPL	-	-	7.47	13.97	-	-	-	-
	MBCPNL	-	-	39.09	17.66	-	-	-	-
	NSEL	-	-	104.10	70.98	-	-	-	-
	RHTPL	-	-	75.83	9.28	-	-	-	-
	RPTPL	-	-	154.92	100.41	-	-	-	-
	SUTPL	-	-	38.98	9.77	-	-	-	-
	SNHPL	-	-	2.07	0.05	-	-	-	-
	SRHPL	-	-	0.09	0.05	-	-	-	-
	SUHPL	-	-	0.04	0.03	-	-	-	-
	SBHPL	-	-	0.10	0.05	-	-	-	-
	SBGHPL	-	-	0.13	-	-	-	-	-
	SUDHPL	-	-	0.03	-	-	-	-	-



# Notes to Standalone Financial Statements for the year ended March 31, 2018

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
11	Receipt of services and material (excluding tax)								
	SEL	-	66.14	-	-	-	-	-	-
12	Rent paid (excluding taxes)								
	SEL	0.90	0.90	-	-	-	-	-	-
13	Fixed assets sold								
	SEL	2.64	-	-	-	-	-	-	-
14	Fixed assets purchased (including taxes)								
	SEL	-	15.40	-	-	-	-	-	-
15	Sitting Fees								
	Vasistha C Patel	-	-	-	-	-	-	-	0.11
	Vishnubhai M Patel	-	-	-	-	-	-	-	0.05
	Shashin V Patel	-	-	-	-	-	-	0.08	0.08
	Nitin R Patel	-	-	-	-	-	-	0.08	0.21
	Arunkumar Patel	-	-	-	-	-	-	0.08	0.15
	Sandip Patel	-	-	-	-	-	-	0.06	0.14
	Atul Ruparel	-	-	-	-	-	-	0.03	0.06
	Mirat Bhadlawala	-	-	-	-	-	-	0.06	0.12
	Daksha Shah	-	-	-	-	-	-	0.08	0.09
	Jagdish Joshipura	-	-	-	-	-	-	-	0.05
16	Remuneration								
	Vasistha Patel	-	-	-	-	-	-	3.00	3.00
	Varun Mehta	-	-	-	-	-	-	3.57	3.00
	Hardik Modi	-	-	-	-	-	-	0.68	0.45
	Gaurav Vesasi	-	-	-	-	-	-	0.02	0.26

## (d) Balances of related parties at the year end

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Trade receivable (including retention money)								
	AJTL	-	-	31.02	77.41	-	-	-	-
	ARRIL	-	-	-	1.38	-	-	-	-
	BRTPL	-	-	11.05	10.29	-	-	-	-
	DPTL	-	-	98.56	25.13	-	-	-	-
	HYTPL	-	-	0.95	4.90	-	-	-	-
	MBCPNL	-	-	592.95	218.70	-	-	-	-
	NSEL	-	-	23.43	72.18	-	-	-	-
	RHTPL	-	-	-	0.85	-	-	-	-
	RPTPL	-	-	21.72	16.72	-	-	-	-
	SUTPL	-	-	44.28	247.13	-	-	-	-
	SVHPL	-	-	381.82	-	-	-	-	-
2	Unsecured loan								
	AJTL	-	-	77.92	264.44	-	-	-	-
	BRTPL	-	-	76.58	96.85	-	-	-	-
	DPTL	-	-	2.28	258.17	-	-	-	-
	HYTPL	-	-	-	234.98	-	-	-	-

# Notes to Standalone Financial Statements for the year ended March 31, 2018

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	MBCPNL	-	-	670.37	510.67	-	-	-	-
	MBHPL	-	-	-	-	-	7.40	-	-
	NSEL	-	-	828.68	818.42	-	-	-	-
	RHTPL	-	-	1,065.65	328.35	-	-	-	-
	RPTPL	-	-	1,372.62	961.00	-	-	-	-
	SUTPL	-	-	449.60	152.08	-	-	-	-
	SBHPL	-	-	1.06	3.30	-	-	-	-
	SNHPL	-	-	26.12	3.70	-	-	-	-
	SRHPL	-	-	-	3.50	-	-	-	-
	SUHPL	-	-	0.05	2.40	-	-	-	-
	SBGHPL	-	-	1.61	-	-	-	-	-
3	Sub-Ordinate debt								
	AJTL	-	-	282.00	282.00	-	-	-	-
	BRTPL	-	-	1,159.60	1,159.60	-	-	-	-
	BHTPL	-	-	620.62	843.92	-	-	-	-
	DPTL	-	-	3,267.23	3,267.23	-	-	-	-
	HYTPL	-	-	1,017.23	1,017.23	-	-	-	-
	MBCPNL	-	-	4,286.13	3,936.13	-	-	-	-
	NSEL	-	-	118.29	118.29	-	-	-	-
	RHTPL	-	-	993.12	993.12	-	-	-	-
	RPTPL	-	-	2,209.06	2,209.06	-	-	-	-
	SUTPL	-	-	2,777.17	2,777.17	-	-	-	-
	SUHPL	-	-	191.07	183.94	-	-	-	-
	SBHPL	-	-	317.72	303.36	-	-	-	-
	SNHPL	-	-	447.96	287.82	-	-	-	-
	SRHPL	-	-	279.01	272.95	-	-	-	-
	SBGHPL	-	-	457.50	-	-	-	-	-
	SVHPL	-	-	313.46	-	-	-	-	-
	SUDHPL	-	-	319.90	-	-	-	-	-
4	Interest payable								
	SEL	572.81	89.05	-	-	-	-	-	-
	ARRIL	-	-	7.17	0.53	-	-	-	-
	HYTPL	-	-	1.21	-	-	-	-	-
5	Advance against contract								
	BHTPL	-	-	90.00	-	-	-	-	-
6	Trade Payable								
	SEL	9.49	2.19	-	-	-	-	-	-
7	Interest receivable								
	AJTL	-	-	0.72	7.70	-	-	-	-
	BRTPL	-	-	2.32	2.20	-	-	-	-
	DPTL	-	-	0.20	-	-	-	-	-
	HYTPL	-	-	-	0.77	-	-	-	-
	MBCPNL	-	-	27.06	2.53	-	-	-	-
	NSEL	-	-	261.58	178.09	-	-	-	-
	RHTPL	-	-	76.60	8.35	-	-	-	-
	RPTPL	-	-	324.71	185.28	-	-	-	-
	SUTPL	-	-	37.37	2.29	-	-	-	-
	SBHPL	-	-	0.07	0.04	-	-	-	-
	SNHPL	-	-	1.91	0.05	-	-	-	-
	SRHPL	-	-	0.13	0.04	-	-	-	-
	SUHPL	-	-	0.02	0.03	-	-	-	-
	SBGHPL	-	-	0.12	-	-	-	-	-

# Notes to Standalone Financial Statements for the year ended March 31, 2018

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
8	Expense receivable/(payable)								
	SEL	-	(6.39)	-	-	-	-	-	-
	RHTPL	-	-	1.12	-	-	-	-	-
	RPTPL	-	-	0.05	-	-	-	-	-
	MBCPNL	-	-	64.74	63.59	-	-	-	-
	NSEL	-	-	0.91	0.00	-	-	-	-
	SBHPL	-	-	0.05	0.05	-	-	-	-
	SNHPL	-	-	0.04	0.04	-	-	-	-
	SBGHPL	-	-	2.91	0.02	-	-	-	-
	SRHPL	-	-	-	0.04	-	-	-	-
	SUHPL	-	-	0.06	0.06	-	-	-	-
9	Unsecured loan taken								
	SEL	5,305.22	4,357.64	-	-	-	-	-	-
	ARRIL	-	-	67.81	68.31	-	-	-	-
	HYTPL	-	-	90.53	-	-	-	-	-
10	Receivable towards sale of assets								
	SEL	3.12	-	-	-	-	-	-	-
11	Remuneration payable								
	Vasistha Patel	-	-	-	-	-	-	0.20	-
	Varun Mehta	-	-	-	-	-	-	0.27	-
	Hardik Modi	-	-	-	-	-	-	0.05	-
12	Interest free unsecured loan (Equity and liability components less finance cost recognised till date reporting date)								
	SEL	779.56	779.56	-	-	-	-	-	-

## Notes:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.
- Non convertible debenture of INR 7,724.32 Million as at March 31, 2018 (March 31, 2017: INR 8,005.41 million) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and Non convertible debenture of INR 5,005.41 Million as at March 31, 2018 (March 31, 2017: INR 5,005.41 million) personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% of its shareholding in the Company to the lenders toward borrowings availed by the Company.
- The sale of service include unearned revenue of INR 265.93 Million (March 31, 2017: INR 62.08 million) and unbilled revenue of INR 9.75 million (March 31, 2017: INR 22.21 million) accounted during the year as of the order from its subsidiaries as per the company policy.
- During the year, the company has converted short term loan given to a subsidiary of INR 350.00 Million (March 31, 2017: INR 80.00 Million) into a sub-ordinate debts, the movement of the same disclosed under respective items.
- The unsecured loans given to subsidiaries company is based on business needs of the subsidiaries company in accordance with Lender's Loan agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entities. The loan given to subsidiaries on demand basis which carries interest of 8.30% to 11.20% based on cost of fund of respective subsidiaries entities.
- The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 39. Contingent liabilities and commitments

### I Contingent Liabilities

(INR in Million)

	March 31, 2018	March 31, 2017
Service Tax*	43.48	43.48
	<b>43.48</b>	<b>43.48</b>

\* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, and received stay order from tribunal for recoveries of demands against deposit of 2.50 millions. The matter is pending with Tribunal as at reporting date.

- II The minority Shareholder of Bijapur Hungund Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed Company Petition under sections 397 and 398 of the Companies Act, 1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders Company, SEL (Sadbhav Group) and the past and present Directors of the BHTPL appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). The Company had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the Company Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, BHTPL and the Company. The said Application was dismissed by the CLB by Order dated January 8, 2014. The Company then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the CLB Order dated January 8, 2014. The Writ Petition was dismissed by single judge of Honourable High Court of Gujarat by Order dated August 14, 2014. The Company has filed Letters Patent Appeal No.1070 of 2014 (LPA) before the Division Bench of the Hon'ble Gujarat High Court against the said Court Order dated August 14, 2014. The divisional bench of the Hon'ble Gujarat High Court has passed order dated November 24, 2014 for continued the interim orders passed during the pendency of the Writ Petition and further directed to CLB for the stay on proceedings till disposal of LPA. However, hearing of the LPA is pending before the Hon'ble Gujarat High Court as at reporting date. The Management represents that no liability is likely to devolve in the matter on the Company.

### III Commitments

The followings are the estimated amount of contractual commitments of the company:

(INR in Million)

	March 31, 2018	March 31, 2017
(i) Sub-contracts commitments	351.63	786.87
(ii) Other commitments towards sub ordinate debts/equity shares in various subsidiaries	5,618.22	3,465.82
(iii) The BOT/HAM projects of below subsidiary companies has been funded through various credit facility agreements with lenders. Against the said facilities availed by the subsidiary companies from the lenders, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:		

Name of Subsidiary	% of Non Disposal Undertaking		% of shares to pledge as at March 31, 2018	% of shares to pledge as at March 31, 2017
	Upto Commercial Operation Date	After Commercial Operation Date		
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%*	99.99%	6.00%
Aurangabad Jalna Tollway Limited	21.00%	21.00%	30.00%	30.00%
Bhilwara-Rajsamand Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Bijapur Hungund Tollway Private Limited	51.00%	51.00%	66.23%	92.23%
Hyderabad Yadgiri Tollway Private Limited	51.00%	51.00%	51.00%	81.01%
Maharashtra Border Check Post Network Ltd.	70.00%	51.00%	29.57%	29.57%
Nagpur Seoni Expressway Limited	30.00%	30.00%	99.00%	99.00%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Shreenathji-Udaipur Tollway Private Limited	51.00%	51.00%	30.00%	51.00%
Dhule Palenser Tollway Limited	51.00%	33.00%	33.00%	33.00%
Sadbhav Una Highway Private Limited	51.00%	51.00%	51.00%	30.00%
Sadbhav Bhavnagar Highway Private Limited	51.00%	51.00%	51.00%	30.00%
Sadbhav Rudrapur Highway Private Limited	51.00%	25.00%	51.00%	30.00%
Sadbhav Nainital Highway Private Limited	51.00%	25.00%	51.00%	30.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	0.00%
Sadbhav Udaipur Highway Private Limited	51.00%	51.00%	30.00%	0.00%
Sadbhav Vidarbha Highway Private Limited	51.00%	51.00%	30.00%	0.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	0.00%	0.00%

\* In case of Ahmedabad Ring Road Infrastructure Limited, the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

(iv) The Company has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt.Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

40. The following are the details of loans and advances in the nature of loans (includes in the nature of sub-ordinate debts) given to subsidiaries in which directors are interested in terms of regulation 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015).

(INR in Million)

Name of Entities	Outstanding amount as at		Maximum amount Outstanding during the year	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Aurangabad Jalna Tollway Limited	359.92	546.44	546.44	837.48
Bhilwara-Rajsamand Tollway Private Limited	1,236.18	1,256.45	1,256.45	1,256.45
Bijapur Hungund Tollway Private Limited	620.62	843.92	843.92	843.92
Hyderabad Yadgiri Tollway Private Limited	1,017.23	1,252.21	1,288.49	1,252.21
Maharashtra Border Check Post Network Limited	4,956.50	4,446.80	4,971.50	4,446.80
Nagpur Seoni Expressway Limited	946.97	936.71	946.97	936.71
Rohtak-Hissar Tollway Private Limited	2,058.77	1,321.47	2,058.77	1,321.47
Rohtak Panipat Tollway Private Limited	3,581.68	3,170.06	3,581.68	3,170.06
Shreenathji-Udaipur Tollway Private Limited	3,226.77	2,929.25	3,260.72	2,939.50
Dhule Palenser Tollway Limited	3,269.51	3,525.40	3,525.40	3,574.61
Mysore-Bellary Highway Private Ltd.	-	7.40	7.40	32.20
Sadbhav Una Highway Private Ltd.	191.12	186.34	254.62	186.34
Sadbhav Bhavnagar Highway Private Ltd.	318.78	306.66	323.24	306.66
Sadbhav Nainital Highway Private Ltd.	474.08	291.52	474.08	291.52
Sadbhav Rudrapur Highway Private Ltd.	279.01	276.45	279.01	276.45
Sadbhav Bangalore Highway Private Ltd.	459.11	-	462.41	-
Sadbhav Udaipur Highway Private Ltd.	319.90	-	319.90	-
Sadbhav Vidarbha Highway Private Ltd.	313.46	-	313.46	-

Note: All loans are given on interest bearing excepts loan given as sub-debts (in the nature of promoters contribution) by the Company (as a sponsor) in accordance with the Lender's Loan agreement and Sponsor Support and Equity Contribution agreement with the respective SPV entities.

41. Disclosure Significant interest in subsidiaries as per Ind AS 27 para 17.

Name of Entities	Relationship	Place of Business	Ownership %	
			March 31, 2018	March 31, 2017
Ahmedabad Ring Road Infrastructure Limited	Subsidiary	India	100%	100%
Aurangabad Jalna Toll Way Limited	Subsidiary	India	100%	100%
Bijapur Hungund Tollway Private Limited	Subsidiary	India	77%	77%
Hyderabad Yadgiri Tollway Private Limited	Subsidiary	India	100%	100%
Rohtak Panipat Tollway Private Limited	Subsidiary	India	100%	100%
Maharashtra Border Check Post Network Limited	Subsidiary	India	91%	91%
Nagpur Seoni Expressway Limited	Subsidiary	India	100%	100%
Shreenathji-Udaipur Tollway Private Limited	Subsidiary	India	100%	100%
Bhilwara-Rajsamand Tollway Private Limited	Subsidiary	India	100%	100%
Rohtak Hissar Tollway Private Limited	Subsidiary	India	100%	100%
Dhule Palesnar Tollway Limited	Subsidiary	India	100%	100%
Sadbhav Bhavnagar Highway Private Ltd.	Subsidiary	India	100%	100%
Sadbhav Nainital Highway Private Ltd.	Subsidiary	India	100%	100%
Sadbhav Rudrapur Highway Private Ltd.	Subsidiary	India	100%	100%
Sadbhav Una Highway Private Ltd.	Subsidiary	India	100%	100%
Sadbhav Bangalore Highway Private Ltd.	Subsidiary	India	100%	100%
Sadbhav Vidarbha Highway Private Ltd (w.e.f April 24, 2017)	Subsidiary	India	100%	N.A
Sadbhav Udaipur Highway Private Ltd (w.e.f May 23, 2017)	Subsidiary	India	100%	N.A
Sadbhav Jodhpur Ring Road Private Ltd (w.e.f January 3, 2018)	Subsidiary	India	100%	N.A
Sadbhav Tumkur Highway Private Ltd (w.e.f March 20, 2018)	Subsidiary	India	100%	N.A

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 42. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations as well development and maintenance of SPVs project. The Company's principal financial assets include Investments, other receivables and cash and bank balances which are been derived directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

### (i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from non-current borrowings with variable rates. The Company maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The company measures risk through sensitivity analysis.

