

Ref: SEL/2019-20/31

September 03, 2019

To,
The Dy. Gen Manager
Corporate Relationship Dept.
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Fax : 022-26598237-38

Equity Scrip Code:532710

Equity Scrip Name: SADBHAV

Sub: Submission of Annual Report for the financial year 2018-2019 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2018-2019 along with the Notice of the 30th Annual General Meeting to be held on Wednesday, September 25, 2019 at 12.00 noon at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380 006 which is being dispatched/send to the members by the permitted mode(s).

The Annual Report for the financial year 2018-2019 uploaded on the website of the Company i.e. www.sadbhaveng.com

You are requested to take the above on your record.

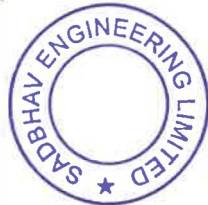
Thanking you.

Yours truly,

For, Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216



Encl: As above

30th Annual Report 2018-19

Engineering a
Better Tomorrow



Sadbhav Engineering Limited

Transport



Mining



Irrigation



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“ Life is
the biggest opportunity
God gives us.
Make the most of it. ”

Late Shri Vishnubhai M. Patel

27 January, 1942 – 25 December, 2018
Founder & Former Chairman &
Managing Director,
Sadbhav Engineering Ltd.

Late Shri Vishnubhai Patel, our beloved mentor, was the founder promoter of Sadbhav Engineering Ltd., one of the renowned infrastructure companies of India. He was a born leader and a true visionary. A self-motivated man with unending determination to dream and transform it into reality. He was also a very affectionate person who loved and cared about his Sadbhav family and communities that he worked for.

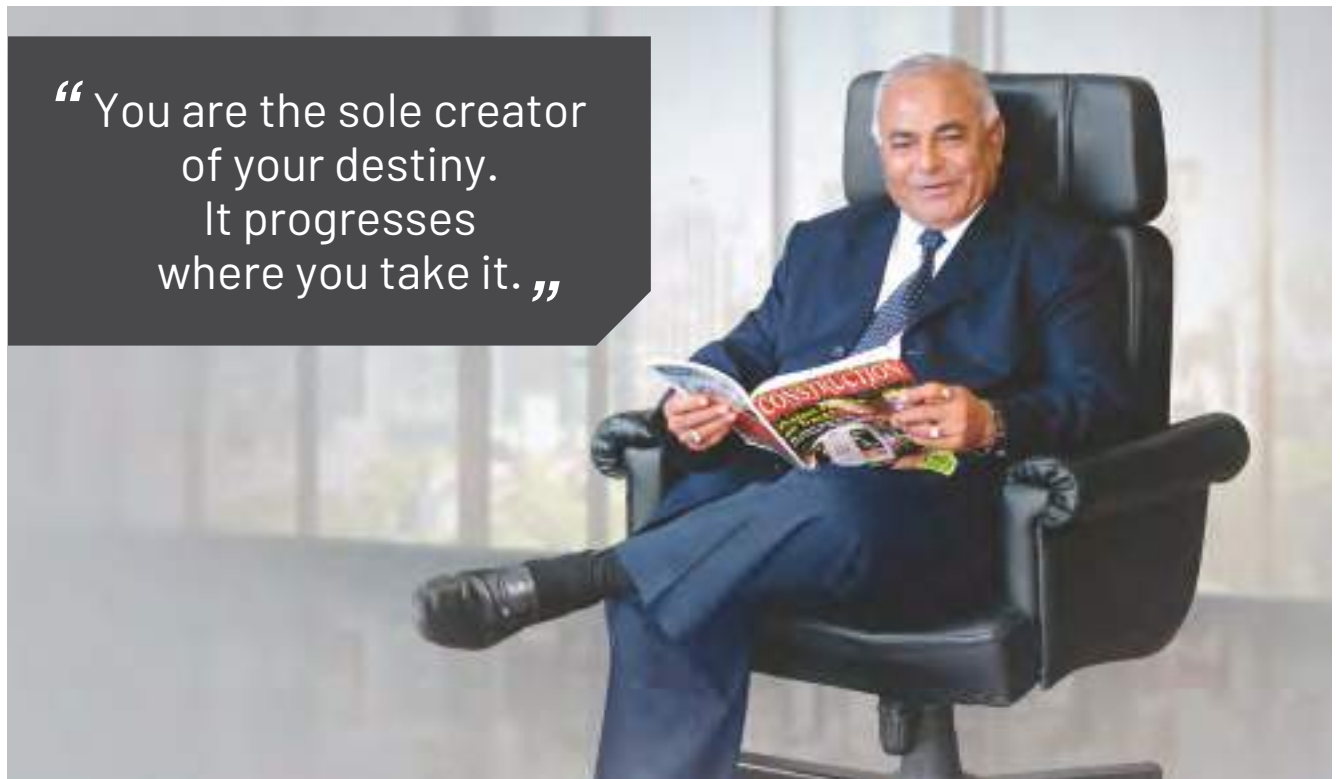
Late Shri Vishnubhai had a humble beginning, but with his foresightedness and persistence, he laid the foundation of a world-class infrastructure company. He was a staunch believer of “There is no alternative to hard work” and had always worked towards it. In the year 1988, Sadbhav Engineering Ltd. (SEL) was incorporated and since then Late Shri Vishnubhai was the promoter of the group. Under his excellent supervision, Sadbhav Group had successfully completed various projects of

national significance in the sectors of Roads & Highways, Mining and Irrigation supporting infrastructure. SEL had successfully completed various canal works for one of the largest irrigation projects in the world viz. Sardar Sarovar Narmada Project. SEL had also incorporated Sadbhav Infrastructure Project Limited (SIPL), as a subsidiary, back in 2007 as an asset holding company for Road & Other Infrastructure BOT Projects and for development of roads and highways.

He believed in giving quality work and had never compromised on quality in any of the executed projects and provided utmost satisfaction to all the stakeholders. He was always ready to adapt to changes. Under his able leadership the organisation upgraded project management and engineering capabilities of Sadbhav Group with global technologies & equipments to offer best solutions to client with reduced cost, improved operational efficiency and delivery of projects



“ You are the sole creator
of your destiny.
It progresses
where you take it. ”



within stipulated timeline. In 2016, he decided for digital transformation of operations of the company by implementing prestigious SAP S/4 HANA - the next generation business suite that offers massive simplifications -customer adoption, data model, user experience, decision making, business processes, and models. Sadbhav became one of the 10 companies in India to implement SAP S/4 HANA during that period.

Late Shri Vishnubhai was a luminary who tended both business and social welfare equally. He is revered today for his outstanding contribution to build Lions Karnavati Shantaben Vishnubhai Patel Eye Hospital at Ognaj, Ahmedabad. The hospital has performed more than 1,70,000 cataract operations for free of cost, since its inception in 1992. Being a noble corporate citizen, he also founded M.B Patel Sarvajanic Hospital, a multi-specialty hospital in his village - Mota Isanpur, Dist. Gandhinagar. People from

nearby towns and villages have benefited by his intervention as they have got affordable healthcare at their doorsteps. He had a very high regard for his village and always worked towards its progress.

He was a simple man with great deeds. Shri Vishnubhai has been our inspiration and strength and will always guide us to the righteous path.

We at SEL are geared up to work towards the vision and path showed by Late Shri Vishnubhai Patel.

Ingenious Solutions for Infrastructural Revolution

What we do today determines our tomorrow. The solution that worked in the past isn't going to work in the future, as evolution of mankind goes hand in hand with the revolution in the technologies, resources and the development of the infrastructure. At Sadbhav, we are engineering ingenious solutions that not only contribute to the nation's economic growth and prosperity but also heralds a better tomorrow for the Company and our stakeholders.

Government of India is determined to achieve endearing economic growth and development of the nation. The government's policy to build robust infrastructure and propel the growth would help major sectors such as transport, industry and agriculture to burgeon. These sectors are the major contributors in nation's GDP or provide the large employment and livelihood opportunities. Business Operations of Sadbhav directly or indirectly impacts the performance of such core sectors and contributes to the nation's growth.

Sadbhav corporate strategies resonate with the government's objectives and industry trends. Sadbhav Engineering Limited has continuously posted a CAGR of ~21%, ~22% & ~18% in net revenues, net profits and order book respectively in last 12 years. As on March 31, 2019 the market cap stands at ₹ 4262.68 crores.

Sadbhav's clientele include the prestigious names such as NHAI, MSRDC, NHAI, Delhi Metro Rail Corporation Limited, KSHIP, Northern Coalfields Limited, GHCL Limited, Govt. of Odisha, Coal India Limited, GIDC, NVDA, UCIL etc. With an impressive and well diversified order book of

₹ 11,981 crores, SEL has established itself as the leading consultants and contractors in the EPC space in the country.

Indian economy has become the 5th largest economy surpassing UK and France during last year. With major thrust given by the Government of India on the infrastructure development, agriculture, Make in India and creating a dynamic and business friendly policy environment, Sadbhav foresees new opportunities galore and is geared to further strengthen a robust project pipeline that drives long-term growth. At Sadbhav Engineering Limited, we are committed to engineer a better tomorrow through our sustainable business model that encompasses fair business practices, safety practices, resource optimization, community care and well-laid environment policies.



Projects Completed Till Date

TRANSPORT

Roads & Highways Over
9,283 Lane kms



MINING

Over 551 mn
Cubic mt



IRRIGATION

Canal Work Over
671.24 kms



“ Infrastructure is more than building the roads and creating corridors of transit. It’s about making wheels of economy to move on continuously, creating better livelihood opportunities by shrinking the distances and making tomorrow better. ”

Path to Progress for Destination Success

A quest to destiny requires a path that helps in moving ahead and leaving behind each milestone to reach a new destination. At Sadbhav, we set the direction, prove our mettle and pave the path for others to race ahead. A country that focuses its efforts and resources on building the roads and infrastructure achieves its development goals faster than the underdeveloped nations. Indian Government has been resolute to develop robust infrastructure and has been providing the policy support and budgetary provisions to the infrastructure sector.

The Union Ministry of Road Transports and Highways (MoRTH) has set a record target of constructing 40 km highways per day to build 12,000 km network in FY20 which is higher than 32 km per day achieved in FY19. Sadbhav has already built 9,283 km of roads as on March 31, 2019. The work is already in progress on various EPC Projects such as Six Laning of Ahmedabad-Rajkot highway (Package III & V), Four Laning of Ambala-Kaithal Section of NH-65, Haryana, Four Laning of Bhavnagar-Talaja Section and Una-

Kodinar Section, Gujarat, Four Laning of Rampur-Kathgodam, Uttar Pradesh (Package I & II), Six Laning of Greenfield Udaipur Bypass and Four Laning of Waranga-Mahagaon Section. These transport projects with a balance work order of ₹ 9358.20 crores as on March 31, 2019 translates to 2.80x of FY19 transport revenue. The Company is committed to achieve the revised construction targets set by the government in all its projects and achieve new milestones and exemplify its staunch commitment to contribute for the sustainable development of the nation.

Sowing Accessibility for Reaping Prosperity

Accessibility to ample irrigation is vital for the irrigation in a country like India in which Agriculture is the most important sector of Indian Economy. Indian agriculture sector accounts for 18 per cent of India's Gross Domestic Product (GDP) and provides livelihood to 50% of the country's workforce. As major part of the country's cultivable land lies in the regions with less or average annual rain fall, they are largely dependent on the irrigation. With decreasing ground water levels in majority of

areas and realizing that the scheme to increase the country's micro irrigation footprint to stop indiscriminate groundwater has not gained the desired pace, the government had set a five year target to bring 10 MHa land under MI.

Under PMKSY, Ninety Nine (99) ongoing Accelerated Irrigation Benefits Programme (AIBP) projects along with their Command Area Development & Water Management (CADWM) with sowing potential of 76.03 lakh ha. and estimated cost of ₹ 77,595 crore have been identified in phases up to December, 2019. Funding mechanism through NABARD has been made by the Government for both central and state share for timely completion of these prioritized projects.

Sadbhav has completed the canal work of 671.24 kms as on date. The Company is working on Irrigation projects with a balance work order of ₹ 443.78 crores as on March 31, 2019 which translates to 4.93x of FY19 Irrigation revenue. The Company has completed the major projects namely, Construction of NMC from 108 to 127 km for SSNNL, Canal syphon across river Watrak for SSNNL and Construction canal earthwork, structures, lining and service road to Kachchh Branch Canal. Major Projects for which work is in progress are Chitra Durga Canal, Karnataka, Bahuti high level canal, Madhya Pradesh, Omkareshwar right bank lift canal, Madhya Pradesh, Bhanpura canal, Madhya Pradesh, Baitarani Left Bank Canal, Orissa and Halon Sardar Sarovar Narmada, Madhya Pradesh. Company is expecting to complete these projects on or before timeline.

Mining Happiness for Nation's Progress

Minerals are the core ingredients that nourish the economic development of the nation. All the industries or power plants require one or the other mineral as raw material. Mining and quarrying sector plays important role in the growth story by satisfying the high demand of such minerals. India has vast reserves of some of the important minerals. As per the Economic Survey of India 2018-19, mining sector posted

the growth of 6.9% which was higher than 5.9 % in 2017-18. As per the Gross Capital Formation in Industrial Sector data, Mining & Quarrying Sector registered a growth rate of 7.1%.

Government and trade bodies are also proactively working to bring synergy among all stakeholders like industry, Central and state governments, regulators to achieve long term growth objectives. National Mineral Policy (NMP) 2019 announced by the Government of India aims to hike mineral production by 200 per cent in seven years. Furthermore, it also talks of reducing the trade deficit in mineral sector by 50 per cent in seven years. Government is conscious of the fact that there is a need to reduce the import bill.

SEL has mined 551 Mn Cubit Feet as on date and has project pipeline with a balance work order of ₹ 2179.02 crores as on March 31, 2019 which translates to 19.36x of FY19 Mining revenue. The Company completed major mining projects namely, Removal of Overburden at Khadia OCP, Removal of all types of material at Junad OCM of Wani area and 7 year repeat contract from GIPCL for excavation of overburden at Mangrol mines. Work is in progress in the mines such as Removal of overburden of Southeastern Coal Field Ltd., Gevra, Chattisgarh, Removal of all types of material at Western Coal Field, Wani, Maharashtra, Removal of over burden at Bharat Coking Coal, Dhansar, Basantimata - Dahibari patch of Dahibari colliery of C.V. area, Jharkhand and overburden & Extraction of Uranium Ore Banduhurang Mine, Jharkhand. Sadbhav Engineering Limited is committed to contribute to the nation's progress by mining happiness for all its stakeholders.



Corporate Information

Board of Directors



Shri Shashin V. Patel
Chairman & Managing Director



Shri Vasistha C. Patel
Executive Director



Shri Vikram R. Patel
Executive Director



Shri Nitin R. Patel
Executive Director & CFO



Shri Vipul H. Patel
Executive Director



Shri Sandip V. Patel
Independent Director



Shri Atul N. Ruparel
Independent Director



Shri Arun S. Patel
Independent Director



Shri Mirat N. Bhadlawala
Independent Director



Smt. Purvi S. Parikh
Independent Director

BOARD COMMITTEES

Audit Committee

Shri Sandip V. Patel

Chairman

Shri Nitin R. Patel

Member

Shri Atul N. Ruparel

Member

Shri Arun S. Patel

Member

Nomination and Remuneration Committee

Shri Atul N. Ruparel

Chairman

Shri Sandip V. Patel

Member

Shri Arun S. Patel

Member

Stakeholders

Relationship Committee

Shri Mirat N. Bhadlawala

Chairman

Shri Sandip V. Patel

Member

Shri Nitin R. Patel

Member

Shri Vasistha C. Patel

Member

Corporate Social Responsibility Committee

Shri Shashin V. Patel

Chairman

Shri Vasistha C. Patel

Member

Shri Mirat N. Bhadlawala

Member

Finance and Investment Committee

Shri Shashin V. Patel

Chairman

Shri Vikram R. Patel

Member

Shri Nitin R. Patel

Member

Shri Vasistha C. Patel

Member

Shri Atul N. Ruparel

Member

Risk Management Committee

Shri Shashin V. Patel

Chairman

Shri Vikram R. Patel

Member

Shri Vasistha C. Patel

Member

Shri Nitin R. Patel

Member

BANKERS

Oriental Bank of Commerce

The Karur Vysya Bank Limited

ICICI Bank Limited

IDBI Bank Ltd.

Yes Bank Ltd.

Standard Chartered Bank

Punjab National Bank

State Bank of India

Axis Bank

Bank of India

Union Bank of India

COMPANY SECRETARY

Shri Tushar D. Shah

STATUTORY AUDITORS

M/s. Dhirubhai Shah & Co. LLP

WORKSHOP

Village Ognaj, Tal. Daskroi,
Dist. Ahmedabad.

REGISTERED OFFICE

"Sadbhav House",
Opp. Law Garden Police
Chowki, Ellisbridge,
Ahmedabad - 380006.

Website:

www.sadbhaveng.com

CORPORATE OFFICE

"Sadbhav", Nr. Havmor
Restaurant, B/H. Navrangpura
Bus Stand, Navrangpura,
Ahmedabad - 380009.

MUMBAI OFFICE

602/702, "C" Wing,
Godrej Coliseum,
Nr. Lokmanya,
Behind Everard Nagar,
Sion (East), Mumbai - 400022.

Corporate Identity

Number (CIN):

L45400GJ1988PLC011322

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 1st floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Vikhroli, Mumbai - 400083.



“Engineering is everywhere today. Important thing is to apply it for the development & progress of mankind to herald the sustainable future.”



Message From Chairman

Dear Stakeholders,

At Sadbhav Engineering Limited, we believe that engineering is about using science to find creative and sustainable solutions for a better tomorrow. In all our dreams, vision and thoughts, we visualise the futurescapes we want to carve in and propel all our acts with full tenacity to achieve the future we have envisaged. Because, for us - Today is Tomorrow. Our sustainable growth strategy is entrenched upon 4 Ps - Projects, Planning, Profits and Planet.

Each new summit we conquer in the quest for excellence makes us more determined to reach new heights year after year. Sadbhav is contributing to the nation building through its various Engineering, Procurement and Construction (EPC) projects in Transport, Mining & Irrigation sectors across 15 states in the country.

For Sadbhav, the year unfolded good results, new projects and worthy accolades but a major setback too. Our Chairman Emeritus and my

father, Shri Vishnubhai Patel left for the heavenly abode. For Sadbhav family, we all lost a patriarch, a visionary, a philosopher and a mentor who paved the path to success and brighter tomorrow for Sadbhav. While it is a personal loss for all of us at Sadbhav, we are committed to chart new heights which he had foreseen and materialise his dreams to make Sadbhav the most revered name in the EPC business.

As on March 31, 2019, your Company had a well-diversified order book of ₹ 11,981 crores with order book to sales ratio stands of 3.38 x FY19 revenue providing good revenue visibility. Your Company has been entrusted upon by its clients as an organisation that executes and delivers projects on-time. During the year, Sadbhav Engineering Ltd. has been honoured with prestigious Gold Award in the category of Innovation (Design) for project Eastern Peripheral Expressway - Package 1 at National Highways Awards for Excellence, 2018 by Ministry of Road Transport and Highways, Govt. of India. This award was conferred upon by Shri. Nitin Gadkari, Minister of Road Transport and

Highways and Minister of Micro, Small and Medium Enterprises, Govt. of India. Sadbhav Engineering Ltd. has also received much coveted 'Construction Company of the Year 2018 Award' (Turnover - below 5000 Cr.) and 'Best Executed Road Project of the Year 2018' for Eastern Peripheral Expressway (Package I and II) project from Construction Times. We are steadfast in our pursuit to surpass the industry benchmarks of excellence and accomplishing all the project parameters set by the clients.

Bharatmala Pariyojana is an umbrella program for the highways' sector that focuses on optimising 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. In Bharatmala Pariyojana, a total of 34,800 km of national highway length including 10,000 km of residual National Highways Development Project has been approved. Stretches have been approved for development under Phase-I at an estimated cost of ₹ 5,35,000 crores. Your Company is relentlessly working towards achieving these objectives of Government of India to usher in an era of sustainable development and growth.

Sadbhav Engineering Limited complies with the statute that mandates the corporates to follow the good environment, labour and governance practices and safeguards the interests of all its stakeholders.

This Annual Report of Sadbhav Engineering Limited for the year 2018-19 reflects our performance, opportunities and our interventions to transform those opportunities into the profits through our strengths, knowledge and experience gained during our 31 years of operations. Your Company has steadily posted CAGR of ~21%, ~22% & ~18% in net revenue, net profits and order book respectively over last 12 years and has market cap of ₹ 4262.68 crores as on March 31, 2019. Sadbhav



has given all its shareholders regular dividend over the last 17 years. During the year, Earning Per Share stands at ₹ 10.8 and dividend payout was ₹ 19.66 crores during 2018-19. For the year 2018-19, Sadbhav Engineering Limited has generated total income of ₹ 3649.54 crores, net profit of ₹ 186.85 crores and net worth of ₹ 2,033.67 crores.

Your Company is committed to contribute to the country's holistic development by creating the state-of-the-art-infrastructure, creating employment opportunities and creating wealth and distributing it fairly among all its stakeholders. The Company is geared to achieve growth in all the 3 verticals - Infrastructure, Transport and Irrigation. Your Company leaves no stone unturned in fructifying the national visions and missions like Make in India, Efficient Mobility, Per Drop More Crop (Pradhanmantri Krishi Sinchai Yojana), Connecting remotest areas of the country with all its borders under Bharatmala Pariyojana and making country energy efficient through clean energy.

CAGR 2006-19

Net Revenue

~21%

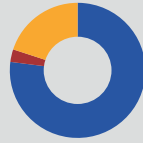
Net Profit

~22%

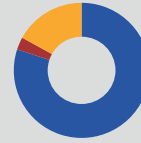
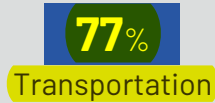
Order Book

~18%

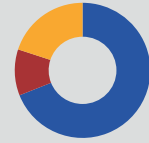
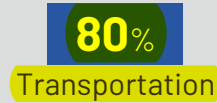
Total Order Book



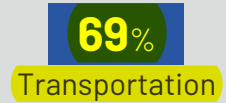
As on June 2019
(₹ 10,809.68 crores)



As on June 2018
(₹ 13,712.65 crores)



As on June 2017
(₹ 8,377.49 crores)



During the year, Sadbhav had constructed roads and highways of Over 9,283 lane kms. As on March 31, 2019, our project portfolio for the Infrastructure Development Business consists of 12 BOT Projects of which eleven are fully operational and one is partially operational. Also, we have Thirteen HAM projects which are in various stages of construction/development. 10 of the 12 BOT Projects are toll projects, while the remaining two are annuity projects. Our portfolio of BOT toll projects includes the Maharashtra Border Checkpost Project which involves modernisation, computerisation and integrating the existing 24 border checkposts in Maharashtra and collection of service fee, parking charges and loading and unloading charges from different categories of commercial vehicles in accordance with the service fee notification issued by the Government of Maharashtra.

Your Company is mining precious minerals and specialises in the mining of Uranium ore and Coal. Keeping in view the nation's endeavour to switch to clean energy by 2027 and expand nuclear energy infrastructure (20,000 MWe by 2020 AD from the present capacity of 2770 MWe), government of India has entrusted your

Company to mine these precious minerals. Sadbhav has mined 551 Cubic ft till now. Irrigation Division of your Company is constructing canals and dams for the surface conveyance of water for the irrigation. Till now, your Company has completed work of 671.24 km and working on the Irrigation projects with a balance work order of ₹ 443.78 crores as on March 31, 2019 which translates to 4.93x of FY19 Irrigation revenue.

Your Company believes that engineering has the power to transform lives of the people and make this world a better place to live. Innovation, Excellence and Enterprising spirit helps us to engineer a better tomorrow, a tomorrow that would offer better connectivity and infrastructure that boosts country's economy, access to water for agriculture sector and unearthing of precious minerals vital for the economy. At SEL, we believe that our growth and development should be hand in hand with the community we live in. Hence, our CSR interventions encompass the need-based interventions like community infrastructure building, community health and community empowerment.

2018-2019 Key Figures

Revenue

₹ 3549.23 crores
 ^ 1.26% y-o-y growth

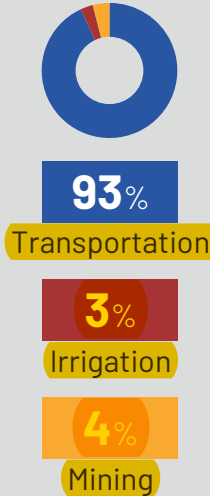
Net Profit

₹ 186.85 crores
 v 15.32% y-o-y down

Net Worth

₹ 2033.67 crores
 ^ 8.94% y-o-y growth

Revenue by Business



Order Book by Business

Transport Sector
 ₹ 9358.20 crores

Irrigation
 ₹ 443.78 crores

Mining
 ₹ 2179.02 crores

Dividend

100%

Your Company is among the early adopters of the state-of-the-art technologies like SAP S/4HANA that manages the resources across the country in real time and gives us an opportunity to make the best use of our resources to meet the objectives. People development is the key driver in taking your Company to the new echelons of success and thus it invests the required resources in training and development. Sadbhav has implemented SAP SuccessFactors, an innovative platform to manage human resources. The Company is conscious about creating conducive environment that gives ample opportunities of growth to the right talent. I personally believe that late founder's vision to establish Sadbhav as a leading player in infrastructure, mining and irrigation could not have been manifested without the unflinching support from employees and shareholders. I am thankful for your continued patronage to Sadbhav Engineering Limited.

Furthermore, SEL's Subsidiary Company, SIPL has decided to sell equity stakes in 9 special purpose vehicles ("SPVs") to IndInfra Trust, an infrastructure investment trust. This deal is expected to consolidate the Company's business

operations and optimise the resource utilisation in its core focus areas.

On behalf of Sadbhav Engineering Limited Management, I express appreciation for the unwavering support and trust of all the employees and shareholders and assure you that Sadbhav will keep on harnessing the power of engineering science to create a better tomorrow.

Regards,

Su Patel

Shashin V. Patel
 Chairman & Managing Director



Financial Highlights

Turnover (₹ in crores)

2018-19	₹ 3,549.23
2017-18	₹ 3505.06
2016-17	₹ 3320.31
2015-16	₹ 3186.25
2014-15	₹ 2969.85

Earning Per Share (₹)

2018-19	₹ 10.89
2017-18	₹ 12.86
2016-17	₹ 10.95
2015-16	₹ 7.70
2014-15	₹ 7.25

Book Value Per Share (₹)

2018-19	₹ 118.53
2017-18	₹ 108.81
2016-17	₹ 96.81
2015-16	₹ 86.82
2014-15	₹ 79.94

Profit After Tax (₹ in crores)

2018-19	₹ 186.85
2017-18	₹ 220.66
2016-17	₹ 187.85
2015-16	₹ 132.61
2014-15	₹ 113.73

Net Worth (₹ in crores)

2018-19	₹ 2,033.67
2017-18	₹ 1866.79
2016-17	₹ 1660.89
2015-16	₹ 1489.21
2014-15	₹ 1370.90

Market Capitalisation (₹ in crores)

2018-19	₹ 4262.68
2017-18	₹ 6681.82
2016-17	₹ 5236.34
2015-16	₹ 5111.83
2014-15	₹ 5711.83

Particulars	(₹ in crores)				
	2018-2019	2017-2018	2016-17	2015-16	2014-15
Turnover	3,549.23	3,505.06	3,320.31	3,186.25	2,969.85
Total Income	3,649.54	3,594.89	3,407.84	3,283.26	3,035.39
Earning Before Depreciation, Interest and Tax (EBDIT)	427.91	415.14	355.61	315.35	300.24
Exceptional Items	0.76	0	0.00	(19.45)	0.00
Depreciation	95.76	97.90	100.04	97.07	81.71
Interest	174.92	190.67	153.44	150.73	138.22
Profit After Tax	186.85	220.66	187.85	132.61	113.73
Equity Dividend %	100%	100%	75%	70%	70%
Dividend Payout including Taxes	19.66	15.49	14.45	14.45	12.52
Equity Share Capital	17.16	17.16	17.16	17.15	17.15
Stock Option Premium Outstanding	0.00	0.00	0.00	0.26	0.51
Reserve & Surplus	2,016.51	1,849.63	1,643.74	1,471.79	1,353.24
Net Worth	2,033.67	1,866.79	1,660.89	1,489.21	1,370.90
Gross Fixed Assets	800.99	730.55	675.85	673.51	560.38
Net Fixed Assets	497.17	502.77	522.88	593.05	560.38
Total Assets	4,597.72	4,370.64	4020.31	3495.06	3525.01
Total Debt (Loan Fund)	1,612.70	1,499.29	1780.17	1227.57	1113.54
Earning Per Share (In ₹)	10.89	12.86	10.95	7.70	7.25
Book Value Per Share (In ₹)	118.53	108.81	96.81	86.82	79.94
Weighted No. of Shares	171570800	171570800	171566644	171531988	156919684

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 - Exceptional Item.
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 Thirtieth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Wednesday, September 25, 2019 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380 006 at 12.00 Noon 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 on March 31, 2019, 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 on March 31, 2019.

2. To declare dividend on Equity Shares.

3. To appoint a Director in place of Mr. Nitin R. Patel (DIN: 00466330) who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Mr. Vipul H. Patel (DIN: 06634262) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

5. **Ratification of Remuneration of 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. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20, amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum respectively plus GST applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

6. **To reappoint Mr. Vipul H. Patel as a Whole-time Director of the Company Designated as a Whole Time Director for further period of three years:**

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

“RESOLVED THAT on recommendation of Nomination and Remuneration Committee and pursuant to the provisions of sections 196,197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) subject to such approvals as may be necessary, consent of the Company be and is hereby given for the re-appointment of Mr. Vipul H. Patel [DIN: 06634262] as a Whole-time Director of the Company for further period of three years with effect from August 20, 2019 on the terms and conditions including remuneration as mentioned below:-

Remuneration: Up to maximum of ₹ 8,00,000/- per month, with authority to Board or a committee thereof, to fix the salary within the said maximum amount from time to time. The annual increments will be decided by the Board or Committee thereof and will take in to account the Company's performance.

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Vipul H. Patel as a Whole-time Director of the Company Designated as an executive director, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit.”

7. To re-appoint Mr. Mirat N. Bhadlawala as an Independent Director of the Company for a further period of five years:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mirat N. Bhadlawala (DIN:01027984), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Listing Regulations, and who is eligible for re-appointment and in respect of his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.”

8. To re-appoint Mr. Atul N. Ruparel as an Independent Director of the Company for a further period of five years:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Atul N. Ruparel (DIN: 00485470), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Listing Regulations, and who is eligible for re-appointment and in respect of his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.”

9. To re-appoint of Mr. Sandip V. Patel as an Independent Director of the Company for a further period of five years:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sandip V. Patel (DIN 00449028), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Listing Regulations, and who is eligible for re-appointment and in respect of his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.”

Registered Office:

“Sadbhav House”, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006

Place : Ahmedabad
Date : August 14, 2019

By Order of the Board of Directors
For Sadbhav Engineering Limited

Tushar Shah
Company Secretary
Membership No. F7216

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. A member entitled to attend and vote at the annual general meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.

3. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

4. The information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 on Directors’ appointment/reappointment are given below and form part of the Notice.

5. In support of the ‘Green Initiative’ announced by the Government of India, electronic copies of the Annual Report for 2018-19 and this Notice inter alia indicating the process and manner of Remote e-voting along with Attendance Slip and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company’s website, www.sadbhaveng.com and that of Central Depository Services (India) Limited (“CDSL”), www.cdslindia.com

6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

7. Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.

8. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.

9. The Register of Members and Share Transfer Books will be closed from Thursday, September 19, 2019 to Wednesday, September 25, 2019 (both days inclusive) for ascertaining the shareholders entitled to receive dividend, if approved at the meeting.

10. Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be supplied on request.

11. Pursuant to the erstwhile provisions of Section 124 (6) of the Companies Act, 2013, dividend for the financial year ended as on 31st March, 2012 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 125 of the Companies Act, 2013.

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2012	29-09-2012	04-11-2019
31-03-2013	30-09-2013	05-11-2020
31-03-2014	26-09-2014	01-11-2021
31-03-2015	29-09-2015	04-11-2022
31-03-2016	28-09-2016	03-11-2023
31-03-2017	26-09-2017	01-11-2024
31-03-2018	27-09-2018	02-11-2025

According to the provisions of the Act, shareholders are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of such claims.

12. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case, shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant

13. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's R & T Agent for assistance in this regard.
14. Pursuant to the provisions of Section 108 of the Act and other applicable provisions, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. 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.
15. A route map showing directions to reach the venue of the AGM is given at the end of the Annual Report.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website 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 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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both 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).

- (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 for Sadbhav Engineering Ltd. on which you choose to vote.
- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login 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 use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (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 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.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to 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.
- (xix) 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, under help section or write an email to helpdesk.evoting@cDSLindia.com

Other Instructions:

- I. The e-voting period commences on Sunday, September 22, 2019 @9.00 a.m. and ends on Tuesday, September 24, 2019 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off i.e. Wednesday, September 18, 2019, may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as cut-off date i.e. Wednesday, September 18, 2019.
- III. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), has been appointed as the Scrutinizer to scrutinize the Ballot and e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, immediately after the conclusion of voting at the annual 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 the employment of the Company and make, not later than forty eight hours from the conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sadbhaveng.com and on the website of CDSL www.evotingindia.com within forty eight hours of the passing of the resolutions at the 30th AGM of the Company to be held on Wednesday, September 25, 2019 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**Details of Directors Seeking Appointment/Reappointment at the Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements, 2015) and further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India)**

Director	Nitin R. Patel	Vipul H. Patel	Mirat N. Bhadliwala	Atul N. Ruparel	Sandip V. Patel
Date of Birth	August 04, 1968	October 13, 1976	March 07, 1974	November 22, 1967	August 2, 1977
Age	51 Years	42 Years	45 Years	51 Years	42 Years
Date of Appointment	August 01, 1999	August 20, 2016	July 07, 2014	October 23, 2008	June 27, 2006
Functional Expertise	Looking after in the field of finance, accounts, audit, taxation, project bidding, execution and cost analysis..	More than 12 years' experience in the field of Road sector, Metro Rail, Irrigation, Building and Mining sector.	More than 25 years experience in areas of Procurement, Negotiation, Contract Management, Marketing and Business Strategy	Finance and Accounts, Audit, Taxation, Management Consultancy, Tax Planning, Project Financing.	Taxation, Corporate Laws, Finance & Accounts
Qualifications	B. Com. A.C.A	B. E. Civil	B.Com.	B. Com. F.C.A	B. Com., A.C.A., DISA(ICA)
Experience	More than 20 Years	More than 12 Years	More than 25 Years	20 Years	18 Years
Terms of Appointment	three years from July 01, 2017	for three years	for five years	for five years	for five years
Details of remuneration paid / last drawn	₹ 84.00 Lakhs p.a. (2018-2019)	₹ 90.00 Lakhs p.a. (2018-2019)	N.A.	N.A.	N.A.
Disclosure of relationships between directors inter-se	None	None	None	None	None
Directorship in other Companies	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Limited Maharashtra Border Check Post Network Limited Bijapur Hungund Tollway Private Limited Mysore-Bellary Highway Private Limited Dhule Palesner Tollway Limited Nagpur-Seoni Expressway Limited Sadbhav Nainital Highway Private Limited Sadbhav Hybrid Annuity Project Limited Sadbhav Jodhpur Ring Road Private Limited 	<ul style="list-style-type: none"> Rohtak-Panipat Tollway Pvt. Ltd. Rohtak-Hissar Tollway Pvt. Ltd. Aurangabad-Jalna Tollway Ltd. Hyderabad-Yadgiri Tollway Pvt. Ltd. Sadbhav Rudrapur Highway Pvt. Ltd. Sadbhav Vidarbha Highway Pvt. Ltd. Sadbhav Bhimasar Bhuj Highway Pvt. Ltd. Sadbhav Vizag Port Road Pvt. Ltd. 	<ul style="list-style-type: none"> Ramkrishna Petro Services Pvt. Ltd. Sadbhav Infrastructure Project Ltd. Rohtak-Panipat Tollway Pvt. Ltd. Aurangabad-Jalna Tollway Ltd. Maharashtra Boarder Check Post Network Ltd. Hyderabad-Yadgiri Tollway Pvt. Ltd. Bhilwala-Rajsamand Tollway Pvt. Ltd. Rohtak-Hissar Tollway Pvt. Ltd. Mysore-Bellary Highway Pvt. Ltd. Rohtak-Hissar Tollway Pvt. Ltd. Mysore-Bellary Highway Pvt. Ltd. Dhule Palesner Tollway Pvt. Ltd. 	<ul style="list-style-type: none"> Kutchh Gujarat Finstock Ltd. STEPS Corporate Services Pvt. Ltd. Sadbhav Infrastructure Project Ltd. Shreenathji-Udaipur Tollway Pvt. Ltd. Ahmedabad Ring Road Infrastructure Ltd. Hyderabad-Yadgiri Tollway Pvt. Ltd. Rohtak-Hissar Tollway Pvt. Ltd. Mysore-Bellary Highway Pvt. Ltd. Sadbhav Rudrapur Highway Pvt. Ltd. Sadbhav Nainital Highway Pvt. Ltd. 	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Ltd. Sadbhav Bangalore Highway Pvt. Ltd. Sadbhav Rudrapur Highway Pvt. Ltd. Dhule Palesner Tollway Ltd. Sadbhav Nainital Highway Pvt. Ltd. Sadbhav Bhavnagar Highway Pvt. Ltd. Sadbhav Una Highway Pvt. Ltd. Sadbhav Vidarbha Highway Pvt. Ltd.
Chairman/ Member of Committee in other Companies	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Limited Maharashtra Border Check Post Network Limited Nagpur-Seoni Expressway Limited Private Limited Bijapur Hungund Tollway Private Limited 	Nil	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Ltd. Mysore-Bellary Highway Pvt. Ltd. Maharashtra Boarder Check Post Network Ltd. 	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Ltd. Ahmedabad Ring Road Infrastructure Ltd. Mysore-Bellary Highway Pvt. Ltd. Kutchh Gujarat Finstock Ltd. STEPS Corporate Services Pvt. Ltd. 	<ul style="list-style-type: none"> Sadbhav Infrastructure Project Ltd.
No. of Equity Shares held in the Company	101	166850	Nil	10000	10000
No. of Meetings of the Board attended during the Year	5	2	3	3	4

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 5

The Board of Directors of the Company in pursuance to the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice (Firm Reg. No. 101163), to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2020.

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 2019-20 as set out in the resolution for the aforesaid services to be rendered by them.

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

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

Item No. 6

It was informed that the Shareholders of the Company at its meeting held on 28.09.2016 approved the appointment of Mr. Vipul H. Patel as Whole-time Director of the Company for period of three years with effect from 20.08.2016 till 19.08.2019 on terms and conditions including remuneration set out in the resolution passed.

It was further stated that Mr. Vipul H. Patel is having degree of B.E. Civil and has experience in the field of Road sector, Metro Rail, Irrigation, Building and Mining sector. He is looking after the Road projects, Metro Rail projects in North India, Irrigation and pipeline project in MP. He is also playing important role in bidding of the new projects. Taking in to consideration his involvement, responsibility and contribution, his appointment would be immensely benefited for the operation of Company.

Hence, looking at the contribution and on recommendation of Nomination & Remuneration Committee, it is proposed to reappoint Mr. Vipul H. Patel as Whole-time Director of the Company for further period of 3 years w.e.f. 20.08.2019.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the shareholders. Except, Mr. Vipul H. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

A Statement containing the following information as per section II of Part II of Schedule V of the Companies Act, 2013.