The banks are now finance at variable rate only, which is the inherent business risk.

#### Interest rate sensitivity

The Company is not exposed to interest rate risk because its borrowings in Non convertible debenture carries fixed interest rate.

### (ii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk related to operating activities (primarily trade receivables and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments.

Trade receivable mainly consist of receivable from related parties. Accordingly, the Company is not exposed to credit risk in relation to Trade receivable.

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk from balance with bank and financial institutions as of March 31, 2018 is INR 63.13 million, March 31, 2017 is INR 56.82 million.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## (c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(INR in Million)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>As at March 31, 2018</b>						
Debentures	7,724.32	-	1,280.00	2,994.32	3,450.00	-
Long term loan from related parties	779.56	-	-	-	-	779.56
Interest accrued on borrowings	1,875.62	-	1,084.59	466.34	324.69	-
Loans repayable on demand	5,581.16	5,581.16	-	-	-	-
Trade payables	847.00	-	847.00	-	-	-
Other payables	11.38	-	11.38	-	-	-
<b>Total</b>	<b>16,819.04</b>	<b>5,581.16</b>	<b>3,222.97</b>	<b>3,460.66</b>	<b>3,774.69</b>	<b>779.56</b>
<b>As at March 31, 2017</b>						
Debentures	8,005.41	-	210.81	1,350.27	5,694.33	750.00
Long term loan from related parties	779.56	-	-	-	-	779.56
Interest accrued on borrowings	2,291.63	-	-	412.27	1,440.69	438.68
Loans repayable on demand	4,543.55	4,543.55	-	-	-	-
Trade payables	491.20	-	491.20	-	-	-
Other payables	388.39	-	388.39	-	-	-
<b>Total</b>	<b>16,499.74</b>	<b>4,543.55</b>	<b>1,090.40</b>	<b>1,762.54</b>	<b>7,135.02</b>	<b>1,968.24</b>

## 43. Capital Management

For the purpose of the Company's capital management, capital consist of share capital, securities premium, other equity and all other reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares. The Company monitors capital using debt equity ratio which does not exceed 2:1 which is total borrowings divided by total equity.

The key performance ratios as at 31 March are as follows

(INR in Million)

	March 31, 2018	March 31, 2017
Non current borrowings* (refer note 15)	8,075.34	8,321.63
Other non-current financial liabilities (refer note 19)	791.05	652.56
Current borrowings (refer note 17)	5,581.16	4,543.55
<b>Total Debts - A</b>	<b>14,447.55</b>	<b>13,517.74</b>
Equity share capital (refer note 13)	3,522.25	3,522.25
Other equity (refer note 14)	10,497.23	9,905.04
<b>Total Equity - B</b>	<b>14,019.48</b>	<b>13,427.29</b>
<b>Debt equity ratio (A/B)</b>	<b>1.03</b>	<b>1.01</b>

\* Includes current maturities of non current borrowing disclosed under other current financial liabilities.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 44. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

### **Ind AS 115, Revenue from Contract with Customers:**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with *Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the management has concluded its evaluation.

## 45. Events after the reporting period

The Board of Directors of the Company in their meeting held on May 08, 2018 has recommended a final dividend @ 30% i.e. INR 0.30 per equity share of INR 10/- each fully paid up for the year ended March 31, 2018 subject to approval of the members at the ensuing general meeting.

## 46. Previous year comparatives:

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

### As per our report of even date

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

**For MANUBHAI & SHAH LLP**  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

**For and on behalf of Board of Directors**  
**Sadbhav Infrastructure Project Limited**

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary

Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer



# ***Consolidated Financial Statements***

# ***Independent Auditor's Report on the Consolidated Financial Statements***

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To,  
The Members of  
**Sadbhav Infrastructure Project Limited**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Sadbhav Infrastructure Project Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## **Emphasis of Matter**

We draw attention to Note 51 of the consolidated Ind AS financial statement in respect of accounting of Intangible Asset/Intangible Assets under Development of INR 2,212.30 million (31 March 2017: INR 1,883.09 million) under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no further cost adjustments are considered necessary in these consolidated Ind AS financial statement. Our opinion is not qualified in respect of this matter.

## **Other Matter**

We did not audit the financial statements and other financial information, in respect of six subsidiaries whose Ind AS financial statements include total assets of INR 22,770.91 million and net assets of INR (109.75) million as at March 31, 2018, and total revenues of INR 5,555.93 million and net cash inflows of INR 72.33 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## **Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose reports, we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated Ind AS financial statement;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group-Refer Note 42 to the consolidated Ind AS financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 8, 2018

**For MANUBHAI & SHAH LLP**

Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

per **K. C. Patel**

Partner

Membership Number: 30083

Place of Signature: Ahmedabad

Date: May 8, 2018



**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Sadbhav Infrastructure Project Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sadbhav Infrastructure Project Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company and its subsidiaries which are companies incorporated in India internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these six subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 8, 2018

### For MANUBHAI & SHAH LLP

Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

per **K. C. Patel**

Partner

Membership Number: 30083

Place of Signature: Ahmedabad

Date: May 8, 2018

# Consolidated Balance Sheet as at March 31, 2018

(INR in Million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property plant and equipment	5	184.40	202.20
(b) Investment property	6	21.91	20.83
(c) Goodwill on consolidation	7	2,043.74	2,043.74
(d) Intangible assets	7	90,670.14	93,140.60
(e) Intangible assets under development	7	2,889.99	1,830.85
(f) Financial assets			
(i) Investments	8	0.02	0.02
(ii) Receivable under service concession arrangement	12	1,800.43	2,012.03
(iii) Other financial assets	13	167.89	590.03
(g) Deferred tax assets (Net)	34	0.12	72.11
(h) Other assets	14	334.80	392.56
<b>Total Non-current assets</b>		<b>98,113.44</b>	<b>100,304.97</b>
<b>2 Current assets</b>			
(a) Financial assets			
(i) Investments	8	423.07	558.26
(ii) Trade receivables	9	7.69	5.39
(iii) Cash and cash equivalents	10	558.38	503.89
(iv) Bank Balances other than (iii) above	10	21.08	21.08
(v) Loans	11	170.70	177.78
(vi) Receivable under service concession arrangement	12	10,089.26	1,787.13
(vii) Other financial assets	13	1,652.58	935.05
(b) Other assets	14	4,621.57	126.83
(c) Current tax assets (Net)	15	1.18	1.18
<b>Total Current assets</b>		<b>17,545.51</b>	<b>4,116.59</b>
<b>Total Assets</b>		<b>115,658.95</b>	<b>104,421.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	3,522.25	3,522.25
Other equity	17	(6,179.98)	(2,805.78)
<b>Equity attributable to equity holders of the parent</b>		<b>(2,657.73)</b>	<b>716.47</b>
Non controlling interest		106.14	262.29
<b>Total equity</b>		<b>(2,551.59)</b>	<b>978.76</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	78,379.68	76,359.81
(ii) Other financial liabilities	21	15,536.42	14,127.37
(b) Provisions	22	1,769.18	1,616.10
(c) Deferred tax liabilities (Net)	34	675.04	660.44
<b>Total Non-current liabilities</b>		<b>96,360.32</b>	<b>92,763.72</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	5,693.92	4,578.24
(ii) Trade payables	20	3,434.34	1,025.40
(iii) Other financial liabilities	21	6,128.95	3,804.61
(b) Provisions	22	1,540.80	1,032.99
(c) Other current liabilities	23	4,898.64	189.61
(d) Current tax liabilities (Net)	24	153.56	48.23
<b>Total Current liabilities</b>		<b>21,850.21</b>	<b>10,679.08</b>
<b>Total Equity and Liabilities</b>		<b>115,658.95</b>	<b>104,421.56</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary  
Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer

# Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(INR in Million)

Particulars	Note No.	March 31, 2018	March 31, 2017
<b>INCOME</b>			
<b>I</b> Revenue from operations	25	22,760.58	13,480.09
<b>II</b> Other income	26	464.22	558.81
<b>III Total Income (I+II)</b>		<b>23,224.80</b>	<b>14,038.90</b>
<b>IV EXPENSES</b>			
(a) Consumption of project materials	27	150.32	245.54
(b) Construction expenses	28	8,769.99	1,350.72
(c) Operating expenses	29	2,389.35	2,273.27
(d) Employee benefits expenses	30	483.28	415.01
(e) Finance costs	31	11,408.81	10,561.70
(f) Depreciation and amortisation	32	2,605.13	2,210.90
(g) Other expenses	33	390.14	506.71
<b>Total Expenses</b>		<b>26,197.02</b>	<b>17,563.85</b>
<b>V (Loss) before tax ( III - IV )</b>		<b>(2,972.22)</b>	<b>(3,524.95)</b>
<b>VI Tax expense:</b>	34		
(a) Current tax		320.45	133.79
(b) Deferred tax		86.58	(57.99)
(c) Adjustment of tax relating to earlier years		0.48	0.24
<b>Total tax expense (a+b+c)</b>		<b>407.51</b>	<b>76.04</b>
<b>VII Net (Loss) for the year (V-VI)</b>		<b>(3,379.73)</b>	<b>(3,600.99)</b>
<b>Loss for the year attributable to:</b>			
Equity holders of the parent		(3,290.37)	(3,531.44)
Non-controlling Interest		(89.36)	(69.55)
<b>Other Comprehensive Income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</b>			
Re-measurement gains/(losses) on defined benefit plans (refer note 39)		1.26	(8.65)
Income tax effect		-	-
<b>VIII Total Other Comprehensive Income for the year, net of tax</b>		<b>1.26</b>	<b>(8.65)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>(3,378.47)</b>	<b>(3,609.64)</b>
<b>Total Comprehensive Income for the year attributable to:</b>			
Equity holders of the parent		(3,289.01)	(3,539.89)
Non-controlling Interest		(89.46)	(69.75)
<b>(Loss) Per Share [Nominal value of shares INR 10 each]</b>			
Basic & diluted (in INR)	38	(9.34)	(10.05)
Summary of significant accounting policies	3		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary

Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer



# Consolidated Statement of Change in Equity for the year ended March 31, 2018

## A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	INR in Million
As at April 1, 2016	35,22,25,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2017	35,22,25,216	3,522.25
As at April 1, 2017	35,22,25,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2018	35,22,25,216	3,522.25

## B Other Equity

(INR in Million)

	Attributable to the equity holders of the parent							
Particulars	Equity component of compound financial instrument (Note 17)	Reserve & Surplus				Total	Non Controlling Interest	Total
		Securities premium (Note 17)	Capital reserve (Note 17)	Debenture Redemption Reserve (Note 17)	Retained earnings (Note 17)			
As at April 1, 2016	711.87	8,986.75	75.80	109.21	(8,851.54)	1,032.09	(68.42)	963.67
Loss for the year	-	-	-	-	(3,531.44)	(3,531.44)	(69.55)	(3,600.99)
Other comprehensive income								
Remeasurement (losses) on defined benefit plans	-	-	-	-	(8.45)	(8.45)	(0.20)	(8.65)
Total comprehensive income for the year	-	-	-	-	(3,539.89)	(3,539.89)	(69.75)	(3,609.64)
a. Addition in compound financial instrument	-	-	-	-	-	-	49.96	49.96
b. Adjustment on account of acquisition of Non-controlling interest (refer note (i) below)	(179.65)	-	-	-	(170.85)	(350.50)	350.50	-
c. Transfer from retained earnings to debenture redemption reserve	-	-	-	224.34	(224.34)	-	-	-
Adjustment on account of deferred tax assets	-	52.52	-	-	-	52.52	-	52.52
As at March 31, 2017	532.22	9,039.27	75.80	333.55	(12,786.62)	(2,805.78)	262.29	(2,543.49)
As at April 1, 2017	532.22	9,039.27	75.80	333.55	(12,786.62)	(2,805.78)	262.29	(2,543.49)
Loss for the year	-	-	-	-	(3,290.37)	(3,290.37)	(89.36)	(3,379.73)
Other comprehensive income								
Remeasurement gain on defined benefit plans	-	-	-	-	1.36	1.36	(0.10)	1.26
Total comprehensive income for the year	-	-	-	-	(3,289.01)	(3,289.01)	(89.46)	(3,378.47)
a. Reduction in compound financial instrument	-	-	-	-	-	-	(66.69)	(66.69)
b. Interim dividend paid (including Dividend distribution tax)	-	-	-	-	(85.19)	(85.19)	-	(85.19)
c. Transfer from retained earnings to debenture redemption reserve	-	-	-	462.19	(462.19)	-	-	-
As at March 31, 2018	532.22	9,039.27	75.80	795.74	(16,623.01)	(6,179.98)	106.14	(6,073.84)

## Notes

(i) During the previous year, pursuant to share transfer agreement dated January 16, 2017 between the Group, Sadbhav Engineering Limited, D Thakkar Construction Private Limited and DTC Toll Projects Private Limited, with respect to shares of MBCPNL, the minority interest in the MBCPNL were reduced to 9%.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership Number: 101974

Date: May 08, 2018  
Place: Ahmedabad

For MANUBHAI & SHAH LLP  
Chartered Accountants  
ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel  
Partner  
Membership Number: 30083

Date: May 08, 2018  
Place: Ahmedabad

For and on behalf of Board of Directors  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director  
DIN: 00048324

Hardik Modi  
Company Secretary  
Date: May 08, 2018  
Place: Ahmedabad

Shashin V. Patel  
Director  
DIN: 00048328

Varun Mehta  
Chief Financial Officer

# Consolidated Cash Flow Statement for the year ended on March 31, 2018

(INR in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(A) Cash flows from operating activities</b>		
(Loss) before tax	(2,972.22)	(3,524.95)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	2,605.13	2,210.90
Interest and other borrowing cost	11,408.81	10,561.72
Unrealised gain on derivative contracts	-	(239.06)
Gain on sale of property, plant and equipments	(0.11)	(0.06)
Gain on sale of units of mutual funds (net)	(53.88)	(48.10)
Periodic major maintenance expenses	1,184.35	1,301.05
Interest income	(3.03)	(7.63)
Bad debts written off and provision for doubtful debt	-	2.16
Sundry balances written back	(10.96)	(11.66)
<b>Operating Profit before working capital changes</b>	<b>12,158.09</b>	<b>10,244.37</b>
<b>Movement in working capital:</b>		
(Increase) / decrease in trade receivables (including receivable under Service Concession)	(8,092.83)	50.54
(Increase) in other financial assets	(401.00)	(1,845.07)
(Increase) in other assets	(4,436.98)	(71.87)
Decrease in inventories	-	4.26
Increase in trade payables	2,419.90	229.19
Increase / (decrease) in other financial liabilities	684.87	(283.89)
Increase / (decrease) in other liabilities	4,709.03	(26.40)
(Decrease) in provisions	(795.55)	(587.22)
<b>Cash generated from operating activities</b>	<b>6,245.54</b>	<b>7,713.91</b>
Direct taxes paid (net of refund received)	(215.59)	60.15
<b>Net cash flows generated from operating activities (A)</b>	<b>6,029.95</b>	<b>7,774.06</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of PPE and other intangible assets (including Intangible asset under development)	(1,152.46)	(2,276.97)
Proceeds from disposal of property plant and equipment	7.69	0.16
Purchase of investment property	(1.08)	-
Short term loan given	-	(24.80)
Proceeds from short term loan given	7.08	24.80
Investments in bank deposits (having original maturity of more than three months)	(28.43)	(0.06)
Redemption / (purchase) from sale of units of mutual fund (net) (including realised gain)	189.07	(310.02)
Interest received	2.91	9.42
<b>Net cash flows (used in) investing activities (B)</b>	<b>(975.23)</b>	<b>(2,577.47)</b>

# Consolidated Cash Flow Statement for the year ended on March 31, 2018

(INR in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(C) Cash flows from financing activities</b>		
Repayment of excess amount received towards share application	-	(0.09)
Share issue expenses	-	(0.97)
Repayment towards compound financial instruments - Non-controlling interest	(66.69)	-
Proceeds from compound financial instruments - Non-controlling interest	-	49.96
Proceeds from non-current borrowings	32,950.14	4,782.42
Repayment of non-current borrowings	(31,054.15)	(1,015.35)
Proceeds from current borrowings	2,012.64	4,862.12
Repayment of current borrowings	(896.95)	(5,854.96)
Dividend paid on equity shares (including dividend distribution tax)	(85.19)	-
Interest and other borrowing cost paid	(7,860.03)	(8,387.51)
<b>Net cash flows (used) in financing activities (C)</b>	<b>(5,000.23)</b>	<b>(5,564.38)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>54.49</b>	<b>(367.79)</b>
Cash and cash equivalents at beginning of the year	503.89	871.68
<b>Cash and cash equivalents at end of the year</b>	<b>558.38</b>	<b>503.89</b>

## Notes:

### 1 Components of cash and cash equivalents: (refer note 10)

Cash on hand	44.22	45.26
Balances with banks:		
- In current accounts	514.13	458.60
- In current accounts earmarked for unpaid share application refund money	0.03	0.03
<b>Cash and cash equivalents</b>	<b>558.38</b>	<b>503.89</b>

2 The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

### 3 Amendments to Indian Accounting Standard 7 "Statement of Cash flows":

The Group applied for the first time amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after April 1, 2017. The amendments require the group to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as fair value changes). The group has provided the information for current year which given as below:

#### Changes in liabilities arising from financing activities

(INR in Million)

Particulars	April 1, 2017	Net Cash flow	Change in fair value	Others*	March 31, 2018
Non-current borrowings (Including current maturities)	78,623.45	1,895.99	949.26	31.13	81,499.83
Current borrowings	4,578.24	1,115.68	-	-	5,693.92
Interest accrued on borrowings	1,450.48	(7,860.03)	-	8,923.12	2,513.57
<b>Total</b>	<b>84,652.17</b>	<b>(4,848.36)</b>	<b>949.26</b>	<b>8,954.25</b>	<b>89,707.32</b>

\* Others represent exchange difference on external commercial borrowing as well as interest accrued during the year.

4 Figures in brackets represent cash outflows.

## As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

Date: May 08, 2018

Place: Ahmedabad

For MANUBHAI & SHAH LLP

Chartered Accountants

ICAI Firm Reg. No.: 106041W/W100136

per K. C. Patel

Partner

Membership Number: 30083

Date: May 08, 2018

Place: Ahmedabad

For and on behalf of Board of Directors

Sadbhav Infrastructure Project Limited

Vasistha C. Patel

Managing Director

DIN: 00048324

Hardik Modi

Company Secretary

Date: May 08, 2018

Place: Ahmedabad

Shashin V. Patel

Director

DIN: 00048328

Varun Mehta

Chief Financial Officer

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 1. Company information

The Consolidated Financial Statements comprise of financial statements of Sadbhav Infrastructure Project Limited ('the Company' or 'SIPL') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2018. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at "Sadbhav House", Opp. Law Garden Police Chawki, Ellisbridge, and Ahmedabad-380006.

The Group undertakes road and related infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements on BOT or Annuity basis. The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a company listed on Indian stock exchanges and engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors in the meeting held on May 08, 2018.

## 2. Basis of preparation

### 2.1 The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Consolidated financial statements have been prepared on accrual and historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Derivative financial instruments measured at fair value

The Consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

### 2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2018. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction/upgrading services, gains/losses on intra group transactions are treated as realized and not eliminated on consolidation.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Consolidation Procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate & Transfer (BOT)/Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

- v. The following entities are considered in the Consolidated Financial Statements as well as the Company's voting power in entities listed below:

Sr. No.	Name of Entity	Proportion of Ownership Interest (%)	
		As at March 31, 2018	As at March 31, 2017
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Aurangabad Jalna Tollway Limited (AJTWL)	100%	100%
3.	Bijapur Hungud Tollway Private Limited (BHTPL)	77%	77%
4.	Hyderabad Yadgiri Tollway Private Limited (HYTPL)	100%	100%
5.	Maharashtra Border Check Post Network Limited(MBCPNL)	91%	91%
6.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%
7.	Shreenathji-Udaipur Tollway Private Limited (SUTPL)	100%	100%
8.	Bhilwara Rajsamand Tollway Private Limited (BRTPL)	100%	100%
9.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%
10.	Nagpur Seoni Expressway Limited (NSEL)	100%	100%
11.	Dhule Palesner Tollway Limited (DPTL)	100%	100%
12.	Sadbhav Bhavnagar Highway Private Limited (SBHPL)	100%	100%
13.	Sadbhav Rudrapur Highway Private Limited (SRHPL)	100%	100%
14.	Sadbhav Una Highway Private Limited (SUHPL)	100%	100%
15.	Sadbhav Nainital Highway Private Limited (SNHPL)	100%	100%
16.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
17.	Sadbhav Udaipur Highway Private Limited (SUDHPL) (refer note (i) below)	100%	-
18.	Sadbhav Vidarbha Highway Private Limited (SVHPL) (refer note (i) below)	100%	-
19.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) (refer note (i) below)	100%	-
20.	Sadbhav Tumkur Highway Private Limited (STHPL) (refer note (i) below)	100%	-

All the above entities has principal nature of activity is Infrastructure and are incorporated in India.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

Notes:

- (i) During the year, four new subsidiaries i.e. Sadbhav Udaipur Highway Private Limited (w.e.f. May 23, 2017), Sadbhav Vidarbha Highway Private Limited (w.e.f. April 24, 2017), Sadbhav Jodhpur Ring Road Private Limited (w.e.f. January 1, 2018) and Sadbhav Tumkur Highway Private Limited (w.e.f. March 20, 2018) have been incorporated.

## 3. Summary of significant accounting policies

The following are the significant accounting policies applied by the group in preparing its financial statements:

### 3.1 Goodwill/Capital Reserve

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' in the consolidated financial statements.

### 3.2 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 3.3 Foreign currency transactions

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

### Transaction and balances

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognized in profit or loss with the exception of the following:

- Long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 3.4 Service concession arrangement

### Toll Collection Right

The Group builds infrastructure assets viz roads/checkposts under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognized and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement. In case of MBCPNL (entity operating multiple border check posts in the state of Maharashtra), each check post is capitalized when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group companies.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognized and classified as "Receivable under service concession arrangement" under financial assets.

### Premium capitalization in toll collection rights

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognized up front on a discounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognized as liabilities.

### Amortization of toll collection rights

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected traffic or revenue are reviewed by the management at the end of the each financial year and accordingly, the total projected traffic or revenue is adjusted to reflect any changes in the estimates which lead to the actual number of traffic or revenue at the end of the concession period.

## 3.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

### Toll collection and user fee income

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll - plazas.

### Annuity income

Revenue from annuity based projects is recognized in the Consolidated Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

### Contractual Income:

Contract revenue and costs associated with project related activities are accrued and recognized by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. Value added tax/Goods and Service Tax collected on behalf of the government is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

## ***Notes to Consolidated Financial Statements for the year ended March 31, 2018***

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is accrued as "Unearned Revenue". Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

### **Interest**

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### **Gain or loss on sale of Mutual Fund**

Gain or Loss on sale of mutual fund is recorded on transfer of title from the Group, and is determined as the difference between the sale price and carrying value of mutual fund and other incidental expenses.

### **Dividend**

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **3.6 Property, Plant and Equipments**

Property, Plant and Equipment's are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

### **De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

### **Depreciation**

Depreciation on Property, Plant and Equipments is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual value, useful live and method of depreciation of Property, Plant and Equipments are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **3.7 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

# **Notes to Consolidated Financial Statements for the year ended March 31, 2018**

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The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

## **Amortization**

Software is amortized over management estimate of its useful life of 3-6 years

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **Intangible assets under development**

Expenditure related to and incurred during implementation of infrastructure project are included under "Intangible Assets under Development". The same is transferred to the respective intangible assets on completion of project.

### **3.8 Impairment - Non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the group estimates the asset's recoverable amount or cash-generating unit's (CGU). An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CUG exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to consolidated statement of profit and loss accounts.

### **3.9 Investment Property**

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price and borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

An investment property is de-recognized on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

### **3.10 Inventory**

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.



## 3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 - Borrowing Cost.

## 3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

## 3.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)

#### • Financial assets at amortized cost:

A financial asset is measured at amortized cost if

- (1) It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

#### • Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

#### • Perpetual debt

The Group invests in a subordinated perpetual debt, without coupon and redeemable at the issuer's option. The Group classifies these instrument as equity under Ind AS 32.

#### • Financial assets at fair value through profit or loss:

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

#### iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### iv. Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### b) Financial Liabilities

#### i. Initial recognition and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

All financial liabilities are recognized initially at fair value, in case of loan and borrowings and payables, fair value is reduced by directly attributable transaction costs.

#### ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the statement of profit or loss.

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### c) Derivative financial instruments

The Group uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts does not qualify for hedge accounting under Ind AS 109, Financial Instrument and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

### d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Group currently has enforceable legal right to offset the re-cognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.14 Fair Value Measurement

The Group measures financial instruments such as derivatives and Investment in Mutual Fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

## 3.15 Employee Benefits

### a) Short Term Employee Benefits

All employee benefits expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the consolidated statement of profit and loss in the period in which the employee renders the related services.

### b) Post-Employment Benefits

#### (i) Defined contribution plan

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund. The Group recognize contribution paid/payable under the provident fund is charged to consolidated statement of profit & loss account during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

#### (ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### c) Other employment benefits:

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Group's policy, no leave are expected to be carried forward beyond 12 month from the reporting date.

## 3.16 Government grants

Government grants are recognized where there is reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an assets, it is recognized as income in equal amounts over the expected useful life of the related assets.

## 3.17 Income tax

Income tax expense comprises current tax and deferred tax.

### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

As per provision of Income tax Act 1961, the Company's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognized in the year in which the timing difference originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### 3.18 Provisions

#### General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss, net of reimbursements, if any.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

## **Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Group has contractual obligations to maintain the road/infrastructure to a specified level of serviceability or restore the road/infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognized by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

### **3.19 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date.

### **3.20 Premium deferment**

Premium deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

### **3.21 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

### **3.22 Cash dividend distribution to equity holders**

The Group recognizes a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### **3.23 Earnings per share**

Basic EPS is calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit/loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### **3.24 Segment reporting**

Based on management approach as defined in Indian Accounting Standard 108 - "Operating Segment", Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

## **4. Significant accounting judgements, estimates and assumption**

The preparation of the Group's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Revenue and expenses of construction contracts

As described in Note 3.5, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such.. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

## Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

## Property, plant and equipment

Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

## Service concession arrangement

The Cash flow model indicates the cash flow to be generated over the project lifecycle. The key inputs of the model comprise of revenue inflows (Toll/annuity), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement/assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

## Intangible Assets

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

## Provision for periodical Major Maintenance

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

## Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 5. Property plant and equipment

(INR in Million)

Particulars	Freehold Land	Building	Machineries and equipments	Furniture and fixtures	Vehicles	Computers	Office equipments	Total
<b>At Cost</b>								
<b>As at April 1, 2016</b>	52.20	59.77	84.39	6.15	35.93	3.35	10.44	<b>252.23</b>
Addition	-	0.60	22.78	0.63	3.46	1.57	3.82	<b>32.86</b>
Disposal / Adjustment	(4.57)	-	-	-	-	-	-	<b>(4.57)</b>
<b>As at March 31, 2017</b>	<b>47.63</b>	<b>60.37</b>	<b>107.17</b>	<b>6.78</b>	<b>39.39</b>	<b>4.92</b>	<b>14.26</b>	<b>280.52</b>
Addition	-	0.21	4.56	-	3.79	2.14	13.11	<b>23.81</b>
Disposal / Adjustment	-	-	(6.93)	-	(0.75)	-	-	<b>(7.69)</b>
<b>As at March 31, 2018</b>	<b>47.63</b>	<b>60.58</b>	<b>104.80</b>	<b>6.78</b>	<b>42.43</b>	<b>7.06</b>	<b>27.37</b>	<b>296.64</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2016</b>	-	2.98	19.09	1.68	8.70	1.33	3.94	<b>37.72</b>
Charge for the year	-	3.02	23.62	1.38	7.98	1.33	3.27	<b>40.60</b>
On disposal / adjustment	-	-	-	-	-	-	-	<b>-</b>
<b>As at March 31, 2017</b>	-	<b>6.00</b>	<b>42.71</b>	<b>3.06</b>	<b>16.68</b>	<b>2.66</b>	<b>7.21</b>	<b>78.32</b>
Charge for the year	-	2.85	20.27	1.12	7.35	1.43	5.83	<b>38.85</b>
On disposal / adjustment	-	-	(4.29)	-	(0.64)	-	-	<b>(4.93)</b>
<b>As at March 31, 2018</b>	-	<b>8.85</b>	<b>58.69</b>	<b>4.18</b>	<b>23.39</b>	<b>4.09</b>	<b>13.04</b>	<b>112.24</b>
<b>Net Block</b>								
<b>As at March 31, 2017</b>	<b>47.63</b>	<b>54.37</b>	<b>64.46</b>	<b>3.72</b>	<b>22.71</b>	<b>2.26</b>	<b>7.05</b>	<b>202.20</b>
<b>As at March 31, 2018</b>	<b>47.63</b>	<b>51.73</b>	<b>46.11</b>	<b>2.60</b>	<b>19.04</b>	<b>2.97</b>	<b>14.33</b>	<b>184.40</b>

### Notes:

- The Group has elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP (Indian accounting principle generally accepted in India as prescribed under section 133 of the Company Act, 2013 read with the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- Property, plant and equipments has been pledged/hypothecated against non-current borrowings in order to fulfil the collateral requirement for the Lenders (refer note 18).