I. General Information:

Sr. No.	Nature of Industry	Infrastructure development and construction Company primarily focusing on roads, irrigation and mining operations.			
1.	Date or expected date of commencement of commercial production	The Company is already in existence and it started its activities since 1988.			
2.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.			
3.	Financial Performance based on given indicators	Financial Parameters	Financial Year (₹ in Crores)		
			2017-18	2016-17	2015-16
		Total Revenue	3520.81	3407.84	3283.26
		Net Profit/(Loss)	220.65	187.85	132.01
		Amount of Equity Dividend paid	12.86	12.01	12.01
	Rate of Equity Dividend Declared	100%	75%	70%	
4.	Foreign Investments or collaborations, if any.	<ul style="list-style-type: none"> The Company has no foreign collaborations as on 31st March, 2019 Foreign Investment in the term of shareholding in the Company of the following as on 31/03/2019 are as under: 			
		Particular	No. of Equity Shares	% of share capital	
		FPI (Corporate)	25199377	14.69	
		NRI	137873	0.08	
		NRI (Non Repartiable)	377249	0.22	

II. Information about the appointees:

Sr. No.	Particulars	Mr. Vipul H. Patel
1.	Background details	Mr. Vipul H. Patel is having degree of B.E. Civil. He is associated with Company since May 2002. He has experience in the field of Road sector, Metro Rail, Irrigation, Building and Mining sector.
2.	Past Remuneration	Mr. Vipul H. Patel is an employee of the Company. Looking to his association to the company and experience, work, it is proposed to appoint as an executive director of the Company at Maximum Remuneration of ₹ 8,00,000 P.M. and on such other term as may be approved.
3.	Recognition or awards	None
4.	Job profile and his suitability	He is looking after the Road projects, Metro Rail projects in North India. He is also looking after Irrigation and pipeline project in MP. He is also responsible for attending all important meetings with clients and local administration. He is also playing important role in bidding of the new projects. He is also responsible for completing projects in time with best quality. Cash flow management and monitoring of the project work is also taken care by him.
5.	Remuneration Proposed	Salary up to Maximum ₹ 8,00,000 P.M. and such other terms as may be approved.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The prevalent levels of remuneration in infrastructure industry are higher. Taking into account the contribution being made by Mr. Vipul Patel in looking after the Road projects, Metro Rail projects in North India., Irrigation project, in bidding of the new projects, rich experience, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	He does not have any pecuniary relationship directly or indirectly with the Company or is its managerial personnel, other than drawing his remuneration in the capacity of an Executive Director of the Company.

III. Other Information:

Reason of loss or inadequate profits	At present there is substantial profit but this resolution is being taken to accommodate the payment of remuneration in future in circumstances of inadequate profit or loss which may occur on account of unforeseen or abnormal reasons.
Steps taken or proposed to be taken for improvement	N.A.
Expected increase in productivity and profits in measurable terms.	N.A.

Item No. 7

Mr. Mirat N. Bhadlawala is an Independent Director of the Company. He has joined the Board of Directors of the Company on July 07, 2014.

Regulation 16(1) (b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulating the conditions for the appointment of Independent Directors by a listed Company.

On expiring of his first term as an Independent Director, the Board of Directors on recommendation of Nomination and Remuneration Committee of the Company and subject to approval of Shareholders, has reappointed Mr. Mirat N. Bhadlawala as an Independent Director to hold office for further 5 (five) consecutive years for a second term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024 under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulating conditions for the appointment of Independent Director by a Listed Company.

Hence, it is proposed to appoint Mr. Mirat N. Bhadlawala as an Independent Director under Section 149 of Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for a further period of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.

Mr. Mirat N. Bhadlawala has given consent to act as an Independent Director and provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

The details and brief resumes of Mr. Mirat N. Bhadlawala has been given as part of the Notice.

Copy of the draft letter for appointment of Mr. Mirat N. Bhadlawala as an Independent Director setting out the terms and conditions is available for inspection by member at the Registered Office of the Company.

Except, Mr. Mirat N. Bhadlawala, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The Board recommends the Special Resolutions as set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

Mr. Atul N. Ruparel is an Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

Regulation 16(1) (b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulating the conditions for the appointment of Independent Directors by a listed Company.

On expiring of his first term as an Independent Director, the Board of Directors on recommendation of Nomination and Remuneration Committee of the Company and subject to approval of Shareholders, has reappointed Mr. Atul N. Ruparel as an Independent Director to hold office for further 5 (five) consecutive years for a second term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024 under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulating conditions for the appointment of Independent Director by a Listed Company.

Hence, it is proposed to appoint Mr. Atul N. Ruparel as an Independent Director under Section 149 of Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for a further period of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.

Mr. Atul N. Ruparel have provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and are not disqualified from being appointed as Directors in terms of Section 164 of Companies Act, 2013.

The details and brief resume of Mr. Atul N. Ruparel has been given as part of the Notice.

Copy of the draft letters for appointments of Mr. Atul N. Ruparel as an Independent Directors setting out the terms and conditions are available for inspection by member at the Registered Office of the Company.

Except Mr. Atul N. Ruparel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.8

The Board recommends the Special Resolutions as set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9

Mr. Sandip V. Patel is an Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

Regulation 16(1) (b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulating the conditions for the appointment of Independent Directors by a listed Company.

On expiring of his first term as an Independent Director, the Board of Directors on recommendation of Nomination and Remuneration Committee of the Company and subject to approval of Shareholders, has reappointed Mr. Sandip V. Patel as an Independent Director to hold office for further 5 (five) consecutive years for a second term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024 under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulating conditions for the appointment of Independent Director by a Listed Company.

Hence, it is proposed to appoint Mr. Sandip V. Patel as an Independent Director under Section 149 of Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for a further period of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.

Mr. Sandip V. Patel have provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and are not disqualified from being appointed as Directors in terms of Section 164 of Companies Act, 2013.

The details and brief resume of Mr. Sandip V. Patel has been given as part of the Notice.

Copy of the draft letters for respective appointments of Mr. Sandip V. Patel as an Independent Directors setting out the terms and conditions are available for inspection by member at the Registered Office of the Company.

Except Mr. Sandip V. Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9

The Board recommends the Special Resolutions as set out at Item No. 9 of the Notice for approval by the shareholders.

Registered Office :

“Sadbhav House”, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006

Place : Ahmedabad

Date : August 14, 2019

By Order of the Board of Directors
For Sadbhav Engineering Limited

Tushar Shah
Company Secretary
Membership No. F7216

Directors' Report

To,
The Members,

The Directors have the pleasure in presenting the Thirtieth Annual Report together with the audited financial statement for the year ended March 31, 2019.

Financial Results

The Company's financial performance for the Year ended on March 31, 2019 is summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	Current Year 2018-2019	Previous Year 2017-2018	Current Year 2018-2019	Previous Year 2017-2018
Total Income	3649.54	3594.89	5504.62	5093.38
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	528.21	504.98	1745.56	1595.30
Less : Finance Cost	174.92	190.80	1328.63	1312.91
Depreciation and amortization Expense	95.76	97.90	392.08	358.42
Profit /(Loss) before Exceptional Item and Tax	257.53	216.27	24.85	(76.04)
Exceptional Item (Net of expenses)	0.76	-	54.22	-
Profit /(Loss) Before Tax	258.29	216.27	79.07	(76.04)
Less : Tax Expenses	71.40	47.36	127.77	81.08
Less:-Deferred tax liability /(asset)(Including MAT Credit)	0.04	(51.75)	5.39	(43.10)
Profit/(Loss) for the period from continuing Operations	186.85	220.66	(54.08)	(114.02)
Add:- Share of Loss Transferred to Minority Interest	-	-	75.20	110.94
Net Profit for the period after tax	186.85	220.66	21.12	(3.08)
Balance brought forward from last year	1005.13	799.95	(318.26)	(244.96)
Other Comprehensive Income (OCI)	(0.30)	0.72	(0.45)	0.85
Amount available for Appropriations	1191.98	1020.61	(297.14)	(248.03)
Appropriations				
Dividend & Tax paid thereon	19.66	15.49	40.82	24.01
Adjustment on account of acquisition of non controlling interest	0.00	0.00	35.81	0.00
Equity Transactions / Share Issue Expenses	0.00	0.00	0.36	0.00
Transfer to Debenture Redemption Reserves	24.30	0.00	60.19	46.22
Closing Balance in Retain earnings	1148.02	1005.13	(434.32)	(318.26)

Dividend

Directors are pleased to recommend dividend of 100% (₹ 1 per equity share of ₹ 1 each) for the financial year ended March 31, 2019 (P.Y. 100%) for approval of the shareholders. The final dividend, if approved, will result in cash payout of ₹ 17.16 Crores and dividend tax of ₹ 3.53 Crores.

The dividend pay-out is in accordance with the company's dividend distribution policy.

Dividend Distribution Policy

The Company has adopted a Dividend Distribution Policy on August 20, 2016, which is available on the website of the Company at the link: http://sadbhaveng.com/wp-content/uploads/2018/02/Dividend_Distribution_Policy_SEL.pdf. There has been no change to the policy during the year 2018-19.

Business Overview

Standalone Basis

The total revenue during the year under review was ₹ 3649.54 Crores against ₹ 3594.89 Crores for the previous year resulting the Increase of 1.52%. Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is ₹ 528.21 Crores (₹ 504.98 Crores in previous year) thereby resulting the increase of 4.60%. Net Profit after tax amounted to ₹186.55 Crores (₹ 220.65 Crores in previous year) thereby resulting decrease of 15.32%.

Consolidated Basis

As per the Consolidated Financial Statements, the Total Income of the company, operating profit (PBDIT), and net loss for the year were ₹ 5504.62 Crores, ₹ 1,745.56 Crores and ₹ 54.08 Crores respectively.

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 0.23 lakhs to the Investor Education and Protection fund established by the Central Government during the financial year 2018-19, in compliance with Section 124 of the Companies Act, 2013. The said amount represents unclaimed dividend amount for the financial year 2010-2011 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2010-2011.

Reserves

The Company has not transferred any amount into General Reserve during the period.

Change in the Nature of Business, if any

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

Material changes and commitments affecting financial position between end of the financial year and date of report

There have been no material changes and commitments affecting financial position between end of the financial year and the date of the report.

Operations

Ongoing Works

The following major works are under execution and the same are progressing satisfactorily.

(₹ in crores)

Sector	No. of projects	Work order	Work done	Work on hand
Transportation	40	22144.88	12786.68	9358.20
Irrigation	20	2539.43	2095.65	443.78
Mining Operation	10	3439.53	1260.51	2179.02
Total	70	28123.84	16142.84	11981.00

The Company's order book (pending execution) shows work on hand amounting to ₹ 11981.00 crores as on the March 31, 2019.

HAM Projects under Implementation

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2019 Cost incurred (Including Mobilisation and Material Advances) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9) from km 0.000 (km190.000 of NH-24) to km 42.791 (design chainage 43.446) [Package-I] in the State of Uttar Pradesh under NHDP-III on Hybrid Annuity Mode.	738.00	493.57	-	100
Sadbhav Nainital Highway Pvt. Ltd.(SNHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9, 109) from km 42.791 (design chainage 43.446) to km 88.000 (design chainage 93.226) [Package-II] in the State of Uttarakhand under NHDP-III on Hybrid Annuity Mode.	657.00	245.01	-	100
Sadbhav UNA Highway Pvt. Ltd. (SUHPL)	Four Laning of Una to Kodinar of NH-8E from Km. 180.478 to Km. 221.610 (Design Chainage from Km. 181.450 to Km. 222.400) (Package-V) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase IV.	623.00	292.17	-	100

Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	Four Laning of Bhavnagar-Talaja Section of NH-8E from km. 7.090 to km. 53.585 (Design Ch from km. 6.945 to km. 54.990) (Package-I) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase-IV.	819.00	503.19	-	100
Sadbhav Bangalore Highway Pvt. Ltd. (SBHPL)	Two/Four Laning of BRT Tiger Reserve Boundary to Bangalore Section of NH-209 (Existing Chainage from 287.520 to 461.550) in the State of Karnataka to be executed on BOT (Hybrid Annuity) basis under NHDP Phase-IV.	1008.00	754.25	-	100
Sadbhav Udaipur Highway Pvt. Ltd. (SUHPL)	Six lane of Greenfield proposed Udaipur Bypass [Connection between NH-76 at existing Km 118+500 at Debri to NH-8 Km 287+400 at Kaya Village (Udaipur bypass length 23.883)] on Hybrid Annuity Mode, Package-IV under NHDP phase V in the State of Rajasthan.	891.00	554.34	-	100
Sadbhav Vidarbha Highway Pvt. Ltd. (SVHPL)	Four laning of Waranga to Mahagaon section of NH-361 from km 253.000 to km 320.580 (Package-I) (Design Length 66.880 Km) in the state of Maharashtra under NHDP Phase- IV on Hybrid Annuity Mode.	1071.00	463.76	-	100
Sadbhav Jodhpur Ring Road Pvt. Ltd. (SJRPL)	Four Laning of Dangiywas (km 96.595 of NH-112) to Jajiwai (km 283.500 of NH-65 Nagaur Road) section Package-I (Design length 74.619 km) of Jodhpur Ring Road (In Principally declared NH) in the State of Rajasthan under NHDP Phase-VII.	1106.00	56.00	-	100
Sadbhav Tumkur Highway Pvt. Ltd. (STHPL)	Four laning of Tumkur – Shivamogga section from Km 121+900 (Banwara) to Km 170+415 (Bettadahalli) of NH-206 on Hybrid Annuity Mode under NHDP Phase-IV in the state of Karnataka. (Package - III).	1008.00	0.12	-	100
Sadbhav Kim Expressway Pvt. Ltd. (SKEPL)	Construction of Eight lane Vadodara Kim Expressway from Km 254.430 to Km 279.000 (Kim to Ankleshwar Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase- VI (Phase IA- Package V) on Hybrid Annuity Mode.	1404.00	20.32	-	100
Sadbhav Bhimasar Bhuj Highway Pvt. Ltd. (SBBHPL)	Upgradation to 4 lane with paved shoulder of Bhimasar Junction of NH-41 to Anjar-Bhuj up to Airport Junction from Ian 0.000 to km 65.478 of NH-341 in the state of Gujarat to be executed on Hybrid Annuity Mode.	1152.00	0.27	-	100
Sadbhav Gadag Highway Pvt. Ltd. (SGHPL)	Construction of Two Laning with paved shoulder of Gadag to Honnali (Km 105.500 to Km 205.290 of SH 57 and Km 215.335 to Km 253.713 of SH 26), 138.2 km in the State of Karnataka under KSHIP3-ADB 11-CW-ITB-Package 3 on Hybrid Annuity Mode.	995.00	-	100	-

BOT Projects Partial Implementation:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2019 Cost incurred (Including Mobilisation and Material Advances) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Maharashtra Border Check Post Network Ltd. (MBCPL)	<ul style="list-style-type: none"> Modernization and computerization of integrated border check posts at 22(Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaje-village Limited 	1426.37	1646.48	^2.63	97

SEL: Sadbhav Engineering Limited

SIPL: Sadbhav Infrastructure Project Limited

Revenue Generating BOT Project:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Toll Revenue of the F.Y. 2018-19 (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	Improvement & Widening to Four Laning of the then 2 Lane Sardar Patel Ring Road Around Ahmedabad City on BOT basis.	500.80	103.30	-	100
Aurangabad-Jalna Tollway Ltd. (AJTL)	Providing four laning to Aurangabad Jalna road (Km. 10/400 to 60/200) & Zalta Bypass Km. 0/00 to 2/850 & Beed Bypass Km. 292/500 to 305/650.	278.49	56.34	-	100
Nagpur-Seoni Expressway Ltd. (NSEL)	Rehabilitation and upgrading to four lane from km. 596/750 to km. 653/225 on NH-7 in the state of Madhya Pradesh under North-South Corridor (NHDP Phase II) on BOT-Annuity basis.	303.83	38.40	-	100
Mysore-Bellary Highway Pvt. Ltd. (MBHPL)	The DBFOMT (Annuity) project is for the existing State Highway (SH33 & SH3) from Malavalli to Pavagada (Approx length of 193.344 Kms) in the State of Karnataka (WAP-1).	811.20	141.81	74	-
Dhule-Palesner Tollway Ltd. (DPTL)	Design, Engineering, Finance, Procurement, Construction, Operation and Maintenance of 4/6 laning of MP/Maharashtra Border-Dhule section of NH-3 from km 168.500 to km 265.000 (89 Kms) in the State of Maharashtra under NHDP Phase IIIA on BOT (Toll) Basis.	1420.00	191.46	-	100
Bijapur-Hungund Tollway Pvt. Ltd. (BHTPL)	Four laning of Bijapur-Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer ("DBFOT"), Toll basis.	1322.61	122.38	-	77
Hyderabad-Yadgiri Tollway Pvt. Ltd. (HYTPL)	Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad-Yadgiri Section from km 18.600 to km 54.000 (36.65Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/ BOT/AP/04.	506.40	77.27	-	100
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. Toll collection has been started in 13 out of 22 Check Posts.	1426.37	230.44	^2.63	97
Rohtak-Panipat Tollway Pvt. Ltd. (RPTPL)	Four laning of Rohtak to Panipat Section of NH-71A from k.m. 0.000 km 63.30 of NH-10 to km 80.858 km 83.50 of NH-1 in the state of Haryana (80.85 Kms) on BOT basis under NHDP phase-III	1240.10	106.53	-	100
Shreenathji-Udaipur Tollway Pvt. Ltd. (SUTPL)	Four Laning of Gomati Chauraha - Udaipur section of NH-8 (from Km 177/000 to Km 260/100) in the state of Rajasthan under NHDP Phase IV.	1151.46	120.44	-	100

Bhilwara-Rajsamand Tollway Pvt. Ltd. (BRTPL)	Four laning of Rajsamand - Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	677.86	51.49	-	100
Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL)	The project consists of "4 - Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km).	1270.96	64.96	-	100

^ By virtue of agreement to be transferred to SIPL.

Notes:

1. In respect of MBHPL - In accordance with the share purchase agreement dated November 03, 2014 our company to Sell 74.00% of the outstanding equity interest to SIPL. However, said transfer is subject to approval from the Government authority.

Employee Stock Option Scheme

The Company implemented the Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008) and the exercise period was expired in the Year 2017. Therefore, no disclosure is required under ESOS Scheme 2008 as at March 31, 2019.

Share Capital

During the year, there was no change in total equity share capital of ₹ 17,15,70,800/- (Face Value of ₹ 1/- each).

Debentures

The Company raised an amount of ₹ 444 Crores by way of issue of Non-Convertible Debentures on private placement basis. The said Non-Convertible Debentures are listed on the BSE Ltd. The Company has redeemed ₹ 56 Crores of Non-Convertible Debentures (NCDs) during the year 2018-19. The aggregate Non-Convertible Debentures Outstanding amounts to ₹ 388 crores as on 31st March, 2019.

Credit Rating

Rating agency Credit Analysis & Research Ltd. (CARE) has assigned CARE A1 (A One) to Short Term Facilities / Commercial Papers and CARE A/Stable (Single A;) to additional Long-term facilities and Non-Convertible Debentures.

Subsidiaries, Joint Ventures and Associates Companies

During the year, the following Companies has become/ceased to be company's subsidiaries, joint ventures or associate company.

Sr. No.	Name of the Subsidiary/ Joint ventures/associate Company	Period of becoming company's subsidiaries, joint ventures or associate company	Period of ceasing to company's subsidiaries, joint ventures or associate company	Remarks, if any
1	Sadbhav Kim Expressway Private Limited	12/04/2018	N.A.	Step-down Subsidiary by virtue of incorporation
2	Sadbhav Bhimasar Bhuj Highway Private Limited	13/04/2018	N.A.	Step-down Subsidiary by virtue of incorporation
3	Sadbhav Vizag Port Road Private Limited	16/04/2018	N.A.	Step-down Subsidiary by virtue of incorporation
4	Sadbhav Hybrid Annuity Projects Limited	26/06/2018	N.A.	Step-down Subsidiary by virtue of incorporation
5	Sadbhav Gadag Highway Private Limited	29/06/2018	N.A.	Wholly Owned Subsidiary

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 the report on performance and financial position of subsidiaries, associates and joint venture companies is attached as Annexure in Form AOC 1 prepared under section 129(3) of the Companies Act, 2013 to the consolidated Financial Statements of the Company which forms part of this report.

The Company will keep the separate audited financial statements in respect of each of subsidiaries at the Corporate Office of the Company and its subsidiaries and make them available upon the request by any shareholder of Company. The said financial statements are also available on the website of your Company at <http://www.sadbhaveng.com/investors>. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.sadbhaveng.com/wp-content/uploads/2018/02/MATERIAL_SUBSIDIARY.pdf.

Sadbhav Infrastructure Project Limited (SIPL), a subsidiary Company has executed share purchase agreements ("SPAs") and other ancillary agreements on 1st July, 2019 inter-alia with IndInfravit Trust ("Indinfravit"), an infrastructure investment trust for the proposed sale of 100% of the equity shares held by SIPL (including through its nominees) in 9 subsidiary companies (including MBHPL, a subsidiary of Sadbhav Engineering Limited and other 8 SPVs is a step-down subsidiaries of Sadbhav Engineering Limited) at an enterprise value of approximately ₹.66,112 million. The Proposed Transaction is subject to completion of the conditions precedent and other additional conditions as detailed under the said SPAs. Indinfravit is backed by marquee investors such as Canada Pension Plan Investment Board ("CPPIB"), Allianz Capital Partners ("ACP") and Ontario Municipal Employees Retirement System ("OMERS") together holding ~ 77.7% stake.

Overview of Proposed Transaction

Upon completion of the transaction, SIPL will receive Purchase consideration of ₹ 25,462 million for 9 assets, split into listed units (10% of units of IndInfravit) and approx. ₹ 18,962 million in cash. Out of this consideration, SIPL shall pay to SEL towards stake sale in MBHPL.

SIPL will also continue for routine maintenance and major maintenance for an amount of ₹ 40,787 million for remaining concession period.

SIPL will also get Project Management fees (linked to toll collections) and additional upside such as from car compensation from ARRIL, extension of concession period for AJTL and claims from the transaction assets.

SIPL has entered into a Right of First Offer ("ROFO") agreement with Indinfravit for all existing and future operational assets.

Alongwith completion of the Proposed Transaction, SIPL will continue to focus on its core expertise of development of new roads and it proposes to utilise the sale proceeds from the Proposed Transaction for bidding on new road projects, injecting equity in the current under-construction projects and to prepay debt.

Note:- The Company will be required to complete the sale of its entire equity shareholding of 73.99% in 'Mysore-Bellary Highway Private Limited' to SIPL prior to SIPL consummating the Proposed Transaction

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS)-33 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2018-19.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

Mr. Nitin R. Patel and Mr. Vipul H. Patel, are the directors liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The directors recommend their reappointment.

Criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013

The terms and conditions of appointment of Independent Directors are in accordance with the applicable Regulations of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015 and also as per the provisions of the Companies Act, 2013 (Act) read with Schedule IV to the Act.

Your Company has received declaration from all the independent Directors of the Company as required under Sec. 149(7) confirming that they meet with the criteria of independence provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Appointments

The Board, on recommendation of Nomination & Remuneration Committee and subject to approval of members in ensuing Annual General Meeting, appointed/reappointed the followings:

1. To re-appoint Mr. Vipul H. Patel as Whole-time Director of the Company for 3 (Three) consecutive years from 20/08/2019 to 20/09/2022 under the Companies Act, 2013 and SEBI (LODR) 2015.
2. To re-appoint Mr. Mirat N. Bhadlawala as an Independent Director of the Company for a second term of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.
3. To re-appoint Mr. Atul N. Ruparel as an Independent Director of the Company for a second term of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.
4. To re-appoint Mr. Sandip V. Patel as an Independent Director of the Company for a second term of 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2024.

Change in Directors and KMPs

There was no other changes on Directors and KMP during the year 2018-2019.

Evaluation of Board Performance

In compliance to the provisions of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 the annual performance evaluation of Board and its Committee was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

Audit Committee

The Audit Committee comprises Directors namely Mr. Sandip V. Patel (Chairman), Mr. Nitin R. Patel, Mr. Atul N. Ruparel and Mr. Arun S. Patel. The composition of the Audit Committee is in compliance with the requirement of Section 177 of the Companies Act, and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Risk Management Committee

Pursuant to the amendment made by Securities and Exchange Board of India ("SEBI") vide its notification dated May 09, 2018 in Regulation 21(5) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, Board constitute Risk Management Committee comprises Directors namely Mr. Shashin V. Patel, Mr. Vikram R. Patel, Mr. Vasistha C. Patel and Mr. Nitin R. Patel. More details on the same are given in the Corporate Governance Report.

Committees of Board

Details of various committees constituted by the Board of Directors as per provisions of the Listing Regulations and Companies Act, 2013 are given in the Corporate Governance Report and forms part of this report.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules and no complaint has been received on sexual harassment during the financial year 2018-19. Further Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013."

Nomination and Remuneration Policy

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees has been provided under Corporate Governance Report. The weblink for the same is: <https://www.sadbhaveng.com/wp-content/uploads/2018/02/REMUNERATION-POLICY.pdf>

Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The details of the said Policy is explained in the Corporate Governance Report and also posted on the website of the Company. The weblink for the same is: https://www.sadbhaveng.com/wp-content/uploads/2018/02/Whistle_Blower_Policy-1.pdf

Development and implementation of Risk Management Policy

In accordance with the Regulation 17 of SEBI (LODR) Regulations, 2015, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy.

Board of Directors of the Company has identified the risks in two categories i.e. (1) Internal and Business Risk and (2) External Risk. The Management has also envisaged the minimization procedure and its perception in respect of each identified risk.

Further, the Company identifies risks with its degree and control systems are instituted to ensure that the risks in business process are mitigated. The Board provides oversight and reviews the Risk Management Policy periodically. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

Meetings of Board

During the year, Five (5) Board Meetings were held on April 24, 2018, May 29, 2018, August 13, 2018, November 14, 2018 and February 14, 2019.

Directors' Responsibility Statement

Pursuant to the requirement in section 134(3) (c) of the Companies Act, 2013, the Directors state that :

- (a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) the directors had 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 as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that the financial controls are adequate and are operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

In line with the requirements of the Companies Act, 2013, M/s. Dhirubhai Shah & Co LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298), was appointed as the statutory auditors of the Company to hold office for a period of four consecutive years from the conclusion of the 29th AGM of the Company held on September 27, 2018, till the conclusion of the 33rd AGM to be held in year 2022. The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013, Code of ethics issued by Institute of Chartered Accountants of India.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended March 31, 2019.

Details in respect of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reported to the central government.

During the year under consideration, there was no such instances.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Ravi Kapoor and Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report is annexed herewith as **'Annexure 1'** to this Report. There are no qualification, reservations or adverse remarks made by Secretarial Auditors in their report.

Cost Auditors

The Board had, on the recommendation of the Audit Committee, appointed M/s Rajendra Patel & Associates, Cost Accountants, Ahmedabad to audit the cost records of the Company for the financial year 2019-20 on a remuneration of ₹ 1,50,000/-p.a. The Cost Audit Report for the year 2018-2019 was filed before the due date with the Ministry of Corporate Affairs. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Rajendra Patel & Associates is included at Item no. 5 of the Notice convening 30th Annual General Meeting.

Compliance with Secretarial Standards

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.

Corporate Governance

As per Regulation 27 of SEBI (LODR) Regulations, 2015, a separate section on Corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

Management Discussion and Analysis (MDA)

MDA, for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges is presented in a separate section, which forms a part of the Annual Report.

Corporate Social Responsibility

The Annual Report on CSR activities is annexed to this Report. The CSR policy is available on the http://sadbhaveng.com/wp-content/uploads/2018/02/CORPORATE_SOCIAL_RESPONSIBILITY.pdf of the Company. The CSR activities is annexed herewith as **'Annexure 2'**.

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **'Annexure 3'** which forms part of this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as **'Annexure 4'** which forms part of this report.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. There was no earning and outgo in the foreign currency, while expenditure the particulars of the dividend in foreign currency are given in the note no. 54 to the Standalone Financial Statements.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes no. 6, 16 & 57 to the Standalone Financial Statements.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contract / arrangement / transaction entered into by the Company with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions forms integral part of this report in form AOC-2 as per **'Annexure -5'**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://sadbhaveng.com/wp-content/uploads/2018/02/RELATED_PARTY_TRANSACTIONS1.pdf. Your Directors draw attention of the members to notes no. 51 to the Standalone Financial Statements which sets out related party disclosures.

Extract of Annual Return

Extract of Annual Return (Form MGT – 9) of the Company is annexed herewith as '**Annexure 6**' to this Report.

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134 (5) (e) of the Act. For the year ended on March 31, 2019, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

Business Responsibility Reporting

As per Regulation 34(2)(f) of the Listing Regulations, 2015, a separate section on Business Responsibility Reporting forms a part of this Annual Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.
5. All properties and insurable interests of the company to the extent required have been adequately insured.
6. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's future operations.

Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry and the Management appreciates the employees of all cadres for their dedicated services to the Company.

Acknowledgments

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, supplier, sub contractors, business associates and employees in ensuring an excellent all around operational performance.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : August 14, 2019

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Annexure - 1

Form No. MR-3
Secretarial Audit Report for the Financial Year Ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sadbhav Engineering Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadbhav Engineering 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 the Sadbhav Engineering Limited 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 31st March, 2019 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 Engineering Limited ("the Company") for the financial year ended on 31st March, 2019 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;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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 of 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, Ravi Kapoor & Associates

Ravi Kapoor

Company Secretary in Practice

FCS No.: 2587 • CP No.: 2407

Place : Ahmedabad

Date : May 21, 2019

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

To,
The Members,
Sadbhav Engineering 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, Ravi Kapoor & Associates

Ravi Kapoor

Company Secretary in Practice

FCS No.: 2587 • CP No.: 2407

Place : Ahmedabad

Date : May 21, 2019

Annexure - 2 CSR Report

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	The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://sadbhaveng.com/wp-content/uploads/2018/02/CORPORATE_SOCIAL_RESPONSIBILITY.pdf The details of the CSR activities undertaken during the year can be accessed at http://sadbhaveng.com/csr/#activities
2	The Composition of the CSR Committee	1. Mr. Shashin V. Patel (Chairman & Managing Director) 2. Mr. Vasistha C. Patel (Executive Director) 3. Mr. Mirat N. Bhadlawala (Independent Director)
3	Net profit of the company for the last financial years (2017-2018)	₹ 216.43 crores
4	Prescribed CSR Expenditure (two per cent) of the amount as in item 3 above)	₹ 4.33 crores
5	Details of CSR spent during the financial year: 1. Total amount spent for the financial year 2. Amount unspent, if any 3. Manner in which the amount spent during the financial year	₹ 4.33 crores Nil As mentioned below

Manner in which the amount spent during the financial year

CSR projector activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specified city of the State and district where projects or programs was undertaken	Amount outlay (budget) projector programs wise	Amount spent on the projects or programs Sub heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Environment Sustainability	Conservation of Natural Resources (Earthworks in Excavation-SOIL)	Dorasha Gram Panchayat, Taluko Kodinar Dist. Gir Somnath, Gujarat	₹ 1.52 crores	Direct expenditure ₹ 1.52 crores	₹ 1.52 crores	Direct by Sadbhav Engineering Limited
Environment Sustainability	Conservation of Natural Resources (Earthwork)	Bagodara. Limbdi Gujarat	₹ 0.44 crores	Direct expenditure ₹ 1.52 crores	₹ 1.52 crores	Direct by Sadbhav Engineering Limited
Environment Sustainability	Conservation of Natural Resources	Gandhinagar	₹ 0.10 crores	Direct expenditure ₹ 0.1 crores	₹ 0.10 crores	Direct by Sadbhav Engineering Limited
Social Business Project	Consumer Education & Awareness	Surendranagar	₹ 0.10 crores	Direct expenditure ₹ 0.1 crores	₹ 0.10 crores	Direct by Sadbhav Engineering Limited
Preventive Health care (Lions Club of Karnavati Foundation)	Health Development	At Ognaj Village, Taluka: Daskroi, Ahmedabad	₹ 1.60 crores	Indirect expenditure ₹ 1.60 crores	₹ 1.60 crores	InDirect by Lions Club of Karnavati Foundation
Promoting Education	Promoting Education & Vocational Skills	Sadbhav Public Charitable Trust	₹ 0.21 crores	Indirect expenditure ₹ 0.21 crores	₹ 0.21 crores	InDirect by Sadbhav Public Charitable Trust
Social Business Project	Promoting Education	Sadbhav Public Charitable Trust	₹ 0.19 crores	In Direct expenditure ₹ 0.19 crores	₹ 0.19 crores	InDirect by Sadbhav Public Charitable Trust

Social Business Project	Promoting Health Care	The Gujarat Cancer Society, Ahmedabad	₹ 0.05 crores	In Direct expenditure ₹ 0.05 crores	₹ 0.05 crores	InDirect by Sadbhav Engineering Limited
Promoting Eduction	Trust	Dr. B.R. Ambedkar Education Society, Gandhinagar	₹ 0.02 crores	Direct expenditure ₹ 0.02 crores	₹ 0.02 crores	Direct by Sadbhav Engineering Limited
Social Business Project	Promoting Education	Society for Promotion of Youth & Masses, New Delhi	₹ 0.11 crores	In Direct expenditure ₹ 0.11 crores	₹ 0.11 crores	InDirect by Sadbhav Engineering Ltd.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

Shashin V. Patel
Chairman of CSR Committee
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Annexure - 3

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19;

Name of the Directors	Designation	Remuneration of the directors (₹ in Lakhs)	Median remuneration of the employees (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Shashin V. Patel	Chairman & Managing Director	300.22	3.47	87:1
Vasistha C. Patel	Executive Director	90.00	3.47	87:1
Vikram R. Patel	Executive Director	90.00	3.47	26:1
Nitin R. Patel	Executive Director	84.22	3.47	24:1
Vipul H. Patel	Executive Director	90.22	3.47	26:1
Sandip V. Patel [^]	Independent Director	0.60	3.47	0.17:1
Atul N. Ruparel [^]	Independent Director	0.45	3.47	0.13:1
Arun S. Patel [^]	Independent Director	0.60	3.47	0.17:1
Mirat N. Bhadlawala [^]	Independent Director	0.45	3.47	0.13:1
Purvi S. Parikh [^]	Independent Director	0.60	3.47	0.17:1

[^] Reflects sitting fees.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19;

Name of the Directors, Chief Financial Officer, Chief Executive Office, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Shashin V. Patel	Chairman & Managing Director	66.59	Profit before Tax increased by 19.08% and profit after Tax decreased by 15.32% in financial year 2018-2019
Vasistha C. Patel	Executive Director	200.00	
Vikram R. Patel	Executive Director	200.00	
Nitin R. Patel	Executive Director & Chief Financial Officer	-	
Vipul H. Patel	Executive Director	198.54	
Sandip V. Patel [^]	Independent Director	^	
Atul N. Ruparel [^]	Independent Director	^	
Arun S. Patel [^]	Independent Director	^	
Mirat N. Bhadlawala [^]	Independent Director	^	
Purvi S. Parikh [^]	Independent Director	^	
Tushar D. Shah	Company Secretary	10.86	

[^] Reflects sitting fees based on attendance of Board Meeting.

(iii) The percentage increase in the median remuneration of employees in the financial year 2018-2019;

The median remuneration of employee in the financial year 2018-19 was ₹ 3.47 Lakhs (3.24 Lakhs in FY 2017-18). So, there was 7.10% increase in median remuneration of employee.

(iv) There were 5307 employees on the rolls of company as on March 31, 2019.

(v) Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year was 7.50 % whereas the increased in the managerial remuneration for the same financial year was 84.59%

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Annexure - 4

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019.

a) Employees who are employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per annum.

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration p.a. (₹ in Lakhs)	Experience (No. of years)	Last Employment	% age of equity shares held by employee
Mr. Shashin V. Patel Qualification : MBA	38 Yrs.	Chairman & Managing Director	23-05-2000	300.22	19 years	None	3.64
Mr. Amares Kumar Qualification : PG Diploma	48 Yrs.	Chief Executive Officer	04-04-2017	180.22	N.A.	Topworth Group Of Companies	-

(b) Employees who are employed part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- or more per month: Nil

Notes :

- Remuneration includes Salary, Contribution to Provident and other funds and perquisites (including medical, leave travel and leave encashment on payment basis and monetary value of taxable perquisites) etc.
- All the above said appointment are in the nature of contractual employment.

Annexure - 5

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)

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
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 Crore	Date(s) of approval by the Board	Amount Paid / Received in advance
1	Sadbhav Infrastructure Project Limited	Subsidiary	Facility is repayable by borrower on demand / call notice from lenders (Providing of Financial facilities as per MOU dated 20.12.2014)	2018-19	₹ 1000 (Facility used ₹ 674.31 crores)	N.A	Nil
2	Sadbhav Infrastructure Project Limited	Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
3	Mysore Bellery Highway Private Limited	Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
4	Rohtak Hisar Tollway (P) Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
5	Ahmedabad Ring Road Infrastructure Project Limited	Step Down Subsidiary	Fixed Asset Purchase	2018-19	0.04	N.A	Nil
6	Ahmedabad Ring Road Infrastructure Project Limited	Step Down Subsidiary	Providing of Services	2018-19	0.18	N.A	Nil
7	Aurangabad Jalna Tollway Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
8	Dhule Palesner Tollway Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
9	Hyderabad Yadgiri Tollway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
10	Maharashtra Border Check Post Network Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil

11	Nagpur Seoni Express Way Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
12	Rohtak Panipat Tollway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
13	Shreenathji Udaipur Tollway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
14	Bhilwara Rajsamand Tollway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
15	Sadbhav Una Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
16	Sadbhav Bhavnagar Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
17	Sadbhav Rudrapur Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
18	Sadbhav Nainital Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
19	Sadbhav Bangalore Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
20	Sadbhav Udaipur Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
21	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
22	Bijapur Hungund Tollway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A.	Nil
23	Sadbhav Jodhpur Ring Road Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
24	Sadbhav Tumkur Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
25	Sadbhav Bhimasar Bhuj Highway Private Limited	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
26	Sadbhav Vizag Port Road Privat	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
27	Sadbhav Kim Expressway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2018-19	0.09	N.A	Nil
28	Sadbhav Hybrid Annuity Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2018-19	0.06	N.A	Nil
29	Corsan-Corviam Construction SA-SEL – 43 (1043)	Joint Venture	Providing of Services	2018-19	0.006	N.A.	Nil

Note:

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

Annexure - 6

Form No. MGT-9
Extract of Annual Return as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	L45400GJ1988PLC011322
ii	Registration Date	03/10/1988
iii	Name of the Company	Sadbhav Engineering Limited
iv	Category / Sub-Category of the Company	Company having Share Capital
v	Address of the Registered office and contact details	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat. Phone: 079-26463384
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Reg. Off.: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Contact: 022-49186270, Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

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:-

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the company
1	Construction & Maintenance Roads & Highway etc.	421	93%
2	Construction & Maintenance of Irrigation System (Cannel)	422	3%
3	Site preparation for Mining including overburden removal and other development	431	4%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN	Address of the Company	Holding/ Subsidiary/ Associates	% of Shares Held*	Applicable Section
1	Sadbhav Infrastructure Project Ltd.	L45202GJ2007PLC049808	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary	69.05	2(87)
2	Mysore-Bellary Highway Pvt. Ltd.	U45203GJ2014PTC078848	----Do----	Subsidiary	74	2(87)
3	Sadbhav Gadag Highway Pvt. Ltd.	U45309DL2018PTC335962	Block No. J-59, Ground Floor, Saket, New Delhi-110017	Subsidiary	100	2(87)
4	Nagpur-Seoni Expressway Ltd.	U45203GJ2007PLC049963	Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Step-down Subsidiary	100**	2(87)
5	Ahmedabad Ring Road Infrastructure Ltd.	U45203GJ2006PLC048981	----Do----	Step-down Subsidiary	100	2(87)
6	Auranagabad-Jalna Tollway Ltd.	U45203GJ2007PLC049814	----Do----	Step-down Subsidiary	100	2(87)
7	Rohtak-Panipat Tollway Pvt. Ltd.	U45202GJ2010PTC059322	----Do----	Step-down Subsidiary	100	2(87)
8	Hyderabad-Yadgiri Tollway Pvt. Ltd.	U45203GJ2010PTC059262	----Do----	Step-down Subsidiary	100	2(87)
9	Bijapur-Hungund Tollway Pvt. Ltd.	U45203GJ2010PTC059669	----Do----	Step-down Subsidiary	77	2(87)
10	Maharashtra Border Check Post Network Ltd.	U45201GJ2009PLC056327	----Do----	Step-down Subsidiary	99.63^	2(87)
11	Shreenathji-Udaipur Tollway Pvt. Ltd.	U45201GJ2012PTC069676	----Do----	Step-down Subsidiary	100	2(87)

12	Bhilwara-Rajsamand Tollway Pvt. Ltd.	U45203GJ2012PTC072902	----Do----	Step-down Subsidiary	100	2(87)
13	Rohtak-Hissar Tollway Pvt. Ltd.	U45203GJ2013PTC074446	----Do----	Step-down Subsidiary	100	2(87)
14	Dhule-Palesner Tollway Ltd.	U45203MH2009PLC191222	701,7th Floor,"C" Wing, Godrej Coliseum,B/h Everard Nagar, Sion (East) Mumbai - 400022	Step-down Subsidiary	100	2(87)
15	Sadbhav Rudrapur Highway Pvt. Ltd.	U45203GJ2016PTC091774	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Step-down Subsidiary	100	2(87)
16	Sadbhav Nainital Highway Pvt. Ltd.	U45309GJ2016PTC091777	----Do----	Step-down Subsidiary	100	2(87)
17	Sadbhav UNA Highway Pvt. Ltd.	U45500GJ2016PTC092589	----Do----	Step-down Subsidiary	100	2(87)
18	Sadbhav Bhavnagar Highway Pvt. Ltd.	U45309GJ2016PTC092557	----Do----	Step-down Subsidiary	100	2(87)
19	Sadbhav Bangalore Highway Pvt. Ltd.	U45202GJ2016PTC094257	----Do----	Step-down Subsidiary	100	2(87)
20	Sadbhav Udaipur Highway Pvt. Ltd.	U45309GJ2017PTC097508	----Do----	Step-down Subsidiary	100	2(87)
21	Sadbhav Vidarbha Highway Pvt. Ltd.	U45500GJ2017PTC097040	----Do----	Step-down Subsidiary	100	2(87)
22	Sadbhav Jodhpur Ring Road Pvt. Ltd.	U45309GJ2018PTC100367	----Do----	Step-down Subsidiary	100	2(87)
23	Sadbhav Tumkur Highway Pvt. Ltd.	U45309GJ2018PTC101396	----Do----	Step-down Subsidiary	100	2(87)
24	Sadbhav Kim Expressway Pvt.Ltd.	U45309GJ2018PTC101800	----Do----	Step-down Subsidiary	100	2(87)
25	Sadbhav Bhimasar Bhuj Highway Pvt. Ltd.	U45309GJ2018PTC101821	----Do----	Step-down Subsidiary	100	2(87)
26	Sadbhav Vizag Port Road Pvt. Ltd.	U45309GJ2018PTC101832	----Do----	Step-down Subsidiary	100	2(87)
27	Sadbhav Hybrid Annuity Projects Ltd.	U45500DL2018PLC335787	Block No. J-59, Ground Floor,Saket, New Delhi-110017	Step-down Subsidiary	100	2(87)

* Representing aggregate % of shares held by the company and/or its subsidiaries.