## 6. Investment property

(INR in Million)

Particulars	Freehold land	Total
<b>At Cost</b>		
<b>As at April 1, 2016</b>	20.83	20.83
Addition	-	-
Disposal / adjustment	-	-
<b>As at March 31, 2017</b>	<b>20.83</b>	<b>20.83</b>
Addition	1.08	1.08
Disposal / adjustment	-	-
<b>As at March 31, 2018</b>	<b>21.91</b>	<b>21.91</b>
<b>Accumulated Depreciation</b>		
<b>As at April 1, 2016</b>	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
<b>As at March 31, 2017</b>	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
<b>As at March 31, 2018</b>	-	-
<b>Net Block</b>		
<b>As at March 31, 2017</b>	<b>20.83</b>	<b>20.83</b>
<b>As at March 31, 2018</b>	<b>21.91</b>	<b>21.91</b>

### Notes:

- There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
- The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of property.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 7. Intangible asset and Intangible asset under development

(INR in Million)

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
<b>Cost</b>						
<b>As at April 1, 2016</b>	<b>70,700.42</b>	<b>12,179.18</b>	<b>2.04</b>	<b>82,881.62</b>	<b>2,043.74</b>	<b>15,789.79</b>
Additions	14,971.78	739.58	0.39	15,711.75	-	1,752.41
Effect of foreign currency exchange differences (refer note (ii) below)	(255.33)	-	-	(255.33)	-	-
Deletion / Adjustments	747.02	-	-	747.02	-	(15,711.35)
<b>As at March 31, 2017</b>	<b>86,163.88</b>	<b>12,918.76</b>	<b>2.43</b>	<b>99,085.06</b>	<b>2,043.74</b>	<b>1,830.85</b>
Additions	2.28	62.40	-	64.69	-	1,123.82
Effect of foreign currency exchange differences (refer note (ii) below)	31.13	-	-	31.13	-	-
Deletion / Adjustments	-	-	-	-	-	(64.68)
<b>As at March 31, 2018</b>	<b>86,197.29</b>	<b>12,981.16</b>	<b>2.43</b>	<b>99,180.88</b>	<b>2,043.74</b>	<b>2,889.99</b>
<b>Accumulated Amortisation</b>						
<b>As at April 1, 2016</b>	<b>3,485.94</b>	<b>287.81</b>	<b>0.41</b>	<b>3,774.16</b>	-	-
Charge for the year	1,974.88	194.34	1.07	2,170.30	-	-
On disposal / adjustment	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>5,460.83</b>	<b>482.15</b>	<b>1.48</b>	<b>5,944.46</b>	-	-
Charge for the year	2,309.09	256.59	0.60	2,566.28	-	-
On disposal / adjustment	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>7,769.91</b>	<b>738.74</b>	<b>2.09</b>	<b>8,510.74</b>	-	-
<b>Net Block</b>						
<b>As at March 31, 2017</b>	<b>80,703.06</b>	<b>12,436.61</b>	<b>0.95</b>	<b>93,140.60</b>	<b>2,043.74</b>	<b>1,830.85</b>
<b>As at March 31, 2018</b>	<b>78,427.38</b>	<b>12,242.42</b>	<b>0.34</b>	<b>90,670.14</b>	<b>2,043.74</b>	<b>2,889.99</b>

### Note:

- Toll collection rights also include premium paid / payable to Concessioning authorities under the concession agreement over the concession period. The fair value of premium INR 10,159.45 million payable under the concession agreement at the time of receipt of completion certificate from the authority has been included in the Toll collection rights.
- The Group had adopted an option under Para 46A of AS 11 under previous GAAP which the group has elected to continue as per para D13AA of Ind AS 101 'First time adoption'. Accordingly, the exchange difference arising on reporting of long-term foreign currency monetary items, taken before transition period i.e. April 01, 2015, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.
- Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note 18).
- Refer note 49 for additional disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA').
- The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. As at March 31, 2018, it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. As at March 31, 2018, the recoverable value of its investment in subsidiaries to which goodwill relates is higher than the carrying amount of such investment, hence, above Goodwill is not considered to be impaired.
- In terms of the Concession agreement, deposits for electricity supply is considered as a part of the project cost, accordingly, the same had been capitalized under User fee rights.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 8. Investments

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
<b>Investment in others (valued at cost)</b>		
Government securities - National Saving Certificates	0.02	0.02
<b>Total (A)</b>	<b>0.02</b>	<b>0.02</b>
<b>Current</b>		
<b>Unquoted</b>		
<b>Investments carried at fair value through profit or loss</b>		
Investment in units of mutual fund (refer note (ii) below)	423.07	558.26
<b>Total (B)</b>	<b>423.07</b>	<b>558.26</b>
<b>Total (C=A+B)</b>	<b>423.09</b>	<b>558.28</b>
Aggregate amount of unquoted investments	423.09	558.28

### Notes:

(i) Fair value disclosures for financial assets are given in note 36.

(ii) Details of investments in unquoted units of mutual funds

(INR in Million other than figures in bracket)

	As at March 31, 2018	As at March 31, 2017
ICICI Prudential Ultra Short Term Plan - Growth	5.01	-
	(281,037.82)	(-)
ICICI Prudential Flexible Income plan	87.95	3.01
	(263,870.29)	(9,650.77)
Aditya Birla Sunlife Cash Manager - Growth	12.55	-
	(30,048.42)	(-)
HDFC Mutual Fund Cash Management Growth Option	178.85	167.96
	(4,888,254.59)	(4,888,254.59)
Reliance Liquid Fund- Cash Plan-Growth Option	46.42	104.23
	(17,225.86)	(40,966.68)
Reliance Liquid Fund- Cash Plan- Direct Growth Option	11.89	-
	(4,234.76)	(-)
Reliance Short Term Fund-Growth Plan Growth Option	-	141.01
	(-)	(4,575,731.70)
L & T Ultra Short Term fund - Growth	28.01	7.59
	(987,841.97)	(285,625.02)
UTI Floating rate Fund - Direct Growth	31.96	30.04
	(11,313.86)	(11,313.86)
Axis Liquid Fund - Direct Growth	20.43	85.04
	(10,643.25)	(47,168.33)
SBI Savings Fund - Regular Plan - Growth	-	19.38
	(-)	(764,740.90)
<b>Total</b>	<b>423.07</b>	<b>558.26</b>

The figures mentioned in bracket represent absolute number of investment units.

## 9. Trade receivables

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	7.69	5.39
Unsecured, considered doubtful	0.13	0.30
<b>Total</b>	<b>7.82</b>	<b>5.69</b>
Less : Allowance for expected credit loss/bad and doubtful debts	(0.13)	(0.30)
<b>Total</b>	<b>7.69</b>	<b>5.39</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Notes:

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- (ii) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iii) For terms and conditions relating to related party receivable, refer note 41.

## 10. Cash and bank balances

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Cash and cash equivalents</b>		
Cash on hand (refer note (ii) below)	44.22	45.26
Balance with banks		
In current accounts (refer note (i) below)	514.13	458.60
In current accounts earmarked for unpaid share application refund money	0.03	0.03
<b>Total (A)</b>	<b>558.38</b>	<b>503.89</b>
<b>Other balances with banks</b>		
Deposits with original maturity for more than 3 months but less than 12 months (refer note (iii) below)	21.08	21.08
<b>Total (B)</b>	<b>21.08</b>	<b>21.08</b>
<b>Total (C=A+B)</b>	<b>579.46</b>	<b>524.97</b>

## Notes:

- (i) Balances with banks includes balances of INR 377.10 million (March 31, 2017: INR 361.44 million) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- (ii) Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.
- (iii) Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of INR 1,124.32 million (March 31, 2017: INR 1,405.41 million).

## 11. Loans

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Loans to related parties (refer note 41)	-	7.41
Inter corporate loans	170.70	170.37
<b>Total</b>	<b>170.70</b>	<b>177.78</b>

## 12. Receivable under Service concession arrangement (Unsecured, considered good)

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non current</b>		
Receivable under Service concession arrangements	1,800.43	2,012.03
<b>Total (A)</b>	<b>1,800.43</b>	<b>2,012.03</b>
<b>Current</b>		
Receivable under Service concession arrangements	10,089.26	1,787.13
<b>Total (B)</b>	<b>10,089.26</b>	<b>1,787.13</b>
<b>Total (C=A+B)</b>	<b>11,889.69</b>	<b>3,799.16</b>

## Notes:

- (i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- (ii) Refer note 49 for additional disclosure pursuant to Appendix - A to Ind AS 11 - Service Concession Arrangements ('SCA').

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 13. Other financial assets (Unsecured, considered good unless otherwise stated)

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Deposits with banks having more than 12 months maturity	28.43	-
Security deposits	2.23	2.70
Derivative not designated as hedges	137.23	587.33
<b>Total (A)</b>	<b>167.89</b>	<b>590.03</b>
<b>Current</b>		
Security deposits	5.35	5.25
Grant receivable from concessionaire authorities (refer note (i) below)	64.24	64.34
Receivable from concessionaire authorities toward claims/utility shifting/change in scope (refer note (ii), (iii) & (iv) below)	1,138.68	425.02
Receivable from toll suspension (refer note (v) below)	332.03	428.16
Interest receivable from fixed deposit with bank and others	7.85	0.70
Interest receivables on mobilization advance from EPC contractor (refer note 41)	95.82	-
Other Receivables		
Considered good	8.61	11.58
Considered doubtful	-	2.16
	<b>8.61</b>	<b>13.74</b>
Less: Allowance for expected credit loss / doubtful receivable	-	(2.16)
<b>Total (B)</b>	<b>1,652.58</b>	<b>935.05</b>
<b>Total (C=A+B)</b>	<b>1,820.47</b>	<b>1,525.08</b>

### Notes:

- (i) As per the Concession agreement between Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary and Ahmedabad Urban Development Authority (AUDA), ARRIL is entitled to receive grant of INR 360 million for meeting the part project cost subject to the conditions laid down in the Concession agreement. Upto March 31, 2018, the said company have received grant of INR 295.76 million. As at March 31, 2018, ARRIL has grant receivable of INR 64.24 million from AUDA as the conditions of the Concession Agreement related to grant have been met.
- (ii) In case of Aurangabad Jalna Tollway Limited ('AJTL'), one of the subsidiaries, Government of Maharashtra, has vide Notification dated 26<sup>th</sup> May 2015 exempted Light Motor Vehicles and Buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f June 01, 2015. However the government has not prepared any policy or modalities by which the Company will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the said subsidiary has recognised revenue of toll collection of INR 375.28 million for the period June 01, 2015 to March 31, 2018, which includes INR 146.83 million for the year ended March 31, 2018, in respect of exempted vehicles based on the projections submitted to Maharashtra Government under the concession agreement, in line with the policy issued by the Government of Maharashtra. The Government of Maharashtra has paid amount of INR 226.75 million till March 31, 2018 to the aforesaid subsidiary company in this respect and AJTL expects to receive the balance amount in due course.
- (iii) During the year, Rohtak Panipat Tollway Private Limited (RPTPL), one of the subsidiary entity, has received favourable arbitration award dated October 6, 2017 under the Arbitration & Conciliation Act, 1996 towards additional cost on transportation of material due to ban on the quarrying of stone and loss of revenue due to delay in granting Provisional Completion Certificate by NHAI during the year. Total award received along with interest amounted to INR 885.38 million. The Company however received an corresponding claim from its EPC contractors and consequently, an amount of INR 607.21 million is payable towards such claims upon final settlement of the company's claim. The management has accounted the aforesaid claim receivable in the books amounting to INR 756.98 million and interest income amounting to INR 128.40 million and consequent claim payable to EPC contractors INR 519.15 million and interest expense amounting to INR 88.06 million respectively.
- (iv) In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), one of the subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017 the AUDA has not prepared any policy or modalities by which the company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the said subsidiary has recognised revenue of toll collection of INR 30.05 million for the period ended October 10, 2017 to March 31, 2018 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during April 2017 to September 2017.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

- (v) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the group has claimed and recognised revenue of INR 597.88 million during the previous year ended March 31, 2017, out of which INR 332.03 million is yet to be realized as at March 31, 2018.

## 14. Other assets (Unsecured, considered good)

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non current</b>		
Tax paid under protest (refer note 42)	5.32	4.32
Prepaid expense	24.56	83.84
Deferred GST (refer note below)	93.63	85.10
Income tax receivable (net of provision)	200.25	195.03
Tax credit receivables	11.04	9.86
Unamortised option premium	-	14.41
<b>Total (A)</b>	<b>334.80</b>	<b>392.56</b>
<b>Current</b>		
Unbilled revenue (refer note 40)	47.39	22.21
Advance to suppliers	56.33	18.85
Mobilization advance paid to EPC contractors (refer note 40 and 41)	3,424.80	-
Unamortised option premium	-	19.26
Prepaid expense	45.65	40.10
Tax credit receivables	1,042.11	23.78
Other assets	5.29	2.63
<b>Total (B)</b>	<b>4,621.57</b>	<b>126.83</b>
<b>Total (C=A+B)</b>	<b>4,956.37</b>	<b>519.39</b>

**Note:** The credit of Goods and Service tax (GST) on works contract for construction of building and civil infrastructure have been accounted as Deferred GST credit account. The utilization of deferred GST credit is subject to assessment made by the statutory authority.

## 15. Current tax assets (net)

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Income tax receivable (net of provision)	1.18	1.18
<b>Total</b>	<b>1.18</b>	<b>1.18</b>

## 16. Equity share capital

	March 31, 2018		March 31, 2017	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
<b>Authorised share capital</b>				
Equity shares of INR 10 each	40,30,00,000	4,030.00	40,30,00,000	4,030.00
	<b>40,30,00,000</b>	<b>4,030.00</b>	<b>40,30,00,000</b>	<b>4,030.00</b>
<b>Issued, subscribed and fully paid</b>				
Equity shares of INR 10 each	35,22,25,216	3,522.25	35,22,25,216	3,522.25
	<b>35,22,25,216</b>	<b>3,522.25</b>	<b>35,22,25,216</b>	<b>3,522.25</b>

### (a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

	March 31, 2018		March 31, 2017	
Equity shares	No. of shares	(INR In Million)	No. of shares	(INR In Million)
Outstanding at the beginning of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Add: Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>35,22,25,216</b>	<b>3,522.25</b>	<b>35,22,25,216</b>	<b>3,522.25</b>

### (b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## (c) Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates:

Out of equity shares issued by the company, shares held by its holding company is as under:

	March 31, 2018		March 31, 2017	
	No. of shares	(INR In Million)	No. of shares	(INR In Million)
Sadbhav Engineering Limited, holding company	24,22,23,427	2,422.23	24,17,83,427	2,417.83

## (d) Details of shareholders holding more than 5% issued, subscribed and paid up equity share capital in the company:

Name of shareholders	March 31, 2018		March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of INR 10 each fully paid</b>				
Sadbhav Engineering Limited	24,22,23,427	68.77%	24,17,83,427	68.64%
Xander Investment Holding XVII Ltd	-	-	2,91,21,860	8.27%
Norwest Venture Partners VII-A Mauritius	2,91,21,860	8.27%	2,91,21,860	8.27%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## (e) Aggregate number of equity shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of balance sheet:

The Company had issued 282,693,710 equity shares of INR 10 each as fully paid bonus shares in the ratio of 10:1 by capitalisation INR 2,826.94 Million from Securities Premium Account in the financial year 2014-15.

## 17. Other Equity

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>17.1 Equity component of compound financial Instruments (refer note (i) below)</b>		
Balance at the beginning of the year	532.22	711.87
Less: Adjustment on account of acquisition of Non-controlling interest (refer note (iii) below)	-	(179.65)
Balance at the end of the year	532.22	532.22
<b>17.2 Capital reserve- acquisition of subsidiaries</b>		
Balance at the beginning of the year	75.80	75.80
Balance at the end of the year	75.80	75.80
<b>17.3 Securities premium account</b>		
Balance at the beginning of the year	9,039.27	8,986.75
Add: Adjustment on account of deferred tax on IPO expenses	-	52.52
Balance at the end of the year	9,039.27	9,039.27
<b>17.4 Debenture Redemption Reserve (DRR)</b>		
Balance at the beginning of the year	333.55	109.21
Add : Transfer from surplus of statement of profit and loss (refer note (ii) below)	462.19	224.34
Balance at the end of the year	795.74	333.55
<b>17.5 (Deficit) in Consolidated Statement of Profit and Loss</b>		
Balance at the beginning of the year	(12,786.62)	(8,851.54)
Adjustments during the year		
Add: Adjustment on account of acquisition of Non-controlling interest	-	(170.85)
Add: (Loss) for the year	(3,290.37)	(3,531.44)
Add/(Less): Other comprehensive income for the year	1.36	(8.45)
Less: Interim dividend paid (including dividend distribution tax)	(85.19)	-
Less: Transfer to debenture redemption reserve during the year (refer note (ii) below)	(462.19)	(224.34)
Balance at the end of the year	(16,623.01)	(12,786.62)
<b>Total (17.1+17.2+17.3+17.4+17.5)</b>	<b>(6,179.98)</b>	<b>(2,805.78)</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Notes:

- (i) Interest free loan given by holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby holding company have given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014.  
Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been classified in the other equity and liability component in the long term borrowings (refer note 18). Interest on liability component is recognised using the effective interest method.
- (ii) The Group has issued redeemable non-convertible debentures (refer note 18). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create Debenture Redemption Reserve ('DRR') out of profits of the group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. DRR is required to be created over the life of debentures, and accordingly, the group has transferred INR 462.19 million to DRR out of surplus available. Further, the Group has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve during the year.
- (iii) During the previous year, pursuant to share transfer agreement dated January 16, 2017 between the Group, Sadbhav Engineering Limited, D Thakkar Construction Private Limited and DTC Toll Projects Private Limited, with respect to shares of MBCPNL, the minority interest in the MBCPNL were reduced to 9%.