** Subject to the approval by NHAI / Government.

^ 2.63% stake to be transferred from Sadbhav Engineering Limited to Sadbhav Infrastructure Project Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individual / HUF	59695765	-	59695765	34.50	63318448	-	63318448	36.91	2.40
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(2) Foreign									
Any Other (Specify)									
Promoter Trust	3993840	-	3993840	2.33	-	-	-	-	-2.33
Bodies Corporate	16545275	-	16545275	9.64	16545275	-	16545275	9.64	-
Sub Total (A)(1)	79734880	-	79734880	46.47	79863723	-	79863723	46.55	0.08

a) Individuals (NRI) / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	79734880	-	79734880	46.47	79863723	-	79863723	46.55	0.08
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	38119973	-	38119973	22.22	40485296	-	40485296	23.60	1.38
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	991000	-	991000	0.58	0.58
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	26666830	-	26666830	15.54	25199377	-	25199377	14.69	-0.85
f) Financial Institutions / Banks	220257	-	220257	0.13	42202	-	42202	0.02	-0.11
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Other (Specify)									
Sub Total (B)(1)	65007060	-	65007060	37.89	66717896	-	66717896	38.89	1.00
(2) Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	1910	-	1910	-	-	-	-	-	-
Sub Total (B)(2)	1910	-	1910	-	-	-	-	-	-
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	3830232	550	3830782	2.23	4197305	470	4197775	2.45	0.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	475000	-	475000	0.28	290624	-	290624	0.17	-0.11
b)NBFCs registered with RBI	-	-	-	-	415	-	415	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding Drs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
IEPF	-	-	-	-	1910	-	1910	-	-
Independent Relatives Of Director	20840	-	20840	0.01	20840	-	20840	0.01	-
Hindu Undivided Family	196215	-	196215	0.11	267873	-	267873	0.16	0.04
Non Resident Indians (Non Repat)	374701	-	374701	0.22	377249	-	377249	0.22	-
Non Resident Indians (Repat)	127578	-	127578	0.07	137873	-	137873	0.08	0.01
Clearing Member	160769	-	160769	0.09	155198	-	155198	0.09	-
Bodies Corporate	21641065	-	21641065	12.61	19539424	-	19539424	11.39	-1.22
Sub Total (B)(3)	26826400	550	26826950	15.64	24988711	470	24989181	14.56	-1.08
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	91835370	550	91835920	53.53	91706607	470	91707077	53.45	-0.08

Total (A)+(B)	171570250	550	171570800	100.00	171570330	470	171570800	100.00	-
(C) Non Promoter - Non Public									
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	171570250	550	171570800	100.00	171570330	470	171570800	100.00	

(ii) Shareholding of Promoters:

Sr. No.	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	
1	Patel Vishnubhai Mafatlal	28124920	16.39	1.62	-	-	-	-16.39
2	Sadbhav Finstock Pvt. Ltd.	16545275	9.64	9.64	16545275	9.64	9.64	0.00
3	Patel Shantaben V	14715375	8.58	0	48161135	28.07	6.52	19.49
4	Shashin Vishnubhai Patel	6175220	3.60	2.31	6244063	3.64	3.57	0.04
5	Vikram Rasiklal Patel	4608750	2.69	1.19	4608750	2.70	2.52	0.01
6	Santokba Trust	3993840	2.33	0	0	0.00	0	-2.33
7	Vasistha Patel	3202150	1.87	1.09	3202150	1.88	1.63	0.01
8	Vipul Harishchandra Patel	166850	0.10	0	166850	0.10	0	0.00
9	Patel Rajeshreeben Vishnubhai	425500	0.25	0	0	0.00	0	-0.25
10	Patel Rekhaven Vishnubhai	675500	0.39	0	437500	0.26	0	-0.13
11	Patel Truptiben Vishnubhai	425500	0.25	0	0	0.00	0	-0.25
12	Patel Girishbhai Nandubhai	500	0.00	0	500	0.00	0	0.00
13	Bhavna Vikramkumar Patel	675500	0.39	0	437500	0.26	0	-0.13
	Total	79734880	46.47	15.85	79863723	46.55	23.89	-0.08

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of the Promoters / Promoters Group	Shareholding at the beginning of the year		increase / decrease during the year	Date wise increase / decrease	Reason for increase / decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Patel Vishnubhai Mafatlal	28124920	16.39	(2407170)	31-12-2018	Transfer due to death through Transmission	-	-
				(25717750)	15-02-2019	Transfer due to death through Transmission		
2	Shantaben Vishnubhai Patel	14715375	8.58	2407170	31-12-2018	Acquisition of equity shares due to death of Mr. Vishnubhai Patel through Transmission	48161135	28.07
				3993840	31-12-2018	Acquisition of equity shares on account of dissolution of Santokba Trust due to death of trustee Mr. Vishnubhai M. Patel		
				952000	01-02-2019	Acquisition of Equity Shares from persons belongs to promoter group through inter-se transfer basis		
				25717750	22-02-2019	Acquisition of equity shares due to death of Mr. Vishnubhai Patel through Transmission		
				375000	08-03-2019	Acquisition of Equity Shares from persons belongs to promoter group through inter-se transfer basis		
3	Shashin Vishnubhai Patel	6175220	3.60	43843	29-09-2018	On Market Purchase	6244063	3.64
				25000	19-10-2018	On Market Purchase		
4	Santokba Trust	3993840	2.33	(3993840)	28-12-2018	Transfer due to dissolution of Trust	-	-
5	Vikram Rasiklal Patel	4608750	2.69	20000	29-09-2018	On Market Purchase	4638750	2.70
				10000	19-10-2018	On Market Purchase		
6	Vasistha C. Patel	3202150	1.87	20000	29-09-2018	On Market Purchase	3232150	1.88
				10000	19-10-2018	On Market Purchase		

7	Rajshree Pritam Patel	425500	0.25	(238000)	01-02-2019	Sale of Equity Shares to one of the promoter on inter-se transfer	-	-
				(187500)	08-03-2019	Sale of Equity Shares to one of the promoter on inter-se transfer		
8	Truptiben Nileshbhai Patel	425500	0.25	(238000)	01-02-2019	Sale of Equity Shares to one of the promoter on inter-se transfer	-	-
				(187500)	08-03-2019	Sale of Equity Shares to one of the promoter on inter-se transfer		
9	Rekhaben Vasisthakumar Patel	675500	0.39	(238000)	01-02-2019	Sale of Equity Shares to one of the promoter on inter-se transfer	437500	0.26
10	Bhavna Vikram Patel	675500	0.39	(238000)	01-02-2019	Sale of Equity Shares to one of the promoter on inter-se transfer	437500	0.26
At the End of the year		63022255	-	128843	-	-	63151098	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	ICICI Prudential Life Insurance Company Ltd.	13649098	7.96	-	1324159	12324939	7.19
2	HDFC Trustee Company Limited MID - CAPOPPORTUNITIES FUND	9657214	5.63	2987885	-	12645099	7.37
3	SBI Blue Chip Fund	8052856	4.69	-	(977934)	7074922	4.12
4	Nomura India Investment Fund Mother Fund	6460359	3.77	-	(4200444)	2259915	1.32
5	TATA Balanced Fund	6147284	3.58	-	(3995284)	2152000	1.25
6	DSP Equity Opportunities Fund	5305410	3.09	-	(1570930)	3734480	2.18
7	ICICI Prudential value Discovery Fund	4252273	2.48	-	(984048)	3268225	1.90
8	Kotak Funds - India Midcap Fund	2706669	1.58	1686481	-	4393150	2.56
9	Max Life Insurance Company Limited A/C – Participating Fund	1920102	1.12	-	(508033)	2428135	1.42
10	The Nomura Trust And Banking Co., Ltd As The Trustee Of Nomura India Stock Mother Fund	1874405	1.09	94000	-	1968405	1.15
11	Reliance Capital Trustee Co. Ltd. A/c Reliance Equity Hybrid Fund	40850	0.02	4633385	-	4674235	2.72
12	HDFC Life Insurance Company Limited	1400000	0.82	1329289	-	2729289	1.59
13	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Pure Value Fund	612293	0.36	2034976	-	2647269	1.54

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	Name of the Director / KMP	No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	Shashin V. Patel	6175220	3.60	68843	-	6244063	3.64
2	Vikram R. Patel	4608750	2.69	30000	-	4638750	2.70
3	Vasistha C. Patel	3202150	1.87	30000	-	3232150	1.88
4	Nitin R. Patel	101	-	-	-	101	-
5	Vipul H. Patel	166850	0.10	-	-	166850	0.10
6	Sandip V. Patel	10000	0.006	-	-	10000	0.006
7	Atul N. Ruparel	10000	0.006	-	-	10000	0.006
8	Arun S. Patel	-	-	-	-	-	-
9	Mirat N. Bhadlawala	-	-	-	-	-	-
10	Purvi S. Parikh	-	-	-	-	-	-
11	Tushar D. Shah	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2018				
i) Principal Amount	109,534.65	38,933.14	-	148,467.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,461.08	-	-	1,461.08
Total (i + ii + iii)	110,995.73	38,933.14	-	149,928.87
Change in Indebtedness during the financial year				
• Addition	59,893.75	-	-	59,893.75
• Reduction	26,060.81	22,492.32	-	48,553.13
Net Change	33,832.94	(22,492.32)	-	11,340.62
Indebtedness at the end of the financial year 31-03-2019				
Principal Amount	142,290.33	16,440.82	-	158,731.15
i) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	2,538.34	-	-	2,538.34
Total (i + ii + iii)	144,828.67	16,440.82	-	161,269.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shashin V. Patel	Vikram R. Patel	Vasistha C. Patel	Nitin R. Patel	Vipul H. Patel	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	300.00	90.00	90.00	84.00	90.00	654.00
		-	-	-	-	-	-
		-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5	Others, please specify (Provident Fund)	0.22	-	-	0.22	0.22	0.66
	Total (A)	300.22	90.00	90.00	84.22	90.22	654.66
	Ceiling as per the Act	₹ 2647.60 Lakhs (being 10% of the net profit of ₹ 26476 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Sandip V. Patel	Atul N. Ruparel	Arun S. Patel	Mirat N. Bhadlawala	Purvi S. Parikh	Total
1	Independent Directors Fee for attending board committee meeting	0.60	0.45	0.60	0.45	0.60	2.70
	Total (B)	0.60	0.45	0.60	0.45	0.60	2.70
	Total Managerial Remuneration (A+B)*						657.36
	Overall Ceiling as per the Act	₹ 2912.36 Lakhs (being 11% of the net profit of ₹ 26476 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)					

* Total Remuneration of Managing Directors, Whole-time Directors and other Directors (Total of A+B)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Mr. Tushar D. Shah)	*CFO (Mr. Nitin R. Patel)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	19.39	-	19.39
		-	-	-	-
		-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify (Provident Fund)	-	0.22	-	0.22
	Total	-	19.61	-	19.61

* Mr. Nitin R. Patel is Whole-time Director & CFO, details of his remuneration has already been given under clause VI(A).

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES FOR F.Y. 2018-2019: NIL

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)
COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
DIRECTORS (MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
OTHER OFFICERS IN DEFAULT (COMPANY SECRETARY)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Business Responsibility Report

Section A : General Information about the Company

1. Corporate Identity Number (CIN)	L45400GJ1988PLC011322
2. Name of the Company	Sadbhav Engineering Limited
3. Registered Address	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat
4. Website	www.sadbhaveng.com
5. E-mail id	investor@sadbhav.co.in
6. Financial Year reported	1 st April, 2018 to 31 st March, 2019

7. Sector (s) that the Company is engaged in (industrial activity code wise):

Group	Class	Sub class	Description
421	4210	42101	We are an engineering, construction and infrastructure development company focusing on transportation- Rehabilitation, upgradation, widening and strengthening of roads and highways, and design and construction of depots, workshops, elevated ramps, elevated viaducts, elevated stations for metro railways. We categorise our business into two businesses: (i) Construction Business, under which we undertake engineering, procurement and construction (“EPC”) activities for transportation, irrigation and mining sectors; and (ii) Infrastructure Development Business, under which we undertake development of roads and highways on BOT, DBFOMT or DBFOT basis.
422	4220	42204	Construction & Maintenance of Irrigation System (Cannel)
431	4312	43121	Site preparation for Mining including overburden removal and other development

8. List three key product/services that the Company manufactures/provides (as in balance sheet):

The Company is involved in the development, operation and maintenance of national and state highways and roads in several states in India, We earn revenues primarily from the BOT road concessions in two ways, depending on whether it is a toll-based or an annuity-based concession. Our project portfolio for the Infrastructure Development Business consists of 40 Projects.

9. Total number of locations where business activity is undertaken by the Company:

- i. Number of International Locations : NIL
- ii. Number of National Locations : 15 states of India

10. Markets served by the Company (Local/State/National/International) : National

Section B: Financial Details of the Company

- 1. Paid up capital (INR) : ₹ 17.15 Crore
- 2. Total turnover (INR) : ₹ 3549.23 Crore
- 3. Total Profit after taxes (INR) : ₹ 186.85 Crore
- 4. Total Spending on CSR as percentage of profit After tax (%) : As Stipulated under section 135 of the Companies Act, 2013, 2% of the Net profit of preceding financial years i.e. FY 2017-18 have been spent on CSR activities.
- 5. List of activities in which expenditure in 4 above has been incurred : Slum Area Development, Health Development, Promoting Education, Rural Development.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes, the Company has 27 subsidiary companies (including step-down subsidiaries) as on March 31, 2019

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)?

Yes. There are 27 subsidiaries including step-down subsidiaries. All policies/Practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws.

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 vendors/suppliers/contractors do not participate in group’s BR policy.

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: Shashin V. Patel

Designation: Chairman & Managing Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00048328
2	Name	Shashin V. Patel
3	Designation	Chairman & Managing Director
4	Telephone Number	+91 79 40400400
5	E mail Id	investor@sadbhav.co.in

2. Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** - Businesses should promote the well being of all employees.
- P4** - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** - Businesses should respect and promote human rights.
- P6** - Businesses should respect, protect and make efforts to restore the environment.
- P7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** - Businesses should support inclusive growth and equitable development.
- P9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	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)	-	-	-	-	-	MoEF, Pollution Control Board	-	-	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The Policies have been either approved by the Board or Senior Functional Head authorized by the Board in this respect.								
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?	http://sadbhaveng.com/programme-and-policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	N
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	N	N
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

* wherever the policy is not compliant with Local regulation, they are modified accordingly.

While the Company does not manufacture any products, the policy addresses the aspects of health, safety and environmental protection in the Company's operations and services.

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:

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 Board will review the BR performance annually.

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.sadbhaveng.com

Section E: Principle-wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. No, it covers Group companies also. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and a vigil mechanism that are approved by the Board of Directors. These are applicable to all Board Members and employees of the company and all its subsidiaries, and an annual affirmation is taken from the designated employees.

Company also has a Whistle Blower policy which seeks to empower employees and directors to raise any genuine concerns within the group.

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.

No genuine concerns were received during financial year 2018-19.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

(a) Highways with service roads for local population (b) Pedestrian and Vehicle underpasses for the ease of movement of local traffic. (c) Redesign of roads to avoid unnecessary cutting down of trees for road laying activities. d) Construction of rain water harvesting structures. These initiatives are within the provisions of the concession agreement of respective highway project. e) Design of highway elements to minimise use of natural resources.

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 throughout the value chain ?
The Company follows sustainable sourcing ensuring quality and safety of raw materials procured from suppliers. The Company has laid down a robust process for vendor evaluation and selection mechanism and prefer local suppliers wherever possible. The Company also emphasis on safe transportation, optimization of logistics and reduction of vehicular air emissions.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?
The Company strives to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle, and waste minimization.

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.

If the Company is to deliver continued Innovation, Sustainability in the operations is critically important. The Company endeavour to work with responsible suppliers who adhere to the Company's quality, social and environmental standards.

The Company has standard operating procedures for the evaluation and selection of its vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for key raw material.

The Company has system of identifying or developing alternate vendors where single vendor is considered critical for business continuity.

4. 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 ?

The Company consciously endeavours to source its procurement of the goods and services from medium and small vendors from the local areas where feasible. It improves operational efficiency and saves on transportation cost and inventory management. Further, the Company fulfils its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent.

The Company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors.

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

Our philosophy is to reduce waste and make efficient use of raw materials during construction of roads. As long as it does not compromise our high quality standards and the safety of the roads and its users, we use recycled concrete and bitumen aggregates, which at present amounts to about <5%.

Principle 3

1. Please indicate total number of employees:

Sr. No.	Category of Employees	No. of Employees
1.	Directors	5
2.	Fix Term (Contractual)	3664
3.	Regular	1362
4.	Superannuation	43
	Total	5074

2. Please indicate total number of employees hired on temporary / contractual / casual basis

Sr. No.	Category of Employees	No. of Employees
1.	Fix Term (Contractual)	3664
	Total	3664

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 9

4. Please indicate the number of permanent employees with disabilities: 0

Number of permanent employees with disabilities: None

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.

Nil

8. What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?

		Approx.
A.	Permanent employees	72%
B.	Permanent women employees	100%
C.	Casual / Temporary / Contractual employee	35%
D.	Employees with disabilities	N.A.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes, the company has established a systematic process of stakeholder mapping. The internal stakeholders for the company comprise the employees, management, consultants, etc. whereas the external stakeholder groups range from suppliers, customers, business partners, regulatory agencies to 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 & marginalized stakeholders.

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.

The Company works actively to enhance the employment opportunities in the nearby locations whereby it operates, leading to income generation and economic empowerment in the marginalized sections of the communities. Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education Enhancement (iii) Slump area development.

For details of projects undertaken during the FY 2018-19, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

Principle 5

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?

No complaints were received during the year in this regard.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.

Policy 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.

Yes, the Company is continually doing several initiatives to address global environmental issues such as climate change and global warming in three different ways (i) through self-actions (ii) through awareness creation and (iii) through providing support for energy efficient products.

The Company has implemented number of initiatives which has resulted in saving in fuel consumption and thereby avoided related emissions.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks in its projects and in respect of its projects.

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, the Company does not have any projects related to Clean Development Mechanism (CDM).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken several initiatives on clean technology, energy efficiency and renewable energy.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes.

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.

The Company has not received any such notices from CPCB/SPCB during FY 2018-19.

Principle 7

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.

The Company is a Member of:

- i. Confederation of Indian Industry
- ii. Federation of Indian Chambers of Commerce and Industry
- iii. Ahmedabad Management Association
- iv. All India Management Association
- v. Gujarat Chamber of Commerce & Industry
- vi. The Associated Chambers of Commerce & Industry of India

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

Businesses 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, the Company has identified specified programmes / projects in the pursuit of the policy related to Principle 8.

For details of projects undertaken during the FY 2018-19, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/ any other organization?

The identified programmes/projects are carried out directly by the Company itself and some are indirectly through Agencies or NGO etc.

Besides the above, it is also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene etc. to meet priority needs of the underserved communities with the aim to help them to become self-reliant.

For details of such programmes / projects been implemented either on its own or through an external agency, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

3. Have you done any impact assessment of your initiative?

Yes,

4. What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?

During the year under review the Company had contributed ₹ 4.33 crores to various community development, Health development programmes, Promoting educations, Environment stability and Slum area development projects as part of its CSR initiatives. The details of projects undertaken are mentioned elsewhere in the Business Responsibility Report.

- 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.**

The Company undertakes needs assessment surveys in villages and community before undertaking CSR initiatives. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company, ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

Principle 9

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are no customer complaints / consumer cases pending as of end of financial year 2018-19.

- 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)**

The Company does not manufacture any product, hence this is not applicable.

- 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.**

There are no such pending cases against the Company in a court of law.

- 4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

In-house employee satisfaction surveys are conducted, as well as live customer feedback from commuters is obtained. However, we intend the same to be outsourced to external agencies to get more unbiased, detailed and accurate feedback to help us improve quality of our services.

Report on Corporate Governance

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 shareholders, employees, government, regulatory bodies and community at large. The Company recognized good corporate governance practices as a key driver to sustainable growth and long term value creation and thus encourages timely and accurate dissemination of information to all their stakeholders.

The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at a true Corporate Governance. In so far as compliance with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

Board of Directors

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors & Independent Directors. As on March 31, 2019, the Board comprised of 10 Directors which include Five Executive Director and Five Non-Executive Directors & Independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman 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.

The Board of Directors comprises of 10 (Ten) directors, its composition and category is as under:

COMPOSITION

Name	Designation	Category	No. of other Directorship held in other public Company*	#No. of committee membership of other companies	#No. of committee chairmanship of other companies	List of Directorship held in Other Listed Companies and Category of Directorship
Mr. Shashin V. Patel DIN:00048328	Chairman & Managing Director	Executive Director	11	-	-	1. Sadbhav Infrastructure Project Limited (Executive Director)
Mr. Vikram R. Patel DIN:00048318	Whole time Director	Executive Director	9	-	-	-
Mr. Vasistha C. Patel DIN:00048324	Whole time Director	Executive Director	9	1	-	1. Sadbhav Infrastructure Project Limited (Managing Director)
Mr. Nitin R. Patel DIN:00466330	Whole time Director	Executive Director	10	6	1	1. Sadbhav Infrastructure Project Limited (Executive Director)
Mr. Vipul H. Patel DIN:06634262	Whole time Director	Executive Director	8	-	-	-
Mr. Sandip V. Patel DIN:00449028	Director	Independent, Non-Executive Director	8	1	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)
Mr. Atul N. Ruparel DIN:00485470	Director	Independent, Non-Executive Director	10	0	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)
Mr. Arun S. Patel DIN:06365699	Director	Independent, Non-Executive Director	9	5	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)

Mr. Mirat N. Bhadlawala DIN:01027984	Director	Independent, Non-Executive Director	10	1	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)
Mrs. Purvi S. Parikh DIN:07071155	Director	Independent, Non-Executive Director	3	0	1	-

* Directorship including step-down subsidiaries of Sadbhav Engineering Limited.

Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Engineering Limited) have been considered for committee position.

Relationship between directors inter se:- None of the directors are related to any other Board Member in terms of definition of 'relative' as per Companies Act, 2013.

Board Meeting and Attendance

The Board meets at least four times in a year and the maximum time gap between any two meetings is not more than 120 days.

During the year 2018-2019, 5 (Five) Board Meetings were held on April 24, 2018, May 29, 2018, August 13, 2018, November 14, 2018 and February 14, 2019.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- Leadership experience in managing companies and associations including general management.
- Industry experience including its entire value chain and indepth experience in corporate strategy and planning
- Expertise in the field of Infrastructure
- Experience in finance, tax, risk management, legal, compliance and corporate governance
- Experience in human resources and communication
- Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company.

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

Name of the Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Shashin V. Patel	5	Yes
Mr. Vikram R. Patel	3	Yes
Mr. Vasistha C. Patel	5	Yes
Mr. Nitin R. Patel	5	Yes
Mr. Vipul H. Patel	2	Yes
Mr. Sandip V. Patel	4	Yes
Mr. Atul N. Ruparel	3	Yes
Mr. Arun S. Patel	4	Yes
Mr. Mirat N. Bhadlawala	3	No
Mrs. Purvi S. Parikh	4	Yes

Evaluation of Board Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & 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 Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The performance evaluation of the Independent Directors and Board Committees were carried out by the entire Board. The Independent Directors carried out the performance evaluation of the Board as whole and Non-Independent Directors of the Company while Chairman of the Board was evaluated by Independent as well as Non-Independent Directors of the Company.

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 14, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board.

Familiarisation Programmes for Independent Directors:

Your company has conducted the familiarization programme for Independent Directors of the Company on February 14, 2019. The programme was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

The details of Familiarization Programme for Independent Directors are available on the Company's website at <http://sadbhaveng.com/programme-and-policies/>

Board membership criteria

The Company inducts eminent individual from diverse fields as directors on its Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the Company, and ability to contribute to the Company's growth.

Committees of the Board

Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are as contained in Section 177 of the Companies Act, 2013 and Regulation 18(3) of SEBI (LODR) Regulations, 2015.

Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on Thursday, September 27, 2018.

The Composition of Audit Committee, details of number of meetings held during the year 2018-19 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance					Committee Meeting attended
		24.04.2018	29.05.2018	13.08.2018	14.11.2018	14.02.2019	
Mr. Sandip V. Patel	Chairman	Yes	Yes	Yes	No	Yes	4
Mr. Nitin R. Patel	Member	Yes	Yes	Yes	Yes	Yes	5
Mr. Atul N. Ruparel	Member	Yes	Yes	No	Yes	No	3
Mr. Arun S. Patel	Member	Yes	Yes	Yes	No	Yes	4

Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 the Board has constituted the "Nomination and Remuneration Committee".

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained in Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) 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 Thursday, September 27, 2018.

The Composition of Nomination and Remuneration Committee, details of number of meetings held during the year 2018-19 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance	Committee Meeting attended
		24.04.2018	
Mr. Atul N. Ruparel	Chairman	Yes	1
Mr. Sandip V. Patel	Member	Yes	1
Mr. Arun S. Patel	Member	Yes	1

Policy for Appointment and Remuneration

- The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director.

It contains followings:

(a) Education Qualification for Director:

Person being appointed as Director should hold certain education qualification as defined by Nomination & Remuneration Committee of Company.

(b) Positive Attributes of Directors:

Person being appointed as Director should possess any of the following attribute ;

- (1) Leadership quality
- (2) Work knowledge, sufficient experience and achievement in execution of project
- (3) Expertise in respective field
- (4) Sense of Responsibility
- (5) Seniority

(c) Independency of Directors

Person being appointed as Independent Director should possess the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

(d) Criteria for evaluation of Independent Directors

Performance of evaluation of Independent Director shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Director being evaluated shall be evaluated on the basis of Role and Functions performed and duties discharged by him during the year. His role, functions and duties should be evaluated on basis of Role, Functions and Duties specified in Schedule IV of Companies Act 2013.

(e) Criteria for evaluation of Board

The performance of the Board shall be reviewed in the separate meeting of Independent Directors at least once in year. The meeting shall:

1. review the performance of Non-Independent Directors and the Board as a whole ;
2. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
3. assess the equality, quantity and time lines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

- The Nomination and Remuneration Committee has recommended to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management which contains following:

1. Nomination and Remuneration Committee has empowered the Managing Director of the Company to frame the remuneration policy for Directors, Key Managerial Personnel and other employees including Senior Management Personnel on yearly basis.
2. While formulating Policy, Managing Director of the Company shall ensure that:
 - a. 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;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. 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
3. The Directors and Key Management Personnel shall be remunerated pursuant to the provisions of the Section 196 and 197 read with Schedule V of Companies Act, 2013.
4. Other senior official's salary shall be based and determined having regard to their experience, responsibilities, performance and initiative taking abilities.

Details of the remuneration paid during the year 2018-19 and other terms of appointment of Directors

Name of Directors	Salary (₹ In lakhs)	Sitting Fees (₹ In lakhs)	Terms of Appointment	No. of equity shares held as on 31 st March, 2019	No. of outstanding Stock options
Mr. Shashin V. Patel	300.22	-	3 years from July 1, 2017	6244063	-
Mr. Vikram R. Patel	90.00	-	3 years from October 01,2017	4638750	-
Mr. Vasistha C. Patel	90.00	-	3 years from October 01,2017	3232150	-
Mr. Nitin R. Patel	84.22	-	3 years from July 1, 2017	101	-
Mr. Vipul H. Patel	90.22	-	3 years from August 20, 2016	166850	-
Mr. Sandip V. Patel	-	0.60	-	10000	-
Mr. Atul N. Ruparel	-	0.45	-	10000	-
Mr. Arun S. Patel	-	0.60	-	-	-
Mr. Mirat N. Bhadlawala	-	0.45	-	-	-
Mrs. Purvi S. Parikh	-	0.60	-	-	-

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20(4) of the SEBI (LODR) Regulations, 2015 the Board has constituted the "Stakeholders' Relationship Committee".

The terms of reference stipulated by the Board to the Stakeholders Relationship Committee are as contained in Section 178 of the Companies Act, 2013 and Regulation 20(4) of the SEBI (LODR) Regulations, 2015.

The Composition of Stakeholders Relationship Committee, details of number of meetings held during the year 2018-19 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				Committee Meeting attended
		29.05.2018	13.08.2018	14.11.2018	14.02.2019	
Mr. Mirat N. Bhadlawala	Chairman	No	Yes	No	Yes	2
Mr. Sandip V. Patel	Member	Yes	Yes	No	Yes	3
Mr. Nitin R. Patel	Member	Yes	Yes	Yes	Yes	4
Mr. Vasistha C. Patel	Member	Yes	Yes	Yes	Yes	4

The Committee reviews all matters connected with securities transfer and redressal of investor complaints. The Committee also oversees the performance of the Registrars and Transfer Agent, Link Intime India Pvt. Ltd. and recommends measures for overall improvement in the quality of the investor services. The Board of Directors of the company have delegated the powers of approving transfer of securities to Company's Registrar under the supervision and control of the Company Secretary, subject to placing of a summary statement of transfer/transmission, etc. of securities of the company at meeting of the said committee. In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the code of conduct for prevention of Insider Trading and authorized the committee to implement and monitor the various requirements as set out in the Code.

The Board has designated Mr. Tushar D. Shah, Company Secretary & Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirement under the SEBI (LODR) Regulations, 2015.

The total number of complaints received and resolved during the year to the satisfaction of the shareholders during the year under review was Nil. No complaints were pending as on March 31, 2019.

Risk Management Committee:

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee on May 4, 2019. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company. During the year under review, no meeting was held for the said Committee.

The Composition of Risk Management Committee was as under:

1. Mr. Shashin V. Patel - Chairman, Managing Director
2. Mr. Vikram R. Patel - Executive Director
3. Mr. Vasistha C. Patel - Executive Director
4. Mr. Nitin R. Patel - Executive Director

The terms of reference stipulated by the Board to the Risk Management Committee are as per the Companies Act, 2013 and Regulation 21(5) of the Listing Regulations.

The Role and Responsibility of Risk Management Committee are as under:

(A) ROLE:

- To assess the Company's risk profile and key areas of risk in particular.
- To recommend the Board and adoption of risk assessment and rating procedures.
- To articulate the Company's policy for the oversight and management of business risks.
- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To assess and recommend the Board acceptable levels of risk.
- To develop and implement a risk management framework and internal control system.
- To review the nature and level of insurance coverage.
- To have special investigations into areas of corporate risk and break-downs in internal control.
- To review management's response to the Company's auditors' recommendations those are adopted.
- To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.

(B) RESPONSIBILITY:

- To define the risk appetite of the organization.
- To exercise oversight of management's responsibilities, and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board.
- To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk.
- To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control.
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained.
- To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level.
- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts.
- To provide an independent and objective oversight and view of the information presented by the management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing by the Company.
- To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.
- To fulfill its statutory, fiduciary and regulatory responsibilities.
- To ensure that the risk awareness culture is pervasive throughout the organization.
- To review issues raised by Internal Audit that impact the risk management framework.
- To ensure that infrastructure, resources and systems are in place for risk management is adequate to maintain a satisfactory level of risk management discipline.
- The Board shall review the performance of the risk management committee annually.
- Perform other activities related to risk management as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

Other Committees

Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Shashin V. Patel, Mr. Nitin R. Patel, Mr. Vasistha C. Patel, Mr. Vikram R. Patel and Mr. Atul N. Ruparel to review banking arrangements, reviews and approves certain short terms and long term loans, investment transaction etc. as per the authority granted to the said committee. Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee comprises of Mr. Shashin V. Patel, as Chairman and Mr. Vasistha C. Patel, Mr. Mirat N. Bhadlawala as members of the Committee. During the year 2018-19, Two meetings of Committee were held on May 29, 2018 and March 30, 2019.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2015-16	September 28, 2016	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2016-17	September 26, 2017	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2017-18	September 27, 2018	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

The details of special resolutions passed by Company in last three Annual General Meetings are as under:

Date of AGM	Special Resolution Passed
September 28, 2016	<ul style="list-style-type: none"> Approve Conversion of Loan into Equity
September 26, 2017	<ul style="list-style-type: none"> Reappointment of Mr. Arun S. Patel as an Independent Director of the Company Appointment of Mr. Shashin V. Patel as a Chairman and Managing Director of the Company for a period of three years. Re-Appointment of Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director of the Company Re-Appointment of Mr. Vasistha C. Patel as a Whole-time Director designated as Executive Director of the Company Re-Appointment of Mr. Vikram R. Patel as a Whole-time Director designated as Executive Director of the Company Approve the place of keeping and inspection of Registers, Returns etc Alteration of Articles of Association of the Company
September 27, 2018	There was no special resolution passed in the 29 th Annual General Meeting.

Postal Ballot:

In the year F.Y. 2018-19, Two (2) resolutions were passed through Postal Ballot on May 31, 2018. The details of resolutions and results of Postal Ballot are as under:

Particulars of Resolutions	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against
Approve Related Party Transactions - Ordinary Resolution	61381649 (99.38)	381458 (0.62)
Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - Special Resolution	141333762 (99.64)	514909 (0.36)

Mr. Ravi Kapoor, Practicing Company Secretary, was appointed as scrutinizer and has conducted the Postal Ballot for the aforesaid resolutions.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

All of the aforesaid resolutions were passed by the shareholders with requisite majority.

During the year 2019-20, One (1) resolution was passed through Postal Ballot on June 08, 2019. The details of resolutions and results of Postal Ballot are as under:

Particulars of Resolutions	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against
Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - Special Resolution	146573492 (99.68)	464608 (0.32)

Mr. Ravi Kapoor, Practicing Company Secretary, was appointed as scrutinizer and has conducted the Postal Ballot for the aforesaid resolution.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

The aforesaid resolution was passed by the shareholders with requisite majority.

Unclaimed Shares lying in Demat Suspense Account:

In terms of Regulation 39(4) of the SEBI (LODR) Regulations, 2015 the Company reports the following details in respect of equity shares lying in the suspense account which were issued in demat form:

Sr. No.	Particulars	Number of Shareholders	Number of Equity Shares
i	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	1	350
ii	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	-	-
iii	Number of shareholders to whom shares were transferred from suspense account during the year.	-	-
iv	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	1	350
v	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

Other Disclosures

A. There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.

B. During the last three years, there were no strikes or penalties imposed by SEBI or Stock Exchanges or any statutory authority, for non-compliance of any matter related to the capital markets.

C. Whistle Blower Policy

The Company has established a vigil mechanism called 'Whistle Blower Policy' In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (LODR) Regulations, 2015 for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Company has established a mechanism for employees vide 'Whistle Blower Policy' which seeks (i) to ensure greater transparency in all aspects of the Company's functioning by formulating a procedure to bring to the attention of Company incidents of improper-activities or violation of the company's Code of Conduct & Ethics for Board Members and Senior Management, and (ii) to provide for adequate safeguards against victimization of employees who avail of the mechanism.

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company. Whistle Blower by virtue of his/her having reported a Protected Disclosure under the policy is fairly protected.

All Protected Disclosures should be in writing and can be submitted by hand delivery, courier or by post addressed to the Chairman of the Audit Committee of the Company. The contact details of the Chairman of the Audit Committee are as under:

By Post: Chairman of Audit Committee

Sadbhav Engineering Ltd.

"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad- 380006

By e-mail: WhistleBlower@sadbhav.co.in

If Audit Committee through proper investigation process as described in policy to conclude through proper investigation that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as them deem fit.

D. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015.

E. Subsidiary Companies

All the subsidiary companies of the Company (including step down subsidiaries) are managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority of shareholders, the Company nominates its representative on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means –

- (a) Financial Statements, in particular the investment made by the subsidiary companies are reviewed quarterly by the Audit Committee of the Company
- (b) All the minutes of the meeting of unlisted subsidiary companies are placed before the Company's Board regularly.
- (c) A statement containing all significant transactions and arrangements entered in to by the subsidiary companies is placed before the Company's Board.

Pursuant to provisions of Regulation 27 of SEBI (LODR) Regulations, 2015, The policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website at the web http://sadbhaveng.com/wpcontent/uploads/2018/02/MATERIAL_SUBSIDIARY.pdf

F. Disclosure of Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. The transactions with related parties are disclosed in Notes to the accounts (Note No. 51). The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link. http://sadbhaveng.com/wp-content/uploads/2018/02/RELATED_PARTY_TRANSACTIONS1.pdf

G. Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

H. Disclosure on Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. The company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

I. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

J. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year i.e. 2018-19: Not Applicable

K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Details relating to fees paid to the Statutory Auditors are given in Note No. 56 to the Standalone Financial Statements and Note no. 43 to the Consolidated Financial Statements.

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

Code of Conduct

The Board has formulated a code of conduct for the Board Members and Senior Management of Company which has also been posted on the website of Company. All Board members and senior management personnel have affirmed their compliance with code. A declaration to this effect signed by the Chairman and Managing Director of Company is given as a part of the Annual Report.

CEO/CFO Certificate

The Chief Executive Officer/Chairman & Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board/ in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. The Chief Executive Officer/Chairman & Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.

Certificate from Statutory Auditor

The Company has obtained a certificate affirming the compliances from M/s. Dhirubhai Shah & Co. LLP, Chartered Accountant, Statutory Auditor of the Company and the same is attached to this report.

Certification from Company Secretary in Practices:

M/s. Ravi Kapoor & Associates, Practicing Company Secretary, has issued a certificate as required under Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority and the same certificate is attached to this report.

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2018-19, Company has published its quarterly / half yearly / annually financial results in leading newspaper one English language national daily newspaper (English Edition) and one daily vernacular language newspaper (Gujarati Edition).

The Company has its own website www.sadbhaveng.com. Financial results on approval of the Board, presentations made to institutional investors or to the analysts, concall etc. are simultaneously hosted on website of the Company.

- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.
- Annual Reports containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information are circulated to the members and other entitled thereto.

The Company also submits electronically various compliances reports, announcements etc. from time to time in accordance with the SEBI (LODR) Regulations, 2015 with NSE & BSE on www.nseindia.com and www.bseindia.com through NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre respectively and also on the website of the Company www.sadbhaveng.com

General Shareholders Information

1. Annual General Meeting

Date and Time : Wednesday, September 25, 2019 at 12.00 noon
Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat.

2. Financial calendar : April 01, 2018 to March 31, 2019.

3. Book Closure date : Thursday, September 19, 2019 to Wednesday, September 25, 2019 (both days inclusive) for payment of dividend.

4. Dividend payment date : On and after Wednesday, 25th September, 2019 but within the statutory time of 30 days from the date of declaration by shareholders.

5. Stock Code

Script Code at BSE : 532710
Trading Symbol at NSE : SADBHAV
ISIN No. : INE226H01026

6. Listing on Stock Exchanges :

Name of the Stock Exchange	Address
BSE Limited (BSE)	Floor 25, P.J. Towers, Dalal Street, Mumbai-400001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400051

B: Debt Securities (Debentures)

The following Redeemable Secured Non-convertible Debentures of the Company are listed on the **Wholesale Debt Market (WDM)** of the BSE.

INE226H07064 - NCDs of ₹ 10 Lakh each
INE226H07072 - NCDs of ₹ 10 Lakh each
INE226H07080 - NCDs of ₹ 10 Lakh each
INE226H07098 - NCDs of ₹ 10 Lakh each
INE226H08013 - NCDs of ₹ 10 Lakh each

C: Debenture Trustees : IDBI Trusteeship Services Limited

Asian Bldg., Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001
 Tel: 022-40807018; Fax: 022-66311776
 Email: anjalee@idbitrustee.com
 Website: <http://www.idbitrustee.com>

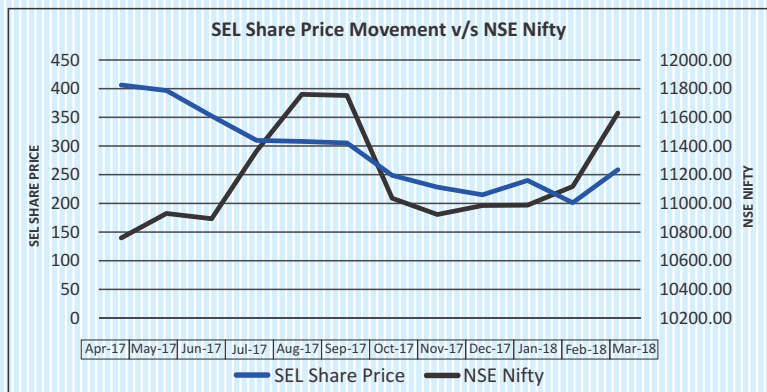
Note: Annual listing fees for the year 2019-20 have been paid to the BSE and NSE.

7. Credit Rating :

CARE has given the credit rating of CARE A/ Stable for debt instrument / facilities of the Company. The details of Credit Rating are available on the website at www.sadbhaveng.com

8. Market price data (Face Value of ₹ 1)

Month	Share price at BSE amount in ₹		BSE Sensex		Share price at NSE amount in ₹		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-18	407.9	372.2	35213.3	32972.56	406.5	371.3	10759.00	10111.3
May-18	395.95	340	35993.53	34302.89	396.9	340	10929.2	10417.8
Jun-18	362	260.05	35877.41	34784.68	352.5	264.05	10893.25	10550.9
Jul-18	315.9	267	37644.59	35106.57	309.9	266.55	11366	10604.65
Aug-18	302	226.55	38989.65	37128.99	308.1	226.3	11760.2	11234.95
Sep-18	305.85	210	38934.35	35985.63	305.5	210.7	11751.8	10850.3
Oct-18	249.75	190	36616.64	33291.58	249	187.45	11035.65	10004.55
Nov-18	227.8	200	36389.22	34303.38	228.4	200	10922.45	10341.9
Dec-18	214	193.25	36554.99	34426.29	214.95	193.05	10985.15	10333.85
Jan-19	239.95	188	36701.03	35375.51	240	187.7	10987.45	10583.65
Feb-19	200.95	161.65	37172.18	35287.16	201.2	162.15	11118.1	10585.65
Mar-19	263.9	192	38748.54	35926.94	258.8	191.75	11630.35	10817

**9. Registrar & Transfer Agents : Link Intime India Private Limited**

C-101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai- 400 083
 Contact: 022-49186270, Fax: 022-49186060
 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

10. Share Transfer System

Presently, the requests for transfer of shares which are in physical form are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated the powers of approving transfer of securities to the Company's Registrars and Transfer Agents under the supervision and control of the Company Secretary, subject to placing of summary statement of transfer/transmission of securities, etc. at the shareholders'/investors' grievance committee meetings. The Company obtains half-yearly compliance certificate from a Company Secretary in Practice under Regulation 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

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 Regulations.

11. Shareholding as on March 31, 2019

a. Distribution of shareholding as on March 31, 2019

No. of shares	No. of shareholders	% to total	No. of shares held	% to total
1-500	19576	92.54	1960270	1.14
501-1000	754	3.56	590655	0.34
1001-2000	347	1.64	511498	0.30
2001-3000	99	0.47	249306	0.15
3001-4000	47	0.22	171114	0.10
4001-5000	45	0.21	213930	0.12
5001-10000	77	0.36	573062	0.33
10001 to 999999999	209	0.99	167300965	97.51
Total	21154	100	171570800	100

b. Categories of shareholders as on March 31, 2019

Category	No. of shares	% to total
Promoters	79863723	46.55
Mutual Fund	40485396	23.60
Banks, Financial institutions, Insurance companies, Government companies	1035548	0.60
Other private corporate bodies	19539424	11.39
Indian Public	4911470	2.86
NRI / OCB	515122	0.30
Foreign Portfolio Investor (Corporate)	25199377	14.69
Independent Relatives of Directors	20840	0.01
Total	171570800	100.00

12. Dematerialization of shares and liquidity

99.99% of the Company's paid-up equity share capital has been dematerialized. Trading in equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).

13. Transfer of unclaimed dividend amount for the financial year 2010-2011 to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 0.23 lakhs amount being unclaimed dividend for the year 2010-2011 to the Investor Education and Protection Fund (IEPF) pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

14. SEBI Complaints Redress System (SCORES)

Investors complaints are processed on the centralized web based complaints redressal system. The salient features of the systems are Centralised Database of all Complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of action taken on the complaints and their current status.

15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Company has no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity as on 31st March, 2019.

16. Foreign Exchange Risk and Hedging Activities

The details of foreign exchange exposures as on 31st March, 2019 are disclosed in Note no. 3.14 of the Significant Accounting Policies to the standalone financial statements.

17. **Work Shop** : At Village Ognaj, Tal. Daskroi, Dist. Ahmedabad

18. **Address for Correspondence** : Mr. Tushar D. Shah, Company Secretary
"Sadbhav" House, Nr. Havmor Restaurant, B/H Navrangpura Bus Stand,
Navrangpura, Ahmedabad – 380009
Phone: +91 79-40400400
Fax: +91 79-40400444

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 17 (5) of the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2019.

For Sadbhav Engineering Limited

Place: Ahmedabad
Date: August 14, 2019

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Certification on Financial Statements of the Company

We, Shashin V. Patel, Chairman & Managing Director and Nitin R. Patel, Executive Director & Chief Financial Officer (CFO) of Sadbhav Engineering Limited ('the Company'), certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:

- a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the company during the year 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. We have evaluated the effectiveness of 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 taken or proposed to be taken for rectifying these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies during the year and that 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: May 30, 2019
Place: Ahmedabad

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Auditor's Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited,

We have examined the compliance of conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2019 as stipulated regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year under the review as stipulated in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For, Dhirubhai Shah & Co. LLP
Chartered Accountants
Firm Reg. No. 102511W/W100298

Place: Ahmedabad
Dated: August 14, 2019

Harish B. Patel
Partner
Membership No. 014427

Management Discussion & Analysis

CAVEAT

Certain statements in this report are “forward-looking statements” that reflect management’s expectations regarding Sadbhav Engineering’s future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are presented for the purpose of assisting the stakeholders and financial analysts in understanding the Company’s operating environment and may not be appropriate for other purposes. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. However, such forward-looking statements involve a certain number of risks and uncertainties, including those discussed under the heading “Risks and Uncertainties” and elsewhere in this report. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this report are based on what management believes to be reasonable assumptions, Sadbhav Engineering Limited can not assure investors that actual results will be consistent with these forward looking statements. 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. Hereby, we at Sadbhav Engineering Limited present our report for the financial year 2018-19.

ABOUT SADBHAV ENGINEERING LIMITED

Since its inception in 1988, SEL has implemented and executed projects of national significance including construction of roads and highways, bridges, mining and irrigation supporting infrastructure. SEL has successfully constructed 9283 lane kms. (till date) of roads and highways (both state and national highways) and are among the top most infrastructure companies in India. SEL is also listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and have had privilege to work for and with NHAI, Coal India, GIPCL, GHCL, L&T, HCC, Punj Lloyd, Sardar Sarovar Narmada Nigam, among various others. SEL’s foundation moves on the growth chart keeping in view various factors, such as patterns of key emerging markets in advanced economies, rising policy, geopolitical uncertainties, additional growth disappointments, and many more.

1. GLOBAL ECONOMIC OVERVIEW

Global growth has continued to soften this year. Momentum remains weak and policy space is limited. A subdued recovery in investment growth in emerging market and developing economies (EMDEs) dampens potential growth prospects and hampers progress toward achieving the Sustainable Development Goals. Risks remain firmly on the downside, including the possibility of escalating trade tensions, sharper-than-expected slowdowns in major economies, and renewed financial stress in EMDEs. Meanwhile, rising debt constrains the ability of EMDE governments to support economic activity in the event of adverse developments, as well as finance growth-enhancing investments. This highlights the need for policy actions to undertake reforms to boost private investment and productivity growth. These reforms are particularly urgent in low-income countries, which face more significant challenges today than they did in the early 2000s.

2. PANAROMA OF INDIAN ECONOMIC SITUATIONS

During the last five years, India’s economy has performed well. By opening up several pathways for trickle-down, the government has ensured that the benefits of growth and macroeconomic stability reach the bottom of the pyramid. India’s economy is set to grow at 7.0 percent in 2019, picking up to 7.2 percent in 2020. India will continue to be the fastest growing large economy in the world. The closest competitor, in terms of growth – China was projected to grow by 6.2 per cent in 2019 and 6 per cent in 2020 by IMF. Increase of India’s GDP growth to 7.2 per cent in 2020-21 would make the economy expand at the same rate as was witnessed in 2017-18. This means it would take three years for the economy to come back to just 7.2 per cent growth. However, IBEF report indicates the positive outlook for India for the years to come. As per the IBEF forecast, India’s gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India’s revenue receipts are estimated to touch ₹ 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India’s measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). The country is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers.

3. OUTLOOK OF OPPORTUNITIES AND STRENGTHS

Roads and Highways

India has one of the largest road networks in the world, which measures 5,482,809 kms. National Highways/Expressway measure 120,543 km and the State Highways measure 155,222 km as of December 2018. The construction of national highways (NH) proceeded at a rapid pace with more than 20 per cent of the existing highway length of 132,000 km being constructed in the last four years alone. Eastern states was a special focus and there has been a significant improvement in connectivity with the building of key bridges, and the expansion of railways/highways.

The Bharatmala Pariyojana is the country's largest ever highways development programme. It aims to optimize the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. Multi-nodal integration is one of the key focuses of this programme. Around 53,000 km of National Highways (NH) have been identified to improve the efficiency of the National Corridors, out of which 24,800 km of NH are to be taken up in Phase 1. Phase 1 is being implemented over 2017-2022. The total fund provision for Phase 1 is US\$ 80.4 bn. Furthermore, implementation of Hybrid Annuity Model (HAM) in Public Private Partnership (PPP) projects in roads and highways sector in the country, is further anticipated to increase participation of project developers in the bidding process, which is further forecast to drive India's roads and highways sector in times to come.

Private sector is playing a key role in Govt. of India's objective to build the robust infrastructure of roads and highways to connect the remotest parts in the country. We, at Sadbhav Engineering Limited, are resolute to keep pace with overall growth of the sector and have already acquired 40 Projects that includes transport, EPC and BOT contracts, across the country.

Irrigation

The Economic Survey 2018-19 has suggested that focus should shift from 'land productivity' to 'irrigation water productivity'. Devising policies to incentivise farmers to improve water use should become a national priority. The Government of India is working to provide water to the areas facing water scarcity through irrigation systems and covering more and more areas under the ambitious projects like Accelerated Irrigation Benefit Programme (AIBP) of the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD&GR), Integrated Watershed Management Programme (IWMP) of Department of Land Resources (DoLR) and the On Farm Water Management (OFWM) of Department of Agriculture and Cooperation (DAC). Irrigation projects prioritized for completion(AIBP) keeping in view the irrigation potential for the year 2018-19 under PMSKY was 11.37 Thousands Hectares and outlay for the year 2019-20 is 7.42 Thousand Hectares. The 'National Commission for Integrated Water Resources Development' (NCIWRD) has assessed the projected demand of water for the years 2025 and 2050. By the year 2050, the total demand for water is expected to be 973 BCM for low demand scenario and 1,180 BCM for high demand scenario out of which irrigation sector are 611 BCM and 807 for 2025 and 2050 respectively. While this overshooting demand is a challenge for the nation as a whole, it would also require irrigation sector to invest in its best efforts and resources, opening doors of new opportunities for growth.

Mining

India produces 95 minerals— 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals). Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Also 100 % FDI allowed in the mining sector and exploration of metal and non-metal ores under automatic route. National Mineral Policy 2019 has also been launched to bring in transparency, better regulation and enforcement, balanced social and economic growth into the sector. In July 2018, Union Minister of Coal, Railways, Finance & Corporate Affairs launched a mobile application 'Khan Prahari' and Coal Mine Surveillance & Management System (CMSMS) developed by Central Mine Planning and Design Institute (CMPDI). There is significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub-surface deposits.

Your Company has balance work orders of ₹ 2,179 Crores that includes activities ranging from removal of overburden by hiring HEMM (Heavy Earth Moving Machinery) to the excavation and transportation and up to the extraction of ores like Coal, lignite and uranium. The Company also has developed requisite talent pool to execute these projects.

4. RISKS & ITS MITIGATION:

The management of company has identified risks in two categories i.e. (1) Internal and Business Risk and (2) External Risk.

Internal and Business Risks: These are the risks that arise out of processes which are managed internally.

- (1) The successful completion of projects also depends upon the performance of entire value chain that includes our joint-venture partners and/or sub-contractors. Therefore, before entering into any such agreement, we thoroughly analyse their credentials and maintain real time monitoring through systems like SAP S/4 HANA. Irrespective of the partner's and/or contractor's status of association (old as well as new), we always insist on having a performance guarantee and quality assurance from our collaborators.
- (2) Various situations such as; cost overrun of projects due to problems of land acquisitions, removal of encroachment, compliance with environmental standard, penalty for delay in completion of the project in time, insurance coverage and other provisional measures may not adequately protect us against all possible risk of losses. Therefore, we elaborately plan to execute all our projects before the scheduled time. Also, we have contractor's all risk insurance policy and workmen's compensation policies as a precautionary measure at our disposal. We take Advance Loss of Profit (ALOP) Policy for each project and always appoint an Insurance Consultant / Professional to assess all at stake.

- (3) The estimates of increase of raw materials for BOT projects are made at the time of bidding, since there is no provision for cost escalations. However, our vast experience in the infrastructural sector enables us to keep the associated risks to a minimum.
- (4) With respect to risk of shortage in supply of raw materials, we ensure continuous supply of raw-materials through our supply value chain by entering into long term arrangement with our suppliers before every single project.
- (5) Preventive Maintenance is less costlier than the non-maintenance or break-down costs of equipment that cause a major hindrance in complete execution of projects. Therefore, our team of technical experts regularly overhauls and repairs the machines, thereby minimising the chances of any break-downs. We also set up mechanical divisions at each project site, wherein the regular maintenance and interim repairs are undertaken.
- (6) Mishandling of machines and equipment can result in being a liability. Therefore, we have Standard Operating Procedures (SOPs) in place and have designed training programmes for handling the sophisticated equipment and machinery used at our project sites. We have taken insurance coverage for any mishap claims that may arise under the Workman's Compensation Act.
- (7) Any negligence in employees' health, safety and regulatory measures can affect our performance. We, therefore, have an HSE Policy monitored and adhered religiously by central HR Team. In case of mining projects, we are required to provide a proper medical certification under the Medical Certificate Form 'O' as prescribed by DGMS. All employees are, thereby, sufficiently covered by Workman Compensation Insurance. We also provide the employees with necessary safety gadgets such as helmets, boots, and more.
- (8) Being a broad organisation with personnel in abundance, we have strong systems to ensure minimal dependence on any individual. Our operations may suffer a temporary setback if any of our key managerial personnel were to leave. Therefore, successful completion of projects is ensured by properly planning the delegation of work and succession planning among teams.
- (9) Sadbhav uses a mix of debt and equity to finance its fund requirements as it needs substantial working capital and financing to meet the requirements of large scale operations. Over the years, we have built a healthy relationship with our lenders which consolidate the difficulty in the process of obtaining debt for our business needs.

External Risks:

Risks that arise out of changes in the external environment are classified under this head. These are mostly outside our control. E.g. changes in interest and exchange rates, increase in material cost, and various others. Our efforts has always been in taking proactive measures to mitigate these by creating sufficient barriers in the pricing, making suitable provisions in books, and providing insurance cover upon entering derivative transaction for hedging our obligation in foreign currencies.

Any further change in government policies, tax structure, geopolitical and political situation, and civil disturbances may have adverse effect on SEL's business. Mitigation of insurance coverage for natural risks (for example: adverse weather condition, fire, floods, and earthquakes) has been worked. A manifold competition from large national as well as international organisations and deviation from estimated traffic volume is also an area of concern for the Company.

This risk management exercise identifies risks, and also mitigates risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of its business operations which are reviewed periodically by the Directors of the Company.

Risk Mitigation:

Identifying risk is an important first step. It is not sufficient though. Taking steps to deal with risk is an essential step. Knowing about and thinking about risk is not the same as doing something about risk. Your Company is aware of such risks, and all our strategies, policies and SOPs (Standard Operating Procedures) have been designed with risk mitigation as an intrinsic element. This approach helps to avert undesirable situations to arise rather than troubleshooting later. Our equipment maintenance policies designed to avoid the project delays due to break down, procurement policies are framed to mitigate the sudden hikes in the procurement or acquisition costs. We meticulously study each and every contract, document or legal paper to avoid litigations later. Our financial strategies have been formulated keeping in view the long term and short term financial risks. Our top management, investor communication and corporate communication professionals meticulously plan communication with stakeholders, government and public to avert the reputation risk. Before entering into any joint venture agreement we thoroughly analyse the prospective venture partners' past performances and credentials. 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. 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 polices 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.

5. SEGMENT WISE PERFORMANCE

As on March 31, 2019 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 54 to the consolidated financial statements.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

An internal control for business processes across departments is required to not only ensure efficient operations but to also comply with internal policies, applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectively 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 centralise the entire data process is being acted upon by Sadbhav Engineering Limited so as to assure transparency to each and every stakeholder of the Company.

7. FINANCIAL OVERVIEW – STANDALONE

(a) Income Analysis:

The Company's revenues for the current year stood at ₹ 3649.54 crores as against ₹ 3594.89 crores in the previous year, thereby registering an increase of 1.52 %.

(b) Expense Analysis:

Manufacturing and Construction expenses

Material consumed for the year ended March 31, 2019 amounted to ₹ 769.17 crores, construction expenses increased from ₹ 1734.74 crores incurred during 2017-18 to ₹ 2082.94 crores in the year 2018-2019.

Depreciation, Interest and Finance cost

Depreciation during 2018-19 amounted to ₹ 95.76 crores as against ₹ 97.90 crores recorded in 2017-18. Finance cost decreased from ₹ 190.80 crores in 2017-18 to 174.92 crores in 2018-19.

(c) Profit Analysis:

Profit Before Tax during 2018-19 stood at ₹ 257.53 crores as against ₹ 216.27 crores recorded during 2017-18. Profit after tax for 2018-19 stood at ₹ 186.85 crores as compared to ₹ 220.66 crores during 2017-18.

(d) Net Worth:

The company also saw a rise in the Net worth from ₹ 1866.79 crores in 2017-18 to ₹ 2033.67 crores in 2018-19.

(e) Dividend:

The Company declared a final dividend of 100% this year.

Key Financial Ratios: Stand Alone Basis

FINANCIAL RATIOS	FY 2019	FY 2018
Debtors Turnover	2.28	2.20
Inventory Turnover	19.81	21.34
Interest Coverage Ratio	3.02	2.65
Current Ratio	1.69	1.40
Debt Equity Ratio	0.50	0.25
Operating Profit Margin	7.26%	6.17%
Net Profit Margin	5.26%	6.32%
Return on Networth	9.00%	12.00%

Consolidated Financial

On consolidated basis, the Total revenue stood at ₹ 5504.62 crores during the financial year under review as compared to ₹ 5093.38 crores in the previous year, Profit before tax was ₹ 79.08 crores as compare to loss of ₹ 76.04 crores in the previous year and Loss after tax was ₹ 54.08 crores as compare to loss of ₹ 114.02 crores in the previous financial year. The Consolidated Networth of the Company stand to ₹ 835 crores as of 31st March, 2019 as compared to ₹ 891.31 crores as on 31st March, 2018.

8. DEVELOPMENT OF HUMAN RESOURCE

Employees are one of the most important stakeholders for Sadbhav Engineering Limited. Sadbhav considers its Human Capital as its core strength in achieving the sustainable growth path charted by our strategic apex. Sadbhav is among a very few companies having implemented SAP Success Factors, world renowned system to manage core HR activities. We have systems in place for identifying the right talent, training them, performance management, monitoring, appraisals, rewards and recognitions for our employees. Our policy entails all our employees to the benefits like Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance etc. We frequently organise medical check-up camps and safety training, mock drills across all project sites as per our health and safety policy. A dedicated Human Resource team at Sadbhav Engineering Limited, keep on engaging with employees at sites and address their concerns. We put major thrust on ergonomics for their comfort while they perform their duties and invest in latest technologies and amenities as well as safety gadgets. We continuously upgrade employees' skills and knowledge to keep them updated on the best practices from across the world. Our growth strategy and value driven approach and congenial environment has led us build an excellent team. We are 5307 people strong organization as on March 31, 2019.

Independent Auditor's Report

To,
The Members of
Sadbhav Engineering Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sadbhav Engineering Limited ("the Company"), which comprises of the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Recognition of revenue from construction services (refer note no 3.2 of the standalone Ind AS financial statements).</p> <p>Revenue of the company is mainly from Construction Contracts. Revenue from these contracts are recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers.</p> <p>Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined by survey of work performed, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/onerous obligations.</p> <p>Revenue recognition involves aforesaid significant judgement and estimation. We therefore determined this to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read the accounting policy for revenue recognition of the Company. • Obtained an understanding of the Company's processes and controls for revenue recognition process, evaluated the key controls around such process and tested those controls for the operating effectiveness. • Performed tests of details, on a sample basis, and inspected the underlying customer contracts and relevant supporting documents. Also on sample basis, inspected the relevant underlying documents i.e. Request for inspection (RFI) and Daily progress Report (DPR). • Sample of revenue disaggregated by type and service offerings was tested with the performance obligation specified in the underlying contracts. We assessed the management's evaluation for the status of completion for projects. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basic of estimation of the variable consideration. • Performed analytical audit procedures for reasonableness of revenues disclosed by type and service offering. • Assessed the relevant disclosures made by the company in accordance with Ind AS 115. <p>Conclusion</p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.</p>

<p>B. Inventory valuation</p> <p>Reference may be made to note 3.17 of significant accounting policies to the financial statements of the Company.</p> <p>Under Ind AS 2 Inventories, the valuation of raw material and other supplies have been an area of our focus being prime cost center of the Company. The valuation of finished goods has also been focused upon being of a material amount.</p> <p>Valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p>	<p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> 1. We have verified the maintenance of Stock Records with respect to Raw materials and Finished Goods and Inventory has being verified physically by management at year end and no material discrepancies have reported that need to be dealt with the books of accounts. <p>We have selected a sample of items of Raw materials and other supplies to check whether the rate per unit adopted for valuation is reflective of the last purchase rate (Realizable price).</p> <p>Conclusion</p> <p>Based on the procedures performed above, we have concluded that management has complied with the requirements of Ind AS 2 “Inventories”.</p>
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Information other than the Standalone Ind AS Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ 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 A, a statement on the matters specified in the paragraph 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 purposes 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, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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 B”; and
 - g. With respect to the other matters to be included in the Auditors’ 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, wherever necessary, of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm’s Registration Number: 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place : Ahmedabad
Date : May 30, 2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals. No material discrepancies were noticed on such verification.
- (iii) As informed to us, the Company has granted unsecured loans to its subsidiary company which is covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- a. In our opinion, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- b. The borrower has been regular in the payments of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand except interest free term loan of Rs. 7795.63 lakh which is repayable after eleven years from the date of term loan agreement dated 22nd October, 2014.
- c. There is no outstanding balance of principal and interest which is overdue for more than 90 days, hence, reporting under this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities except GST where there are delay in payment of GST.
- According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable except the labor cess of ₹ 166.88 lakhs.
- (b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax and duty of excise as at March 31, 2019 which have not been deposited by the Company on account of any disputes.

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (₹ in lakhs)
1	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
2	The Finance Act, 1994	Service Tax	2005-06	Supreme Court of India	67.29
3	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	The High Court, Gujarat	212.68
4	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	ITAT, Ahmedabad	2506.23
5	The Income Tax Act, 1961	Income Tax	2007-08	ITAT, Ahmedabad	37.22
6	The Income Tax Act, 1961	Income Tax	2011-12	ITAT, Ahmedabad	269.36
7	The Income Tax Act, 1961	Income Tax	2012-13	ITAT, Ahmedabad	836.74
8	The Income Tax Act, 1961	Income Tax	2013-14	ITAT, Ahmedabad	1048.50
9	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
10	Jharkhand Value Added Tax Act, 2005	VAT	2010-11-2011-12	VAT Tribunal, Haryana	87.31
11	Maharashtra Value Added Tax Act, 2002	VAT	2010-11	Commissioner Appeal (Commercial Tax), Maharashtra	201.00
				TOTAL	5888.78

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans to bank and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiii) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm's Registration Number: 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place : Ahmedabad

Date : May 30, 2019

Annexure - B to the Auditors' Report

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 Sdbhav Engineering Ltd. ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone 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 ('ICAI'). 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 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 Companies Act, 2013.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 Company's 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2019, 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 DHIRUBHAI SHAH & CO

Chartered Accountants

Firm's Registration Number: 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place : Ahmedabad
Date : May 30, 2019

BALANCE SHEET as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	5	48966.27	49390.68
(b) Capital Work in Progress	5	326.09	234.99
(c) Inangible Assets	5	425.12	651.38
(d) Financial Assets			
(i) Investments	6	60937.11	57745.55
(ii) Trade Receivables	7	8648.99	3587.28
(iii) Loans	8	3896.28	3510.16
(iv) Other Financial Assets	9	730.22	555.20
(d) Deferred Tax Assets	10	9938.13	9942.02
(e) Other Non Current Assets	11	2002.05	1483.60
		135870.26	127100.86
(2) Current Assets			
(a) Inventories	12	17917.21	16425.32
(b) Financial Assets			
(i) Trade Receivables	13	155509.84	159217.58
(ii) Cash and cash Equivalents	14	3457.61	674.43
(iii) Bank balance other than (ii) above	15	2578.96	593.51
(iv) Loans	16	68575.97	65309.49
(v) Other Current Financial Assets	17	36278.18	40157.26
(c) Current Tax Assets	18	9681.49	9518.07
(d) Other Current Assets	19	29902.68	18067.89
		323901.94	309963.55
Total Assets		459772.20	437064.41
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity & Share Capital	20	1715.71	1715.71
(b) Other Equity	21	201651.21	184963.06
		203366.92	186678.77
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	63951.38	28627.97
(ii) Other Financial Liabilities	23	552.93	831.00
(b) Provisions	24	0.00	0.00
		64504.31	29458.97
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	73058.14	104632.46
(ii) Trade Payables	26	43526.39	59900.81
(iii) Other Financial Liabilities	27	24644.91	16673.06
(b) Other Current Liabilities	28	50399.14	39453.99
(c) Provisions	29	272.39	266.35
		191900.97	220926.67
Total Equity & Liabilities		459772.20	437064.41

Summary of Significant Accounting Policies 1 to 3
The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP
Chartered Accountants
Firm Regn. No. 102511W / W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Profit and Loss Statement for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	2018-19	2017-18
I Revenue from Operations	30	354923.16	350505.99
II Other Income	31	10030.78	8983.24
III Total Revenue (I+II)		364953.94	359489.23
IV Expenses :			
Cost of Material Consumed	32	76916.69	107868.92
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	33	0.00	0.00
Construction Expenses	34	208294.49	173473.90
Employee Benefits Expense	35	16757.62	15534.94
Finance Cost	36	17492.32	19080.45
Depreciation and Amortization Expense		9576.01	9790.39
Other Expenses	37	10163.75	12113.91
Total Expenses		339200.88	337862.51
V Profit Before Exceptional Items and Tax (III-IV)		25753.06	21626.72
VI Exceptional Item		76.44	0.00
VII Profit Before Tax (V+VI)		25829.50	21626.72
VIII Tax Expense			
(1) Current Tax		7140.60	4736.35
(2) Deferred Tax Expense/(Income) including MAT Credit Entitlement		3.89	(5175.51)
IX Profit for the year (VII-VIII)		18685.01	22065.88
X Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (refer note no. : 38)		(30.50)	72.38
Income Tax effect		0.00	0.00
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		(30.50)	72.38
Total Comprehensive Income for the year		18654.51	22138.26
XI Earning per Equity Share (in Rupees)			
Profit attributable to equity shareholders		18654.51	22138.26
Weighted Average number of equity shares outstanding during the year (refer note 40)			
Nominal value of equity share		1.00	1.00
Basic and Diluted Earning per Share (EPS)		10.89	12.86

Summary of Significant Accounting Policies 1 to 3
The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No. 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2019	1715.71	0	1715.71
As on March 31, 2018	1715.71	0	1715.71

B Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Share Stock Option Account	General Reserve	Retained Earning	
As at April 01, 2017	345.00	62,994.55	9,000.00	-	12,160.18	79,873.82	1,64,373.55
Total Comprehensive Income for the year	-	-	-	-	-	22,065.89	22,065.89
Other Comprehensive Income (OCI)	-	-	-	-	-	72.38	72.38
Dividends (including tax on dividend)	-	-	-	-	-	(1,548.73)	(1,548.73)
Transfer to General Reserves	-	-	(6,480.00)	-	6,480.00	-	-
Transfer to Security premium account	-	-	-	-	-	-	-
Addition to the reserves	-	-	-	-	-	-	-
As at March 31, 2018	345.00	62,994.55	2,520.00	-	18,640.18	1,00,463.36	1,84,963.09
As at April 01, 2018	345.00	62,994.55	2,520.00	-	18,640.18	1,00,463.36	1,84,963.09
Total Comprehensive Income for the year	-	-	-	-	-	18,685.02	18,685.02
Other Comprehensive Income (OCI)	-	-	-	-	-	(30.50)	(30.50)
Dividends (including tax on dividend)	-	-	-	-	-	(1,966.40)	(1,966.40)
Transfer to General Reserves	-	-	2,430.00	-	-	(2,430.00)	-
Transfer to Security premium account	-	-	-	-	-	-	-
Addition to the reserves	-	-	-	-	-	-	-
As at March 31, 2019	345.00	62,994.55	4,950.00	-	18,640.18	1,14,721.48	2,01,651.21

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No. 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

Cash Flow Statement for the year ended on 31.03.2019

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	18685.01	22065.88
Adjustments For :		
Interest Income	(7279.87)	(8093.26)
Interest Expenses	17492.32	19067.44
Depreciation & Amortisation	9576.01	9790.39
Profit on sale of Property, Plant & Equipments	112.45	(121.80)
Loss on sale of Property, Plant & Equipments	(135.49)	137.88
Assets Written off	656.34	0.00
Actuarial Gain/Loss	(30.50)	72.38
Income Tax Provision	7140.60	4736.35
Deferred Tax Liabilities/(Assets) including MAT Credit	3.89	(5175.51)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	46220.76	42479.75
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	(5061.71)	0.00
(Increase)/Decrease of Trade Receivables	3707.74	7292.91
(Increase)/Decrease of Other Current Assets	(11834.80)	(3482.49)
(Increase)/Decrease of Other Current Financial Assets	3879.08	(13992.63)
(Increase)/Decrease of Other Non Current Assets	(518.45)	1005.54
(Increase)/Decrease of Other Non Current Financial Assets	(175.02)	(327.35)
(Increase)/Decrease of Inventories	(1491.89)	(4089.51)
(Increase)/Decrease of Other Bank Balances	(3163.46)	972.88
Increase/(Decrease) of Other Long Term Financial Liabilities	(278.07)	(149.16)
Increase/(Decrease) of Trade Payables	(16374.42)	18722.50
Increase/(Decrease) of Other Current Liabilities	10945.15	23891.97
Increase/(Decrease) of Other Current Financial Liabilities	1457.38	1156.61
Increase/(Decrease) of Short Term Provision	6.04	66.63
	(18902.43)	31067.90
Cash generated from Operations	27318.33	73547.65
Tax Paid	(7304.02)	(8224.68)
Net Cash From Operating Activities	20014.31	65322.97
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Property, Plant & Equipments and Intangible Assets	(9678.77)	(9772.26)
Sales of Property, Plant & Equipments	29.05	1976.59
Investments in Subsidiary Companies	(1199.01)	(606.65)
Other Non Current Investments	(1992.55)	(197.50)
Loan to/recd back from Subsidiary Companies	(3652.60)	(15010.97)
Interest Received	7279.87	8093.26
	(9214.01)	(15517.53)
Net Cash From Investing Activities	(9214.01)	(15517.53)

Cash Flow Statement for the year ended on 31.03.2019

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings (Net)	41837.88	(12666.33)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(22492.32)	(11394.96)
Net Increase in Working Capital Loan	(9082.00)	(5183.42)
Interest Paid	(17492.32)	(19067.44)
Dividend Paid	(1715.71)	(1286.78)
Dividend Tax Paid	(250.66)	(261.95)
	(9195.13)	(49860.88)
Net Cash From Financing Activities	(9195.13)	(49860.88)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1605.17	(55.44)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	192.44	247.88
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1797.61	192.44
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	26.99	80.89
BALANCE IN CURRENT ACCOUNT WITH BANKS	1770.62	111.55
BALANCE IN FIXED DEPOSITS	0.00	0.00

Notes:

- All figures in bracket are outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Fixed Deposits are pledged with central and various state govt/undertakings and local bodies , hence not considered in Components of Cash & Cash equivalents.
- The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP
Chartered Accountants
Firm Regn. No. 102511W / W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

1. Company overview

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. The Company is engaged in carrying out the construction works as per EPC contract entered between the Company and its subsidiaries. Company is also engaged in business of energy generation through Wind Power Project.

2. Basis of preparation

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items which are measured at fair values:

- certain financial assets and liabilities (including derivative instruments)
- defined benefit plans assets

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Functional and presentation currency

Indian rupee is the functional and presentation currency.

2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Revenue recognition of construction services based on percentage of completion method and Provision for estimated losses on construction contracts.
- Useful lives of Property, plant and equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of defined employee benefit obligations

3. Significant Accounting Policies

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 realized or intended to be sold or consumed in the normal operating cycle;
- Expected to be realized 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.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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;
- Held primarily for the purpose of trading; 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:

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

3.2 Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

a. Contract revenue

When the outcome of a fixed price construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of cost incurred that it is probable will be recoverable.

When the outcome of a fixed price contract is ascertained reliably, contract revenue is recognized by reference to the stage of completion of the contract activity at the end of the reporting period.

The outcome of a fixed price construction contract can be estimated reliably when total contract revenue can be measured reliably, it is probable that economic benefits associated with the contract will flow to the company, contract costs to complete the contract and stage of contract completion at the end of the reporting period can be measured reliably and contract cost attributable to the contract can be identified and measured reliably.

Percentage of completion is determined by survey of work performed and/or completion of physical proportion of the contract work as the case may be at the end of each year. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Contract cost associated with contract revenue is recognized as expense by reference to the stage of completion of the contract activity at the end of the reporting period. Contract cost comprises of cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other cost as are specifically chargeable to the customer under the terms of the contract.

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

Rendering of Services:

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

b. Other income

i. Revenue from wind mill power generation

Revenue from wind mill power generation is recognized when the electricity is delivered to electricity Distribution Company at a common delivery point and the same is measured on the basis of meter reading.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

ii. Interest income

Interest income is recognized using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

iii. Dividend income

Dividend income is recognized when the right to receive dividend is established.

3.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Assets not put to use".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation is provided for all Property, Plant and Equipment except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II of the Companies Act, 2013.

Depreciation is provided for all Property, Plant and Equipment as per the useful life prescribed in the Schedule II of the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where less useful life is considered than those prescribed in schedule II.

The estimated useful life of Property, Plant and Equipment as prescribed in the Schedule II of the Companies Act, 2013 & useful life adopted by the company are as follows

Asset Class	Useful life as per Schedule II	Useful life adopted by the company
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Wind Mills	22 Years	22 Years
Plant and Equipment	8 Years	9 to 12 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees fifty thousand each are fully depreciated in the year of purchase.

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

3.4 Intangible assets

An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern. Software being Intangible Assets used at Head office and work-shop are amortized over a period of three years and software used at Project sites are amortized over the project completion period.

In respect of intangible assets acquired / purchased during the year, amortization is provided on a pro-rata basis from the date on which such asset is ready to use.

3.5 Financial Instruments

3.5.1 Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

3.5.2 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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 on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

v. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost in the separate financial statements.

b. Derivative financial instruments

The company holds certain derivative contracts such as cross currency interest rate swaps and forward contracts to hedge risks. These contracts do not qualify for hedge accounting under Ind AS 109, Financial Instruments. Hence these contracts are not designated as hedges and are accounted for at fair value through profit or loss.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

c. **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognized as a deduction from equity instrument net of any tax effects.

d. **Debt Instrument at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in 3.4.2 a(i) 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 recognized in the profit or loss.

3.5.3 **De-recognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.5.4 **Off-setting**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.6 **Fair Value Measurement**

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

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. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.7 **Income tax**

Income tax expense comprises current tax, deferred tax and MAT Credit.

Current Tax

Current tax is recognized in profit or loss.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognized in profit or loss.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither 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, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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 company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to statement of profit and loss as current Tax. The company recognizes MAT Credit available as an assets only when and to the extent that there is convincing evidence that the 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 in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under Income Tax Act , 1961" , the said assets is created by way of credit to the statement of Profit and loss and shown as "Deferred Tax". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.8 Impairment

3.8.1 Financial assets other than investments in subsidiaries

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other 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 impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss.

3.8.2 Financial assets – investments in subsidiaries

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 based on value in use.

To arrive at the value in use of the investment, the Company has used expected future cash flows of projects in subsidiaries which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

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.

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in statement of profit and loss.

3.8.3 Non-financial assets - Tangible and intangible 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.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

An asset's recoverable amount is the higher of an asset's net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset 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.

3.9 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

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.

All other borrowing costs are expensed in the year they occur.

3.10 Employee Benefits

Contribution to "Defined Contribution Plan" such as Provident Fund is charged to the profit and loss account as incurred. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Company also provides for Defined Benefit Plans in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. Company has taken Group Gratuity Policy of L.I.C. of India. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurement is recognized in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered

3.11 Provisions

A provision is recognized when the company has a present obligation 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.

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.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.12 Contingent Liability

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.

3.13 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

3.14 Foreign Currency

a. Initial recognition

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.

b. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c. Exchange difference

The company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

i. Exchange differences arising from translation of long term foreign currency monetary items

- Long-term foreign currency monetary items recognized in the financial statements as on March 31, 2016 related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

- Long-term foreign currency monetary items recognized in the financial statements after March 31, 2016 related to acquisition of a fixed asset are charged to the Profit and Loss statement.

- Other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

ii. Exchange differences on other monetary items

All other exchange differences are recognized as income or as expenses in the year in which they arise.

3.15 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.17 Inventories

Inventories are valued at lower of cost and net realizable value. 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.

3.18 Lease

Lease agreements where the risks and the rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases.

a) Company as lessee

Lease rents under operating leases are recognized in the statement of profit and loss on a straight-line basis.

b) Company as lessor

Assets given on operating lease are included in Property, Plant and Equipment. Lease income is recognized in the statement of profit and loss on a straight-line basis.

3.19 Segment Reporting

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Chief Executive Officer and Managing Director. There is only one reportable segment in accordance with the requirements of Ind AS-108-"Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

3.20 Share based payment

The company recognizes shared based compensation expenses in net profit using fair value in accordance with Ind AS 102, Share Based Payments, with a corresponding increase in equity. The expense is recognized over vesting period on a straight line basis.

3.21 Changes accounting policies and disclosure

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customer

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. There were no significant adjustments required to the retained earnings as at April 01, 2018. The adoption of the standard did not have any material impact on these Standalone Financial statements.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on these Standalone Financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019 however the effect on adoption will not have any impact on financial statement.