## 18. Non-current borrowings

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Secured*</b>		
<b>Redeemable, Non Convertible</b>		
2,000 (31 March 2017: 2,000) of INR 10,00,000 each	2,000.00	2,000.00
1,600 (31 March 2017: 1,600) of INR 10,00,000 each	1,600.00	1,600.00
1,124,324 (31 March 2017: 1,405,405) of INR 1,000 each	1,124.32	1,405.41
3,000 (31 March 2017: 3000) of INR 10,00,000 each	3,000.00	3,000.00
1,17,380 (31 March 2017: 55,820) of INR 1,00,000 each	11,603.58	5,538.81
4,77,500 (31 March 2017: 4,87,500) of INR 10,000 each	4,770.56	4,869.93
<b>Term loan from banks</b>		
Indian rupee loan	53,161.96	51,889.23
Foreign currency loan	2,430.68	6,517.85
<b>Loan from financial institutions</b>	1,457.72	1,486.00
	<b>81,148.82</b>	<b>78,307.23</b>
<b>Unsecured</b>		
Liability component of compound financial instrument (refer note 41)	351.02	316.22
<b>Total (A)</b>	<b>81,499.83</b>	<b>78,623.45</b>
Less: Current maturities of non-current borrowing* (refer note 21)		
Redeemable, non convertible debentures	1,584.90	473.78
Term loan from banks	1,507.41	1,717.15
Loan from financial institution	27.84	72.71
<b>Total (B)</b>	<b>3,120.15</b>	<b>2,263.64</b>
<b>Total (C=A+B)</b>	<b>78,379.68</b>	<b>76,359.81</b>

\* Includes the effect of transaction cost paid to lenders on upfront basis.

The details in respect of non-current borrowings are as under:

- (i) **Redeemable Non-Convertible Debentures (NCDs) issued by the holding company:**
- (a) **2,000 Redeemable Non-Convertible Debentures (NCDs)**
1. NCDs are secured by (i) first ranking charge created on 10,71,198 equity shares of the Company in the Rohtak Panipat Tollway Private Limited; (ii) the corporate guarantee by Sadbhav Engineering Limited (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective security documents.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 2. Terms of repayments

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment/early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

#### (b) 1,600 Redeemable, Non Convertible debentures (NCD)

1. NCDs are secured by (i) an unconditional, irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palesner Tollway Limited (DPTL) representing 46,082,466 equity shares. However, pending for pledge of the shares of DPTL with lender, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,540 equity shares have been pledged. (iv) Working Capital Demand Loan (WCDL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

### 2. Terms of repayments

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	18-Apr-18
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment/early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

#### (c) 1,124,324 (March 31, 2017: 1,405,405) Redeemable, Non Convertible debentures (NCD)

1. NCDs are secured by (i) pledge of 19.46% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company (ii) pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by the Company and SEL (iii) unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the promoters i.e. Vishnu Bhai M. Patel. (iv) second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company (v) all bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.

### 2. Terms of repayments are as under

NCD is having a floating interest rate carrying from 12.74% to 11.96 % which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1,2017 and ending on April 5, 2020.

The company shall have an option to repay the facility at end of 4th year and 5th year with the condition that the minimum yield on the entire facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

#### (d) 3,000 Redeemable, Non Convertible debentures (NCD)

1. NCDs are secured by (i) pledge of 15% shareholding of Shreenathji-Udaipur Tollway Private Limited representing 5,061,486 equity shares held by the Company. (ii) pledge of 16% shareholding of Maharashtra Border Check Post Network Limited representing 8,000 equity shares held by the Company (iii) pledge of 18.99% shareholding of Hyderabad Yadgiri Tollway Private Limited representing 616,663 equity shares held by the Company (iv) pledge of 49% shareholding of Aurangabad-Jalna Tollway Limited representing 965,816 equity shares held by the Company (v) pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 1,464,400 equity shares held by the Company (v) a first charge over the Designated A/c-Debenture Payments and all funds and monies lying therein present & future.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon	Terms of repayment
Series I	500	2.60%	Bullet Repayment
Series II	500	2.60%	Bullet Repayment
Series III	500	2.60%	Bullet Repayment
Series IV	500	2.60%	Bullet Repayment
Series A	250	0%	Bullet Repayment
Series B	250	0%	Bullet Repayment
Series C	250	0%	Bullet Repayment
Series D	250	0%	Bullet Repayment

The debenture holders at the end of year 3 shall have the right to seek prepayment/early redemption of Series III and Series IV debentures in full. Thereupon, the company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture trust deed.

### (ii) Redeemable Non-Convertible Debentures (NCDs) issued by the subsidiaries:

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets.
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower.
- The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst The trustees.

### (a) NSEL

**18,100 (31 March 2017: 18,900) Redeemable, Non Convertible Debentures (NCD):**

**Terms of repayment are as under:**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	10,000	8.72%	Partial Repayment	1-Aug-18
Series B	9,500	8.91%	Partial Repayment	1-Aug-18

At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant debenture holders the unpaid interest on such debentures, accrued upto such redemption date.

The redemption of debenture for Series A (8.72%) shall be made in 18 semi annually installments while for Series B (8.91%) shall be made in 15 semi annually installments on the first day of each half year i.e. 1<sup>st</sup> February and 1<sup>st</sup> August of the year, commencing from 1<sup>st</sup> August 2016.

Interest on such debentures shall be paid along with the redemption of debentures on the same day i.e. 1<sup>st</sup> February and 1<sup>st</sup> August of each year.

### (b) DPTL

**4,77,500 (31 March 2017: 4,87,500) Redeemable, Non Convertible Debentures (NCD):**

**Terms of Repayment**

Non convertible debentures are repayable in 40 consecutive quarterly installment commencing from 5<sup>th</sup> April 2016 to 5<sup>th</sup> December 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10<sup>th</sup> March 2016.

The NCD carry floating interest rate of at 9.4 % per annum as on March 31, 2018, which is reset after every 3 years.

### (c) BHTPL

**24,983 Redeemable, Non Convertible Debentures (NCD):**

**Terms of Repayment**

The redemption of debenture shall be made in 148 monthly installments on the last day of each month, commencing from 31 May, 2016. The T1 NCD carry interest of 9.40 % as on March 31, 2018.

### (d) HYTPL

**19,797 (31 March 2017: 11,937) Redeemable, Non Convertible Debentures (NCD):**

**Terms of Repayment**

(i) The redemption of debenture [Trench I] shall be made in 59 quarterly installments on the 15th of each quarter end, commencing from 15 September, 2016 and last date of Instalment is March 15, 2031. The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 9.5 % per annum as on March 31, 2018.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(ii) The redemption of debenture [Trench II] shall be made in 55 quarterly instalments on the last day of each quarter, commencing from 15 September, 2017 and last date of Instalment is March 15, 2031.

The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 8.75% per annum as on March 31, 2018.

(e) **SUTPL**

**54,500 (31 March 2017: Nil) Redeemable, Non Convertible Debentures (NCD):**

**Terms of Repayment**

The redemption of debenture shall be made in 77 quarterly installments on the last day of each month, commencing from 31 March, 2018. The NCD carry interest of 8.60 % as on March 31, 2018.

(iii) **Rupee term loans and Foreign currency Loans from banks and other parties availed by subsidiaries are secured by:**

- 1 a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the respective subsidiary's tangible moveable assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the company including the escrow account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to Debt service reserve ('DSR') and Major maintenance reserve ('MMR') and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- 4 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- 5 a first charge on assignment by way of security in:
  - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
  - charge/assignment on all the intangible assets of the respective subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
  - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by the Company and promoters holding in the respective subsidiary as stipulated in the Loan agreements.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

**Terms of Repayment of borrowings availed by subsidiaries:**

(a) **ARRIL**

Term loan include loans amounting to INR 2,566.37 million as on March 31, 2018 (March 31, 2017: INR 2,643.14 million) taken from a consortium consisting of bank and financial institutions.

**First Ranking Rupee Loan:**

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

As at March 31, 2018, the loans carries average interest rate of 8.60 % to 8.90 % per annum.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### **Second Ranking Rupee Loan:**

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

As at March 31, 2018, the loan carries average interest rate of 11.60 % per annum.

### **(b) AJTL**

Term loan include loans amounting to INR 2,191.56 million as on March 31, 2018 (March 31, 2017: INR 2,213.55 million) taken from a consortium consisting of bank and finance institutions.

### **Indian Rupee Term Loans from Banks & Other Party:**

The principal amounts of the Loan to each of the Lenders are repayable in 53 equal quarterly installments commencing from September 30, 2016. As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by March 31, 2030. Similar, the company also has the option to prepay the loans.

As at March 31, 2018, term loans carry interest rate of 9.35 % to 10.25 % per annum.

### **(c) BHTPL**

Rupee term loan include loans amounting to INR 5,544.13 million as on March 31, 2018 (March 31, 2017: INR 5,818.08 million) taken from a consortium consisting of bank and finance companies.

### **Indian rupee term loans from banks:**

#### **T1 facility**

The principal amount of the loan to each of the lenders is repayable in unequal 161 monthly installments on the last day of each month , commencing from 31 May, 2016. Further, the company has taken overdraft which is repayable in unequal 149 monthly installments on the last day of each month, commencing from 31st May, 2016.

#### **T2 facility**

During the year ended March 31, 2018, the company has entered into T2 Facility and Subordinate Facility agreement dated September 28, 2017 and has refinanced the entire foreign currency loan. The principal amounts of the loan to lenders is repayable in unequal 150 monthly installments on the last day of each month, commencing from 31 October, 2017.

The loan carries interest of 9.00% to 9.25% as on March 31, 2018.

### **(d) HYTPL**

Term loan include loans amounting to INR 1,750.72 million as on March 31, 2018 (March 31, 2017: INR 2,598.22 million) taken from banks.

### **Indian rupee term loans from banks:**

The Principal amounts of the loan to each of the lenders shall be repayable in 180 structured monthly instalments on the last day of each month, commencing from the April 15, 2017 and last date of instalment is March 15, 2031. Rupee term loans carry interest at bank base rate plus 700 basis point as spread i.e. 10.20 % per annum as on March 31, 2018.

### **Foreign Currency loan from Bank:**

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29, 2013). The Loan carried interest at LIBOR plus 470 basis points i.e. 6.13 % per annum as on March 31, 2017. Such loan has been replaced by rupee term loan and NCD's during the year.

### **(e) MBCPNL**

Term loan include loans amounting to INR 10,143.22 million as on March 31, 2018 (March 31, 2017: INR 10,570.75 million) taken from a consortium consisting of banks.

### **Indian rupee term loans from banks:**

The Principal amounts of the loan to each of the lenders shall be repayable in 49 structured quarterly instalments on the last day of each quarter, commencing from March 31, 2018. Term loans carry interest of 9.30% per annum.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

MBCPNL has entered into common loan agreement dated March 23, 2018 with consortium lenders to refinance the existing Indian Rupee loan. During the year i.e. March 26, 2018, the existing rupee loan has been replaced by the new term loan.

(f) **RPTPL**

Term loan include loans amounting to INR 9,942.64 million as on March 31, 2018 (March 31, 2017: INR 10,035.03 million) taken from a consortium consisting of a banks and finance companies.

**Indian rupee term loans from banks & other party:**

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly installments on the last day of each quarter, commencing from the expiry of monetarism period (22 quarters from initial drawdown date i.e. March 30, 2011). The last date of installment is March 31, 2027. Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60% to 12.10 % per annum as on March 31, 2018.

**Foreign currency loan from bank:**

Foreign currency loan from bank shall be repayable in 6 unequal semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual installments, the company propose to convert balance loan amounting to USD 37.83 Million into a new Rupee Term Loan. The Company pays interest at LIBOR plus 4.70 basis points per annum on the foreign currency loan.

(g) **SUTPL**

Term loan include loans amounting to INR 2,828.77 million as on March 31, 2018 (March 31, 2017: INR 8,178.36 million) taken from consortium of a banks.

**Indian rupee term loans from banks:**

The Principal amounts of the Loan to each of the Lenders is repayable in unequal 231 monthly installments on the last day of each month, commencing from 30<sup>th</sup> September, 2017.

As at March 31, 2018, term loans carries average interest rate of 9.20% to 9.30 % per annum.

(h) **BRTPL**

Term loan include loans amounting to INR 2,724.87 million as on March 31, 2018 (March 31, 2017: INR 2,742.04 million) taken from consortium of banks.

**Indian rupee term loans from banks:**

The Principal amount of the loan is repayable to the lenders in 73 structured quarterly installments, commenced from March 31, 2018.

As at March 31, 2018, term loans carries average interest rate of 9.55 % per annum.

(i) **RHTPL**

Term loan include loans amounting to INR 9,410.33 million as on March 31, 2018 (March 31, 2017: INR 9,442.37 million) taken from a consortium consisting of banks.

**Indian rupee term loans from banks:**

The Principal amounts of the loan is repayable to the lenders in 174 structured monthly installments, commencing from the expiry of thirteenth (13<sup>th</sup>) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.i.e. July 31, 2017

As at March 31, 2018, term loans carry interest rate of 11.50% per annum except term loan from Canara Bank which carries interest rate of 11.75 percent per annum.

(j) **DPTL**

Term loan include loans amounting to INR 5,757.88 million as on March 31, 2018 (March 31, 2017: INR 5,274.20 million) taken from consortium of banks.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Indian rupee term loans from banks:

The Principal amount of the loan is repayable in 43 consecutive quarterly installment commencing from 5<sup>th</sup> Jan 2016 to 5<sup>th</sup> July 2026 on the repayment dates and in percentage as mentioned in amortization schedule as set forth in schedule XIII of the Common Loan Agreement executed on 28<sup>th</sup> Sep 2015. Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.55% to 9.90% per annum as on March 31, 2018.

#### (k) **SBHPL**

Term loan include loans amounting to INR 1,068.97 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The Principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 per cent to 9.40% per annum.

#### (l) **SUHPL**

Term loan include loans amounting to INR 696.15 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The principal amounts of the Loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 per cent to 9.40% per annum.

#### (m) **SRHPL**

Term loan include loans amounting to INR 1,449.07 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is October 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.20% per annum as on March 31, 2018.

#### (n) **SNHPL**

Term loan include loans amounting to INR 129.59 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is September 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.25% per annum as on March 31, 2018.

#### (o) **SBGHPL**

Term loan include loans amounting to INR 173.06 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The Principal amounts of the loan is repayable to the lenders in 28 half yearly structured installments, commencing from the First Repayment date (January 31, 2020) on the last day of each Half year in the amounts equivalent to the percentage of the total amount of loan, which is stated against the corresponding half year expiry in the Amortisation schedule. The company has the option to prepay the loan after the payment of prepayment premium.

Term loans carry interest at bank base rate plus spread i.e. 9.25 to 9.40% per annum as on March 31, 2018.

#### (p) **SUDHPL**

Term loan include loans amounting to INR 673 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 28 equal half yearly installments commencing from September 30, 2020.

Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% per annum as on March 31, 2018.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

(iv) **Liability component of compound financial instruments:**

Interest free loan given by holding company (Sadbhav Engineering Limited) is on account of conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby holding company have given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been classified in the other equity (refer note 17) and liability component in the non-current borrowings. Interest on liability component is recognised using the effective interest method.

(v) **Debt covenants:**

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. Group has satisfied all the debts covenants prescribed in the terms of respective loan agreements as at reporting date, except in one of the subsidiary i.e. RPTPL, has not been able to meet one of the covenants viz debt service coverage ratio as at the end of the year. As per the management, this does not have any financial or other implication as regards these financial statement.

(vi) Fair value disclosures for financial liabilities are given in Note 36.

## 19. Current borrowings

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b><u>Loan repayable on demand</u></b>		
Working capital demand loan from banks (unsecured)	100.00	100.00
Loan from holding company (unsecured) (refer note 41)	5,305.22	4,357.64
Interest free loan from others (unsecured)	120.50	120.60
Letter of credit facility with bank (refer note 18 (iii)(k) and(i))	168.20	-
<b>Total</b>	<b>5,693.92</b>	<b>4,578.24</b>

**Notes:**

- (i) Working Capital Demand Loan facilities from banks are secured against Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the Holding company. The Working Capital Demand Loans are repayable within 90 days of borrowing and carry interest from 10.50% to 9.10% p.a.
- (ii) Loan from holding company carries interest of 11% p.a. and is repayable on demand/call notice.
- (iii) Interest free loan from others is repayable on demand.

## 20. Trade payables

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Trade payables* (refer note 41)	3,434.34	1,025.40
<b>Total</b>	<b>3,434.34</b>	<b>1,025.40</b>

\*As per intimation available with the group, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Group owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 21. Other financial liabilities

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non current</b>		
Premium obligation under concession agreement	11,737.10	11,736.76
Less: Current maturities of premium obligation	(79.18)	(362.55)
<b>Total</b>	<b>11,657.92</b>	<b>11,374.21</b>
Deferred premium obligation (refer note (i) below)	2,674.92	1,872.08
Interest accrued on premium obligation (refer note (i) below)	411.91	226.06
Interest accrued but not due on non convertible debentures	791.05	652.57
Other payables	0.62	2.45
<b>Total (A)</b>	<b>15,536.42</b>	<b>14,127.37</b>
<b>Current</b>		
Current maturities of non current borrowings (refer note 18)	3,120.15	2,263.64
Current maturities of premium obligation to NHAI (refer above)	81.57	362.55
Interest accrued but not due on borrowings	587.62	209.87
Interest accrued and due on borrowings (refer note 41)	608.13	347.03
Interest accrued and due on NHAI premium obligation / mobilization advance	114.86	14.95
Payable towards capital expenditure (refer note 41)	1,472.86	451.62
Employee emoluments payable	36.19	29.78
Share application money refundable	0.03	0.03
Payable to authorities	36.78	36.78
Payable towards option premium	4.88	5.62
Rent deposit	11.80	4.35
Other payables	54.08	78.39
<b>Total (B)</b>	<b>6,128.95</b>	<b>3,804.61</b>
<b>Total (C=A+B)</b>	<b>21,665.37</b>	<b>17,931.98</b>

### Note:

- (i) In case of subsidiaries, HYTPL, SUTPL and RPTPL, premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter. According to the terms of the sanction letter, the group shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. Accordingly, the deferred obligation has been classified as non current liabilities.

As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the group is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to consolidated statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.

## 22. Provisions

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Non current</b>		
Provision for employee benefits - Gratuity (refer note 39)	23.79	15.93
Provision for periodical major maintenance (refer note 43)	1,745.39	1,600.17
<b>Total (A)</b>	<b>1,769.18</b>	<b>1,616.10</b>
<b>Current</b>		
Provision for employee benefits - Gratuity (refer note 39)	2.52	2.79
Provision for employee benefits - Leave encashment	5.05	4.15
Provision for periodical major maintenance (refer note 43)	1,464.87	944.90
Other provisions	68.36	81.15
<b>Total (B)</b>	<b>1,540.80</b>	<b>1,032.99</b>
<b>Total (C=A+B)</b>	<b>3,309.98</b>	<b>2,649.09</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 23. Other current liabilities

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Unearned revenue (refer note 40)	265.93	62.09
Mobilization advance received from NHAI	4,252.91	3.61
Statutory dues payable	379.47	123.56
Others	0.33	0.35
<b>Total</b>	<b>4,898.64</b>	<b>189.61</b>

## 24. Current tax liabilities (Net)

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Provision for Income tax (net of advance tax)	153.56	48.23
<b>Total</b>	<b>153.56</b>	<b>48.23</b>

## 25. Revenue from operations

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Revenue from toll collection, user fees and annuity income (refer note 13 (ii), (iii), (iv) and (v))	10,458.97	9,460.92
Construction income (refer note 40 and (i) below)	12,257.72	3,961.96
Other operating revenue	43.89	57.21
<b>Total</b>	<b>22,760.58</b>	<b>13,480.09</b>

### Note:

- (i) The construction income includes cost escalation claim of INR 130.75 million (31 March 2017: INR 43.12 Million) from Maharashtra Border Check Post Network Limited, a subsidiary, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.

## 26. Other income

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Interest Income on</b>		
Fixed deposits	3.03	7.63
Income tax refund	13.51	15.54
NHAI claim received	-	76.14
Mobilization advance	109.44	-
Arbitration claim (refer note 13 (iii))	128.40	-
Receivable under service concession arrangements	136.76	146.34
Profit on sale of assets	0.11	0.06
Sundry balances written back	10.96	11.66
Gain on sale of units of mutual funds	53.88	48.11
Gain on derivative contracts	-	248.42
Miscellaneous income	8.13	4.91
<b>Total</b>	<b>464.22</b>	<b>558.81</b>

## 27. Consumption of project materials

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Project Inventory at the beginning of the year	-	4.26
Add : Purchase of project materials during the year	150.32	241.28
	<b>150.32</b>	<b>245.54</b>
Less : Project Inventory at the end of the year	-	-
<b>Total</b>	<b>150.32</b>	<b>245.54</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 28. Construction cost

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Construction contract charges to sub-contractors	8,769.99	1,350.72
<b>Total</b>	<b>8,769.99</b>	<b>1,350.72</b>

## 29. Operating expenses

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Operation and maintenance charges to sub-contractors	751.76	583.70
Periodical major maintenance expense (refer note 43)	1,184.35	1,300.82
Power and fuel	175.01	168.58
Security expenses	171.64	151.00
Miscellaneous expenses	106.59	69.17
<b>Total</b>	<b>2,389.35</b>	<b>2,273.27</b>

## 30. Employee benefit expenses

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Salaries, bonus and other allowances (including managerial remuneration) (refer notes 39 & 41)	396.54	354.82
Contribution to provident and other funds (refer note 39)	39.36	22.55
Gratuity expenses (refer note 39)	9.44	5.68
Staff welfare expenses	37.94	31.96
<b>Total</b>	<b>483.28</b>	<b>415.01</b>

## 31. Finance cost

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Interest on:</b>		
Long term loans from banks and others	7,818.05	7,857.36
Short term loans from banks and others (refer note 41)	565.93	491.02
Deferment of premium obligation	213.38	155.48
Mobilization advance given	131.31	-
EPC contractor's claim	88.06	-
Others	12.97	78.09
<b>Unwinding of discount on</b>		
Provision of major maintenance	273.35	155.80
NHAI premium obligation	1,128.92	1,108.45
Non convertible debentures	549.69	331.56
Interest free loan	34.78	31.34
<b>Other borrowing costs</b>		
Loss on derivative contracts	141.18	-
Amortization of processing fees / option premium	364.80	248.83
Bank charges and other finance costs	86.39	103.76
<b>Total</b>	<b>11,408.81</b>	<b>10,561.70</b>

## 32. Depreciation and amortisation

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Depreciation on property, plant and equipment (refer note 5)	38.85	40.60
Amortisation on intangible assets (refer note 7 )	2,566.28	2,170.30
<b>Total</b>	<b>2,605.13</b>	<b>2,210.90</b>



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 33. Other expenses

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Rent (refer note 41 and 45)	19.89	21.33
Insurance	46.73	38.15
Rates and taxes (refer note (i) below)	12.64	138.56
Repairs and maintenance	32.54	61.73
Legal and professional fees	225.08	186.23
Communication expense	4.97	5.39
Travelling expenses	8.94	7.07
Auditor's remuneration	7.18	6.32
Director's sitting fees (refer note 41)	0.69	1.31
Cash collection charges	12.10	12.12
Allowances for expected credit loss/bad and doubtful debts	-	2.16
Miscellaneous expenses	19.38	26.34
<b>Total</b>	<b>390.14</b>	<b>506.71</b>

### Notes:

- (i) Pursuant to the Maharashtra Government's notification no. BCP-0715/C. R.205/Transport-4, dated October 18, 2016, MBCPNL started collecting service tax/GST on user fees at applicable rates with effect from October 19, 2016.

As regards service tax for the period prior to 19 October 2016, the company was eligible for getting reimbursed by Maharashtra State Road Development Corporation (MSRDC) in accordance with the concession agreement, an amount of INR 120.04 million for the year ended March 31, 2017 was expensed off in books and correspondingly claimed with the relevant authorities.

## 34. Income Tax expense

The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are as under:

### (a) Profit and Loss section

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
<b>Current tax</b>		
In respect of the current period	320.45	133.79
Adjustments of tax pertaining to previous year	0.48	0.24
<b>Total (A)</b>	<b>320.93</b>	<b>134.03</b>
<b>Deferred tax</b>		
In respect of the current period	145.16	60.02
MAT credit entitlement	(58.58)	(118.01)
<b>Total (B)</b>	<b>86.58</b>	<b>(57.99)</b>
<b>Total income tax expense recognised in the Statement of Profit and Loss</b>		
<b>Total (C=A+B)</b>	<b>407.51</b>	<b>76.04</b>
<b>Deferred tax items relating to equity</b>		
<b>Deferred tax related to items recognised in equity during the year</b>		
<b>Particulars</b>		(INR in Million)
	As at March 31, 2018	As at March 31, 2017
Expenditure allowed over the period - share issue expenses	-	(52.52)
<b>Total</b>	<b>-</b>	<b>(52.52)</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(b) The income tax expense for the period can be reconciled to the accounting profit as follows:

(INR in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
Accounting loss before tax	(2,972.22)	(3,524.95)
Statutory income tax rate	30.90%	30.90%
Expected income tax expense at India's statutory rate	(918.42)	(1,089.21)
Tax effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses		
Tax effect of non deductible items	4.47	23.93
Tax in respect of earlier years	0.48	0.24
Tax on income at different rates	1.88	0.69
Tax effect on brought forward losses not recognised earlier	-	(90.03)
Tax losses not recognised due to absence of probable certainty of reversal (refer note (f) below)	1,319.10	1,230.42
Income tax expenses as per normal tax rate	407.51	76.04
Consequent to reconciliation items shown above, the effective tax rate	-13.71%	-2.16%

(c) Deferred tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

(INR in Million)

Particulars	Balance sheet		Statement of Profit and Loss / Equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liability				
Impact on liability component of Compound instruments	(148.31)	(160.35)	12.05	6.75
Impact of fair valuation of financial instruments	(422.51)	(599.07)	176.56	(101.97)
Accelerated depreciation for tax purpose	2.47	1.60	0.87	1.59
Expenditure allowed on payment basis	(2,812.72)	(3,111.41)	298.69	144.06
Expenditure allowed over the period	(2,045.42)	(1,446.87)	(598.55)	255.04
Unused tax losses available for offsetting against future taxable income	4,692.98	4,609.76	83.23	(312.97)
Tax credit entitlement under MAT	58.58	118.01	(59.43)	118.01
Total deferred tax expenses/(income)			(86.58)	110.51
Net deferred tax assets/(liabilities)	(674.92)	(588.33)		

(d) Reconciliation of Deferred tax

(INR in Million)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets (Net)	0.12	72.11
Deferred tax liabilities (Net)	(675.04)	(660.44)
	(674.92)	(588.33)

(e) The group has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet at:

Financial Year	Amount (INR in Million)	Expiry Year
2016-17	58.58	2031-32
Total	58.58	

(f) Certain subsidiary companies has carried forward losses aggregating INR 37,016.17 million (March 31, 2017: INR 30,156.75 million) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of 8 years of the respective year from the date of origin.

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by INR 7,919.23 million (March 31, 2017: INR 5,892.33 million).

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 35. Disclosure of Financial instruments by category

(INR in Million)

Particulars	Note no.	March 31, 2018				March 31, 2017			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial assets									
Investments	8	423.07	-	-	0.02	558.26	-	-	0.02
Trade receivables	9	-	-	7.69	-	-	-	5.39	-
Cash and cash equivalents	10	-	-	558.38	-	-	-	503.89	-
Other bank balances	10	-	-	21.08	-	-	-	21.08	-
Loans	11	-	-	170.70	-	-	-	177.78	-
Receivable under service concession arrangements	12	-	-	11,889.69	-	-	-	3,799.16	-
Derivative not designated as hedges	13	137.23	-	-	-	587.33	-	-	-
Other financial assets	13	-	-	1,683.24	-	-	-	937.75	-
Total financial assets		560.30	-	14,330.78	0.02	1,145.59	-	5,445.05	0.02
Financial liabilities									
Non current borrowings	18	-	-	78,379.68	-	-	-	76,359.81	-
Current borrowings	19	-	-	5,693.92	-	-	-	4,578.24	-
Trade payables	20	-	-	3,434.34	-	-	-	1,025.40	-
Other financial liabilities	21	-	-	21,665.37	-	-	-	17,931.98	-
Total financial liabilities		-	-	109,173.31	-	-	-	99,895.43	-

## 36. Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in Million)

Particulars	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at fair value through profit or loss</b>				
Investments in mutual funds	423.07	423.07	558.26	558.26
Derivative not designated as hedges	137.23	137.23	587.33	587.33
<b>Total financial assets</b>	<b>560.30</b>	<b>560.30</b>	<b>1,145.59</b>	<b>1,145.59</b>
<b>Financial liability at fair value through profit or loss</b>				
Redeemable, Non-convertible debentures	7,724.32	7,709.67	8,005.41	8,227.49
Premium obligation under Concession agreement	11,737.10	12,578.75	11,736.76	12,461.97
<b>Total financial liabilities</b>	<b>19,461.42</b>	<b>20,288.42</b>	<b>19,742.17</b>	<b>20,689.46</b>

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The Group has entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2018.
- The fair value of premium obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- The carrying value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 37. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018 and March 31, 2017

(INR in Million)

	Note	Fair value measurement using Significant observable inputs (Level 2)	
Assets measured at fair value	No.	March 31, 2018	March 31, 2017
<b>Fair value through profit &amp; loss</b>			
Investment in mutual funds	8	423.07	558.26
Derivatives not designated as hedges	13	137.23	587.33
<b>Liabilities measured at fair value</b>			
<b>Liabilities for which fair values are disclosed</b>			
Redeemable, Non Convertible Debentures	18	7,709.67	8,227.49
Premium obligation under Concession agreement	21	12,578.75	12,461.97

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between level 1 and level 2 during the years.

## 38. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(INR in Million)

		Year Ended March 31, 2018	Year Ended March 31, 2017
Net (loss) after tax for the year attributable to equity shareholders:	(A)	(3,289.01)	(3,539.89)
Number of equity shares at the end of the year		352,225,216	352,225,216
Weighted average number of equity shares for basic and diluted EPS	(B)	352,225,216	352,225,216
Nominal value of equity shares		10	10
<b>Basic and diluted (loss) per share (in INR)</b>	<b>(A/B)</b>	<b>( 9.34)</b>	<b>( 10.05)</b>

## 39. Employee benefits disclosure

### A Defined contribution plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Contribution to provident funds	28.00	20.36
Contribution to employee state insurance	10.89	0.55
Contribution to benevolent funds	0.41	1.59
Maharashtra labour welfare fund	0.06	0.05
<b>Total</b>	<b>39.36</b>	<b>22.55</b>



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## B Defined benefit plans - Gratuity benefit plan:

The Group has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded in all entities except ARRIL where scheme is funded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

(INR in Million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Cost charged to statement of profit and loss</b>		
Current service cost	7.83	4.92
Interest cost	1.61	0.77
<b>Sub-total included in statement of profit and loss (Total)</b>	<b>9.44</b>	<b>5.69</b>
<b>Remeasurement losses/(gains) in other comprehensive income</b>		
Actuarial loss/(gain) due to change in financial assumptions	(1.03)	1.01
Actuarial loss/(gain) due to experience	(0.23)	7.64
<b>Sub-total included in other comprehensive income (Total)</b>	<b>(1.26)</b>	<b>8.65</b>
<b>Reconciliation of net defined benefit obligation / plan assets</b>		
<b>Reconciliation of defined benefit obligations as at beginning of the year</b>		
Defined benefit obligations as at beginning of the year	24.85	10.98
Cost charged to statement of profit and loss	9.44	5.69
Remeasurement (gains)/losses in other comprehensive income	(1.26)	8.65
Benefit paid	(0.79)	(0.46)
<b>Defined benefit obligations as at end of the year</b>		
<b>Total (A)</b>	<b>32.24</b>	<b>24.85</b>
<b>Reconciliation of fair value of plan assets</b>		
<b>Plan asset as at beginning of the year</b>	<b>6.13</b>	<b>4.00</b>
Interest Income	0.38	0.34
Return on plan assets excluding amounts included in interest	(0.30)	(0.13)
Contribution by employer	-	2.05
Benefits paid	(0.28)	(0.13)
<b>Plan asset as at end of the year</b>		
<b>Total (B)</b>	<b>5.93</b>	<b>6.13</b>
<b>Net Defined benefit obligations as at end of the year</b>		
<b>Total (C=A+B)</b>	<b>26.31</b>	<b>18.72</b>
Current	2.52	2.79
Non-current	23.79	15.93
The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:		
	Year Ended March 31, 2018	Year Ended March 31, 2017
Discount rate	7.55%	7% to 7.60%
Salary Growth rate	6.00%	6.00%
Withdrawal rate	15% at younger ages, reducing to 3% at older ages	15% at younger age, reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

A quantitative sensitivity analysis for significant assumption is as shown below:

(INR in Million)

Particulars	Sensitivity level	Year Ended March 31, 2018	Year Ended March 31, 2017
Discount rate	0.50% increase	(1.01)	(0.74)
	0.50% decrease	1.04	0.78
Salary Growth Rate	0.50% increase	1.00	0.73
	0.50% decrease	(0.99)	(0.71)
Withdrawal rate	10% increase	(0.22)	(0.21)
	10% decrease	0.20	0.23

## C Maturity Profile of the Defined Benefit Obligation:

(INR in Million)

	March 31, 2018
2019	2.31
2020	2.65
2021	2.87
2022	3.47
2023	3.52
2024 - 2028	11.49

(INR in Million)

	March 31, 2017
2018	1.39
2019	1.80
2020	2.08
2021	2.18
2022	2.53
2023 - 2027	8.75

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

The estimates of future salary increase considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In ARRIL, the expected contribution to defined benefit plan in next year is INR 1.78 million.