(ii) Ind AS 19 "Employee Benefits" (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(iii) Ind AS 23 "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

Notes forming Part of the financial statements

Note No. 5

Property, Plant and Equipments

Particulars	Property, Plant and Equipments									Intangible Assets	Total
	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Total Tangible Assets	Capital work in Progress	Computer Software	
Cost											
As at 01/04/2017	1111.61	8211.07	1581.74	277.32	49878.50	400.42	5202.47	66663.13	694.87	227.10	67585.10
Addition	0.00	7.05	85.96	95.45	9312.62	148.74	0.00	9649.83	84.41	732.89	10467.13
Disposal	102.38	297.95	0.00	0.00	4038.37	17.12	0.00	4455.81	544.29	0.00	5000.10
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(6.59)	0.00	9.04	2.44	0.00	0.00	2.44
As at 31/03/2018	1009.24	7920.17	1667.70	372.76	55146.16	532.04	5211.51	71859.59	234.99	959.99	73054.57
Addition	100.00	0.00	11.30	114.86	9238.85	124.77	0.00	9589.77	91.10	24.36	9705.23
Disposal	0.00	0.00	0.00	0.00	2805.54	64.12	0.00	2869.65	0.00	0.00	2869.65
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	5.58	0.00	202.94	208.53	0.00	0.00	208.53
As at 31/03/2019	1109.24	7920.17	1679.00	487.62	61585.05	592.70	5414.46	78788.23	326.09	984.36	80098.68
Accumulated Depreciation											
As at 01/04/2017	0.00	2361.39	316.33	123.85	11685.87	113.37	539.08	15139.89	0.00	157.35	15297.24
Addition	0.00	1142.16	177.30	71.56	7884.44	102.63	261.05	9639.14	0.00	151.26	9790.39
Disposal	0.00	276.32	0.00	0.00	2017.42	16.39	0.00	2310.13	0.00	0.00	2310.13
As at 31/03/2018	0.00	3227.23	493.63	195.41	17552.89	199.61	800.13	22468.90	0.00	308.61	22777.51
Charge for the year	0.00	644.53	179.04	72.72	8025.90	129.50	273.69	9325.38	0.00	250.63	9576.01
Disposal	0.00	0.00	0.00	0.00	1920.77	51.55	0.00	1972.32	0.00	0.00	1972.32
As at 31/03/2019	0.00	3871.76	672.68	268.13	23658.02	277.55	1073.82	29821.96	0.00	559.24	30381.20
Net Book Value											
As at 31/03/2017	1111.61	5849.68	1265.41	153.47	38192.63	287.05	4663.39	51523.24	694.87	69.75	52287.86
As at 31/03/2018	1009.24	4692.94	1174.07	177.36	37593.27	332.44	4411.38	49390.68	234.99	651.39	50277.06
As at 31/03/2019	1109.24	4048.41	1006.32	219.50	37927.03	315.14	4340.63	48966.27	326.09	425.12	49717.47

- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 "First time adoption Indian Accounting Standard". Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, 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. During the year company has added ₹ 208.76 lakh (₹ -2.44 Lakhs) to the capital asset towards such exchange differences. The unamortized amount of such exchange difference included into the carrying amount of asset is ₹ 1109.52 Lakhs (₹ 1247.51 Lakhs).
- The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. This changes result in a higher depreciation of ₹ 1241.53 lakhs (₹ 1206.21 lakhs) charged to profit and loss account.
- Refer Note No. 48 for information on property, plant and equipment pledged as security.
- There are no restriction on title of property, plant and equipments and Intangible Assets.
- Capital Work in progress balance is relating to Plant & Machinery of Mill (₹ 1.11 lakhs) and Office Building of ₹ 326.09 lakhs (₹ 233.88 Lakhs).
- There is no contractual commitment on acquisition of property, plant and equipment and intangible assets.

Notes forming Part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
6.	Investments		
6.1	Investments in Equity Instruments of Subsidiary Companies		
	(A) Quoted		
	Sadbhav Infrastructure Project Ltd. 24,32,13,577(24,22,23,427) Fully Paid up Equity Shares of ₹ 10/-each	52369.48	51175.47
	Out of 24,32,13,577 (24,22,23,427) shares held in Sadbhav Infrastructure Project Ltd., 6,75,03,568 (3,52,22,522) Shares have been pledged with ICICI Bank. The company has repaid the Loan during the year but formalities for release of shares are pending		
	Total (a)	52369.48	51175.47
	Aggregate Marker Value of Quoted Investment ₹ 2,11,717.42 (3,21,067.15) Lakhs		
	(B) Unquoted		
	(a) Nagpur Seoni Expressway Ltd. (NSEL) 200 (200) Fully Paid up Equity Shares of ₹ 10/-each	0.02	0.02
	(b) Maharashtra Border Check Post Network Ltd. (MBCPNL) 1,315 (1315) Fully Paid up Equity Shares of ₹ 10/-each 1,315 (1315) Shares have been pledged with the lenders of MBCPNL out of 1,315 (1315) shares held by the company	120.90	120.90
	(c) Shreenathji Udaipur Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
	(d) Bhilwara Rajsamand Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
	(e) Rohtak-Hissar Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
	(f) Mysore-Bellary Highway Pvt. Ltd. 5,85,11,800 (5,85,11,800) Fully paid up Equity Shares of ₹ 10/-each 4,03,25,700 (4,03,25,700) shares are pledged out of 5,85,11,800 (5,85,11,800) shares held by the company	5851.18	5851.18
	(g) Sadbhav Gadag Highway Pvt. Ltd. 5000 Fully paid up Equity Shares of ₹.10/-each	5.00	0.00
	Total (b)	5977.13	5972.13

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
6.2 Investments in Equity Instruments of Other Companies		
(a) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.00	0.06
(b) 5,55,370 (5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of ₹ 10/- each	55.54	55.54
Total (c)	55.54	55.60
6.3 Investments in Bonds and Debentures		
(a) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(c) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each.	100.00	100.00
(d) 9.25% 20000 (20,000) Debentures of Srei Equipment Finance Ltd of ₹ 1,000/- each.	200.00	200.00
Total (d)	527.57	527.57
6.4 Investment in Sub Debt		
Investment in Sub debt	1992.61	0.00
Total (e)	1992.61	0.00
6.5 Other Investments		
Investment in NSC	14.78	14.78
Total (f)	14.78	14.78
Total (a + b + c + d + e + f)	60937.11	57745.55
(i) Aggregate Value of Un-Quoted Investment ₹ 8567.63 Lakhs round(₹ 6570.08 Lakhs)		
(ii) Refer Note No.51 for Related party transactions and outstanding balances		
7. Trade Receivables		
Unsecured considered good	8648.99	3587.28
Total	8648.99	3587.28
Management is of the opinion that amount recoverable is not less than the amount stated , hence no impairment is required.		
8. Loans		
Unsecured, considered good		
Loan to related parties		
Loan to Subsidiary Companies	3896.28	3510.16
Total	3896.28	3510.16
(i) Refer to Note No.51 for Related party transactions and outstanding balances		

Notes forming Part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
9.	Other Financial Assets		
	(a) Receivable under derivative contract	0.00	70.80
	(b) Security & Other Deposits	0.00	18.00
	(c) Bank Deposits with more than 12 months Maturity	730.22	452.45
	(d) In earmarked Accounts For Margin Money	0.00	13.95
	Total	730.22	555.20
10.	Deferred Tax Assets		
	Deferrd tax Assets (Net) Refer Note No. 39	9938.13	9942.02
	Total	9938.13	9942.02
11.	Other Non Current Assets		
11.1	Capital Advance		
	Advances to Suppliers for Fixed Assets	5.23	336.37
11.2	Advance other than capital Assets		
	(a) Security & Other Deposits	1987.66	951.54
	(b) Advances for Goods and Services	9.16	195.69
	Total	2002.05	1483.60
12.	Inventories		
	(a) Construction Materials	14239.65	12453.03
	(b) Work in Progress	511.39	511.39
	(c) Stores & Spares	3166.17	3460.90
	Total	17917.21	16425.32
	Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rate.		
13.	Trade Receivables		
	(Unsecured considered good)		
	(a) Receivable from related parties	40353.48	25461.59
	(b) Receivable from Others	115156.36	133755.99
	Total	155509.84	159217.58
	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; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.		
	(b) Refer to Note No.51 for Related party transactions and outstanding balances		
	(c) Fair values disclosure for financial assets are given in Note No. 45		
14.	Cash and Cash Equivalents		
14.1	Balance with Banks		
	(a) In Current Accounts	1770.62	111.55
	(b) In Fixed Deposit Accounts* (Maturity up to 3 months)	1660.00	481.99
		3430.62	593.54
14.2	Cash On Hand	26.99	80.89
	Total	3457.61	674.43

* Fixed Deposits include ₹ 1660 Lakhs (481.99) pledged with central and various state Govt/undertakings and local bodies.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018		
15. Bank balance other than Cash and Cash Equivalents				
In earmarked Accounts				
(a) Unclaimed Dividend	4.39	4.62		
(b) Maturity more than 3 months but upto 12 months	2574.57	588.89		
(c) Unpaid Right Issue Money	0.00	0.00		
Total	2578.96	593.51		
16. Loans				
Unsecured, considered good				
Loans to related parties:				
Loan to Subsidiary Companies	68575.97	65309.49		
Total	68575.97	65309.49		
Disclosures in terms of regulation 34(3) and 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015)				
(a) Loans given to Subsidiaries having no repayment schedule.				
	2018-19	2017-18		
Name of Subsidiaries	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Sadbhav Infrastructure Project Limited	67431.41	67431.41	54707.74	54707.74
Mysore Bellary Highway Pvt. Ltd.	9994.25	1144.56	11856.25	10601.75
(b) Company has not given any Loans and Advances to any firms/companies (except subsidiaries as stated above) in which directors are interested.				
(c) Loans Given to subsidiaries are of short term and to fulfill the temporary mismatch in cash flow.				
(d) None of the loanees have made investments in shares of the Company				
(e) Refer to Note No.51 for Related party transactions and outstanding balances				
17. Other Current Financial Assets				
(i) Interest Receivable from Subsidiary	1429.70		4072.63	
(ii) Interest Accrued But Not Due on Investments	122.69		150.99	
(iii) Security & Other Deposits	29765.56		31881.06	
(iv) Receivable Against Sale of Assets	0.00		64.30	
(v) Recoverable in Cash				
(i) Due from subsidiaries	1530.02		573.31	
(ii) Due from others	3430.21		3414.97	
Total	36278.18		40157.26	
18. Current Tax Assets (Net)				
Current Tax Assets (Net)	9681.49		9518.07	
Total	9681.49		9518.07	
19. Other Current Assets				
19.1 Advances other than capital advances				
(a) Advances for goods and Services	20864.02		13365.02	
(b) Advances to Others	309.05		210.92	
	21173.07		13575.94	
19.2 Others				
(a) Advance Sales Tax & Service Tax & GST	6791.73		2481.33	
(b) Prepaid Expenses	1937.88		1946.20	
(c) Group Gratuity Fund	0.00		64.42	
	8729.62		4491.95	
Total	29902.68		18067.89	

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
20. Equity Share Capital		
(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of ₹ 1/- each with voting rights	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights: Outstanding at the beginning of the Period (Nos.)	171570800	171570800
Outstanding at the end of the Period (Nos.)	171570800	171570800
(d) Rights of Shareholders and Repayment of Capital: (i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-. (ii) Each holder of equity shares is entitled to one vote per share. (iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining 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.		
(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:-		

Name of Share Holder(s)	As at 31.03.2019		As at 31.03.2018	
	No. of shares	% age	No. of shares	% age
Vishnubhai M. Patel	0	0%	28124920	16.39%
Sadbhav Finstock Pvt. Ltd.	16545275	9.64%	16545275	9.64%
Shantaben V. Patel	48161135	28.07%	14715375	8.58%
ICICI Prudential Life Insurance Co Ltd	12324939	7.18%	13649098	7.96%
HDFC Trustee co. Ltd - A/c HDFC Hybrid Eq. Fund	12645099	7.37%	9657214	5.63%

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
21. Other Equity		
(a) Capital reserve As per Last Balance Sheet	345.00	345.00
Closing Balance	345.00	345.00
(b) Security Premium Reserve As per Last Balance Sheet	62994.55	62994.55
Closing Balance	62994.55	62994.55
(c) Debenture Redemption Reserve As per Last Balance Sheet	2520.00	9000.00
Addition/(deduction) during the year	2430.00	(6,480.00)
Closing Balance	4950.00	2520.00
(d) General Reserves As per Last Balance Sheet	18640.18	12160.18
Addition during the year	0.00	6480.00
Closing Balance	18640.18	18640.18

Notes forming Part of the financial statements

	As at March 31, 2019	As at March 31, 2018
(e) Other Comprehensive Income		
As per Last Balance Sheet	(49.38)	(121.77)
Addition/(deduction) During the Year	(30.50)	72.38
Closing Balance	(79.88)	(49.39)
(f) Profit and Loss account		
As per last Balance Sheet	100512.71	79995.56
Net Profit for the year	18685.02	22065.89
Appropriations:-		
Transfer to Debenture Redemption Reserves	2430.00	0.00
Dividend Paid	1715.71	1286.78
Tax on Dividend Paid	250.66	261.95
Closing Balance	114801.36	100512.72
Total	201651.21	184963.06

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
22. Non Current Borrowings		
(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures		
(a) HDFC Asset Management Co. Ltd. 480 (840) debentures of ₹ 10 Lakhs each	0.00	5931.49
(b) ICICI Prudential Asset Management 1500 debentures of ₹ 10 Lakhs each	15000.00	0.00
(Unsecured)		
(a) SBI Mutual Fund (Unsecured) 1900 debentures of ₹ 10 Lakhs each	19000.00	0.00
Total	34000.00	5931.49

Details of Security

- (a) HDFC Asset Management Co. Ltd.: 480 (840) debentures of 10 Lakhs each Debentures are secured by :
- Pledge of 62,58,060 (62,58,060) shares of Sadbhav Engineering Ltd. by Sabhav Finstock Pvt. Ltd.
 - NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.
 - Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel
- Rate of Interest :** Coupon rate of 9 % plus Redemption Premium resulting Effective rate of Interest (IRR) of 12.15% p.a. at maturity.

Repayable during the year	No. of Installments	Maturity Amount
2019-20	1	5931.49

Debentures redeemable during the year 2019-20 are shown under 'Current Maturity of Long Term Debts' (Note No. 27 'Other Financial Liabilities')

Notes forming Part of the financial statements

(b) ICICI Prudential Credit Risk Fund

Pledge over Paid-up equity share capital of Sadbhav Infrastructure Project Ltd. ("Subsidiary") over all cover to be at least 1.5 X of the outstanding amount during the tenor of the facility.

Rate of Interest: Coupon rate of 9.25 % plus Redemption Premium at a premium of such amount which gives the holder of the Debentures an IRR of 10.15% p.a. computed using the XI RR function on Microsoft Excel 2010 Edition ("Rate of Return")."

Repayable during the year	No. of Installments	Maturity Amount
2021-22	1	5,000.00
2022-23	1	5,000.00
2023-24	1	5,000.00

(c) SBI Mutual Fund (Unsecured)

Rate of Interest : Coupon rate of 9.9% p.a.

Repayable during the year	No. of Installments	Maturity Amount
2021-22	1	19,000.00

(b) Term Loans

Secured

(i) From Banks:

(a) Foreign Currency Term Loan (Including ECB)

2371.82

2168.14

(b) Rupee Term Loan

17776.51

15182.32

20148.33

17350.46

Less Deferred Processing Fees

0.00

0.00

Total

20148.33

17350.46

Detail of Security

Secured by way of hypothecation of specific machineries and equipments purchased and mortgage of Sadbhav Vision House, Guest House & office in Mumbai, Non Agricultural land at Sheikhpur (Ahmedabad), Guest House in Delhi.

Subsequent charge on tangible assets (Movable fixed assets and /or current assets) to the extent of 1.0 time of outstanding facility.

Pledge over Paid-up equity shares of Sadbhav Infrastructure Project Ltd. ("Subsidiary") to the extent 1.25 X of outstanding Facility amount.

(ii) From Financial Institutions

9803.05

5346.02

Detail of Security

Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.

Total

63951.38

28627.97

Notes forming Part of the financial statements

Payable During the Years	No.of Instalments	Payable Amount	
		To Banks	To Financial Institutions
2019-20	1734	8085.38	6547.65
2020-21	1300	9040.29	5484.89
2021-22	1067	7077.04	3749.86
2022-23	735	1275.44	628.57
2023-24	211	323.47	-

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 7.90% to 12.25%. Interest payable on ECB are Linked to LIBOR which are 215 basis point and 250 basis point over LIBOR. The Repayment Schedule of ECB are included in above Maturity Profile of Term Loans.

Loan repayable during the year 2019-20 are shown under 'Current Maturity of Long Term Debts' (Note No. 27 'Other Financial Liabilities')

		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
23.	Other Financial Liabilities		
	(i) Advance Received for sale of Shares	0.02	0.02
	(ii) Security & Other Deposits from Sub-contractors	552.91	742.05
	(iii) Other Payables	0.00	88.93
	Total	552.93	831.00
24.	Long-Term Provisions		
	Provision for Employee Benefits		
	Provision for Gratuity	0.00	0.00
	Total	0.00	0.00
25.	Short-Term Borrowings		
25.1	Loans repayable on demand		
	Secured		
	Short Term Loans From Banks & Financial Institutions	56615.35	61260.64
	Overdraft due to Issuance of Cheques	1.97	4438.68
	Detail of Security		
	(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
	(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immoveable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.		
	(c) Personal Guarantee of Shri Shashin V. Patel, Shri Vasisthakumar Patel , Shri Vikramkumar Patel and Smt. Shantaben V. Patel.		
	Unsecured		
	From Banks	16299.11	38775.00
	Short Term Loans From Financial Institutions	0.00	0.00
	Secured by Personal Guarantee of Shri Shashin V. Patel		
	Total	72916.43	104474.32
25.2	Loan from Related Parties - Unsecured		
	From Others (From Company in which Directors are Directors)	141.71	158.14
	Total	141.71	158.14
	Total	73058.14	104632.46
	(a)Refer to Note No.51 for Related party transactions and outstanding balances		
26.	Trade Payables		
	Others	43526.39	59900.81
	Total	43526.39	59900.81

Notes forming Part of the financial statements

(a) Refer to Note No.51 for Related party transactions and outstanding balances

[*] Disclosure in respect of Micro, Small and Medium Enterprises:

A	Principal amount remaining unpaid to any supplier as at year end	0.00	0.00
B	Interest due thereon	0.00	0.00
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	0.00	0.00
D	Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	0.00	0.00
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	0.00	0.00
F	Amount of further interest remaining due and payable in succeeding years	0.00	0.00

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
27. Other Financial Liabilities		
(a) Current Maturities of Long term debts		
Secured		
Non Convertible Debentures	6320.23	4147.49
Foreign Currency Term Loan	768.57	1552.02
Loan from Banks	8085.38	5772.42
Loan from Financial Institutions	6547.65	3735.43
Sub-total	21721.83	15207.36
(b) Interest Accrued but not due on Loans	2538.34	1461.08
(c) Unclaimed Dividend	4.39	4.62
(d) Payable under Derivative Contract	380.35	0.00
Total	24644.91	16673.06
28. Other Current Liabilities		
(a) Sundry Creditors for Capital Goods	2175.66	4229.33
(b) Statutory Dues	6265.16	1779.16
(c) Advances Received from Clients *	25366.84	10517.24
(d) Security & Other Deposits	16415.43	22917.60
(e) Group Gratuity Fund	164.38	0.00
(f) Miscellaneous Liabilities	11.67	10.66
Total	50399.14	39453.99
Note :-There was no amount outstanding as on 31.03.2019, which is required to be transferred to Investor Education and Protection Fund (IEPF).		
Refer to Note No.51 for Related party transactions and outstanding balances		
29. Short-Term Provisions		
(a) Provision for Employee Benefits	267.03	260.99
(b) Provision for Wealth Tax	5.36	5.36
Total	272.39	266.35

Notes forming Part of the financial statements

		(₹ in Lakhs)	
		2018-19	2017-18
30.	Revenue from Operations		
	Contracts Receipt	353940.34	349803.64
	Other Operating Income	982.82	702.35
	Total	354923.16	350505.99
	Refer to Note No.51 for Related party transactions and outstanding balances		
31.	Other Income		
	(a) Interest revenue for financial assets that are measured at amortised cost		
	(i) Interest income from Subsidiaries	6850.49	7257.64
	(ii) Interest from Fixed Deposits	245.09	174.58
	(iii) Interest from Bonds & Debentures	52.07	40.62
	(b) Other Interest		
	On IT Refunds	0.00	38.35
	From Others	132.22	582.07
	(c) Profit on Sale of Assets	9.35	121.80
	(e) Dividend Income	1215.94	484.45
	(d) Forex Gain	0.00	0.00
	(f) Miscellaneous Income	1525.62	283.73
	Total	10030.78	8983.24
	Refer to Note No.51 for Related party transactions and outstanding balances		
32.	Cost of Material Consumed		
	Opening Stock	12453.03	10297.55
	Add Purchase	78703.30	110024.40
		91156.33	120321.95
	Less Closing Stock of Material	14239.65	12453.03
	Total	76916.69	107868.92
33.	Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-trade		
	Opening Work-in-Progress	511.39	511.39
	Less :Closing Work-in-Progress	511.39	511.39
	Total	0.00	0.00
34.	Construction Expenses		
	Labour Expenses	163442.64	126420.34
	Power & Fuel	24120.35	27876.94
	Stores Consumed	3328.84	3108.31
	Repairs & Maintenances-Construction Machineries	4462.50	5594.56
	Transportation Expenses	1415.18	804.24
	Machinery Rent	7538.10	6936.98
	Land & Godown Rent	707.16	348.67
	Site Establishment Expenses	2154.75	1225.94
	Mess Expenses	1124.97	1157.92
	Total	208294.49	173473.90
35.	Employee Benefits Expense		
	Salary & Wages	14821.50	13969.59
	Contribution to PF and Other Funds	957.43	902.12
	Group Gratuity Fund Expenses	22.06	10.00
	Directors' Remuneration	654.00	354.00
	Staff Welfare Expenses	302.63	299.23
	Total	16757.62	15534.94
	Refer to Note No.51 for Related party transactions and outstanding balances		

Notes forming Part of the financial statements

(₹ in Lakhs)

	2018-19	2017-18
36. Finance Cost		
(a) Interest Expenses on Financial liabilities measured at Amortised Cost		
On Borrowings	14693.99	17004.84
(b) Other Interest Expenses		
On Taxes & Others	28.88	73.67
(c) Other Borrowing Costs	2769.45	2001.94
Total	17492.32	19080.45
37. Other Expenses		
Rent Expenses	76.83	45.37
Rates & Taxes	1853.69	4415.67
Insurance	786.98	891.31
Legal & Consultation Fees & Expenses	3336.84	2682.68
Corporate Social Responsibility Expenses	441.61	342.28
Donation Expenses-Others	33.44	54.47
Auditors Remuneration	20.00	24.75
Loss on Sales of Assets	2.39	137.88
Miscellaneous Expenses	3611.97	3519.50
Total	10163.75	12113.91

38. Employee Benefits Note

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

38.1 Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	2018-19	2017-18
Contribution to Provident Funds	834.51	902.12
Contribution to ESIC	108.67	124.07
Total (Ref. Note No. 35)	943.18	1,026.19

38.2 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

38.3 The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustees' duty to look after assets on behalf of employees who are entitled to benefit from those assets at some future date. Investment of assets of fund is key responsibility of the trustees. The trustees must review investment performance regularly.

38.4 Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes forming Part of the financial statements

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

38.5 Reconciliation of defined benefit obligations (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligations as at beginning of the year	907.60	745.30
Current service cost	210.78	193.15
Interest cost	60.17	54.60
Actuarial Loss/(Gain) due to change in financial assumptions	17.41	25.71
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	6.26	(110.42)
Past Service Cost	-	42.01
Benefits Paid	(38.76)	(42.75)
Defined benefit obligations as at end of the year (Refer note no 19)	1,163.46	907.60

38.6 Reconciliation of Plan Asset (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Plan Asset as at beginning of the year	972.02	791.53
Expenses deducted from the fund	-	-
Interest Income	72.65	65.95
Return on plan assets excluding amounts included in interest income	(6.83)	(12.32)
Contributions by employer	-	169.61
Benefits paid	(38.76)	(42.75)
Plan Asset as at end of the year (Refer note no 19)	999.08	972.02

38.7 Reconciliation of the Effect of Asset ceiling (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

38.8 Net amount Charged to Statement of Profit and Loss for the period (₹ in Lakhs)

Particulars	2018-19	2017-18
Current service cost	210.78	193.15
Past Service Cost and Loss/(gain) on curtailments and settlement	-	42.01
Net Interest cost	(12.48)	(11.35)
Net amount recognized (Refer note no. 35)	198.30	223.81

Notes forming Part of the financial statements

38.9 Other Comprehensive income for the period

(₹ in Lakhs)

Particulars	2018-19	2017-18
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	17.41	25.71
Due to change in demographic assumption	0.00	
Due to experience adjustments	6.26	(110.42)
Return on plan assets Excluding amounts Included in Interest income	6.83	12.32
Amounts recognized in Other Comprehensive Income	30.50	(72.39)

38.10 Break up of Plan Assets

Particulars	2018-19	2017-18
Insurance Policy	100%	100%

38.11 Actuarial Assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.05%	7.35%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Rate of Return on Plan Assets	7.05% p.a	7.05% p.a

38.12 Sensitivity Analysis for Actuarial Assumption

As at 31.03.2019	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	₹ in Lakhs	%	₹ in Lakhs	%
Discount Rate	0.50%	0.50%	(28.72)	-2.47%	30.22	2.60%
Salary Growth Rate	0.50%	0.50%	27.83	2.39%	(27.02)	-2.32%
Withdrawal Rate	0.50%	0.50%	(5.14)	-0.44%	4.83	0.42%

As at 31.03.2018	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	₹ in Lakhs	%	₹ in Lakhs	%
Discount Rate	0.50%	0.50%	(21.53)	-2.37%	22.63	2.49%
Salary Growth Rate	0.50%	0.50%	20.90	2.30%	(19.97)	-2.20%
Withdrawal Rate	0.50%	0.50%	(4.55)	-0.50%	4.17	0.46%

Limitation of method used for sensitivity analysis :

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

38.13 Details of Asset - Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

38.14 Expected contribution to the plan for the next annual reporting period

(₹ in Lakhs)

Particulars	2018-19	2017-18
Expected contribution to the plan	163.76	210.78
Total	163.76	210.78

Notes forming Part of the financial statements

38.15 Maturity Profile of the Defined Benefit Obligation

As at March 31, 2019	₹ in Lakhs	%
2020	224.19	12.60%
2021	147.25	8.30%
2022	138.03	7.70%
2023	132.74	7.40%
2024	137.06	7.60%
2025 - 2029	522.53	29.30%

As at March 31, 2018	₹ in Lakhs	%
2019	177.91	12.90%
2020	107.63	7.80%
2021	119.41	8.60%
2022	98.54	7.10%
2023	104.39	7.50%
2024 - 2028	415.56	30.00%

39. Income Tax expense

39.1 Income tax expense in the statement of profit and loss comprises of: (₹ in Lakhs)

Particulars	2018-19	2017-18
Current income tax	7,140.60	4,736.35
Adjustments in respect of current tax of earlier years	-	-
Total current income tax	7,140.60	4,736.35
Deferred tax		
Relating to origination and reversal of temporary difference	3.89	(5,175.51)
Total Deferred tax	3.89	(5,175.51)
Income tax expense	7,144.49	(439.16)

39.2 The company was required to make provisions of Income tax as per the rate applicable . A reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate is summarized below: (₹ in Lakhs)

Particulars	2018-19	2017-18
Accounting profit before tax	25,829.50	21,626.72
Statutory Income Tax rate	34.608%	21.342%
Expected Income Tax Expenses	8,939.07	4,615.49
Deferred tax Adjustment	3.89	(5,175.51)
Effect of non deductible items	3,547.31	120.86
Effect of deductible items	(5,345.78)	-
Income tax expenses considered in accounts	7,144.49	(439.16)
Consequent to reconciliation items shown above, the effective tax rate	27.66%	-2.03%

Notes forming Part of the financial statements

39.3 There is changes in the applicable tax rates compared to previous accounting period.

39.4 Details of each type of recognized temporary differences, unused tax losses and unused tax credits (₹ in Lakhs)

Particulars	Recognized DTA / DTL in balance sheet		Deferred tax (Income) / Expense recognized in P&L	
	2018-19	2017-18	2018-19	2017-18
Deferred tax liability				
Property, Plant and Equipment	1,945.61	1,825.10	120.51	(523.28)
Derivative deals - Option and Currency Swap	(132.91)	24.50	(157.41)	(42.56)
Non convertible Debenture	-	-	-	-
Interest Accrued But Not Due	-	-	-	-
Unamortized processing fees	-	-	-	-
Total Deferred tax liability	1,812.70	1,849.60	(36.90)	(565.84)
Deferred tax asset				
Investment in SIPL - Sub Debt	1,362.59	1,483.11	120.52	120.39
Provision for Gratuity	57.44	(22.29)	(79.73)	6.29
Derivative Deal - Interest Swap	-	-	-	-
ECB Loan	-	-	-	-
Total Deferred tax asset	1,420.03	1,460.82	40.79	126.68
Net Deferred Tax Liability / (Assets) before MAT Credit	392.67	388.78	3.89	(439.16)
MAT Credit Entitlement	10,330.80	10,330.80	(0.00)	(4,736.35)
Net Deferred Tax Liability / (Assets) Recognized	(9,938.13)	(9,942.02)	-	-
Deferred Tax Expenses / (Income) Recognized	-	-	3.89	(5,175.51)

40. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Nominal Value of Equity Share (₹ per share)	1.00	1.00
For Basic EPS		
Number of Equity Shares at the beginning of the year	17,15,70,800	17,15,70,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	0	0
Number of Equity Shares at year end	17,15,70,800	17,15,70,800
Weighted Average number of Equity Shares	17,15,70,800	17,15,70,800
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,70,800	17,15,70,800
Weighted Average number of Dilutive Equity Shares	17,15,70,800	17,15,70,800

The weighted shares have been determined with reference to the respective dates of allotment of shares issued under ESOP. The effects of ESOP have been considered for current year as well as previous year.

Basic EPS		
Net Profit after Tax	18685.01	22065.88
Weighted Average number of Equity Shares	17,15,70,800	17,15,70,800
Basic EPS (₹)	10.89	12.86
Diluted EPS		
Net Profit after Tax	18,685.01	22,065.88
Weighted Average number of Diluted Equity Shares	17,15,70,800	17,15,70,800
Diluted EPS (₹)	10.89	12.86

Notes forming Part of the financial statements

41. Revenue from contract with customers

41.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Type of service rendered		
Revenue from construction services	354923.16	350505.99
	354923.16	350505.99
Place of service rendered		
India	354923.16	350505.99
Total revenue from contracts with customers	354923.16	350505.99
Timing of revenue recognition		
Services transferred over time	354923.16	350505.99
Total revenue from contracts with customers	354923.16	350505.99

41.2 Contract balances

Contract assets	20864.02	13365.02
Contract liabilities	25366.84	10517.24

Contract assets are recognised for revenue earned and other services render to customer as per the agreement. Upon completion of work, the contract assets are classified as trade receivable.

41.3 Performance obligation

Information about the company's performance obligations are summarised below:

a. Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

41.4 Reconciliation of the amount of revenue recorded in Standalone statement of Profit and loss is not required as there are no adjustments to the contracted price.

42 Contingent Liabilities and commitments

A Contingent Liabilities

(a) Claims against the company not acknowledge as debt:

- (i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakhs (March 31, 2018: ₹ 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed ₹ 46.42 Lakhs (March 31, 2018: ₹ 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid ₹ 21.20 Lakhs (March 31, 2018: ₹ 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
- (ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakhs (March 31, 2018: ₹ 199.13 Lakhs) and impose penalty of ₹ 345.92 Lakhs (March 31, 2018: 345.92 Lakhs) . Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (iii) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (March 31, 2018: ₹ 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.
- (iv) The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the "CIT(A) Order") totaling to ₹ 611.03 lakhs. Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is ₹ 212.68 Lakhs . The matter is currently pending.

Notes forming Part of the financial statements

- (v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2008-09. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2008-09 imposing total penalty (the "Penalty Order") of ₹ 37.22 Lakhs. Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Circle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.
- (vi) The JCIT, Range 8, Ahmedabad served assessment orders to SEL in relation to the assessment years 2008-09 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act aggregating to ₹ 906.99 lakh. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions. Subsequently, the Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 308.29 Lakhs. The matter is currently pending.
- (vii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 1277.00 Lakhs (March 31, 2018: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 5746.80 Lakhs (March 31, 2018: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1953.30 Lakhs (March 31, 2018: 1953.30 lakhs). The matter is currently pending.
- (viii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of ₹ 378.99 Lakhs (March 31, 2018: 378.99). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. The aggregate amount of tax involved is ₹ 244.64 Lakhs (March 31, 2018: 244.64 lakhs). The matter is currently pending.
- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 450.73 Lakhs (March 31, 2018: ₹ 450.73 Lakhs) and disallow SEL's claim for deduction for a sum of ₹ 379.47 Lakhs (March 31, 2018: ₹ 379.47 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with Gol and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle-1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 269.36 Lakhs (March 31, 2018: ₹ 269.36 Lakhs). The matter is currently pending.
- (x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 377.87 Lakhs (March 31, 2018: ₹ 377.87 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 7716.78 Lakhs (March 31, 2018: ₹ 7716.78 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2013-14. SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 836.74 Lakhs (March 31, 2018: ₹ 836.74 Lakhs). The matter is currently pending.
- (xi) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 448.85 Lakhs (March 31, 2018: ₹ 448.85 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 2993.28 Lakhs (March 31, 2018: ₹ 2993.28 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2014-15. SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1048.50 Lakhs (March 31, 2018: ₹ 1048.50 Lakhs). The matter is currently pending.
- (xii) There was a search u/s 132 of income tax on the company on 06.04.2017. The company has received notice u/s 153A to file the income tax return for the FY 2011-12 to 2016-17. The company has filled the return in response to notice u/s 153A. The proceedings are pending.
The company has received notice u/s 148 for the FY 2010-11. The company has challenged the validity of notice in High court of Gujarat which was admitted. The case is pending
- (xiii) 1. The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakhs (March 31, 2018: ₹ 702.00 Lakhs) inclusive of interest ₹ 330.18 Lakhs (March 31, 2018: ₹ 330.18 Lakhs) and Penalty of ₹ 74.36 Lakhs (March 31, 2018: ₹ 74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 15 Lakhs (March 31, 2018: ₹ 15.00 Lakhs). As the company has paid ₹ 15.00 Lakhs, no provision has been made.
- (xv) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of ₹ 77.40 lakhs (March 31, 2018: ₹ 77.40 Lakhs) and also has passed order for FY 2011-12 with demand of ₹ 152.83 lakhs (March 31, 2018: ₹ 152.83 Lakhs). The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts.

Notes forming Part of the financial statements

- (xvi) The Joint commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of ₹ 201.00 lakhs (March 31, 2018: ₹ 13991.08 lakhs) which includes Interest of ₹ 137.276 Lakhs (March 31, 2018: ₹ 4593.08 Lakhs) and Penalty of ₹ Nil (March 31, 2018: ₹ 4699.00 Lakhs). The company has filed Appeal against this order and also asked for stay on this demand.
- (xvii) (i) A case before Workmen Compensation Commissioner, Udaipur was filed for compensation of ₹ 11.69 Lakhs (March 31, 2018: ₹ 11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.
- (ii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of ₹ 3.63 Lakhs (March 31, 2018: 3.63) . the company is going to filled appeal before the High court of Gujarat. The matter is currently pending.
- (iii) An employee has filed case before Labour court at Balaghat for compensation of ₹ 13.20 Lakhs (March 31, 2018: ₹ 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.
- (xviii) SEL has moved to Nagpur High Court for release of penalty amount ₹ 113.45 Lakhs against the services provided at Junad Mines of WCL. The judge handling the case has retired and new appointed judge currently handling the case, stated that new hearing date will be issued after re-opening of Court. New hearing date awaited.
- (xix) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. Reply against the legal notices have already been sent. SEL is waiting for next hearing date from Ranchi Court.
- (xx) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding ₹ 187.89 Lakhs with respect to the customs duty on importing Electronic Sensor paver Finisher , which was valued at ₹ 726.77 Lakhs by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12/2012, pertaining to exemption from payment of custom duty. The Additional Director General DRI, Zonal unit, Lucknow through its show cause notice. Subsequently, SEL preferred an appeal before the Commissioner of Customs Customs Comminns inerate-II, Customs House, No.60, Rajaji Salai, Chennai-600001. SEL submitted its detailed reply on 23/03/2018 to justify nil custom duty against Import of Paver. There after not got any further date in the matter.
- (b) Other Money for which the company is contingently liable:
- (i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of legal opinion and decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of Total income tax of ₹ 20320.70 Lakhs (March 31, 2018: ₹ 20320.70 Lakhs) on claim of deduction/s 80IA for the AY 2015-16 to AY 2018-19 has been consider as contingent liability for which assessment is not completed.
- (ii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 8160.00 Lakhs (March 31, 2018: ₹ 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakhs (March 31, 2018: ₹ 8160.00 Lakhs). The matter is currently pending.
- (c) Guarantees:
- Company has given corporate guarantee to banks for 91692.00 Lakhs (March 31, 2018: ₹ 82265.00 Lakhs) against the finance facility given by the banks to subsidiary companies.

Notes forming Part of the financial statements

B Capital & other Commitments

The followings are the estimated amount of contractual commitments of the company: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	0.00	0.00
(ii) Other Commitment	2790.49	3418.57

43. Dividend

(₹ in Lakhs)

Particulars	₹ Per Share	As at March 31, 2019	As at March 31, 2018
Dividend Proposed and not recognized at the end of reporting period	1.00	1715.71	1715.71
Dividend (Including tax on Dividend) paid during the reporting period	0.75		1548.73
	1.00	1966.37	

44. Financial Instruments

44.1 Disclosure of Financial Instruments by Category

As at March 31, 2019

(₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	6	-	55.54	-	55.54	55.54
Investments in Bonds and Debentures	6	-	-	527.57	527.57	527.57
Investments in Subdebt	6	-	-	1,992.61	1,992.61	1,992.61
Investments in NSC	6	-	-	14.78	14.78	14.78
Trade Receivables	7 & 13	-	-	1,64,158.83	1,64,158.83	1,64,158.83
Long term Loans and Advances	8	-	-	3,896.28	3,896.28	3,896.28
Receivables under derivative contract	9	-	-	-	-	-
Other Long term Financial Assets	9	-	-	730.22	730.22	730.22
Cash and Cash Equivalents	14	-	-	3,457.61	3,457.61	3,457.61
Bank Balances other than Cash and Cash equivalents	15	-	-	2,578.96	2,578.96	2,578.96
Loan to Related Parties - Current	16	-	-	68,575.97	68,575.97	68,575.97
Other current financial assets	17	-	-	36,278.18	36,278.18	36,278.18
Total Financial Asset		-	55.54	2,82,211.01	2,82,266.55	2,82,266.55
Financial liability						
Long Term Borrowings	22	-	-	63,951.38	63,951.38	63,951.38
Other Long term Financial Liabilities	23	-	-	552.93	552.93	552.93
Short Term Borrowings	25	-	-	73,058.14	73,058.14	73,058.14
Trade Payables	26	-	-	43,526.39	43,526.39	43,526.39
Other Current Financial Liabilities	27	-	-	24,644.91	24,644.91	24,644.91
Total Financial Liabilities		-	-	2,05,733.75	2,05,733.75	2,05,733.75

Notes forming Part of the financial statements

As at March 31, 2018

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	6	-	55.60	-	55.60	55.60
Investments in Bonds and Debentures	6	-	-	527.57	527.57	527.57
Investments in NSC	6	-	-	14.78	14.78	14.78
Trade Receivables	7 & 13	-	-	1,62,804.86	1,62,804.86	1,62,804.86
Long term Loans and Advances	8	-	-	3,510.16	3,510.16	3,510.16
Receivables under derivative contract	9	70.80	-	-	70.80	70.80
Other Long term Financial Assets	9	-	-	484.40	484.40	484.40
Cash and Cash Equivalents	14	-	-	674.43	674.43	674.43
Bank Balances other than Cash and Cash equivalents	15	-	-	593.51	593.51	593.51 (₹ in Lakhs)
Loan to Related Parties - Current	16	-	-	65,309.49	65,309.49	65,309.49
Other current financial assets	17	-	-	40,157.26	40,157.26	40,157.26
Total Financial Asset		70.80	55.60	2,74,076.46	2,74,202.86	2,74,202.86
Financial liability						
Long Term Borrowings	22	-	-	28,627.97	28,627.97	28,627.97
Other Long term Financial Liabilities	23	-	-	831.00	831.00	831.00
Short Term Borrowings	25	-	-	1,04,632.46	1,04,632.46	1,04,632.46
Trade Payables	26	-	-	59,900.81	59,900.81	59,900.81
Other Current Financial Liabilities	27	-	-	16,673.06	16,673.06	16,673.06
Total Financial Liabilities		-	-	2,10,665.30	2,10,665.30	2,10,665.30

44.2 The Fair value of Investments in Bonds and Debentures, NSCs, Long term Loans and advances, Bank Deposits with more than 12months maturities and earmarked balances approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The Fair value of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their carrying amount because they are of short term nature.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) 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 Borrowed Funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

Notes forming Part of the financial statements

44.3 Refer Note 48 for information on financial asset pledged as security

45. Fair Value Measurement of Financial Assets and Liabilities

45.1 Fair value hierarchy

(₹ in Lakhs)

As at March 31, 2019	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	9	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial asset measured at FVTOCI					
Investments in Equity Instruments of other Entities	6	-	55.54	-	55.54
Total of Financial Assets		-	55.54	-	55.54
As at March 31, 2018					
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	9	-	70.80	-	70.80
Total of Financial Assets		-	70.80	-	70.80
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	6	-	55.60	-	55.60
Total of Financial Assets		-	55.60	-	55.60

45.2 There are no transfer between level 1 and level 2 during the year.

45.3 The company policy is to recognize transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

45.4 Valuation technique and inputs used to determine fair value in level 2

The Company enters 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 models incorporate various inputs include currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value using marked-to-market valuation as at March 31, 2019.