## D Other employee benefits:

Salaries, wages and bonus include INR 17.78 million (March 31, 2017: INR 14.90 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, Bonus and leave travel allowance.

## 40. Disclosure in respect of construction contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

(INR in Million)

	Year ended March 31, 2018	Year ended March 31, 2017
I Contract revenue recognized as revenue in the year	12,257.72	3,961.96
II For Contracts that are in progress:-		
(a) Contract costs incurred & recognized upto reporting date	(23,016.66)	(14,526.26)
(b) Profits (less recognized losses) upto reporting date	4,174.05	2,946.59
(c) Advances received	4,250.97	-
(d) Retention money	7.23	25.10
III Unbilled revenue	9,752.69	1,425.38
IV Unearned revenue	265.93	62.08

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

## 41. Related Party disclosures

(a) Name of Related Parties and related party relationship

## Holding Company                      Sadbhav Engineering Limited (SEL)

Fellow subsidiary	Mysore-Bellary Highway Private Limited (MBHPL)
Key management personnel (KMP)	Mr. Vasistha C Patel, Managing Director Mr. Vishnubhai M Patel, Chairman and Non Executive Director, (upto March 03, 2017) Mr. Shashin Patel, Chairman and Non Executive Director (w.e.f March 03, 2017) Mr. Nitin R Patel, Non Executive Director Mr. Atul Ruparel, Independent Director Mr. Arunkumar Patel, Independent Director Mr. Mirat Bhadlawala, Independent Director Mrs. Daksha Shah, Independent Director Mr. Sandip Patel, Independent Director Late Dr. Jagdish Joshipura, Independent Director (Up to November 12, 2016) Mr. Varun Mehta, Chief Financial Officer Mr. Hardik Modi, Company Secretary (w.e.f July 08, 2016) Mr. Gaurav Vesasi, Company Secretary (up to May 31, 2016)

(INR in Million)

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## Notes to Consolidated Financial Statements for the year ended March 31, 2018

<b>13</b>	<b>Director's sitting fees</b>						
	Vasistha C Patel	-	-	-	-	0.11	
	Vishnubhai M Patel	-	-	-	-	0.05	
	Shashin V Patel	-	-	-	0.08	0.08	
	Nitin R Patel	-	-	-	0.12	0.21	
	Arunkumar Patel	-	-	-	0.13	0.15	
	Sandip Patel	-	-	-	0.06	0.14	
	Atul Ruparel	-	-	-	0.03	0.06	
	Mirat Bhadlawala	-	-	-	0.06	0.12	
	Daksha Shah	-	-	-	0.08	0.09	
	Jagdish Joshipura	-	-	-	-	0.05	
<b>14</b>	<b>Remuneration</b>						
	Vasistha Patel	-	-	-	3.00	3.00	
	Varun Mehta	-	-	-	3.57	3.00	
	Hardik Modi	-	-	-	0.68	0.45	
	Gaurav Vesasi	-	-	-	0.02	0.26	

**(d) Balances of related parties at the year** (INR in Million)

Sr No	Particulars	Holding		Fellow Subsidiary		Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>1</b>	<b>Unsecured loan</b>						
	MBHPL	-	-	-	7.41	-	-
<b>2</b>	<b>Mobilisation paid against contract</b>						
	SEL	3,424.80	-	-	-	-	-
<b>3</b>	<b>Interest receivable from SEL against mobilisation advance</b>						
	SEL	95.82	-	-	-	-	-
<b>4</b>	<b>Interest payable</b>						
	SEL	572.81	89.05	-	-	-	-
<b>5</b>	<b>Trade payable (including capital payables and retention money)</b>						
	SEL	3,799.63	744.08	-	-	-	-
<b>6</b>	<b>Unsecured loan taken</b>						
	SEL	5,305.22	4,357.64	-	-	-	-
<b>7</b>	<b>Interest free unsecured loan (Equity and liability components less finance cost recognised till date reporting date)</b>						
	SEL	779.56	779.56	-	-	-	-
<b>8</b>	<b>Receivable towards sale of assets</b>						
	SEL	3.12	-	-	-	-	-
<b>9</b>	<b>Remuneration payable</b>						
	Vasistha Patel	-	-	-	-	0.20	-
	Varun Mehta	-	-	-	-	0.27	0.14
	Hardik Modi	-	-	-	-	0.05	0.05

**Notes:**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.
- Non convertible debentures of INR 7,724.32 Million as at March 31, 2018 (March 31, 2017: INR 8,005.41 million) are guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and Non convertible debenture of INR 5,005.41 Million as at March 31, 2018 (March 31, 2017: INR 5,005.41 million) personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% of its shareholding in the Company to the lenders toward borrowings availed by the Company.
- The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 42. Contingent liabilities and commitments

### (a) Contingent liabilities

(INR in Million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Service Tax:</b>		
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	43.48	43.48
<b>VAT:</b>		
Demand from authorities for recovery of Sales tax in MBCPNL (refer note (ii) below)	24.76	-
<b>Income Tax:</b>		
Income tax demand pertaining to various subsidiaries (refer note (iii) below)	31.30	31.30
Claims against the Group not acknowledged as debts (refer note (iv) below)	-	8.38
	<b>99.54</b>	<b>83.16</b>

- (i) Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Group has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposited INR 2.50 million. The matter is pending with Tribunal as at reporting date.
- (ii) Toward demand raised from authorities for the year 2009-10 to 2013-14. In respect of said matter, the Group has preferred appeal with Joint Commissioner of Sales tax (Appeal) and deposited INR 1.00 million under protest. The matter is pending with the said authorities as at the reporting date.
- (iii) The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act, 1961. The entities are contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.
- (iv) During previous year ended March 31, 2017, in case of ARRIL, interest was charged by India Infrastructure Finance Company Limited (IIFCL) at a rate higher than agreed rate and the same was not accepted by the subsidiary company. The matter has been resolved during the year.

### (b) Litigations against the group:

#### Bijapur Hungud Tollway Private Limited :

The minority shareholder of Bijapur Hungund Tollway Private Limited ('BHTPL') (a subsidiary) has filed Company Petition under sections 397 and 398 of the Companies Act, 1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders Company, SEL (Sadbhav Group) and the past and present Directors of the BHTPL appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). The Company had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the Company Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, BHTPL and the Company. The said Application was dismissed by the CLB vide Order dated January 8, 2014. The Company then proceeded to file a writ petition before the Hon'ble Gujarat High Court challenging the CLB Order dated January 8, 2014. The Writ Petition was dismissed by single judge of Hon'ble High Court of Gujarat vide Order dated August 14, 2014. The Company has filed Letters Patent Appeal No.1070 of 2014 (LPA) before the Division Bench of the Hon'ble Gujarat High Court against the said Court Order dated August 14, 2014. The divisional bench of the Hon'ble Gujarat High Court has passed order dated November 24, 2014 for continued the interim orders passed during the pendency of the Writ Petition and further directed to CLB for the stay on proceedings till disposal of LPA. However, hearing of the LPA is pending before the Hon'ble Gujarat High Court as at reporting date. The Management represents that no liability is likely to devolve in the matter on the Company.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## (c) Commitments

The followings are the estimated amount of contractual commitments of the Group:

(INR in Million)

	March 31, 2018	March 31, 2017
(i) EPC Sub-contract commitments	351.63	786.87
(ii) Capital commitment (net of capital advances)	47,795.24	24,454.03
(iii) The BOT projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:		

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	March 31, 2018	March 31, 2017
Ahmedabad Ring Road Infrastructure Limited (ARRIL)	70.00%	45.00%*	99.99%	6.00%
Aurangabad Jalna Tollway Limited (AJTL)	21.00%	21.00%	79.00%	30.00%
Bhilwara Rajsamand Tollway Private Limited (BRTPL)	51.00%	51.00%	51.00%	51.00%
Bijapur Hungud Tollway Private Limited (BHTPL)	51.00%	51.00%	66.23%	92.23%
Hyderabad Yadgiri Tollway Private Limited (HYTPL)	51.00%	51.00%	69.99%	81.01%
Maharashtra Border Check Post Network Ltd. (MBCPNL)	70.00%	51.00%	80.12%	29.57%
Nagpur Seoni Expressway Limited (NSEL)	30.00%	30.00%	99.00%	99.00%
Rohtak Hissar Tollway Private Limited (RHTPL)	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited (RPTPL)	51.00%	51.00%	99.99%	51.00%
Shreenathji-Udaipur Tollway Private Limited (SUTPL)	51.00%	51.00%	75.00%	51.00%
Dhule Palesner Tollway Limited (DPTL)	51.00%	33.00%	33.00%	33.00%
Sadbhav Una Highway Private Limited (SUHPL)	51.00%	51.00%	51.00%	30.00%
Sadbhav Bhavnagar Highway Private Limited (SBHPL)	51.00%	51.00%	51.00%	30.00%
Sadbhav Rudrapur Highway Private Limited (SRHPL)	51.00%	51.00%	51.00%	30.00%
Sadbhav Nainital Highway Private Limited (SNHPL)	51.00%	51.00%	51.00%	30.00%
Sadbhav Bangalore Highway Private Limited (SBGHPL)	51.00%	51.00%	51.00%	-
Sadbhav Udaipur Highway Private Limited (SUDHPL)	51.00%	51.00%	30.00%	-
Sadbhav Vidarbha Highway Private Limited (SVHPL)	51.00%	51.00%	30.00%	-
Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	51.00%	51.00%	-	-

\* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) The Group has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Private Limited (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

## 43. Disclosure related to Periodic Major Maintenance provisions

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

(INR in Million)

Particulars	March 31, 2018
<b>Carrying amount as at April 1, 2017</b>	2,545.07
Add: Additional provision made during the year	1,184.35
Add: Increase during the year in the discounted amount due to passage of time	273.35
Less: Amounts used (i.e. incurred and charged against the provision) during the year	792.51
<b>Carrying amount as at March 31, 2018</b>	<b>3,210.26</b>
Current	1,464.87
Non-current	1,745.39
<b>Total</b>	<b>3,210.26</b>
Year of expected cash outflow	2019-2023

## 44. Segment Reporting

The segment reporting is in accordance with the internal financial reports derived from ERP system implemented from April 01, 2017 which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered BOT segment as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

## 45. Operating Lease

The Group has taken office space on operating leases basis. There are no sub-leases and the leases are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent nor any escalation clause in the lease agreements. During the year, the Group has incurred INR 18.30 million (March 31, 2017: INR 12.55 million) towards rent for office space.

## 46. Financial risk management objective and policies

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, other receivables and cash and bank balances which are been derived directly from its operations.

The Group's business activities are exposed to variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Board of Directors oversee compliance with the Group's risk management policies and procedures, and reviews the risk management framework.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse/inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

The following assumption has been made in calculating the sensitivity analyses:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017.

## (i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Group either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

The banks are now finance at variable rate only, which is the inherent business risk.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

(INR in Million)

	Effect on loss before tax	
	March 31, 2018	March 31, 2017
Increase in 25 basis point	(174.82)	(171.87)
Decrease in 25 basis point	174.82	173.97

The effect of interest rate changes on future cash flows is excluded from this analysis.

## (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Group may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no. 47

### Foreign currency sensitivity

As per the Group's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2018 and March 31, 2017 and accordingly sensitivity analysis of change in USD rate has not been presented.

## (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily receivables from authorities and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments. The management of the group believes that the credit risk related to receivable from authorities are negligible as the same is receivable from the government authorities.

The group has significant credit exposure related to receivable from authorities which as mentioned below:

1. National Highway Authority of India - INR 13,178.68 million (March 31, 2017: INR 4,652.32 million).
2. State Government Authorities - INR 242.83 million (March 31, 2017: INR 175.50 million).



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as well as temporary investment in mutual fund as of March 31, 2018 is INR 1,030.96 million and March 31, 2017 is INR 1,083.23 million.

## (c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The Group measures the risk by forecasting cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(INR In Million)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>As at March 31, 2018</b>						
Non-current borrowings#	81,796.96	-	3,123.91	8,181.48	14,834.25	55,657.31
Loans repayable on demand	5,693.92	5,693.92	-	-	-	-
Trade payables	3,434.34	-	3,434.34	-	-	-
Other financial liabilities*	28,287.35	-	4,501.59	767.59	1,819.46	21,198.71
<b>Total</b>	<b>119,212.57</b>	<b>5,693.92</b>	<b>11,059.84</b>	<b>8,949.07</b>	<b>16,653.71</b>	<b>76,856.02</b>
<b>As at March 31, 2017</b>						
Non-current borrowings#	79,693.30	-	2,263.73	5,218.27	19,948.42	52,262.88
Loans repayable on demand	4,578.24	4,578.24	-	-	-	-
Trade payables	1,025.40	-	1,025.40	-	-	-
Other financial liabilities*	27,315.97	-	2,845.11	449.22	2,627.38	21,394.27
<b>Total</b>	<b>112,612.91</b>	<b>4,578.24</b>	<b>6,134.24</b>	<b>5,667.49</b>	<b>22,575.80</b>	<b>73,657.15</b>

# Current maturities of non-current borrowings is included and unamortised transaction cost paid to lenders on upfront basis is excluded.

\* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis.

## 47. Derivative instruments

Derivative outstanding as at the reporting date

(INR In Million)

Nature of instrument	As at March 31, 2018	As at March 31, 2017
Swap contract - Interest swap		
Notional amount of USD millions	3.64	14.27
Notional amount of INR millions	236.87	924.92
Option contracts to buy		
Notional amount of USD millions	41.23	112.67
Notional amount of INR millions	329.84	901.37

The Group has entered into Option contract over the borrowing terms for hedging foreign currency exchange risk against external Commercial borrowings. The group has also entered into Swap contract to hedge interest rate fluctuation over a borrowing terms.

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 48. Capital Management

For the purpose of the Group's capital management, capital consist of share capital, securities premium, other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares. The Group monitors capital using debt equity ratio which does not exceed 7:1 which is total borrowings divided by total equity.

The key performance ratios as at 31st March are as follows:

(INR In Million)

	As at March 31, 2018	As at March 31, 2017
Non-current borrowings* (refer note 18)	81,499.83	78,623.45
Current borrowings (refer note 19)	5,693.92	4,578.24
<b>Total Debts - A</b>	<b>87,193.75</b>	<b>83,201.69</b>
Equity share capital (refer note 16)	3,522.25	3,522.25
Other equity (refer note 17)	(6,179.98)	(2,805.78)
Add: Retained earnings (refer note 17)	16,623.01	12,786.62
<b>Total Equity - B</b>	<b>13,965.29</b>	<b>13,503.10</b>
<b>Debt equity ratio (A/B)</b>	<b>6.24</b>	<b>6.16</b>

\*Non-current borrowings includes current maturities of non-current borrowings which has been classified under other current financial liabilities and the effect of transaction cost paid to lenders on upfront basis.

## 49. Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ("SCA")

### (A) Disclosures with regard to toll collection rights (intangible assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	9.76 years
2	Aurangabad Jalna Tollway Limited	February 01, 2007	July 31, 2030	23 years and 6 months	July 24, 2009	12.34 years
3	Bhilwara Rajsamand Tollway Private Limited	October 9, 2013	October 8, 2043	30 years	June 4, 2016	26.54 years
4	Bijapur Hungund Tollway Private Limited	September 05, 2010	September 04, 2030	20 years	June 20, 2012	12.43 years
5	Hyderabad Yadgiri Tollway Private Limited	July 30, 2010	July 29, 2033	23 Years	December 10, 2012	15.34 years
6	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	15.51 years
7	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	16.74 years
8	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	18.06 years
9	Shreenathji Udaipur Tollway Private Limited	April 18, 2013	April 17, 2040	27 years	December 4, 2015	22.60 years
10	Dhule Palesner Tollway Limited	December 21, 2009	December 20, 2027	18 years	January 23, 2012	9.73 years

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Notes:

- (i) The above BOT/DBFOT projects shall have following rights/obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:
  - a. Rights to use the Specified assets.
  - b. Obligations to provide or rights to expect provision of services.
  - c. Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.

## (B) Disclosures with regard to Annuity project/Hybrid annuity model ('HAM') project

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements":

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Nagpur Seoni Expressway Limited	November 26, 2007	November 25, 2027	20 years	May 25, 2010
2	Sadbhav Una Highway Private Limited	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019
3	Sadbhav Bhavnagar Highway Private Limited	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019
4	Sadbhav Rudrapur Highway Private Limited	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019
5	Sadbhav Nainital Highway Private Limited	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019
6	Sadbhav Bangalore Highway Private Limited	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019
7	Sadbhav Udaipur Highway Private Limited	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019
8	Sadbhav Vidarbha Highway Private Limited	Appointed date awaited	Appointed date awaited	15 years from COD	Appointed date Awaited
9	Sadbhav Jodhpur Ring Road Private Limited	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure
10	Sadbhav Tumkur Highway Private Limited	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure

## Notes:

In HAM projects, revenue is received/receivable as under:

- (i) 40% of the tota bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- (ii) The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- (iii) Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

50. In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary entity, has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31<sup>st</sup> March, 2018, the company has achieved provisional certificate of completion for 18 check posts out of total 22 check posts as per Concession agreement. The collection of user fees have been started in 18 BCP as per directive of MSRDC. Further, the company has also received general resolution from government of Maharashtra for construction of additional 2 Check post on BOT basis.

As at 31<sup>st</sup> March, 2018, the project implementation is in progress and there are costs variance in development of each BCP site. The Company has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 51 below. The company has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. The Company is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the company under the terms of concession agreement.

51. Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary entity has accepted and accounted project related cost compensation claim of INR 2,212.30 million towards increase in cost of construction due to delay in execution of the Modernisation and Computerisation of 22 Border Check Post Project ('BCP Project') on account various reasons not attributable to the Company upto March 31, 2018 (March 31, 2017: INR 1,883.09 million). The costs have been accounted as intangible assets/intangible assets under development. The amount accounted is subject to the approval of Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which monitors the project progress and the lender's independent engineer has in-principle accepted and recommended the Company's cost compensation claim. Based on the recommendations at the project steering committee, GoM will take appropriate decision in regard to cost escalation claim of the Company and it is confident that the additional costs accounted in the books will be fully accepted by the GoM.
52. The Group has accumulated losses of INR 16,622.99 million as at March 31, 2018, which resulted in erosion of the Group's net worth mainly because of accumulated losses of following subsidiaries. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their financial obligations in the ordinary course of the business complimented by the continuing financial support offered from the holding company, Sadbhav Infrastructure Project Limited (SIPL) as well as ultimate holding company, Sadbhav Engineering Limited (SEL). Accordingly, these consolidated financial statements have been prepared assuming that the Group will continue as a going concern. The details are as follows:

(INR in Million)

Name of the Subsidiary	Accumulated Losses as at	
	March 31, 2018	March 31, 2017
Aurangabad Jalna Tollway Limited	878.94	926.49
Hyderabad Yadgiri Tollway Private Limited	1,586.94	-
Nagpur Seoni Expressway Limited	1,206.17	1,087.49
Rohtak Hissar Tollway Private Limited	1,650.79	-
Rohtak-Panipat Tollway Private Limited	6,226.16	4,777.95



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

53. Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As on March 31, 2018

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
<b>Parent Company</b>								
SIPL	-633.34%	16,160.30	16.16%	(546.01)	-0.74%	(0.01)	16.16%	(546.02)
<b>Subsidiary Companies</b>								
<b>Indian</b>								
ARRIL	-7.67%	195.70	-4.12%	139.10	103.60%	1.30	-4.16%	140.40
BHTPL	53.82%	(1,373.32)	8.97%	(303.03)	-24.14%	(0.30)	8.98%	(303.34)
AJTL	13.74%	(350.67)	-2.30%	77.64	13.45%	0.17	-2.30%	77.81
MBCPNL	51.83%	(1,322.44)	-2.47%	83.40	-15.22%	(0.19)	-2.46%	83.21
NSWEL	47.27%	(1,206.18)	-0.07%	2.33	0.00%	-	-0.07%	2.33
HYTPL	56.68%	(1,446.17)	5.81%	(196.33)	2.54%	0.03	5.81%	(196.30)
RPTPL	236.33%	(6,030.30)	37.33%	(1,261.76)	8.37%	0.11	37.34%	(1,261.66)
SUTPL	57.92%	(1,477.92)	15.91%	(537.73)	11.55%	0.15	15.91%	(537.58)
BRTPL	8.03%	(204.97)	2.03%	(68.51)	5.64%	0.07	2.03%	(68.44)
RHTP	64.70%	(1,650.79)	29.22%	(987.63)	12.69%	0.16	29.23%	(987.47)
DPTL	160.81%	(4,103.21)	-2.32%	78.36	-9.01%	(0.11)	-2.32%	78.25
SBHPL	-0.91%	23.12	-0.69%	23.24	0.00%	-	-0.69%	23.24
SUHPL	-1.40%	35.79	-1.06%	35.85	0.00%	-	-1.06%	35.85
SRHPL	-0.65%	16.49	-0.50%	16.87	0.00%	-	-0.50%	16.87
SNHPL	-1.31%	33.31	-1.05%	35.65	0.00%	-	-1.06%	35.65
SBGHPL	-0.32%	8.11	-0.24%	8.27	0.00%	-	-0.24%	8.27
SUDHPL	-0.47%	12.06	-2.56%	86.58	0.00%	-	-2.56%	86.58
SVHPL	-0.92%	23.37	-0.69%	23.37	0.00%	-	-0.69%	23.37
SJRRPL	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
<b>Minority interest in all subsidiaries</b>	-4.16%	106.14	2.64%	(89.36)	-8.72%	(0.11)	2.65%	(89.47)
<b>Total</b>	<b>100.00%</b>	<b>(2,551.59)</b>	<b>100.00%</b>	<b>(3,379.73)</b>	<b>100.00%</b>	<b>1.26</b>	<b>100.00%</b>	<b>(3,378.47)</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

As on March 31, 2017

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
<b>Parent Company</b>								
SIPL	1590.60%	15,568.14	39.12%	(1,408.70)	4.26%	(0.37)	39.04%	(1,409.07)
<b>Subsidiary Companies</b>								
<b>Indian</b>								
ARRIL	6.44%	63.04	-3.25%	117.01	38.49%	(3.33)	-3.15%	113.68
BHTPL	-109.32%	(1,070.02)	5.41%	(194.83)	9.47%	(0.82)	5.42%	(195.65)
AJTL	-40.68%	(398.20)	-9.96%	358.55	10.92%	(0.94)	-9.91%	357.60
MBCPNL	-136.29%	(1,333.92)	-1.59%	57.42	23.87%	(2.07)	-1.53%	55.35
NSWEL	-111.11%	(1,087.49)	-4.38%	157.86	0.00%	-	-4.37%	157.86
HYTPL	-125.70%	(1,230.33)	5.69%	(204.86)	1.07%	(0.09)	5.68%	(204.95)
RPTPL	-468.15%	(4,582.08)	40.29%	(1,450.76)	-0.58%	0.05	40.19%	(1,450.71)
SUTPL	-88.13%	(862.58)	9.42%	(339.18)	1.86%	(0.16)	9.40%	(339.34)
BRTPPL	-10.08%	(98.65)	-2.46%	88.56	0.00%	-	-2.45%	88.56
RHTP	-60.02%	(587.50)	9.56%	(344.19)	0.00%	-	9.54%	(344.19)
DPTL	-374.28%	(3,663.30)	10.21%	(367.66)	8.27%	(0.72)	10.21%	(368.38)
SBHPL	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
SUHPL	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
SRHPL	-0.03%	(0.29)	0.01%	(0.29)	0.00%	-	0.01%	(0.29)
SNHPL	-0.03%	(0.28)	0.01%	(0.28)	0.00%	-	0.01%	(0.28)
SBGHPL	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
<b>Minority interest in all subsidiaries</b>	26.80%	262.29	1.93%	(69.55)	2.36%	(0.20)	1.93%	(69.76)
<b>Total</b>	<b>100.00%</b>	<b>978.76</b>	<b>100.00%</b>	<b>(3,600.99)</b>	<b>100.00%</b>	<b>(8.65)</b>	<b>100.00%</b>	<b>(3,609.64)</b>

## 54. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

### Ind AS 115, Revenue from Contract with Customers:

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the group. Ind AS 115 is effective for the Group from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the management has concluded its evaluation.

## ***Notes to Consolidated Financial Statements for the year ended March 31, 2018***

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### **55. Events after the reporting period**

The Board of Directors of the Company in their meeting held on May 08, 2018 has recommended a final dividend @ 30% i.e. INR 0.30 per equity share of INR 10 each fully paid up for the year ended March 31, 2018 subject to approval of the members at the ensuing general meeting.

### **56. Previous year comparatives**

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

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#### **As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**

**ICAI Firm Reg. No.: 324982E/E300003**

**per Sukrut Mehta**  
**Partner**

**Membership Number: 101974**

**Date: May 08, 2018**

**Place: Ahmedabad**

**For MANUBHAI & SHAH LLP**  
**Chartered Accountants**

**ICAI Firm Reg. No.: 106041W/W100136**

**per K. C. Patel**  
**Partner**

**Membership Number: 30083**

**Date: May 08, 2018**

**Place: Ahmedabad**

**For and on behalf of Board of Directors**  
**Sadbhav Infrastructure Project Limited**

**Vasistha C. Patel**  
**Managing Director**  
**DIN : 00048324**

**Hardik Modi**  
**Company Secretary**

**Date: May 08, 2018**

**Place: Ahmedabad**

**Shashin V. Patel**  
**Director**  
**DIN: 00048328**

**Varun Mehta**  
**Chief Financial Officer**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.



This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is a small dark speck near the top center and another near the bottom right corner. The page is otherwise blank.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across the entire width of the page. The background is a solid off-white color, and there are no margins, text, or other markings present.

## ATTENDANCE SLIP

DP ID		Folio No.	
Client ID		No. of Shares	

Name and address of Shareholder/Proxy

I hereby record my presence at the **12<sup>th</sup> Annual General Meeting of the Company** held on Thursday, 27<sup>th</sup> September, 2018 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat at 11.00 A.M.

Signature of Shareholder/Proxy

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s):			
Registered address:			
E-mail Id:			
Folio No/ Client Id:		DP ID:	

I/We, being the member(s) of \_\_\_\_\_ shares of the **Sadbhav Infrastructure Project Limited**, hereby appoint;

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him / her
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him / her
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **12<sup>th</sup> Annual General Meeting of the Company**, to be held on Thursday, 27<sup>th</sup> September, 2018 at 11.00 a.m. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

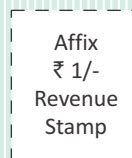
P.T.O.





1. Consider and adopt:
  - (a) Audited Financial Statements, Report of the Board of Directors and Auditors
  - (b) Audited Consolidated Financial Statements
2. To Confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2017-18.
3. Re-Appointment of Mr. Shashin V. Patel (DIN: 00048328) who retires by rotation.
4. To appoint Joint Statutory Auditors of the Company and fix their remuneration.
5. Ratification of Remuneration of Cost Auditor.
6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018



\_\_\_\_\_  
Signature of shareholder

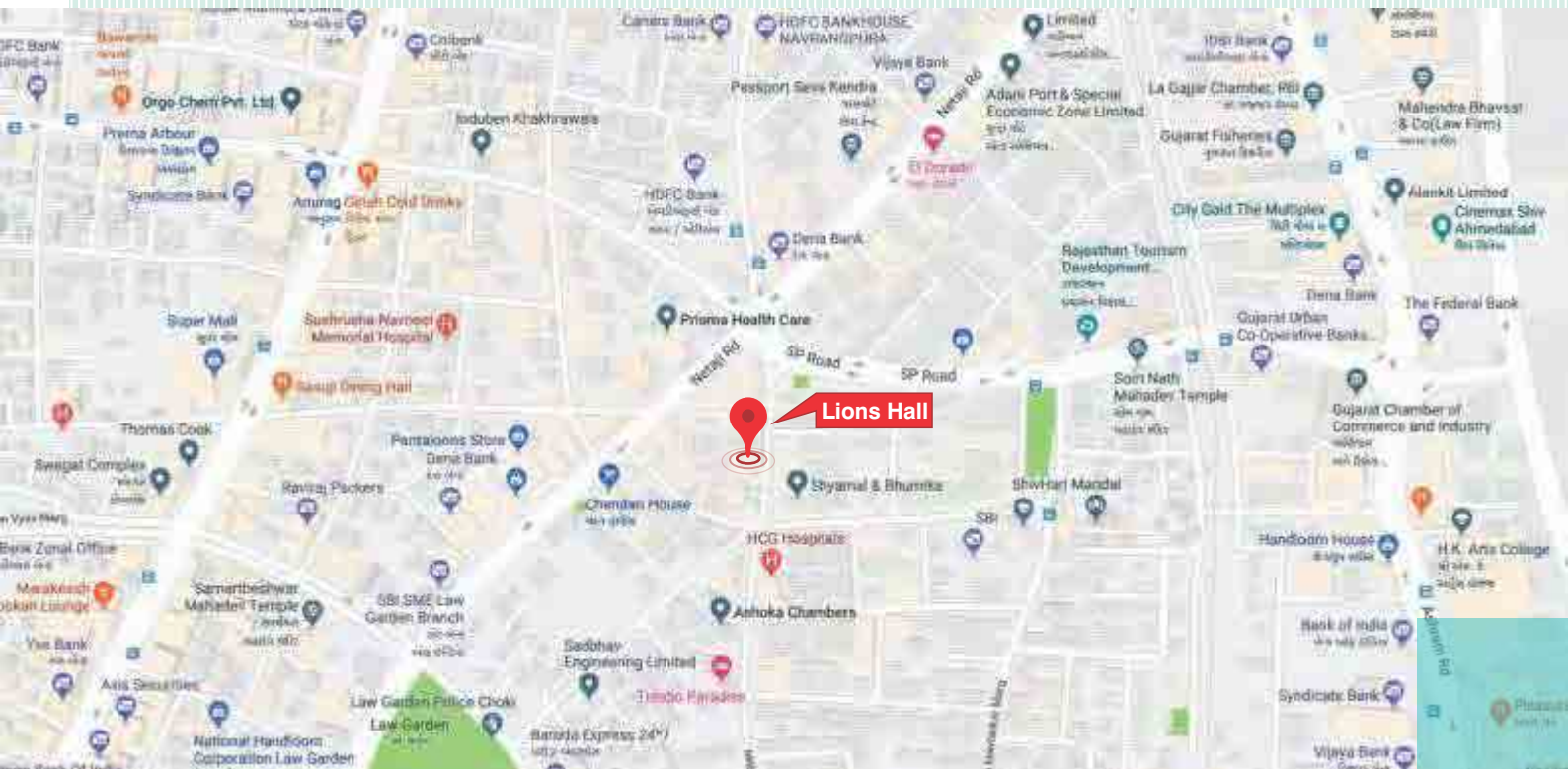
\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> proxy holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> proxy holder

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the share capital of the Company carrying rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all The joint holders should be stated.



#### Disclaimer

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**SADBHAV INFRASTRUCTURE PROJECT LIMITED**

**CIN: L45202GJ2007PLC049808**

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E-mail: investor@sadbhavinfra.co.in | www.sadbhavinfra.co.in