The cost of investments in equity instruments approximates fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

46. Financial Risk Management

46.1 Financial Instruments 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. The Company's principal financial assets include Investments, trade & other receivables and cash and bank balance that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Board of Directors has 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.

Notes forming Part of the financial statements

46.2 Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate 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, 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 100-basis points of the interest rate yield curves in all currencies. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.
- 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 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, 2019 and March 31, 2018.

46.3 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 Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Company 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 company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

The Company's exposure to Foreign Currency Risk is as follows:

(₹ in Lakhs)

Particulars	Currency	March 31, 2019	March 31, 2018
ECB Loans	USD	33.33	57.19
	Equivalent INR	2,305.71	3,720.16
Buyer's Credit	EURO	47.40	48.01
	Equivalent INR	3,683.09	3,870.67
GCTL Loans	EURO	10.75	-
	Equivalent INR	835.30	-

Sensitivity Analysis

Exchange difference arising from translation of ECB Loans, being long-term foreign currency monetary items, which are capitalized and depreciated over the remaining useful life of the asset and therefore, impact on Profit / Loss for the year ending March 31, 2019 and March 31, 2018 is considered as Nil.

46.4 Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company 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 Company 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.

Notes forming Part of the financial statements

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows: (₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings in INR		
ECB Loans	2,305.71	3,720.16
Short Term loan from banks	72,916.43	1,04,474.32
	75,222.14	1,08,194.48

Sensitivity analysis (₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss before tax	
	March 31, 2019	March 31, 2018
Interest rate increase by 100 basis point	(752.22)	(1,081.94)
Interest rate decrease by 100 basis point	752.22	1,081.94

The effect of interest rate changes on future cash flows is excluded from this analysis.

46.5 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 optimized cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

As at March 31, 2019	Contractual Maturity	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	40,320.23	6,320.23	-	34,000.00	-
Foreign Currency Term Loan	3140.39	768.57	768.57	1,603.25	-
Long Term Rupee Loan from Banks & Fin. Inst.	42,212.59	14,633.03	14,525.18	13,054.38	-
Other Long term Payables	552.93	-	552.93	-	-
Short Term Borrowings	73,058.14	73,058.14	-	-	-
Trade Payables	43,526.39	43,526.39	-	-	-
Other Short Term Payables	2,923.08	2,923.08	-	-	-

As at March 31, 2018	Total	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	10,078.98	4,147.49	5,931.49	-	-
Foreign Currency Term Loan	3,720.16	1,552.02	722.71	1,445.42	-
Long Term Rupee Loan from Banks & Fin. Inst.	30,036.19	9,507.86	8,009.02	12,519.32	-
Other Long term Payables	831.00	-	831.00	-	-
Short Term Borrowings	1,04,632.46	1,04,632.46	-	-	-
Trade Payables	59,900.81	59,900.81	-	-	-
Other Short Term Payables	1,465.70	1,465.70	-	-	-

Notes forming Part of the financial statements

46.6 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade and other receivables, Loans and advances, cash and cash equivalent and other balances with banks.

Credit risk on cash and cash equivalents is limited as company deposits with the banks.

The company generally gives loans and advances to its subsidiaries and employees. Hence, the management believes that the company is not exposed to any credit risk in respect of such loans and advances.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as on March 31, 2019 - ₹ 164158.83 Lakhs, as on March 31, 2018 - ₹ 162804.86 Lakhs.

47. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows generated.

Summary of Quantitative Data is given hereunder:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Equity	1,715.71	1,715.71
Other Equity	2,01,651.21	1,84,963.09
Total	2,03,366.92	1,86,678.80

The company does not have any externally imposed capital requirement.

48. Asset pledged as security

Carrying Value of Assets pledged as security

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Non Financial Asset		
Tangible asset-Property, Plants & Equipments	36,053.06	34,166.77
Financial Asset		
Trade Receivables	1,64,158.33	1,62,804.86
Inventory	17,917.21	16,425.32

49. Detail of Investments in Subsidiaries, Associates and Joint Ventures

(₹ in Lakhs)

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2019	As at March 31, 2018
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	69.05%	68.56%
Mysore-Bellary Highway Pvt. Ltd.	Subsidiary	Ahmedabad	74.00%	74.00%
Sadbhav Gadag Highway Pvt. Ltd.	Subsidiary	Ahmedabad	100.00%	0.00%
Ahmedabad Ring Road Infrastructure Ltd.	Step down Subsidiary	Ahmedabad	-	-
Aurangabad Jalna Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Bhilwara Rajsamand Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-

Notes forming Part of the financial statements

Bijapur Hungud Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Dhule Palesner Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Hayderabad-Yadgiri Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Maharashtra Border Check Post Pvt. Ltd.	Step down Subsidiary	Ahmedabad	2.63%	2.63%
Nagpur Seoni Expressway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Hissar Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Panipat Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bangalore Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bhavnagar Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Jodhpur ring road Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Nainital Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Rudrapur Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Tumkur highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Udaipur highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Una Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vidarbha Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Shreenathji Udaipur Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vizag Port Road Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Kim Expressway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bhimasar Bhuj Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Hybrid Annuity Project Ltd.	Step down Subsidiary	Ahmedabad	-	-
SEL-GKC JV	Joint Venture	Ahmedabad		
Radhanpur - Manpura Project	-		52.00%	52.00%
Vishakhapatnam Project	-		50.00%	50.00%
Omkareshwar Project	-		60.00%	60.00%
Karimnagar Project	-		52.00%	52.00%
Omkareshwar Project	-		40.00%	40.00%
Managuru Project	-		51.00%	51.00%
BSHP-II Project	-		50.00%	50.00%
Govindpur Project	-		50.00%	50.00%
SEL-Annapurna				
Basantimata Project	-		80.00%	80.00%
SEL-Vishnushiva				
Maheshpur Project	-		75.00%	75.00%
Jalipa / Kapurdi Project	-		98.00%	98.00%

Notes forming Part of the financial statements

SEL-Vaishnovi JV - Halon Project	Joint Venture	Ahmedabad	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV	Joint Venture	Ahmedabad		
DMRC-CC43 Project	-		40.00%	40.00%
DMRC-CC47 Project	-		40.00%	40.00%
SEL-PIPL JV	Joint Venture	Ahmedabad	51.00%	51.00%

- 49.1 Sadbhav Infrastructure Project Ltd.. is the holding company of all the step down subsidiary companies.
49.2 Invesements in Subsidiaries, Associates and Joint Ventures are accounted at Cost

50. Segment Reporting

The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure sector comprising of Roads, Bridges, Irrigation, Mining, Metro, Power etc. Information reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Ind AS 108 "Operating Segments" there is a single reportable segment " EPC." Hence no segment reporting is made.

51. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited, Mysore-Bellary Highway (P) Ltd. & Sadbhav Gadag Highway Pvt. Ltd.

Step-down Subsidiaries:

Nagpur-Seoni Express Way Limited, Ahmedabad Ring Road Infrastructure Limited, Aurnagabad-Jalna Tollway Limited, Rohtak Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd., Hyderabad Yadgiri Tollway Pvt. Ltd., Maharashtra Border Check Post Network Ltd., Shreenathji Udaipur Tollway Pvt. Ltd., Bhilwara Rajsamand Tollway Pvt. Ltd., Dhule Palesner Tollway Ltd. and Rohtak-Hissar Tollway Pvt. Ltd., Sadbhav Nainital Highway Pvt. Ltd., Sadbhav Rudrapur Highway Pvt. Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Una Highway Pvt. Ltd., Sadbhav Bangalore Highway Pvt. Ltd., Sadbhav Vidarbha highway Pvt. Ltd., Sadbhav Udaipur Highway Pvt. Ltd., Sadbhav Jodhpur Ring Road Pvt. Ltd., Sadbhav Tumkur Highway Pvt. Ltd., Sadbhav Bhimsar Bhuj Highway Pvt. Ltd., Sadbhav Vizag Port Highway Pvt. Ltd., Sadbhav Kim Express way Pvt. Ltd., Sadbhav Hybrid Annuity Project Ltd.

Joint Ventures:

SEL-GKC JV, Sadbhav-Annapurna, Sadbhav-Vishnushiva, Sadbhav Engineering Ltd Vaishnovi Construction, Corsan Corviam Construction SA - Sadbhav and SEL-PIPL, PBA-SADBHAV

(b) Related Party with whom transaction during the year

Key Management Personnel (KMP):

Shri Shashinbhai V. Patel, Shri Nitin R. Patel, Shri Vikram R. Patel, Shri Vasistha C. Patel, Shri Vipul H Patel, Shri Tushar D. Shah, Shri Atul Ruparel, Shri Arun S Patel, Shri Mirat N Bhadlawala, Shri Sandip Patel, Smt. Purvi S Parikh

Relatives of KMP:

Smt. Shantaben V. Patel

Entities in which KMP / relatives of KMP can exercise significant influence

Sarjan Infracon Pvt. Ltd., Veer Infracon Pvt Ltd, Veer Procon Ltd.,Sadbhav Finstock Pvt.Ltd.,Sadbhav Realty Pvt Ltd, Sadbhav Quarry Works Pvt.Ltd.,Bhavna Engineering Company Pvt Ltd.

(₹ in Lakhs)

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties						
Sub contracting Income	2018-19	2,07,691.69	8,233.66			2,15,925.35
	2017-18	(1,16,613.02)	(22,337.80)			(1,38,950.82)
Providing of services	2018-19	240.75	0.60			241.35
	2017-18	(173.25)	(0.60)			(173.85)

Notes forming Part of the financial statements

Sub contracting	2018-19	3,459.52	-	-	1,762.46	5,221.98
Expenditure	2017-18	-			(4,454.17)	(4,454.17)
Remuneration	2018-19			673.39		673.39
Expenses	2017-18			(371.49)		(371.49)
Director	2018-19			2.70		2.70
Sitting Fees	2017-18			(2.40)		(2.40)
Interest	2018-19				15.32	15.32
Expenses	2017-18			-	(16.28)	(16.28)
Trade Receivable	2018-19					
- written off	2017-18	-	-			-
Interest Income	2018-19	6,850.49				6,850.49
	2017-18	(6,311.68)				(6,311.68)
Fixed Assets	2018-19	3.97				3.97
Purchases	2017-18	(26.45)		-	-	(26.45)
Fixed Assets	2018-19	-				-
sold	2017-18	-			-	-
Expenses in-	2018-19	756.21				756.21
curring on behalf	2017-18	(22.52)	(0.60)			(23.12)
and recovered						
Sale of construc-	2018-19	-				-
tion materials	2017-18	(821.30)				(821.30)
Interest Free	2018-19	47,170.26				47,170.26
Loan converted	2017-18	(31,847.76)				(31,847.76)
into Investment						
Unsecured Loan	2018-19	46,540.51				46,540.51
received back	2017-18	(22,802.75)				(22,802.75)
Unsecured Loan	2018-19					
Received	2017-18			-	-	-
Unsecured Loan	2018-19				30.23	30.23
Repaid	2017-18			(184.42)	(19.27)	(203.69)
Mobilization/	2018-19	20,875.81	-			20,875.81
Material/						
Machinery						
Advance	2017-18	(6,030.00)	(224.97)			(6,254.97)
Received						
Mobilization/	2018-19	22,198.39	16.82			22,215.22
Material/						
Machinery						
Advance Given	2017-18				-	-
Security	2018-19	11,879.96	407.72			12,287.68
Deposit/						
Retention						
Deducted by	2017-18	(4,003.35)	(3,752.41)			(7,755.76)
Clients						
Security	2018-19	111.25			37.13	148.38
Deposit/						
Retention						
Deducted from	2017-18				(323.65)	(323.65)
Sub-contractors						
Dividend	2018-19	1,215.94			-	1,215.94
Received	2017-18	(484.45)			-	(484.45)
Dividend Paid	2018-19			141.53	655.82	797.35
	2017-18			(101.08)	(500.68)	(601.76)

Notes forming Part of the financial statements

Outstanding Balance at year end						
Trade Receivable	March 31, 2019	50,549.98	1,772.49			52,322.47
	March 31, 2018	(25,644.65)	(1080.44)			(26,725.09)
Trade Payable	March 31, 2019	2,610.64		37.50	190.98	2,839.12
	March 31, 2018	-		(21.19)	(425.99)	(447.18)
Unsecured Loan given	March 31, 2019	73,901.95				73,901.95
	March 31, 2018	(67,862.84)				(67,862.84)
Mobilization/ Material/ Machinery Advance Received	March 31, 2019	4,681.30	(62.62)			4,618.68
	March 31, 2018	(4,905.05)	(46.75)			(4,951.80)
Mobilization/ Material/ Machinery Advance Given	March 31, 2019					
	March 31, 2018				-	-
Security Deposit/ Retention Deducted by Clients	March 31, 2019	6,571.80	9,662.35			16,234.15
	March 31, 2018	(3,471.51)	(14,214.77)			(17,686.28)
Security Deposit/ Retention Deducted from Sub-contractors	March 31, 2019	111.25			228.34	339.59
	March 31, 2018				(496.80)	(496.80)
Unsecured Loan received	March 31, 2019					
	March 31, 2018			-	(158.14)	(158.14)
Advance Received against Sale of Shares	March 31, 2019	0.02				0.02
	March 31, 2018	(0.02)				(0.02)

NOTE:

- Sub-contracting income from subsidiaries includes ₹ 50992.47 lakhs(₹ 22039.49 lakhs), ₹ 37229.62 lakhs (₹ 5010.02 lakhs), ₹ 32010.69 lakh (₹17807.04 lakhs), ₹ 21201.25 lakhs (₹ 24339.41 lakhs), ₹ 20976.12 lakhs (₹ 24804.34 lakhs) from Sadbhav Bangalore Highway Pvt. Ltd., Sadbhav Vidarbh Highway Pvt. Ltd., Sadbhav Udaipur Highway Pvt. Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd. and Sadbhav Rudrapur Highway Pvt. Ltd., respectively.
- Sub contracting expenditure of Relatives of Key Personnel and Enterprises over which Relatives of Key Managerial Persons have significant influence includes ₹ 655.34 Lakhs (₹ 767.14 lakhs), ₹ 629.05 lakhs (₹ 668.03 lakhs), ₹ 177.08 lakhs (₹ 578.72 lakhs), ₹ 300.99 lakhs (₹ 2440.26 lakhs) payable to Sarjan Infracon Pvt. Ltd., Veer Infracon Pvt. Ltd., Veer Procon Pvt. Ltd. and Bhavna Engineering Co. Pvt. Ltd. respectively.
Sub contracting expenditure from subsidiaries includes ₹ 3459.52 Lakhs (₹ NIL) Sadbhav Infrastructure Project Ltd. respectively.
- Remuneration expenses includes ₹ 84.00 lakhs (₹ 84.00 lakhs) paid to Nitin R. Patel, Executive Director & CFO of the company and ₹ 19.39 lakhs (₹ 17.49 lakhs) paid to Tushar D. Shah Company Secretary of the company. Interest Income from subsidiaries includes ₹ 6026.47 lakhs (₹ 5375.14 Lakhs) receivable from SIPL
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Terms and conditions of the balance outstanding
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 agreement. Short term loans (unsecured) in INR given to Sadbhav Infrastructure Projects Ltd (SIPL) carries interest rate @11% p.a. (March 31, 2018 : 11%) The company has not provided any commitment to the related party As at March 31, 2019 except mentioned at Note No. 43. Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement. There is no guarantee given or received except mentioned at Note No 58

Notes forming Part of the financial statements

52. AS per Ind AS - 17 - "Leases", the disclosure of Operating Leases as defined in the accounting standard are as follows:

(a) The total of future minimum lease payments under non-cancellable operating leases are for each of the following periods: (₹ in Lakhs)

Particulars	2018-19	2017-18
Not later than one year	2,183.85	1,110.93
Later than one year and not later than five years	3,837.43	2,820.20
Later than five years	-	-

(b) The Company has recognised lease payment of ₹ 1749.91 Lakhs (March 31, 2018: ₹ 657.68 Lakhs) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general discrimination of significant leasing arrangements:

At the conclusion of the Term, Lessee has right to exercise one or more of the following options.

- Request Lessor to agree to a renewal of Term or
- Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.
- Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

53. There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets"

54. Dividend in Foreign Currency

Details of amount remitted during the year in foreign currency on account of dividends (₹ in Lakhs)

Category of Shareholders	Number of Shares	Number of Shareholders	Amount Remitted during the year	Year to which dividend relates
Foreign Institutional Investor	282,11,988	111	282.12	2018-19
	2,88,15,273	97	216.11	2017-18
Non Resident Indians	1,47,290	387	1.47	2018-19
	1,30,908	252	0.98	2017-18
Total	283,59,278	498	283.59	2018-19
	2,89,46,181	349	217.09	2017-18

55. Borrowing Cost:

During the Year, Company has capitalized borrowing cost of ₹ 27.94 Lakhs (March 31, 2018 : ₹ 18.77 lakhs) according to Ind AS-23 "Borrowing Cost" The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interest rate applicable to the company's borrowing which 10% p.a.

56. Payment to Auditors:

(₹ in Lakhs)

Particulars	2018-19	2017-18
(i) For Audit	18.00	24.49
(ii) For Taxation matters		8.85
(iii) For Certification Works	2.00	3.54
(iv) Reimbursement of Expenses		0.00
Total	20.00	36.88

Notes forming Part of the financial statements

57. DETAILS OF LOAN GIVEN, INVESTMENT MADE & GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIES ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2019:-

(₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2019	As at March 31, 2018
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	1492.00	2265.00
2	Sadbhav Infrastructure Project Ltd.	90200.00	80000.00
	Total	91692.00	82265.00

58. No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries

59. In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

60. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No. 102511W / W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date: 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN: 00048328

Vasistha C. Patel

Executive Director

DIN: 00048324

Nitin R. Patel

Executive Director & CFO

DIN: 00466330

Tushar D. Shah

Company Secretary

Consolidated Financial Statements

Independent Auditor's Report on the Consolidated Financial Statements

To, The Members of Sadbhav Engineering Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its step-down subsidiaries (the Holding Company, its subsidiaries and its step-down subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2019, 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 notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 and step-down subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, 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.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 61 of the consolidated Ind AS financial statement in respect of accounting of Intangible Asset / Intangible Assets under Development of INR 2,2288.40lakhs (31 March 2018: INR 2,2123.00lakhs) under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a step-down 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 adjustments are considered necessary in these consolidated Ind AS financial statement. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>A. Recognition of revenue from construction services (refer note no 3.5 of the consolidated Ind AS financial statements). Revenue of the company is mainly from Construction Contracts. Revenue from these contracts are recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers.</p> <p>Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined by survey of work performed, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/onerous obligations.</p> <p>Revenue recognition involves aforesaid significant judgment and estimation. We therefore determined this to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read the accounting policy for revenue recognition of the Company. • Obtained an understanding of the Company's processes and controls for revenue recognition process, evaluated the key controls around such process and tested those controls for the operating effectiveness. • Performed tests of details, on a sample basis, and inspected the underlying customer contracts and relevant supporting documents. Also on sample basis, inspected the relevant underlying documents i.e. Request for inspection (RFI) and Daily progress Report (DPR). • Sample of revenue disaggregated by type and service offerings was tested with the performance obligation specified in the underlying contracts. We assessed the management's evaluation for the status of completion for projects. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Performed analytical audit procedures for reasonableness of revenues disclosed by type and service offering. <p>Assessed the relevant disclosures made by the company in accordance with Ind AS 115.</p> <p><u>Conclusion</u></p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.</p>
<p>B. Inventory valuation</p> <p>Reference may be made to note 3.10 of significant accounting policies to the consolidated financial statements of the Company.</p> <p>Under Ind AS 2 Inventories, the valuation of raw material and other supplies have been an area of our focus being prime cost center of the Company. The valuation of finished goods has also been focused upon being of a material amount.</p> <p>Valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p>	<p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> 1. We have verified the maintenance of Stock Records with respect to Construction materials and stores and spare material and Inventory has being verified physically by management at year end and no material discrepancies have reported that need to be dealt with the books of accounts. <p>We have selected a sample of items of construction materials and other supplies to check whether the rate per unit adopted for valuation is reflective of the last purchase rate (Realizable price).</p> <p><u>Conclusion:</u></p> <p>Based on the procedures performed above, we have concluded that management has complied with the requirements of Ind AS 2 "Inventories".</p>
<p>Impairment of BOT assets (Intangible)(as described in note 3.8 of the consolidated financial statements)</p>	
<p>The Group operates toll assets which is constructed on Build Operate and Transfer (BOT) basis. The carrying value of the toll collection / user fee rights as at March 31, 2019 is INR 90,0950.26lakhs.</p> <p>The management has performed an impairment assessment by comparing the carrying value of BOT assets with their recoverable amount.</p> <p>For the purpose of impairment testing, /recoverable amount has been determined based on discounted future cash flows. Further, the recoverable amount is highly sensitive to changes in critical variable used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. The determination of the recoverable amount of the BOT assets involves significant judgement and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's valuation methodology applied in determining the recoverable amount of its BOT assets. • Obtained and assessed the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll and future operating and finance costs based on the financial models which is used during financial closure documents / refinancing documents. • Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount. • Discussed/ evaluated potential changes in key drivers as compared to previous year / actual performance in order to evaluate whether the inputs and assumption used in the cash flow forecasts were appropriate. • Obtained and assessed financial statement of subsidiaries and step down subsidiaries to evaluate its performance. • Performed sensitivity analysis of key assumption. • Tested the arithmetical accuracy of the model. • Assessed the disclosures made by the Group in relation to this matter.

Revenue from Toll Operation and Construction services under Service Concession Arrangement (refer note no 3.4of the financial statements)	
<p>The Group has 10 operational BOT assets as well as 2operational annuity asset and 13 under construction of hybrid annuity assets of road infrastructure under the concession agreement with National Highway Authority of India (NHAI)or state/local authorities, which falls within the scope of appendix C of Ind AS 115, Service Concession Arrangements.</p> <p>In case of operational BOT assets (intangible), the company operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of customized equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection.</p> <p>In case of annuity and hybrid annuity assets (financial assets), the group provides construction and operational services against fixed annuity receivable from NHAI under the concession agreement. Revenue recognition is involved significant judgement and estimates relating to identification of distinct performance obligations, determination of fair value of services and finance income on financial assets using effective interest rate.</p> <p>Based on above, we regard this as the key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and controls placed for revenue recognition process, evaluated the key controls around such processand tested those controls for the operating effectiveness. • Below are our audit procedures in respect ofToll revenue: <ul style="list-style-type: none"> • Involved the experts in testing of Information Technology General Controls (ITGCs) and application controls. • Obtained and tested reconciliation of toll collected as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books. • On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded. • Tested the rationalisation done by management by multiplying the toll rate charged for each category of vehicle as per NHAI or state/local authorities' notification with the number of vehicles (as per transaction report) and its reconciliation with the revenue recorded in accounts. • Performed analytical procedures on transactions to detect unusual transactions/trends. • Performed revenue cut off procedures. • Below are our audit procedures in respect of revenue on annuity and hybrid annuity assets: <ul style="list-style-type: none"> • Obtained and assessed key terms of the concession agreement. • Obtained and assessed basis of identification performance obligation and determination of fair value of services. • Obtained and assessed the key assumptions around the financial model like forecasting of price escalation and corresponding costs which is used during financial closure documents. • Tested the arithmetical accuracy of the model as well determination of effective interest rate. • Assessed the relevant disclosures made by the company relating to the revenue
Provision toward periodical major maintenance obligations (as described in note 53 of the consolidated financial statements)	
<p>As at March 31, 2019, the Group has recognised provision of INR 42,628.10lakhs toward its periodical major maintenance obligation.</p> <p>As per the concession agreement, the Group is obligated to carry out resurfacing of the roads every 5 years.</p> <p>The estimate made by the Group over the concession period, involves detailed calculation and estimation of traffic forecast and cost of resurface. In view of the judgement involved in determination of provision and the amount involved, the provision for major maintenance obligation is considered to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Understood the Group's process associated with the estimation of periodical major maintenance obligation; • Understood the requirement under concession agreement; • Obtained and checked estimation working of major maintenance obligation prepared by the management; • Tested assumption such as traffic forecast and cost of resurface used in determining the provisions; • Also compared these assumptions with previous year and enquired into reasons for any variations; • Tested the arithmetical accuracy and also assessed the disclosure in the financial statement.

Receivable from authorities toward various claims (as described in note 21 of the consolidated financial statements)	
<p>As at March 31, 2019, the Group has recognised INR 1,6405.20lakhs of receivable from authorities toward various claims.</p> <p>The receivables comprises of receivables towards arbitration claim, receivable towards toll suspension / toll exemption claim and receivable toward claim toward execution of additional scope.</p> <p>The assessment of the recoverability of receivables requires significant management judgment and hence, this is considered as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Inquired status of receivable with the management and understood the management rational of recoverability of such receivable. • Obtained and assessed supporting documents / correspondences with authorities related to such receivable. • Assessed the disclosures made by the Group in relation to this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the 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. 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; 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries and 24s tep-down subsidiaries whose Ind AS financial statements include total assets of INR 1345810.80 lakhs as at March 31, 2019, and total revenues of INR 382491.60lakhs and net cash outflow of INR 1274.40 lakhs for the year ended on that date. These Ind AS 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 step-down 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 step-down 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.

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 and step-down 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, 2019 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 and step-down subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 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 with reference to these consolidated Ind AS financial statements of the Holding Company, its and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries step-down subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries step-down subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended, 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 and step-down 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 52 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, 2019; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its step-down subsidiaries incorporated in India during the year ended March 31, 2019.

For DHIRUBHAI SHAH & CO LLP
Chartered Accountants
Firm's Reg. No. 102511W/W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date: May 30, 2019

Annexure 1 to the Independent Auditor's Report on the consolidated Financial Statements

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

To,
The Members of Sadbhav Engineering Limited

In conjunction with our audit of the consolidated Ind AS financial statements of Sadbhav Engineering Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its step-down subsidiaries 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 Holding Company its subsidiaries and its step-down subsidiaries 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 company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A Holding company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2019, 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 with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these three subsidiary and twenty four step-down 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 DHIRUBHAI SHAH & CO LLP
Chartered Accountants
Firm's Reg. No. 102511W/W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date: May 30, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	5	50706.27	51234.68
(b) Capital Work-In-Progress	5	326.09	234.99
(c) Investment Property	7	219.20	219.10
(d) Goodwill	6	20437.40	20437.40
(e) Intangible Assets under Development	6	9295.70	28899.90
(f) Other Intangible Assets	6	901376.62	907352.78
(g) Financial Assets			
(i) Investments	8	597.89	598.15
(ii) Trade Receivables	9	8633.35	3587.28
(iii) Receivable Under Service Concession Arrangement	10	216722.50	18004.30
(iv) Other Financial Assets	11	30838.42	38053.60
(i) Deferred Tax Assets/(Net)	12	9938.93	9943.22
(j) Other Non Current Assets	13	5934.25	5286.20
Total Non-current Assets		1255026.62	1083851.60
(2) Current Assets			
(a) Inventories	14	17917.21	16425.32
(b) Financial Assets			
(i) Investments	15	9896.60	4245.70
(ii) Trade Receivables	16	109830.91	139252.58
(iii) Cash and cash Equivalents	17	13179.01	11664.93
(iv) Bank balance other than (ii) above	18	2578.96	804.61
(v) Loans	19	1707.00	1707.10
(vi) Receivable Under Service Concession Arrangement	20	41767.50	100892.60
(vii) Other Current Financial Assets	21	61715.54	64547.21
(c) Current Tax Assets	22	10221.19	9529.87
(d) Other Current Assets	23	85773.78	59789.73
Total Current Assets		354587.70	408859.65
Total Assets		1609614.32	1492711.25
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity & Share Capital	24	1715.71	1715.71
(b) Other Equity	25	81784.41	87415.72
Equity attributable to equity holders of the parent		83500.12	89131.43
Non Controlling Interest		13342.50	23045.15
Total Equity		96842.62	112176.58
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	968265.58	843567.57
(ii) Other Financial Liabilities	27	171487.83	156195.20
(b) Deferred Tax Liabilities (Net)	28	7501.70	6750.40
(c) Provisions	29	21696.30	17691.80
Total Non-current Liabilities		1168951.41	1024204.97
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	30	74058.07	108519.46
(ii) Trade Payables	31	59871.38	70567.96
(iii) Other Financial Liabilities	32	91387.91	75801.42
(b) Other Current Liabilities	33	93676.54	83751.11
(c) Provisions	34	22326.79	16154.15
(d) Liabilities for Current Tax (net)	35	2499.60	1535.60
Total Current Liabilities		343820.29	356329.70
Total Equity & Liabilities		1609614.32	1492711.25

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the consolidated financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP
Chartered Accountants
Firm Regn. No. 102511W/W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	2018-19	2017-18
I Revenue from Operations	36	524005.29	497473.75
II Other Income	37	26456.64	11864.04
III Total Revenue (I+II)		550461.93	509337.79
IV Expenses :			
Cost of Material Consumed	38	77140.58	109372.12
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	39	0.00	0.00
Construction, Toll Plaza & Road Maintenance Expenses	40	260318.72	203912.36
Employee Benefits Expense	41	22070.02	20367.74
Finance Cost	42	132862.93	131291.50
Depreciation and Amortization Expense		39207.61	35841.69
Other Expenses	43	16376.64	16156.26
Total Expenses		547976.50	516941.67
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		2485.43	(7603.88)
VI Exceptional Item		5422.14	0.00
VII Profit/(Loss) Before Tax (V+VI)		7907.57	(7603.88)
VIII Tax Expense			
(1) Current Tax		12616.80	8103.55
(2) Deferred Tax		538.69	(4309.71)
(3) Short/(Excess) Provision for taxation for earlier years		160.20	4.70
IX Profit/(Loss) for the period from continuing Operations (VII-VIII)		(5408.12)	(11402.42)
Profit/(Loss) for the year attributable to:			
Owners of the Company		2112.82	(308.76)
Non-controlling Interest		(7520.94)	(11093.66)
X Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (refer note 49)		(45.00)	84.98
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		(45.00)	84.98
Other Comprehensive Income for the year attributable to			
Owners of the company		(44.90)	71.62
Non-controlling Interest		(0.10)	13.36
Total Comprehensive Income for the period		(5453.12)	(11317.44)
Total Comprehensive Income for the year attributable to:			
Owners of the company		2067.92	(237.14)
Non-controlling Interest		(7521.04)	(11080.30)
XI Earning per Equity Share (in Rupees)			
(1) Basic		1.23	(0.18)
(2) Diluted		1.23	(0.18)

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the consolidated financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP
Chartered Accountants
Firm Regn. No. 102511W/W100298

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Consolidated Statement of Change in Equity for the Year Ended March 31, 2019

A Equity Share Capital

(₹ in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2019	1715.71	0	1715.71
As on March 31, 2018	1715.71	0	1715.71

B Other Equity

(₹ in Lakhs)

Particulars	Equity Component of Compound Financial Instruments (refer note 25)	Reserves and Surplus					Non Controlling Interest (refer note 25)	Total
		Capital Reserve (refer note 25)	Security Premium Reserve (refer note 25)	Debenture Redemption Reserve (refer note 25)	General Reserve (refer note 25)	Retained Earning (refer note 25)		
As at April 01, 2017		31,982.85	57,134.15	12,335.50	12,160.18	(24,695.61)	34,807.26	123,724.33
Profit/(Loss) for the year						(308.42)	(11,093.66)	(11,402.08)
Other Comprehensive Income (OCI)								
Remeasures gain on defined benefit plan						86.08	(1.44)	84.64
Total Comprehensive Income for the year	0.00	31982.85	57134.15	12335.50	12160.18	(24917.95)	23712.16	112406.89
Addition during the year		1,121.62						1,121.62
Dividends (including tax on dividend)						(2,400.63)		(2,400.63)
Transfer to/from debenture redemption reserve				(1,858.10)	6,480.00	(4,621.90)		-
Sub debt							(667.00)	(667.00)
As at March 31, 2018	-	33,104.47	57,134.15	10,477.40	18,640.18	(31,940.48)	23,045.16	110,460.88
As at April 01, 2018	-	33,104.47	57,134.15	10,477.40	18,640.18	(31,940.48)	23,045.16	110,460.88
Profit/(Loss) for the year						2112.82	(7,521.04)	5408.22
Other Comprehensive Income (OCI)								
Remeasures gain on defined benefit plan						(44.90)	(0.10)	(45.00)
Total Comprehensive Income for the year	0.00	33104.47	57134.15	10477.40	18640.18	29872.56	15524.02	1,05,007.66
Addition during the year					4,784.50			4,784.50
Reduction in compound financial instrument							(300.00)	(300.00)
Dividends (including tax on dividend)						(4,081.67)		(4,081.67)
Transfer to/from debenture redemption reserve				1,234.80		(6,019.00)		(4,784.20)
Adjustment on acquisition of shares of Subsidiary						(3581.27)	(1,881.51)	(5,462.78)
Share issue expenses						(36.60)		(36.60)
As at March 31, 2019	-	33,104.47	57,134.15	11,712.20	23,424.68	(43,591.10)	13,342.51	95126.91

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No. 102511W/W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

Consolidated Cash Flow Statement for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	31.03.2019		31.03.2018	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		(5408.12)		(11402.42)
Adjustments For :				
Interest Income	(18764.06)		(9673.10)	
Interest Expenses	119032.25		111698.23	
Depreciation & Amortisation	39207.61		35841.69	
Profit on sale of Property, Plant & Equipments	(9.35)		(122.90)	
Loss on sale of Property, Plant & Equipments	2.39		137.88	
Periodic Major Maintenance expenses	9718.80		11843.50	
Income Tax Provision	12777.00		8108.25	
Other comprehensive income	(45.00)		84.98	
Deferred Tax Liabilities/(Assets)	538.69	162458.33	(4309.71)	153608.82
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		157050.21		142206.40
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	(203764.27)		2116.00	
(Increase)/Decrease of Trade Receivables	88546.77		(63156.04)	
(Increase)/Decrease of Other Current Assets	(25983.80)		(43867.24)	
(Increase)/Decrease of Other Current Financial Assets	2831.67		(31675.50)	
(Increase)/Decrease of Other Non Current Assets	(648.18)		1374.84	
(Increase)/Decrease of Other Non Current Financial Assets	7215.18		26512.35	
(Increase)/Decrease of Inventories	(1491.89)		(4089.51)	
(Increase)/Decrease of Other Bank Balances	(1774.65)		434.35	
Increase/(Decrease) of Other Long Term Financial Liabilities	15292.63		13945.94	
Increase/(Decrease) of Trade Payables	(10696.58)		14513.86	
Increase/(Decrease) of Other Current Liabilities	9925.43		74179.76	
Increase/(Decrease) of Other Current Financial Liabilities	(191.78)		11577.40	
Increase/(Decrease) of Provision	458.35		(4369.27)	
Increase/(Decrease) in Deferred Tax (net)	216.90		(1808.92)	
		(120064.21)		(4311.99)
Cash generated from Operations		36986.00		137894.41
Tax Paid	(12504.32)	(12504.30)	(10543.38)	(10543.38)
Net Cash From Operating Activities		24481.68		127351.03
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	(13219.13)		(21618.94)	
Sales of Property, Plant & Equipments	36.05		2053.49	
Other Current Investments	(5650.70)		1336.90	
Other Non Current Investments	0.26		(197.50)	
Repayment towards compounded financial instrument - Non Controlling Interest	(300.00)		(667.00)	
Interest Received	18764.06	(369.46)	9673.10	(9419.95)
Net Cash From Investing Activities		(369.46)		(9419.95)

Consolidated Cash Flow Statement for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings (Net)	140476.38	16322.97
Proceeds/(Repayment) of Short Term Borrowings (Net)	(22697.39)	(11395.96)
Net Increase in Working Capital Loan	(11764.00)	(4551.42)
Capital reserve	0.00	1121.62
Payment for acquisition of shares of subsidiary	(5462.61)	0.00
Interest Paid	(119032.25)	(111698.23)
Dividend Paid (including dividend distribution tax)	(4081.67)	(2400.63)
Share issue expenses	(36.60)	
	(22598.14)	(112601.65)
Net Cash From Financing Activities	(22598.14)	(112601.65)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1514.08	5329.43
OPENING BALANCE OF CASH & CASH EQUIVALENTS	11664.93	6335.50
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	13179.01	11664.93
COMPONENTS OF CASH & CASH EQUIVALENTS (refer note 17)		
CASH ON HAND	724.99	523.19
BALANCE IN CURRENT ACCOUNT WITH BANKS	7141.32	10659.75
BALANCE IN FIXED DEPOSITS	5312.70	481.99

Notes:

- All figures in bracket are outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
- The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement". The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No. 102511W/W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

Notes on Accounts forming part of Consolidated Financial Statements

1. Corporate Information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridges, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. Company also establish, maintain, operate, lease or transfer the above infrastructure facilities on BOT, BOLT and BOOT basis. Company is also engaged in business of energy generation through Wind Power Project.

Sadbhav Infrastructure Project Limited (SIPL), subsidiary company, is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

Mysore Bellary Highway Projects Limited (MBHPL) and Sadbhav Gadag Highway Pvt Ltd, subsidiary companies and all other step down subsidiaries are the Special Purpose Vehicles (SPVs) incorporated to undertake the specific project.

The Consolidated Financial Statements comprise of financial statements of Sadbhav Engineering Limited ('the Company' or 'SEL'), its subsidiaries and step-down subsidiaries (collectively, 'the Group') for the year ended March 31, 2019. The Company 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 Chowki, Ellisbridge, Ahmedabad-380006.

The Group under takes road and other infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 30, 2019.

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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued as amended thereafter.

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
- Defined benefit plans – Plan Assets 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 Lakhs (INR 00,000), 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 2019. 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.

Notes on Accounts forming part of Consolidated Financial Statements

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 of 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.

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.

When the Group loses control over a subsidiary, it derecognized the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at the fair value at the date of the control is lost. Any resulting gain or loss is recognized in statement of profit & loss account.

Notes on Accounts forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries			
Sr. No.	Name of subsidiaries	Proportion of Ownership Interest (%)	
		As at March 31, 2019	As at March 31, 2018
1	Sadbhav Infrastructure Projects Limited (SIPL)	69.05%	68.77%
2	Mysore Bellary Highway Pvt. Ltd. (MBHPL)	74.00%	74.00%
3	Sadbhav Gadag Highway Pvt Ltd	100%	100%

Sr. No	Name of step-down subsidiaries (subsidiaries of SIPL)	Proportion of Ownership Interest (%)	
		As at March 31, 2019	As at March 31, 2018
1	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2	Aurangabad Jalna Tollway Limited (AJTWL)	100%	100%
3	Bijapur Hungund Tollway Pvt. Ltd. (BHTPL)	77%	77%
4	Hyderabad Yadgiri Tollway Pvt. Ltd. (HYTPL)	100%	100%
5	Maharashtra Border Check Post Network Limited(MBCPNL)	99.63%	91%
6	Rohtak PanipatTollway Pvt. Ltd. (RPTPL)	100%	100%
7	Shreenathji-Udaipur Tollway Pvt. Ltd. (SUTPL)	100%	100%
8	Bhilwara Rajsamand Tollway Pvt. Ltd. (BRTPL)	100%	100%
9	Rohtak Hissar Tollway Pvt. Ltd. (RHTPL)	100%	100%
10	Nagpur Seoni Expressway Limited (NSEL)	100%	100%
11	Dhule Palesner Tollway Limited (DPTL)(refer note 2 below)	100%	100%
12	Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	100%	100%
13	Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	100%	100%
14	Sadbhav Una Highway Pvt. Ltd. (SUHPL)	100%	100%
15	Sadbhav Nainital Highway Pvt. Ltd.d (SNHPL)	100%	100%
16	Sadbhav Bangalore Highway Pvt. Ltd. (SBGHPL)	100%	100%
17	Sadbhav Udaipur Highway Pvt. Ltd. (SUDHPL)	100%	N.A.
18	Sadbhav Vidarbha Highway Pvt. Ltd. (SVHPL)	100%	N.A.
19	Sadbhav Jodhpur Ring Road Pvt. Ltd. (SJRRPL)	100%	N.A.
20	Sadbhav Tumkur Highway Pvt. Ltd. (STHPL)	100%	N.A.
21	Sadbhav Vizag Port Road Private Limited (SVPRPL) (note (i) below)	100%	N.A.
22	Sadbhav Kim Expressway Private Limited (SKEPL) (note (i) below)	100%	N.A.
23	Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) (note (i) below)	100%	N.A.
24	Sadbhav Hybrid Annuity Project Limited (SHAPL) (note (i) below)	100%	N.A.

Notes:

- (i) All the above entities has principal nature of activity is Infrastructure and are incorporated in India
- (ii) During the year, one subsidiary i.e. Sadbhav Gadag Highway Pvt Ltd.and four new step down subsidiaries i.e. Sadbhav Vizag Port Road Pvt. Ltd., Sadbhav Kim Expressway Pvt. Ltd., Sadbhav Bhimasar Bhuj Highway Pvt. Ltd. and Sadbhav Hybrid Annuity Project Ltd. have been incorporated.

Notes on Accounts forming part of Consolidated Financial Statements

Name of the Joint Ventures	Ownership interest held by the company	
	As at March 31, 2019	As at March 31, 2018
SEL-GKC JV		
Radhanpur - Manpura Project	52.00%	52.00%
Vishakhapatnam Project	50.00%	50.00%
Omkareshwar Project	60.00%	60.00%
Karimnagar Project	52.00%	52.00%
Omkareshwar Project	40.00%	40.00%
Managuru Project	51.00%	51.00%
BSHP-II Project	50.00%	50.00%
Govindpur Project	50.00%	50.00%
Basantimata Project	80.00%	80.00%
Maheshpur Project	75.00%	75.00%
Jalipa / Kapurdi Project	98.00%	98.00%
SEL-Vaishnovi JV - Halon Project	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV		
DMRC-CC43 Project	40.00%	40.00%
DMRC-CC47 Project	40.00%	40.00%
SEL-PIPL JV	51.00%	51.00%

Investments in Subsidiaries and Joint ventures are accounted at Cost.

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' and shown under the head 'Reserves and Surplus', 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 realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised 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

Operating cycle for the business activities of the company covers the duration of the specific projects/contract/product line/service including the defect liability period wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

3.3 Foreign currency transactions:

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

Notes on Accounts forming part of Consolidated Financial Statements

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 recognised 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/ User fee right (BOT Model):

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 D to Ind AS 115. 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 or step down 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.

Financial Assets Model

The group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115. The group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

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 upfront 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

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 from contract with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Notes on Accounts forming part of Consolidated Financial Statements

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

(i) Toll / check post operation services

Revenue from Toll operation services is recognized over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Group. However, given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the group recognizes toll revenue when it collects the tolls as per rates notified by NHAI / state authorities.

(ii) Contractual Income:

a. EPC Contracts:

Revenue from construction services is recognized over a period as the customer simultaneously receives and consumes the benefits provided by the Group and measure revenue based on output method i.e. Percentage of completion is determined by survey of work performed. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Contract cost associated with contract revenue is recognized as expense by reference to the stage of completion of the contract activity at the end of the reporting period. Contract cost comprises of cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other cost as are specifically chargeable to the customer under the terms of the contract.

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

b. Other Than EPC Projects :

Revenue from construction services is recognized over a period as the customer simultaneously receives and consumes the benefits provided by the Group and measure revenue based on input method i.e. revenue recognized on the basis of cost incurred to satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. If the outcome of a performance obligation satisfied over time cannot be reasonably measured, revenue is calculated using the zero-profit method in the amount of the contract costs incurred and probably recoverable.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Variable Consideration

The nature of the company's contracts gives rise to several types of variable consideration, including claims, change in law, liquidated damages and penalties. The company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.13 Financial instruments – initial recognition and subsequent measurement.

Notes on Accounts forming part of Consolidated Financial Statements

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(iii) Rendering of services:

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

(iv) Other Income:

- a. Revenue from wind mill power generation
Revenue from wind mill power generation is recognized when the electricity is delivered to electricity Distribution Company at a common delivery point and the same is measured on the basis of meter reading
- b. 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.
- c. Dividend
Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

3.6 Property, Plant and Equipments:

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 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 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.

Depreciation

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Assets not put to use".

Depreciation is provided for all Property, Plant and Equipment except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II of the Companies Act, 2013.

Depreciation is provided for all Property, Plant and Equipment as per the useful life prescribed in the Schedule II of the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where less useful life is considered than those prescribed in schedule II.

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.

Notes on Accounts forming part of Consolidated Financial Statements

In case of AJTWL, ARRIL, RPTPL, DPTL depreciation on Property, Plant and Equipment is amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.

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.

3.7 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3-6 years

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be 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. 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 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 statement of profit and loss accounts.

Notes on Accounts forming part of Consolidated Financial Statements

3.9 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.

3.10 Inventories

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 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.

3.13 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. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

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.

Notes on Accounts forming part of Consolidated Financial Statements

- **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.

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 recognised is recognized as an impairment gain or loss in profit or loss.

- 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 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 derecognised 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 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 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.

Notes on Accounts forming part of Consolidated Financial Statements

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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 Group currently has enforceable legal right to offset the re-recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) 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

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 recognised 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

Notes on Accounts forming part of Consolidated Financial Statements

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.

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.

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 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 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

Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. Company has taken Group Gratuity Policy of L.I.C. of India. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurement is recognized in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered

In respect of employee stock options, the excess of fair price on the date of grant over the exercise price is recognized as deferred compensation cost amortised over the vesting period.

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 recognised 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 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 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.

Notes on Accounts forming part of Consolidated Financial Statements

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 recognised 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.

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.

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 recognised 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 utilised. 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 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.

Notes on Accounts forming part of Consolidated Financial Statements

MAT CREDIT

The Group recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent The Group does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

Minimum Alternate Tax (MAT) paid in a year is charged to statement of profit and loss as current Tax. The company recognizes MAT Credit available as an assets only when and to the extent that there is convincing evidence that the 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 in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under Income Tax Act , 1961" , the said assets is created by way of credit to the statement of Profit and loss and shown as "Deferred Tax". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence 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 recognised 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 recognised 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 deferral

Premium deferral (i.e. premium payable less paid after adjusting premium deferral) 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 on 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 to equity holders of the Company

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. 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.

Notes on Accounts forming part of Consolidated Financial Statements

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.

3.25 Changes accounting policies and disclosure

New and amended standards

The group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customer

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. There were no significant adjustments required to the retained earnings as at April 01, 2018. The adoption of the standard did not have any material impact on these consolidated financial statements.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

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.

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 as physical inspections or third parties confirmations. 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

Notes on Accounts forming part of Consolidated Financial Statements

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 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 life cycle. The key inputs of the model comprise of revenue inflows (Toll/user fee), 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.

Amortization - Toll collection / user fee right

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 on Accounts forming part of Consolidated Financial Statements

Note No. 5 - Property, Plant and Equipments

(₹ in Lakhs)

Particulars	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Total Tangible Assets	Capital Work In Progress
Cost									
As at 01/04/2017	1587.91	8814.77	1649.54	469.12	50950.20	794.32	5202.47	69468.33	694.87
Addition	0.00	9.15	85.96	247.95	9358.22	186.64	0.00	9887.92	84.41
Disposal	102.38	297.95	0.00	0.00	4107.67	24.62	0.00	4532.62	544.29
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(6.59)	0.00	9.04	2.45	0.00
As at 31/03/2018	1485.53	8525.97	1735.50	717.07	56194.46	956.34	5211.51	74826.38	234.99
Addition	100.00	0.00	19.50	283.16	9279.53	128.97	0.00	9811.16	91.10
Disposal	0.00	0.00	0.00	0.00	2807.54	64.12	0.00	2871.66	0.00
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	5.58	0.00	202.94	208.52	0.00
As at 31/03/2019	1585.53	8525.97	1755.00	1000.23	62672.03	1021.19	5414.45	81974.40	326.09
Accumulated Depreciation									
As at 01/04/2017	0.00	2421.39	346.93	222.25	12112.97	280.17	539.08	15923.08	0.00
Addition	0.00	1170.66	188.50	144.16	8087.14	176.13	261.05	10027.74	0.00
Disposal	0.00	276.32	0.00	0.00	2059.92	22.79	0.00	2359.43	0.00
As at 31/03/2018	0.00	3315.73	535.43	366.41	18140.19	433.51	800.13	23591.39	0.00
Charge for the Year	0.00	671.19	187.54	174.12	8164.50	186.30	273.69	9657.34	0.00
Disposal	0.00	0.00	0.00	(0.70)	1920.77	60.85	0.00	1980.92	0.00
As at 31/03/2019	0.00	3986.92	722.97	541.53	24383.92	558.96	1073.82	31268.12	0.00
Net Book Value									
As at 31/03/2018	1485.53	5210.24	1200.07	350.66	38053.98	522.83	4411.38	51234.68	234.99
As at 31/03/2019	1585.53	4539.05	1032.03	458.70	38288.11	462.23	4340.63	50706.27	326.09

- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard'. Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, 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. During the year company has added Rs. 208.76 Lakh (Rs. -2.44 Lakhs) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is Rs 1109.52 Lakhs (Rs. 1247.51 Lakhs).
- The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. This changes result in a higher depreciation of Rs. 1241.53 lakhs (Rs. 1206.21 lakhs) charged to profit and loss account.
- Property, plant and equipments has been pledged / hypothecated against non-current borrowings in order to fulfil the collateral requirement for the Lenders (refer note 26).
- There are no restriction on title of property, plant and equipments and Intangible Assets
- Capital Work in progress balance is relating to Plant & Machinery of Rs. Nil (Rs. 1.11 lakhs) and office Building of Rs.326.09 lakhs (Rs. 233.88 lakhs).
- There is no contractual commitment on acquisition of property, plant and equipment and intangible assets

Note No. 6 - Intangible Assets and Intangible asset under development

(₹ in Lakhs)

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Cost						
As at April 1, 2017	861,638.82	129,187.60	251.39	991,077.81	20,437.40	18,308.50
Additions	22.82	623.96	732.89	1,379.67	-	11,238.22
Effect of foreign currency exchange differences (refer note (ii) below)	311.26	-	-	311.26	-	-
Deletion / Adjustments	-	-	-	-	-	(646.82)
As at March 31, 2018	8,61,972.90	1,29,811.60	984.29	9,92,768.69	20,437.40	28,899.90
Additions	21,673.96	-	24.36	21,698.32	-	2,143.30
Effect of foreign currency exchange differences (refer note (ii) below)	1,885.50	-	-	1,885.50	-	-
Deletion / Adjustments	-	(17.70)	-	(17.70)	-	(21,747.50)
As at March 31, 2019	8,85,532.36	1,29,793.90	1,008.65	10,16,334.81	20,437.40	9,295.70

Notes on Accounts forming part of Consolidated Financial Statements

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Accumulated Amortisation						
As at April 1, 2017	54,608.25	4,821.51	172.19	59,601.95	-	-
Charge for the year	23,090.88	2,565.86	157.27	25,814.01	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2018	77,699.13	7,387.37	329.46	85,415.97	-	-
Charge for the year	25,674.30	3,615.20	252.72	29,542.22	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2019	1,03,373.43	11,002.57	582.19	1,14,958.19	-	-
Net Block						
As at March 31, 2018	7,84,273.77	1,22,424.19	654.82	9,07,352.78	20,437.40	28,899.90
As at March 31, 2019	7,82,158.93	1,18,791.33	426.46	9,01,376.62	20,437.40	9,295.70

- (i) Toll collection rights also include premium paid / payable to Concessing authorities under the concession agreement over the concession period. The fair value of premium INR 1,01,594.50 Lakhs payable under the concession agreement at the time of receipt of completion certificate from the authority has been included in the Toll collection rights.
- (ii) 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.
- (iii) Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note 26).
- (iv) Refer note 58 for additional disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements " ('SCA').
- (v) The Group has determined that goodwill arised from acquisition of subsidiaries has indefinite useful life. As at March 31, 2019, 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, 2019, 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.
- (vi) 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.
- (vii) Refer note 51 for cost capitalised pending approval from government.

Note No. 7 - Investment Property

(₹ in Lakhs)

Particulars	Land	Total
At Cost		
As at April 1, 2017	219.09	219.09
Addition	0.10	0.10
Disposals	-	-
As at March 31, 2018	219.20	219.20
Addition	-	-
Disposal	-	-
As at March 31, 2019	219.20	219.20
Accumulated Depreciation		
As at April 1, 2017	-	-
Charge for the year	-	-
Disposals/ Adjustments	-	-
As at March 31, 2018	-	-
Charge for the year	-	-
Disposals/ Adjustments	-	-
As at March 31, 2019	-	-
Net Amount:		
As at March 31, 2018	219.10	219.10
As at March 31, 2019	219.20	219.20

- (i) There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
- (ii) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iii) 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 on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
8. Investments		
8.1 Investments in Equity Instruments of Other Companies		
(a) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hong Kong of HK\$ 1/- each	0.00	0.06
(b) 5,55,370 (5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of Rs.10/- each	55.54	55.54
	55.54	55.60
8.2 Investments in Bonds and Debentures		
(a) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(c) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each.	100.00	100.00
(d) 9.25% 20000 (0) Debentures of Srei Equipment Finance Ltd of ₹ 1,000/- each.	200.00	200.00
	527.57	527.57
8.3 Other Investments		
Investment in NSC	14.78	14.98
	14.78	14.98
Total	597.89	598.15

Aggregate Value of Un-Quoted Investment Rs. 597.89 Lakhs (Rs. 598.15 Lakhs)

Notes:

(i) For Fair value disclosures of financial assets refer note 46

9. Trade Receivables

Unsecured considered good	8633.35	3587.28
Total	8633.35	3587.28

(i) 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 trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member.

(ii) For terms and conditions relating to related party receivable, refer note 51

(iii) Trade Receivables are non-interest bearing and are generally on terms of 30 to 90 days.

10. Receivable under Service Concession Arrangement (Unsecured considered good)

Receivable under Service concession arrangements	216722.50	18004.30
Total	216722.50	18004.30

(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".

Refer note 58 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

(ii) For Fair value disclosures of financial assets refer note 46.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
11. Other Financial Assets		
(i) Swap and Option Account	0.00	1443.10
(ii) Security & Other Deposits	517.50	40.20
(iii) Bank Deposits with more than 12 months Maturity	1968.02	736.75
(vi) Annuity Receivable	28352.90	35819.60
(v) In earmarked Accounts For Margin Money	0.00	13.95
Total	30838.42	38053.60
12. Deferred Tax Assets (Net)		
Deferred tax assets (Refer note 44)	9938.93	9943.22
Closing Balance of Deferred Tax Assets	9938.93	9943.22
13. Other Non Current Assets		
13.1 Capital Advance		
Advance to Suppliers for Fixed Assets	5.33	336.37
13.2 Advance other than capital		
(a) Security & Other Deposits	2030.96	951.54
(b) Advances for Goods and Services	39.96	195.69
(c) Tax Credit and Receivables	489.10	565.00
(d) Deferred GST (refer note below)	952.10	936.30
(e) Advance Income Tax (net of provision)	2254.10	2002.50
(f) Tax paid under Protest (refer note 52)	10.00	53.20
(g) Prepaid Expenses	152.70	245.60
Total	5934.25	5286.20
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.		
14. Inventories		
(a) Construction Materials	14239.65	12453.03
(b) Work in Progress	511.39	511.39
(c) Stores & Spares	3166.17	3460.90
Total	17917.21	16425.32

Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rates.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
15. Current Investments		
Unquoted		
(a) Investment in Units of Mutual Fund	9896.40	4245.70
(b) Investment in Government Securities	0.20	0.00
Total	9896.60	4245.70

Notes:

(i) For Fair value disclosures of financial assets refer note 46

(ii) Details of investments in unquoted units of mutual funds :

(INR in Lakhs other than figures in bracket)

ICICI Prudential Ultra Short Term Plan - Growth	-	50.10
	(-)	(281,037.82)
ICICI PRUDENTIAL LIQUID FUND GROWTH PLAN	1,883.00	454.30
	(664,658.19)	(136,294.42)
ICICI Prudential Flexible Income plan	-	425.20
	(-)	(127,575.87)
Aditya Birla Sun life Cash Manager - Growth	157.90	125.50
	(57,332.62)	(30,048.42)
HDFC Mutual Fund Cash Management Growth Option	2,767.20	1,788.50
	(7,072,686.15)	(4,888,254.59)
HDFC Mutual Fund-Ultra Short Term Fund -Regular Growth	1,964.50	-
	(18,786,083.80)	(-)
Reliance Liquid Fund- Cash Plan-Growth Option	-	464.20
	(-)	(17,225.86)
Reliance Liquid Fund- Cash Plan- Direct Growth Option	-	118.90
	(-)	(4,234.76)
L & T Ultra Short Term fund - Growth	-	280.10
	(-)	(987,841.97)
L&T Cash Fund - Growth	2,053.30	-
	(144,411.54)	(-)
UTI Floating rate Fund - Direct Growth	-	319.60
	(-)	(11,313.86)
Union Corporate Bond Fund Regular Plan-Growth	106.90	-
	(1,000,000.00)	(-)
Axis Liquid Fund - Direct Growth	-	204.30
	(-)	(10,643.25)
Axis Ultra Short Term Fund Growth	261.30	-
	(2,499,024.31)	(-)
IDFC CASH FUND -GROWTH	475.20	-
	(21,051.00)	(-)
SBI Liquid Fund - Regular Plan - Growth	116.20	-
	(3,985.11)	(-)
Total	9785.50	4230.70

The figures mentioned in bracket represent absolute number of investment units.

16. Trade Receivables

(Unsecured Considered Good)

(a) Other Debts		
(i) Receivable from Related Parties	1772.49	5419.69
(ii) Receivable from Others	108058.42	133832.89
Total	109830.91	139252.58

(i) Trade Recivables 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 Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

(iii) For Fair value disclosures of financial assets refer note 46

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
17. Cash and Cash Equivalents		
17.1 Balance with Banks		
(a) In Current Accounts (refer note (i) below)	7141.32	10659.75
(b) In Fixed Deposit Accounts	5312.70	481.99
	12454.02	11141.74
17.2 Cash On Hand (refer note (ii) below)	724.99	523.19
Total	13179.01	11664.93
Notes:		
(i) Balances with banks includes balances of INR 2596.56 Lakhs (March 31, 2018: INR 3771.00 Lakhs) 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, with maturity for more than 3 months, is lying with the bank as at March 31, 2019 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 Rs. 11243.2 lakhs		
18. Bank balance other than Cash and Cash Equivalents		
In earmarked Accounts		
(i) Unclaimed Dividend	4.39	4.62
(ii) Maturity more than 3 months but not more than 12 months	2574.57	799.69
(iii) Unpaid Share Application Money	0.00	0.30
Total	2578.96	804.61
19. Loans		
Unsecured, considered good		
Loans to related parties		
Inter-Corporate Loans	1707.00	1707.00
Total	1707.00	1707.00
Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.		
20. Receivable under Service Concession Arrangement (Unsecured considered good)		
Receivable under Service concession arrangements (refer note 10)	41767.50	100892.60
Total	41767.50	100892.60
21. Other Current Financial Assets		
(i) Interest Accrued But Not Due on Investments	156.09	150.99
(ii) Interest Receivable	3084.00	1036.60
(iii) Grant Receivable from concessionaire authorities (refer note (i) below)	642.40	642.40
(iv) Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope (refer note (ii),(iii) & (iv) below)	13595.90	11386.90
(v) Receivable from Toll Suspension (refer note (v) below)		3320.30
(vi) Security & Other Deposits		28584.25
(vii) Annuity Receivable	14443.80	14301.10
(viii) Receivable Against Sale of Assets and Services	0.00	64.30
(ix) Recoverable in Cash		
Due from others	3560.69	5060.37
Total	61715.54	64547.21

Notes on Accounts forming part of Consolidated Financial Statements

- (i) As per the Concession agreement between Ahmedabad Ring Road Infrastructure Limited (ARRIL), step down subsidiary and Ahmedabad Urban Development Authority (AUDA), ARRIL is entitled to receive grant of INR 3600 Lakhs for meeting the part project cost subject to the conditions laid down in the Concession agreement. Upto March 31, 2019, the said company have received grant of INR 2957.6 lakhs. As at March 31, 2019, ARRIL has grant receivable of INR 642.4 Lakhs from AUDA as the conditions of the Concession Agreement related to grant have been met.
- (ii) Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. 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 Company has recognised revenue of toll collection 5356.5 lakhs for the period 01-06-2015 to 31-03-2019, which includes 1603.7 lakhs for the year ended March 31, 2019, in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of 3502.9 lakhs till March 31, 2019 in this respect and the management expects to receive the balance outstanding amount of INR 1853.60 Lakhs .
- (iii) During the year, pursuant to the favourable arbitration award, RPTPL, a step down subsidiary has demanded 75% of claim amount from NHAI (authority) as per Niti Aayog circular no. n-14070/14/2016-PPPAU. Consequent to further appeal against the aforesaid order by the authority, the Honourable High Court of Delhi (the court) had ordered the authority, vide order date July 11, 2018 to deposit 50% of claim amount with the court and payment of balance 25% against the bank guarantee. This has been challenged by RPTPL for payment of entire 75% of claim amount which has been admitted vide order date October 11, 2018. RPTPL is in process of claiming balance 25% amount from authority. Pursuant to the above, the management is confident to realise the entire claim amount and does not expect any adjustment in these regards.
- (iv) Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. However 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 Company has recognised revenue of toll collection of INR 661.7 lakhs for the year ended March 31, 2019 (October 10, 2017 to March 31, 2018 : INR 300.5 lakhs) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during April 2017 to September 2017.
- (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 5978.8 lakhs during the previous year ended March 31, 2017, out of which INR 2941.00 lakhs is yet to be realized as at March 31, 2019.

	(₹ in Lakhs)	
	As at 31-03-2019	As at 31-03-2018
22. Current Tax Assets (Net)		
Advance Income Tax (Net)	10221.19	9529.87
Total	10221.19	9529.87
23. Other Current Assets		
23.1 Advances other than capital advances		
(a) Advances for goods and Services	46922.12	43275.07
(b) Advances to Others	309.15	210.92
Total	47231.27	43485.99
23.2 Others		
(a) Advance Sales Tax, GST & Service Tax	6791.73	13304.83
(b) Advance to Venders	484.10	0.00
(c) Prepaid Expenses	2471.48	2407.50
(d) Tax Credit Receivables	28487.00	64.42
(e) Input tax Receivable-GST	219.80	0.00
(f) GST TDS Receivable	20.40	0.00
(g) Unbilled Revenue (refer note 50)	0.00	473.90
(h) Others	68.00	52.90
Total	38542.51	16303.55
Total	85773.78	59789.54

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

As at 31-03-2019 As at 31-03-2018

24. Equity & Share Capital

(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each		
(b) Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of ₹ 1/- each with voting rights	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights:		
Outstanding at the beginning of the Period (Nos.)	171570800	171570800
Outstanding at the end of the Period (Nos.)	171570800	171570800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining 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.		

(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:

Name of Share Holder(s)	As at 31.03.2019		As at 31.03.2018	
	No. of shares	% age	No. of shares	% age
Vishnubhai M. Patel	0	0.00%	28124920	16.39%
Sadbhav Finstock Pvt. Ltd.	16545275	9.64%	16545275	9.64%
Shantaben V. Patel	48161135	28.07%	14715375	8.58%
ICICI Life Insurance Company Limited	12324939	7.18%	13649098	7.96%
HDFC Trustee Company Limited	12645099	7.37%	9657214	5.63%

(₹ in Lakhs)

As at 31-03-2019 As at 31-03-2018

25. Other Equity

(a) Capital reserve		
As per Last Balance Sheet	33104.47	31982.85
Add/(Deduction) during the year	0.00	1121.62
Closing Balance	33104.47	33104.47
(b) Security Premium Reserve		
As per Last Balance Sheet	57134.15	57134.15
Closing Balance	57134.15	57134.15
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	10477.40	12335.50
Addition: Transfer from surplus of statement of profit and loss (refer note (i) below)	6019.30	4621.90
Deduction: Transfer to General Reserve	(4784.50)	(6480.00)
Closing Balance	11712.00	10477.40
(d) General Reserves		
As per Last Balance Sheet	18640.18	12160.18
Addition during the year	4784.50	6480.00
Closing Balance	23424.68	18640.18
(e) Other Comprehensive Income		
As per Last Balance Sheet	(113.49)	(199.57)
Addition/(deduction) During the Year	(44.90)	86.08
Closing Balance	(158.38)	(113.49)

Notes on Accounts forming part of Consolidated Financial Statements

(f) Profit and Loss account		
As per last Balance Sheet	(31826.99)	(24496.04)
Net loss (Profit) for the year	2112.82	(308.42)
Appropriations:-		
Dividend Paid (including dividend distribution tax)	4081.67	2400.63
Adjustment on account of acquisition of non-controlling interest	3581.27	0.00
Share Issue Expenses	36.60	0.00
Transfer to Debenture Redemption reserves	6019.00	4621.90
	(43432.71)	(31826.99)
Closing Balance	(43432.71)	(31826.99)
Total	81784.41	87415.72

- (i) The Subsidiary and step down subsidiaries has issued redeemable non-convertible debentures (refer note 26). 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. DRR is required to be created over the life of debentures, and accordingly, the group has transferred INR 6018.70 Lakhs (INR 4621.90 Lakhs) 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.
- (ii) Pursuant to Buyback Guarantee agreement dated January 30, 2017 with SREI Equipments Finance Limited, the group has acquired 6% minority interest of the subsidiary company i.e. Maharashtra Board Check Post Network Limited. Consequently, the loss under minority interest of INR 1305.10 Lakhs as well as INR 2276.00 Lakhs amount paid toward purchase of minority interest has been recorded in the retained earning.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
26. Long Term Borrowings		
(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures		
(a) HDFC Asset Management Co.Ltd. 480 (840) debentures of 10 Lakh each	0.00	5931.49
(b) ICICI Prudential Asset Management 1500 debentures of Rs. 10 Lacs each	15000.00	0.00
(c) 1,200 (31 March 2018: 2,000) of INR 10,00,000 each	12000.00	20000.00
(d) 1,120 (31 March 2018: 1,600) of INR Rs. 10,00,000/- each	11200.00	16000.00
(e) NIL (31 March 2018: 1,124,324) of Rs.1,000/- each	0.00	11243.20
(f) 1,30,880(31 March 2018: 1,17,380) Non Convertible Debentures of Rs. 100,000/- each	128173.60	116035.91
(g) 4,61,570 (31 March 2018: 4,77,500) Non Convertible Debentures of Rs. 10,000/- each	46119.30	47705.60
(h) 6600 (31 March 2018: 3000) Redeemable, Non Convertible Debentures of Rs. 10,00,000 each	66000.00	30000.00
	278492.90	246916.20
Less Current maturity of NCDs	20280.30	15849.00
	258212.60	231067.20
(Unsecured)		
(a) SBI Mutual Fund (Unsecured) 1900 debentures of Rs. 10 Lacs each	19000.00	0.00

Notes on Accounts forming part of Consolidated Financial Statements

Detail of Security for Loan taken by the Company

(a) HDFC Asset Management Co.Ltd. 480 (840) debentures of ₹ 10 Lakhs each

Debentures are secured by :

- (i) Pledge of 62,58,060 (62,58,060) shares of Sadbhav engineering Ltd by Sadbhav Finstock Pvt. Ltd.
- (ii) NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.
- (iii) Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel

Rate of Interest : Coupon rate of 9 % plus Redemption Premium resulting Effective rate of Interest (IRR) of 12.15% p.a. at maturity.

Repayable during the year	No. of Installments	Maturity Amount
2019-20	1	5931.49

Debentures redeemable during the year 2019-20 are shown under 'Current Maturity of Long Term Debts' (Note No. 27 'Other Financial Liabilities')

(b) ICICI Prudential Asset Management

Pledge over paid-up equity share capital of Sadbhav Infrastructure Project Limited ("Subsidiary") overall cover to be atleast 1.5x of the Outstanding Amount during the tenor of the facility.

Rate of Interest : Coupon rate of 9.25 % plus Redemption Premium at a premium of such amount which gives the holder of the Debentures an IRR of 10.15% p.a. computed using the XI RR function on Microsoft Excel 2010 Edition ("Rate of Return").

Repayable during the year	No. of Installments	Maturity Amount
2021-22	1	5,000.00
2022-23	1	5,000.00
2023-24	1	5,000.00

(c) SBI Mutual Fund (Unsecured)

Rate of Interest : Coupon rate of 9.9% p.a.

Repayable during the year	No. of Installments	Maturity Amount
2021-22	1	19,000.00

	(₹ in Lakhs)	
	As at 31-03-2019	As at 31-03-2018
(b) Term Loans		
Secured		
(i) From Banks:-		
(a) Foreign Currency Term Loan (ECB)	2371.82	26474.94
(b) Rupee Term Loan	667413.81	585075.62
	669785.63	611550.56
Less Current maturity	18605.30	15074.10
	651180.33	596476.46
Detail of Security		
Secured by way of hypothecation of specific machineries and equipments purchased and mortgage of Sadbhav Vision House, Guest House & office in Mumbai, Non Agricultural land at Sheikhpur (Ahmedabad), Guest House in Delhi. Subservient charge on tangible assets [movable fixed assets and/or current assets] to the extent of 1.0 times of outstanding facility.		
Pledge over paid-up equity shares of Sadbhav Infrastructure Project Limited ("Subsidiary") to the extent 1.25x of outstanding facility amount		
(ii) From Financial Institutions	39872.65	16023.92
Detail of Security		
Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.		
	968265.58	843567.57

Notes on Accounts forming part of Consolidated Financial Statements

Payable During Years	No. of Instalments	Payable Amount	
		To Banks	To Financial Institutions
2019-20	1734	8085.38	6591.65
2020-21	1300	9040.29	5440.89
2021-22	1067	7077.04	3749.86
2022-23	735	1275.44	628.57
2023-24	211	393.61	-

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 7.90% to 12.25%. Interest payable on ECB are Linked to LIBOR which are 215 basis point and 250 basis point over LIBOR. The Repayment Schedule of ECB are included in above Maturity Profile of Term Loans.

Loan repayable during the year 2018-19 are shown under 'Current Maturity of Long Term Debts' (Note No 32 'Other Financial Liabilities')

The details in respect of long term borrowings availed by subsidiaries are as under:

(i) Redeemable Non-Convertible Debentures (NCDs) issued by SIPL

(a) 1,200 (March 31, 2018 : 2000) Redeemable Non-Convertible Debentures (NCDs)

1. NCDs are secured by (i) first ranking charge created on 10,71,198 equity shares of the SIPL in the Rohtak Panipat Tollway Private Limited; (ii) the Corporate Guarantee by the Company (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
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 SIPL 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) 1120 (March 31, 2018 : 1600) Redeemable, Non Convertible debentures (NCD):

1. NCDs are secured by (i) an unconditional, irrevocable and continuing corporate guarantee from the Company, covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of the Company by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palesner Tollway Limited (DPTL) representing 46,082,270 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.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
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 SIPL 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) Nil (March 31, 2018: 11,24,324) Redeemable, Non Convertible debentures (NCD)

1. NCDs are secured by (i) pledge of 19.46% shareholding of SIPL representing 46,846,725 equity share held by the Company (ii) pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by SIPL and The Company (iii) unconditional and irrevocable corporate guarantee from The Company 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 SIPL (v) all bank account & assignment of all contract, documents, insurance, clearances and interest of SIPL.

Notes on Accounts forming part of Consolidated Financial Statements

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

2. Terms of repayments are as under

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, SIPL 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.

(e) 3,600 Redeemable, Non Convertible debentures (NCD) are secured by:

1. NCDs are secured by (i) First ranking pledge of 4,60,82,270 (67%) equity shares of Dhule Palesner Tollway Limited and 84,96,450 (49%) equity shares of Bhilwara-Rajsamand Tollway Private Limited (ii) the Corporate Guarantee by the company ; (iii) first ranking charge created by way of hypothecation over the designated account (iv) first and second ranking exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	170	0%	Bullet Repayment	23-Apr-21
Series II	190	0%	Bullet Repayment	06-Jun-21

(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.

Notes on Accounts forming part of Consolidated Financial Statements

(a) NSEL

17,300 (31 March 2018: 18,100) 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-19
Series B	9,500	8.91%	Partial Repayment	1-Aug-19

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. 1st February and 1st August of the year ,commencing from 1st August 2016.

Interest on such Debentures shall be paid along with the Redemption of Debentures on the same day i.e. 1st February and 1st August of each year.

(b) DPTL

4,61,570 (31 March 2018: 4,77,500) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

"Non convertible debentures are repayable in 40 consecutive quarterly installment commencing from 5th Apr 2016 to 5th Dec 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10th Mar 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

39,483 (31 March 2018: 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 % percent as on March 31, 2019.T2- The redemption of debenture is to be made in 124 installments on the last day of each month , which has commenced from 31 May ,2018 .The T2 Includes 14,500 NCDs of india Infradebt Limited Having face value of INR 1,00,000/- each carry interest of 9.10 % as on March 31, 2019"

(d) HYTPL

19,597 (31 March 2018: 19,797) 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.

(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 cent per annum as on March 31, 2019.

(e) SUTPL

54,500 (31 March 2018: 54,500) 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 8.95 % percent as on March 31, 2019.

Notes on Accounts forming part of Consolidated Financial Statements

(iii) Rupee Term Loans availed by MBHPL, a subsidiary company.

The details of Security in respect of Term Loans are as under:

- (a) first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
- (b) first charge on all the Company's tangible moveable assets, including moveable 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;
- (c) 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 Facilities Agreement and the Supplementary Escrow Agreement, or any other Project Documents and all funds from time to time deposited therein, the Receivables and all Authorised Investments or securities;
- (d) first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings, intellectual property and uncalled capital present and future excluding the Project Assets
- (e) assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - the right, title and interest of the Company in, to and under all the Governmental Approvals;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company 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 Company under all Insurance Contracts.
- (f) pledge of 51% (fifty one percent) of the issued and paid up equity shares of MBHPL held by the Company and GKC Projects Limited till Final Settlement Date, provided if as on the COD, in the opinion of the Facility Providers, no event of default is subsisting, shares representing 25% (twenty five percent) of the issued and paid up equity shares of MBHPL may stand released and accordingly, pledge of 26% (twenty six percent) shall continue till the Final Settlement Date.
- (g) Corporate Guarantee from the Company guaranteeing the repayment of the Secured Obligations.
- (h) -the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares shall in all respects rank pari-passu inter-se amongst the Senior Lenders in accordance with the Loan Agreement, without any preference or priority to one over the other or others;
 - the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares stipulated in para (a) to (g) above other than the assignment as stipulated in para 5 shall be shared by the Senior Lenders on pari-passu basis with the WC lenders in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
 - Provided further that the charge over the receivables stipulated in para (c) above for the benefit of the WC lenders would not include the Termination Payment, and
 - the Security Interest stipulated in para (a) to (f) above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) Terms of Repayment of Loans:

- (a) The Principal amounts of the Loan is repayable to the Lenders in 14 half yearly structured installments, commencing from the First Repayment date (February 2018) 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.

(iv) 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.

Notes on Accounts forming part of Consolidated Financial Statements

- 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 SIPL and other promoters of 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 step-down Subsidiaries :

(a) ARRIL

Term loan include loans amounting to INR 20063.4 lakhs as on March 31, 2019 (March 31, 2018: INR 25663.7 lakhs) 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, 2019, the loans carries average interest rate of 8.60 % to 8.90 % per annum..

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, 2019, the loan carries average interest rate of 11.60 per cent per annum.

(b) AJTL

Term loans include loan amounting to Rs. 21695.6 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 21915.6 Lakhs) taken from a consortium consisting of a 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, 2019, term loans carry interest rate of 9.35 per cent to 10.25 per cent per annum.

(c) BHTPL

Term loans include loan amounting to Rs. 40450.2 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 55441.3 Lakhs) taken from a consortium consisting of a 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, 2019.

Notes on Accounts forming part of Consolidated Financial Statements

(d) HYTPL

Term loans include loan amounting to Rs.17340.3 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 17507.2 Lakhs) taken from bank.

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. 9.6 % per annum as on March 31, 2019.

(e) MBCPNL

Term loans include loan amounting to Rs. 113023.0 Lakhs as on March 31, 2019 (March 31, 2018: 101432.2 Lakhs) 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, 2019. Term loans carry interest of 9.50 per cent per annum.

(f) RPTPL

Term loans include loan amounting to Rs. 92828.3 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 99426.4 Lakhs) taken from a consortium consisting of a bank 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 draw down date i.e. March 30th, 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, 2019."

Foreign Currency loan from Bank:

During the year the group has entered into an agreement dated December 20, 2018 with ICICI bank limited for refinancing of foreign currency loan. Accordingly the refinancing for outstanding USD 37.21 million foreign currency loan was completed on December 24, 2018.

(g) SUTPL

Term loans include loan amounting to Rs. 28161.7 lakhs as on March 31, 2019 (March 31, 2018: Rs. 28287.7 Lakhs) 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 30th September, 2017.

As at March 31, 2019, term loans carries average interest rate of 9.40% to 10.15 % per annum.

(h) BRTPL

Term loans include loan amounting to Rs. 27185.1 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 27248.70 Lakhs) 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 10.88 % per annum.

(i) RHTPL

Term loans include loan amounting to Rs. 93666.80 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 94103.3 Lakhs) 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 (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.i.e. July 31, 2017

Notes on Accounts forming part of Consolidated Financial Statements

As at March 31, 2019, term loans carry interest rate of 11.60 % per annum except term loan from Canara Bank which carries interest rate of 12.60% per annum and Bank of India which carries interest rate of 13.10% per annum.

(j) DPTL

Term loans include loan amounting to Rs. 55274.8 Lakhs as on March 31, 2019 (March 31, 2018: Rs. 57578.80 Lakhs) taken from consortium of banks..

Indian rupee term loans from banks:

"The Principal amount of the loan is repayable in 43 consecutive quarterly installment commencing from 5th Jan 2016 to 5th 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 28th Sep 2015. Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.55% to 9.90% per cent per annum as on March 31, 2019."

(k) SBHPL

Term loan include loans amounting to INR 26700.8 Lakhs as on March 31, 2019 (March 31, 2018: 10689.70 lakhs) 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 cent per annum."

(l) SUHPL

Term loan include loans amounting to INR 15470.1 Lakhs as on March 31, 2019 (March 31, 2018: INR 6961.5 Lakhs) 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 cent per annum as on March 31, 2019"

(m) SRHPL

Term loan include loans amounting to INR 15510.5 Lakhs as on March 31, 2019 (March 31, 2018: INR 14490.7 Laks) 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 cent per annum as on March 31, 2019.

(n) SNHPL

Term loan include loans amounting to INR 7185.8 Lakhs as on March 31, 2019 (March 31, 2018: Inr 1295.9 Lakhs) 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. 9.87 per cent per annum as on March 31, 2019.

(o) SBGHPL

Term loan include loans amounting to INR 34038.8 Lakhs as on March 31, 2019 (March 31, 2018: INR 1730.6 Lakhs) 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 9.90 per cent per annum as on March 31, 2019.

Notes on Accounts forming part of Consolidated Financial Statements

(p) SUDHPL

Term loan include loans amounting to INR 24595.10 Lakhs as on March 31, 2019 (March 31, 2018: INR 6730.00 Lakhs) 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 cent per annum as on March 31, 2019.

(q) SVHPL

Term loan include loans amounting to INR 15549.6 Lakhs as on March 31, 2019 (March 31, 2018: INR Nil) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 27 structured Bi-Annuual installments commencing from December 31, 2020 and last date on instalment is December 31, 2033.

Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% to 9.40% per cent per annum as on March 31, 2019.

(r) SHAPL

Term loan include loans amounting to INR 4736.3 Lakhs as on March 31, 2019 (March 31, 2018: INR Nil) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 27 structured Bi-Annuual installments commencing from December 31, 2020 last date on instalment is December 31, 2033.

The effective interest rate of the loan 10.88% per annum compounded monthly basis as on March 31, 2019

(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 step down subsidiary which has not been able to meet one of the covenant viz debt service coverage ratio as at the end of the year. As per communication with lender, management believes that this does not have any financial or other implication as regards these consolidated financial statement.

	(₹ in Lakhs)	
	As at 31-03-2019	As at 31-03-2018
27. Other Financial Liabilities		
(i) Advance Received for sale of Shares	0.02	0.02
(ii) Security & Other Deposits from Sub-contractors	552.91	748.35
(iii) Advance Received from Debtors	0.00	88.93
(iv) Interest accrued on premium obligation (refer note (i) below)	6822.40	4119.10
(v) Interest accrued but not due on NCD	12991.50	7910.50
(vi) Premium Obligation under Concession Agreement	115498.40	116579.10
(vii) Deferred Premium Obligation (refer note (i) below)	35622.60	26749.20
	171487.83	156195.20

Note:

(i) In case of certain subsidiaries, 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 statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.

Notes on Accounts forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at 31-03-2019	As at 31-03-2018
28. Deferred Tax Assets (Net)		
Deferred Tax Assets (net) (refer note 44)	7501.70	6750.40
Total	7501.70	6750.40
29. Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (refer note 49)	330.60	237.90
Periodic Major Maintenance (refer note 53)	21365.70	17453.90
Total	21696.30	17691.80
30. Short-Term Borrowings		
30.1 Loans repayable on demand		
<u>Secured</u>		
Short Term Loans From Banks (refer note 26)	55615.35	62942.64
Overdraft due to Issuance of Cheques	1.97	4438.68
Detail of Security		
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables.		
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immoveable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.		
(c) Personal Guarantee of Shri Vishnubhai M. Patel, Shri Vasisthakumar Patel, Shri Vikramkumar Patel and Smt. Shantaben V. Patel.		
<u>Unsecured</u>		
Interest free Loan from Others	0.00	1205.00
From Banks	17299.11	39775.00
	72916.43	108361.32
Notes:		
(i) Unsecured loan from Banks which includes Working Capital Demand Loan facilities of Rs.1000.00 Lakhs which are secured against Corporate guarantee of the 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) Interest free loan from others is repayable on demand.		
30.2 Loan from Related Parties - Unsecured		
From Others (From Company in which Directors are Directors)	1141.64	158.14
	1141.64	158.14
Total	74058.07	108519.46
31. Trade Payables		
(a) Others	59871.38	70567.96
Total	59871.38	70567.96
(a) Refer to Note No. 51 for Related party transactions and outstanding balances		
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	0.00	0.00
B Interest due thereon	0.00	0.00
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act,	0.00	0.00
D Amount of interest due and payable for the year of delay in making	0.00	0.00
E Amount of interest accrued and remaining unpaid at the end of the	0.00	0.00
F Amount of further interest remaining due and payable in succeeding	0.00	0.00
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
32. Other Financial Liabilities		
(a) Current Maturities of Long term debts (refer note 26)		
<u>Secured</u>		
Non Convertible Debentures	26600.53	19996.49
Foreign Currency Term Loan	768.57	1552.02
Loan from Banks	34112.28	27107.02
Loan from Financial Institutions	6966.35	4013.83
	68447.73	52669.36
(a) Current maturities of premium obligation to NHA1 (refer note 27)	3527.10	815.70
(b) Interest Accrued but not due on Loans	7082.54	5233.38
(c) Interest Accrued and due	803.30	2456.77
(d) Interest accrued and due on NHA1 premium obligation / Mobilization advance	3288.00	1148.60
(e) Unclaimed Dividend	4.39	4.62
(f) Security Deposit and Retention Money	0.30	778.40
(g) Employee Emoluments	459.70	361.90
(h) Payable to Authorities (AUDA, NHA1)	558.30	367.80
(i) Payable towards capital expenditure	6597.80	11472.20
(j) Payable under Derivative Contract	380.35	0.00
(k) Share application money refundable	1.30	0.30
(l) Other Financial Liability	237.10	492.39
	91387.91	75801.32
33. Other Current Liabilities		
(a) Sundry Creditors for Capital Goods	2175.66	4229.30
(b) Statutory Dues	12956.66	5785.66
(c) Advances Received from Clients	60093.44	48141.29
(d) Miscellaneous Liabilities	16.67	17.96
(e) Book Overdrft	6.30	0.00
(f) Security & Other Deposits	16415.43	22917.60
(g) Group Gratuity Fund	164.38	0.00
(h) Unearned Revenue (refer note 50)	1844.00	2659.30
(i) Due to Others	4.00	0.00
Total	93676.54	83751.11
Note:- There was no amount outstanding as on 31.03.2019, which is required to be transferred to Investor Education and Protection Fund (IEPF).		
34. Short-Term Provisions		
(a) Provision for Employee Benefits (refer note 49)	376.03	336.69
(b) Provision for Wealth Tax	5.36	5.36
(c) Periodic Major Maintenance (refer Note 53)	21262.40	14648.70
(d) Provision for incomplete Work	683.00	1163.40
Total	22326.79	16154.15
35. Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Advance tax & TDS)	2499.60	1535.60
	2499.60	1535.60

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
36. Revenue from Operations		
EPC & Other Contract Income (refer note 50 & (i) below)	408158.77	385530.10
Revenue from Toll Collection, User fees and Annuity Income (refer note 21(ii),(iii),(iv) & (v))	114222.30	110842.20
Other Operating Income	1624.22	1101.45
Total	524005.29	497473.75

Note:

- (i) The construction income includes cost escalation claim of INR 28.20 Lakhs (31 March 2018: INR 1307.50 Lakhs) from Maharashtra Border Check Post Network Limited, a step down 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.
- (ii) Other operating revenue comprises of advertisement income, advisory and project management fees.

37. Other Income

(a) Net Gain or Loss on financial assets measured at FVTPL		
Income on change in fair valuation of financial instruments	515.80	-13.01
Profit on sale of Investments/ units of Mutual Funds (Net)	847.20	539.40
(b) Interest income on		
Deposits with banks	308.20	30.30
Financial asset carried at amortised cost	18157.90	7049.20
From Current Investments	245.09	174.58
From Non -Current Investments	52.07	40.62
Arbitration Claim (Refer Note No. 21 (iii))	0.00	1284.00
Unrealized Gain on Sales Of Investment	0.80	0.00
Interest on Income tax refund & MVAT Refund	113.80	173.45
Other	2286.00	1094.40
(c) Other Income		
Profit on Sale of Assets	9.35	122.90
Liabilities no longer required written back	1236.00	109.70
Dividend Income	1215.94	0.00
Others	132.22	582.07
(d) Miscellaneous Income	1336.27	676.43
Total	26456.64	11864.04

38. Cost of Material Consumed

Opening Stock	12453.03	10297.55
Add Purchase	78927.20	111527.60
	91380.23	121825.15
Less Closing Stock of Material	14239.65	12453.03
Total	77140.58	109372.12

39. Changes in Inventory of finished goods, Work-in-Progress and Stock-

Opening Work-in-Progress	511.39	511.39
Less :Closing Work-in-Progress	511.39	511.39
Total	0.00	0.00

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
40. Construction, Toll Plaza & Road Maintenance Expenses		
Labour Expenses	163442.64	126420.34
Construction Expenses	36938.03	14062.56
Power & Fuel	26076.55	29627.04
Stores Consumed	3328.84	3108.31
Repairs & Maintenances-Construction Machineries	4465.70	5594.56
Transportation Expenses	1415.18	804.24
Machinery Rent	7538.10	6936.98
Periodic Major Maintenance (refer note 53)	9718.80	11843.50
Security Expenses	1875.00	1716.40
Land & Godown Rent	707.06	348.67
Site Establishment Expenses	2155.75	1225.94
Mess Expenses	1124.97	1157.92
Other Expenses	1532.00	1065.90
Total	260318.72	203912.36
41. Employee Benefits Expense		
Salary & Wages (refer note 49 & 51)	19247.90	17934.99
Contribution to PF and Other Funds (refer note 49)	1326.23	1295.72
Group Gratuity Fund Expenses	133.66	104.40
Directors' Remuneration	654.00	354.00
Staff Welfare Expenses	708.23	678.63
Total	22070.02	20367.74
42. Finance Cost		
(a) Interest Expenses on Financial liabilities measured at Amortised Cost		
Long Term loans from Banks and others	93005.80	81489.46
Short Term loans from Banks and others (refer note 50)	56.11	6313.40
Deferred premium obligation	3078.70	2133.80
EPC contractors claim	0.00	880.60
Others	2820.60	1442.80
(b) Unwinding of Discount on		
Provision of major maintenance	2335.80	2733.50
Premium Obligation	11466.00	11289.20
(c) Interest Expenses		
(i) On Borrowings	14693.99	17004.84
(ii) On Taxes	28.88	73.67
(d) Other Borrowing Costs	5377.05	7930.13
Total	132862.93	131291.50

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
43. Other Expenses		
Rent Expenses	135.48	73.62
Rates & Taxes	1994.29	4539.57
Repairs & Maintenances	1.30	0.00
Other Assets	299.30	325.40
Insurance	1294.18	1358.61
Legal & Consultation Fees & Expenses	7721.04	5225.18
Corporate Social Responsibility Expenses	441.61	342.28
Donation Expenses-Others	33.44	55.77
Auditors Remuneration	141.70	104.05
Loss on Sales of Assets	2.39	137.88
Miscellaneous Expenses	4311.91	3993.90
Total	16376.64	16156.26

44. Income Tax expense

The major component of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are as under

(a) Profit and Loss Section

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current tax		
Current tax charges	12616.60	8103.55
Total A	12616.60	8103.55
Deferred tax		
Deferred tax charge	(47.11)	(167.66)
MAT Credit (taken)	585.80	(4,142.05)
Total B	538.69	(4,309.71)
MAT credit utilised against tax payments due for the year	216.90	0.00
	755.59	
Adjustments in respect of current tax of earlier years Total C	160.10	4.70
Total income tax expense recognised in the Statement of Profit and Loss	Total D =(A+B+C)	
	13315.39	3798.54

Notes on Accounts forming part of Consolidated Financial Statements

(b) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2019, March 31, 2018: (₹ in Lakhs)

Particulars	Balance sheet		Profit & Loss statement/Equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax assets/(liability)				
Impact on Liability component of compound instruments	(1,362.60)	(1,483.10)	(120.50)	(120.50)
Impact of fair valuation of financial instruments	(3,170.50)	(4,225.10)	(1,054.60)	(1,765.60)
Accelerated depreciation for tax purpose	23.00	24.70	1.70	(8.70)
Expenditure allowed on payment basis	(19,962.30)	(28,127.20)	(8,164.90)	(2,986.90)
Expenditure allowed over the period	(28,572.70)	(20,454.20)	8,118.50	5,985.50
Impact of business combination	-	-	-	-
Unused tax losses available for offsetting against future taxable income	45,544.20	46,929.90	1,385.70	(832.30)
Tax Credit Entitlement under MAT	10,330.80	10,916.60	585.80	(4,142.05)
Non-convertible debentures	-	-	120.53	-
Investment in SIPL - Sub Debt	1,362.59	1,483.11	(79.73)	120.39
Provision for Gratuity	57.44	(22.29)	33.80	6.29
Derivative Deal - Interest Swap	-	-	-	-
ECB Loan	-	-	-	-
Derivative Deals- option & currency Swap	132.91	(24.50)	(157.41)	(42.56)
Interest accrued but not due	-	-	-	-
Property, Plant & Equipment	(1,945.60)	(1,825.10)	120.51	(523.28)
Total Deferred tax assets/(liability)	2,437.23	3,192.82	755.59	(4,309.71)

(c) Reconciliation of Deferred tax

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Deferred tax assets (net)	(392.67)	(973.38)
Deferred tax liabilities (net)	(7,500.90)	(6,750.40)
MAT	10,330.80	10,916.60
	2,437.23	3,192.82

(d) 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	Expiry Year
2012-13	1033.08	2027-28
2013-14	121.47	2028-29
2015-16	412.03	2030-31
2016-17	4027.87	2031-32
2017-18	4736.35	2032-33
Total	10916.60	

(e) Certain step-down subsidiary companies has carried forward business losses aggregating INR 290726.1 Lakhs (March 31, 2018: INR 2,68,100.00 lakhs) 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 step-down 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 72812.90 lakhs (March 31, 2018: INR 74476.90 lakhs).

(f) Includes amount of INR 216.90 Lakhs adjusted due to movement n MAT credit during the year.

Notes on Accounts forming part of Consolidated Financial Statements

45. Disclosure of Financial Instruments by Category

(₹ in Lakhs)

Particulars	Note No.	March 31, 2019				March 31, 2018			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial asset									
Derivative not designated as hedges	11	-	-	-	-	1,443.10	-	-	-
Receivable under Service concession arrangements	10 & 20	-	-	2,58,490.00	-	-	-	1,18,896.90	-
Investments	8 & 15	9,896.40	55.54	542.35	0.20	4,245.70	55.60	542.35	0.20
Trade Receivables	9 & 16	-	-	1,18,464.26	-	-	-	1,42,839.86	-
Loans	19	-	-	1,707.00	-	-	-	1,707.10	-
Cash and cash equivalents	17	-	-	13,179.01	-	-	-	11,664.93	-
Other bank balances	18	-	-	2,578.96	-	-	-	804.61	-
Other financial assets	11 & 21	-	-	92,553.96	-	-	-	1,02,600.81	-
Total Financial Asset		9896.40	55.54	4,87,515.54	0.20	5,688.90	55.60	3,79,056.66	0.20
Financial liability									
Non Current Borrowing	26 & 32	-	-	10,36,713.31	-	-	-	8,96,236.93	-
Current Borrowing	30	-	-	74,058.07	-	-	-	1,08,519.46	-
Trade Payables	31	-	-	59,871.38	-	-	-	70,567.96	-
Other Financial liabilities	27 & 32	-	-	1,94,428.01	-	-	-	1,79,327.26	-
Total Financial Liabilities		-	-	13,65,070.77	-	-	-	1,254,651.61	-

46. Fair value disclosures for financial assets and financial liabilities

(₹ in Lakhs)

Particular	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets at fair value through profit or loss				
Investments in Mutual Fund	9,896.40	9,896.40	4,245.70	4,245.70
Derivative not designated as hedges	-	-	1,443.10	1,443.20
Total Financial Assets	9,896.40	9,896.40	5,688.80	5,688.90
Financial liability at fair value through profit or loss				
Redeemable, Non Convertible Debentures	2,77,212.60	2,77,724.90	2,31,067.19	2,30,920.69
Premium Obligation under Concession Agreement	1,15,498.40	1,26,188.00	1,17,394.80	1,25,811.30
Total Financial Liabilities	3,92,711.00	4,03,912.90	3,48,461.99	3,56,731.99

- (i) 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.
- (ii) 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.
- (iii) The Fair value of Investments in Bonds and Debentures, NSCs, Long term Loans and advances, Bank Deposits with more than 12months maturities and earmarked balances approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.
- (iv) 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, 2019.
- (v) The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- (vi) The caring value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

Notes on Accounts forming part of Consolidated Financial Statements

47. 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, 2019 and March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2019	March 31, 2018
Assets measured at fair value			
Fair value through profit & loss			
Investment in Mutual Fund	15	9,896.40	4,245.70
Derivatives not designated as hedges	11	0.00	1,443.10
Fair value through OCI			
Investments in Equity Instruments of other Entities	8	55.54	58.10
Liabilities measured at fair value			
Assets for which fair values are disclosed			
Redeemable, Non Convertible Debentures	26 & 32	2,77,724.90	2,30,920.69
Premium Obligation under Concession Agreement	27	1,26,188.00	1,25,811.30

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.

48. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Nominal Value of Equity Share (₹ per share)	1.00	1.00
For Basic EPS:		
Number of Equity Shares at the beginning of the year	1715,70,800	1715,70,800
Number of Equity Shares at year end	1715,70,800	1715,70,800
Weighted Average number of Equity Shares	1715,70,800	1715,70,800
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	1715,70,800	1715,70,800
Weighted Average number of Dilutive Equity Shares	1715,70,800	1715,70,800

The weighted shares have been determined with reference to the respective dates of allotment of shares issued under ESOP. The effects of ESOP have been considered for current year as well as previous year.

Basic EPS		
Net (Loss) Profit after Tax	2,112.82	(308.76)
Weighted Average number of Equity Shares	1715,70,800	1715,70,800
Basic EPS (₹)	1.23	(0.18)
Diluted EPS		
Net (Loss) Profit after Tax	2,112.80	(308.76)
Weighted Average number of Diluted Equity Shares	1715,70,800	1715,70,800
Diluted EPS (₹)	1.23	(0.18)

Notes on Accounts forming part of Consolidated Financial Statements

49. Employee Benefits Note

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

49.1 Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

(₹ in Lakhs)

Particulars	2018 - 2019	2017-18
Contribution to Provident Funds	1,097.21	1,182.12
Contribution to ESIC	217.47	232.97
Total (Ref. Note No. 41)	1,314.68	1,415.09

49.2 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

(₹ in Lakhs)

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 10,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

49.3 Reconciliation of defined benefit obligations

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligations as at beginning of the year	1,229.90	993.80
Current service cost	321.90	287.55
Interest cost	60.17	54.60
Actuarial Loss/(Gain) due to change in financial assumptions	17.41	25.71
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	20.76	(123.02)
Past Service Cost	-	42.01
Benefits Paid	(45.38)	(50.75)
Defined benefit obligations as at end of the year (Refer note no 23)	1,604.76	1,229.90

49.4 Reconciliation of Plan Asset

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Plan Asset as at beginning of the year	1,031.32	852.83
Expenses deducted from the fund	-	-
Interest Income	76.75	69.75
Return on plan assets excluding amounts included in interest income	(17.33)	(15.42)
Contributions by employer	13.00	169.61
Benefits paid	(42.46)	(45.55)
Plan Asset as at end of the year (Refer note no 23)	1,061.28	1,031.22

49.5 Reconciliation of the Effect of Asset ceiling

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

Notes on Accounts forming part of Consolidated Financial Statements

49.6 Net amount Charged to Statement of Profit and Loss for the period (₹ in Lakhs)

Particulars	2018-19	2017-18
Current service cost	299.38	271.45
Past Service cost and Loss/(gain) on curtailments and Settlement	-	42.01
Net Interest cost	10.52	4.75
Net amount recognized	309.90	318.21

Other Comprehensive income for the period

Particulars	2018-19	2017-18
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	23.21	25.71
Due to change in demographic assumption	-	
Due to experience adjustments	14.96	(123.02)
Return on plan assets excluding amounts included in interest income	6.83	12.32
Amounts recognized in Other Comprehensive Income	45.00	(84.99)

49.7 Break up of Plan Assets (₹ in Lakhs)

Particulars	2018-19	2017-18
Insurance Policy	100%	100%

49.8 Actuarial Assumptions (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.35 % to 7.95%	7.35 % to 7.55%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	15% to 25% at younger ages reducing to 3% to 5% at older ages	15% to 25% at younger ages reducing to 3% to 5% at older ages

49.9 Sensitivity Analysis for Actuarial Assumption (₹ in Lakhs)

As at 31.03.2019	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(42.02)	42.72
Salary Growth Rate	0.50%	0.50%	39.63	(40.62)
Withdrawal rate	0.50%	0.50%	(7.24)	5.63

As at 31.03.2018	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(31.63)	33.03
Salary Growth Rate	0.50%	0.50%	30.90	(29.87)
Withdrawal rate	0.50%	0.50%	(6.75)	6.17

49.10 Limitation of method used for sensitivity analysis

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

49.11 Details of Asset- Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

49.12 Expected contribution to the plan for the next annual reporting period (₹ in Lakhs)

Particulars	2018-19	2017-18
Expected contribution to the plan	163.76	210.78
Total	163.76	210.78

Notes on Accounts forming part of Consolidated Financial Statements

49.13 Maturity Profile of the Defined Benefit Obligation of Holding Company

As at March 31, 2019	₹ in Lakhs	%	As at March 31, 2018	₹ in Lakhs	%
2020	224.19	12.60%	2019	177.91	9.80%
2021	147.25	8.30%	2020	107.63	7.98%
2022	138.03	7.70%	2021	119.41	7.90%
2023	132.74	7.40%	2022	98.54	8.80%
2024	137.06	7.60%	2023	104.39	7.30%
2025-2029	522.53	29.30%	2024-2028	415.56	29.60%

49.14 Maturity Profile of the Defined Benefit Obligation of Subsidiary and step-down Subsidiaries

As at March 31, 2019	₹ in Lakhs	As at March 31, 2018	₹ in Lakhs
2019	39.50	2018	23.10
2020	38.30	2019	26.50
2021	41.70	2020	27.70
2022	43.40	2021	34.70
2023	45.20	2022	35.20
2024-2028	190.50	2023-2027	114.90

50. Revenue from contract with customers

50.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Type of service rendered		
Revenue from construction services	408,158.77	385,530.10
Revenue from operation and maintenances and project management services	114,222.30	110,842.20
Total revenue from contracts with customers	522,381.07	496,372.30
Place of service rendered		
India	522,381.07	496,372.30
Total revenue from contracts with customers	522,381.07	496,372.30
Timing of revenue recognition		
Services transferred over time	522,381.07	496,372.30
Total revenue from contracts with customers	522,381.07	496,372.30

50.2 Contract balances

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Contract assets	46,922.12	43,275.07
Contract liabilities	60,093.44	48,141.29

Contract assets are recognised for revenue earned from the VUP and other services render to customer as per the agreement. Upon completion of work, the contract assets are classified as trade receivable.

Contract liabilities of INR 900 Lakhs related to advances received toward services under major maintenances agreement and INR 1844.00 Lakhs pertains to excess billing over the work completed.

50.3 Performance obligation

Information about the company's performance obligations are summarised below:

a. Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

Notes on Accounts forming part of Consolidated Financial Statements

b. Operation and maintenances and project management services

There are contract with step down subsidiaries entities by sadbhav infrastructure projects limited, a subsidiary company for operation & maintenances and project management services. The performance obligation is satisfied over-time and payment is generally due on completion of services i.e. monthly basis.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	As at March 31, 2019	March 31, 2018
Within one year	17,992.68	25,804.80
Morethan one year	9,027.41	17,992.68

50.4 Reconciliation of the amount of revenue recorded in Standalone statement of Profit and loss is not required as there are no adjustments to the contracted price.

51. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited, Mysore-Bellary Highway (P) Ltd. and Sadbhav Gadag Highway Pvt. Ltd.

Step-down Subsidiaries:

"Nagpur-Seoni Express Way Limited, Ahmedabad Ring Road Infrastructure Limited, Aurnagabad-Jalna Tollway Limited, Rohtak Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd, Hyderabad Yadgiri Tollway Pvt. Ltd. Maharashtra Border Check Post Network Ltd., Shreenathji Udaipur Tollway Pvt. Ltd, Bhilwara Rajsamand Tollway Pvt. Ltd.,Dhule Palesner Tollway Ltd. and Rohtak-Hissar Tollway (P) Ltd., Sadbhav nainital Highway Pvt.Ltd., Sadbhav Rudrapur Highway Pvt.Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Una Highway Pvt.Ltd., Sadbhav Bangalore Highway Pvt. Ltd.,Sadbhav Vidarbha highway private limited ,Sadbhav Udaipur highway private limited,Sadbhav Jodhpur ring road private limited,Sadbhav Tumkur highway private limited,Sadbhav Bhimasar Bhuj Highway Pvt. Ltd.,Sadbhav Vizag Port Highway Pvt.Ltd.,Sadbhav Kim Express way Pvt Ltd.,Sadbhav Hybrid Annuity Project Ltd."

Joint Ventures:

SEL-GKC JV, Sadbhav-Annapurna, Sadbhav-Vishnushiva, Sadbhav Engineering Ltd Vaishnovi Construction, Corsan Corviam Construction SA - Sadbhav and SEL-PIPL, PBA-SADBHAV

(b) Related Party with whom transaction during the year

Key Management Personnel (KMP):

Shri Shashinbhai V. Patel, Shri Nitin R. Patel, Shri Vikram R. Patel, Shri Vasistha C. Patel, Shri Vipul H Patel, Shri Tushar D. Shah, Shri Atul Ruparel, Shri Arun S Patel, Shri Mirat N Bhadlawala, Shri Sandip Patel, Smt. Purvi S Parikh

Relatives of KMP:

Smt. Shantaben V. Patel

Entities in which KMP / relatives of KMP can exercise significant influence

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt.Ltd., Sadbhav Realty Pvt Ltd, Sadbhav Quarry Works Pvt.Ltd., Bhavna Engineering Company Pvt Ltd., Veer Infracon Pvt. Ltd.

Notes on Accounts forming part of Consolidated Financial Statements

Transactions	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties				
Sub contracting Income	8,233.66	-	-	8,233.66
	(22,337.80)	-	-	(22,337.80)
Providing of services	0.60	-	-	0.60
	(0.60)	-	-	(0.60)
Sub contracting Expenditure	-	-	1,762.46	1,762.46
	-	-	(4,454.17)	(4,454.17)
Remuneration Expenses	-	753.69	-	753.59
	-	(371.49)	-	(371.49)
Director Sitting Fees	-	9.80	-	9.80
	-	(2.40)	-	(2.40)
Interest Expenses	-	-	15.32	15.32
	-	-	(16.28)	(16.28)
Expenses incurred on behalf and recovered	-	-	-	-
	0.60	-	-	(0.60)
Unsecured Loan Repaid	-	-	30.23	30.23
	-	(184.42)	(19.27)	(203.69)
Mobilization/Material/ Machinery Advance Received	-	-	-	-
	(224.97)	-	-	(224.97)
Mobilization/Material/ Machinery Advance Given	16.82	-	-	16.82
	-	-	-	-
Security Deposit/Retention Money Deducted by Clients	407.72	-	-	407.72
	(3,752.41)	-	-	(3,752.41)
Security Deposit/Retention Money Deducted from Sub-contractors	-	-	37.13	37.13
	-	-	(323.65)	(323.65)
Dividend Paid	-	141.53	655.82	797.35
	-	(101.08)	(500.68)	(601.76)
Outstanding Balance at year end				
Trade receivable	1,772.49	-	-	1,772.49
	(1,080.44)	-	-	(1,080.44)
Trade Payable	-	37.50	190.98	228.48
	-	(21.19)	(425.99)	(447.18)
Mobilization/Material/ Machinery Advance Received	(62.62)	-	-	(62.62)
	(46.75)	-	-	(46.75)
Security Deposit/Retention Money Deducted by Clients	9,662.35	-	-	9,662.35
	(14,214.77)	-	-	(14,214.77)
Security Deposit/Retention Money Deducted from Sub-contractors	-	-	228.34	228.34
	-	-	(496.80)	(496.80)
Unsecured Loan Received	-	-	-	-
	-	-	(158.14)	(158.14)
Remuneration Payable	-	7.20	-	7.20
	-	(5.20)	-	(5.20)

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Sub contracting income from Joint Venture includes 625.86 lakhs (5244.21 lakhs) , INR 1762.99 lakhs (6516.48 lakhs) , INR 1905.49 lakhs (5138.03 lakhs) , INR Nil lakhs (3155.49 lakhs) , INR 2447.96 lakhs (INR 8162.21 lakhs) , INR 1414.92 lakhs (INR -5878.62 lakhs) , from SEL-PIPL JV, SEL-GKC JV, SEL-ANNAPURNA JV, SEL-VISHNUSHIVA JV, SEL - VAISHNOVI JV and CORSAN -SEL JV respectively.
- Sub contracting expenditure of Relatives of Key Personnel and Enterprises over which Relatives of Key Managerial Persons have significant influence includes Rs. 655.34 Lakhs (Rs.767.14 lakhs), Rs. 629.05 lakhs (Rs. 668.03 lakhs), Rs. 177.08 lakhs(578.72), Rs. 300.99 lakhs(Rs.2440.26 lakhs) payable to Sarjan infracon pvt ltd, Veer Infracon pvt ltd, Veer Procon Pvt ltd and Bhavna Engineering co. pvt ltd respectively.
Sub contracting expenditure from subsidiaries includes Rs.3459.52 Lakhs (Rs.NIL) Sadbhav Infrastructure Project Ltd. respectively.
- 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 on Accounts forming part of Consolidated Financial Statements

52 Contingent Liabilities and commitments

A Contingent Liabilities

(a) Claims against the company not acknowledge as debt:

- (i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (March 31, 2018: Rs. 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (March 31, 2018: Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.20 Lakhs (March 31, 2018: Rs. 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
- (ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of Rs. 199.13 Lakhs (March 31, 2018: Rs. 199.13 Lakhs) and impose penalty of Rs. 345.92 Lakhs (March 31, 2018: 345.92 Lakhs) . Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (iii) Demand under Service Tax Act, 1994 Rs. 67.29 Lakh (March 31, 2018: Rs. 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.
- (iv) The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the “Impugned Order”). SEL preferred an appeal before the CIT (Appeals) – XIV (the “CIT Appeals”) challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL’s claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the “CIT(A) Order”) totaling to Rs. 611.03 lakhs. Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the “ITAT Order”). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is Rs. 212.68 Lakhs . The matter is currently pending.
- (v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2008-09. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2008-09 imposing total penalty (the “Penalty Order”) of Rs. 37.22 Lakhs . Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Circle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.
- (vi) The JCIT, Range 8, Ahmedabad served assessment orders to SEL in relation to the assessment years 2008-09 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act aggregating to Rs 906.99 lakh. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions . Subsequently, the Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is Rs. 308.29 Lakhs . The matter is currently pending.
- (vii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of Rs 1277.00 Lakhs (March 31,2018: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to Rs. 5746.80 Lakhs (March 31, 2018: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is Rs. 1953.30 Lakhs (March 31, 2018: 1953.30 lakhs). The matter is currently pending.

Notes on Accounts forming part of Consolidated Financial Statements

- (viii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of Rs. 378.99 Lakhs (March 31, 2018: 378.99). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. The aggregate amount of tax involved is Rs. 244.64 Lakhs (March 31, 2018: 244.64 lakhs). The matter is currently pending.
- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of Rs. 450.73 Lakhs (March 31, 2018: Rs.450.73 Lakhs) and disallow SEL's claim for deduction for a sum of Rs. 379.47 Lakhs (March 31, 2018: Rs. 379.47 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with Gol and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle- 1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to Rs. 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is Rs. 269.36 Lakhs (March 31, 2018: Rs.269.36 Lakhs). The matter is currently pending.
- (x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of Rs. 377.87 Lakhs (March 31, 2018: Rs.377.87 Lakhs) disallow SEL's claim for deduction for a sum of Rs. 7716.78 Lakhs (March 31, 2018: Rs. 7716.78 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2013-14 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is Rs. 836.74 Lakhs (March 31, 2018: Rs.836.74 Lakhs). The matter is currently pending.
The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of Rs. 448.85 Lakhs (March 31, 2018: Rs.448.85 Lakhs) disallow SEL's claim for deduction for a sum of Rs. 2993.28 Lakhs (March 31, 2018: Rs.2993.28 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2014-15 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is Rs. 1048.50 Lakhs (March 31, 2018: Rs.1048.50 Lakhs). The matter is currently pending.
- (xi) There was a search u/s 132 of income tax on the company on 06.04.2017. The company has received notice u/s 153A to file the income tax return for the FY 2011-12 to 2016-17 . The company has filled the return in response to notice u/s 153A. The proceedings are pending.
The company has received notice u/s 148 for the FY 2010-11. The company has challenged the validity of notice in High court of Gujarat which was admitted. The case is pending
- (xii) 1. The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of Rs. 702.00 Lakhs (March 31, 2017: Rs.702.00 Lakhs inclusive of interest Rs. 330.18 Lakhs (March 31, 2018: Rs.330.18 Lakhs) and Penalty of Rs. 74.36 Lakhs (March 31, 2018: Rs.74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of Rs. 15 Lakhs (March 31, 2018: Rs.15.00 Lakhs). As the company has paid Rs. 15.00 Lakhs, no provision has been made
- (xiii) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of Rs. 77.40 lakhs (March 31, 2018: Rs.77.40 Lakhs) and also has passed order for FY 2011-12 with demand of Rs. 152.83 lakhs (March 31, 2018: Rs.152.83 Lakhs) . The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts
- (xiv) The Joint commissioner of Sales Tax (Appeals), Nashik Division has passed an Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of Rs. 201.00 lakhs (March 31, 2018: Rs. 13991.08 lakhs) which includes Interest of Rs. 137.27 Lakhs (March 31, 2018: Rs. 4593.08 Lakhs) and Penalty of Rs. NIL (March 31, 2018: Rs. 4699.00 Lakhs).
- (xv) (i) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of Rs. 11.69 Lakhs (March 31, 2018: Rs.11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.
(ii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (March 31, 2018: 3.63) . the company is going to filled appeal before the High court of Gujarat. The matter is currently pending.
(iii) An employee has filed case before Labour court at Balaghat for compensation of Rs. 13.20 Lakhs (March 31, 2018: Rs. 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.

Notes on Accounts forming part of Consolidated Financial Statements

- (xvi) SEL has moved to Nagpur High Court for release of penalty amount Rs. 113.45 Lakhs against the services provided at Junad Mines of WCL. The judge handling the case has retired and new appointed judge currently handling the case, stated that new hearing date will be issued after re-opening of Court. New hearing date awaited.
- (xvii) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. Reply against the legal notices have already been sent. SEL is waiting for next hearing date from Ranchi Court.
- (xviii) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding Rs. 187.89 Lakhs with respect to the customs duty on importing Electronic Sensor paver Finisher, which was valued at Rs. 726.77 Lakhs by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12/ 2012, pertaining to exemption from payment of custom duty. The Additional Director General DRI, Zonal unit, Lucknow through its show cause notice. Subsequently, SEL preferred an appeal before the Commissioner of Customs Customs Comminsinerate-II, Customs House, No.60, Rajaji Salai, Chennai-600001. SEL submitted its detailed reply on 23/03/2018 to justify nil custom duty against Import of Paver. There after not got any further date in the matter.

(b) **Claims against the Subsidiaries & step-down subsidiaries not acknowledged as debt:**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Service Tax:		
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	434.80	434.80
VAT:		
Demand from authorities for recovery of Sales tax in MBCPNL (refer note (ii) below)	247.60	247.60
Income Tax:		
Income tax demand pertaining to various subsidiaries (refer note (iii) below)	313.00	313.00
Claims against the Group not acknowledged as debts (refer note (iv) below)	0.00	0.00
	995.00	995.40

Notes:

- (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 Rs. 25 Lakhs. Further 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 Company has preferred appeal with Joint Commissioner of Sales tax (Appeal) and deposited INR 10.00 Lakhs 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. 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.

(c) **Other Money for which the company is contingently liable:**

- (i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of legal opinion and decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of Total income tax of Rs. 20320.70 Lakhs (March 31, 2018: Rs. 20320.70 Lakhs) on claim of deduction/s 80IA for the AY 2015-16 to AY 2018-19 has been consider as contingent liability for which assessment is not completed.

Notes on Accounts forming part of Consolidated Financial Statements

(ii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of Rs. 8160.00 Lakhs (March 31, 2018: Rs. 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is Rs. 8160 Lakhs (March 31, 2018: Rs. 8160.00 Lakhs). The matter is currently pending

(d) **Guarantees:**

Company has given corporate guarantee to banks for 91692.00Lakhs (March 31, 2018: Rs. 82265 Lakhs) against the finance facility given by the banks to subsidiary companies.

B Capital & other Commitments

The followings are the estimated amount of contractual commitments of the company:-

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	0.00	0.00
(ii) Other Commitment	2790.49	3418.57

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, 2019	March 31, 2018
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%*	30.00%	30.00%
Aurangabad Jalna Tollway Limited	21.00%	21.00%	30.00%	30.00%
Bhilwara-Rajsamand Tollway Private Limited	51.00%	51.00%	30.00%	51.00%
Bijapur Hungund Tollway Private Limited	51.00%	51.00%	66.23%	66.23%
Hyderabad Yadgiri Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	30.11%	29.57%
Shreenathji-Udaipur Tollway Private Limited	30.00%	30.00%	30.00%	30.00%
Nagpur Seoni Expressway Limited	51.00%	51.00%	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%
Dhule Palenser Tollway Limited	51.00%	33.00%	33.00%	33.00%
Sadbhav Una Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Udaipur Highway Private Limited	51.00%	51.00%	62.08%	30.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Private Limited	51.00%	51.00%	98.00%	30.00%
Sadbhav Bhavnagar Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	51.00%	51.00%	0.00%
Sadbhav Nainital Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Tumkur Highway Private Limited	NA	NA	-	-
Sadbhav Vizag Port Road Private Limited	NA	NA	-	-
Sadbhav Hybrid Annuity Projects Limited	NA	NA	51.00%	-
Sadbhav Kim Expressway Private Limited	NA	NA	-	-
Sadbhav Bhimasar Bhuj Highway Private Limited	NA	NA	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.

The SIPL has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt.Ltd. (MBHPL) from the Company as per agreement dated November 3, 2014, subject to regulatory approvals.

Notes on Accounts forming part of Consolidated Financial Statements

53. 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:

(₹ in Lakhs)

Particulars	As at March 31, 2019
Carrying amount as at April 1, 2018	32,102.60
Add: Additional provision made during the year	9,718.80
Add: increase during the Year in the discounted amount due to passage of time	2,335.80
Less: Amounts used (i.e. incurred and charged against the provision) during the year	1,529.10
Carrying amount as at March 31, 2019	42,628.10
Current	21,262.40
Non-Current	21,365.70
Total	42,628.10
Year of expected cash outflow	2019-2025

54. Segment information

"The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure sector comprising of Roads, Bridges, Irrigation, Mining, Metro, Power etc. Information reported to and evaluated regularly by the Chief Operating Decision Maker(CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Ind AS 108 ""Operating Segments"" there is a single reportable segment "" EPC."" Hence no segment reporting is made."

55 Financial Risk Management

"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. The Group's business activities are exposed to a 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 Rs. 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.

"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, 2019 and March 31, 2018."

Notes on Accounts forming part of Consolidated Financial Statements

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 group mainly from non - current borrowings with variable rates. The Group maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The group measures risk through sensitivity analysis." 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 loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on loss before tax	
	March 31, 2019	March 31, 2018
Increase in 25 basis point	(2009.96)	(2121.10)
Decrease in 25 basis point	2009.96	2121.10

The effect of interest rate changes on future cash flows is excluded from this analysis.

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. 56

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, 2019 and March 31, 2018 and accordingly sensitivity analysis of change in USD rate has not been presented.

(b) Credit risk

Credit risk is the risk that a counter party 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 subsidiaries and step down subsidiaries has significant credit exposure related to receivable from authorities which are as mentioned below: 1. National Highway Authority of India - INR 2,71,155.10 lakhs (March 31, 2018: INR 131786.80 Lakhs).2. State Government Authorities - INR 3458.20 Lakhs (March 31, 2018: INR 2428.30 Lakhs).

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 counter parties. Based on its on-going assessment of counter party risk, the group adjusts its exposure to various counter parties. 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, 2019 is INR 18,275.60 lakhs and March 31, 2018 is INR 10,309.6 lakhs.

(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 regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any Short term cash generated, over and above its working capital management and other operational requirement, is retained as cash and cash equivalents (to the extent required) and any excess is invested in short term mutual fund to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. It maintains 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.

Notes on Accounts forming part of Consolidated Financial Statements

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2019						
Non-current borrowings#	10,36,713.31		70,042.23	82,547.95	2,73,947.33	6,10,175.80
Other Long Term Payable	552.93			552.93		
Loans Repayable on Demand	74,058.07	74,058.07				
Trade Payables	59,871.38		59,871.38			
Other financial liabilities *	1,94,428.01		45,765.31	8,061.30	15,255.80	1,25,345.60
Total	13,65,623.70	74,058.07	1,75,678.92	91,162.18	2,89,203.13	7,35,521.40
As at March 31, 2018						
Non-current borrowings#	8,96,236.93		52,715.47	1,03,406.92	1,84,413.74	5,55,700.80
Loans Repayable on Demand	1,08,519.46	1,08,519.46				
Trade Payables	70,567.96		70,567.96			
Other financial liabilities *	2,86,396.70		47,708.10	8,506.90	18,194.60	2,11,987.10
Total	13,61,721.05	1,08,519.46	1,70,991.53	1,11,913.82	2,02,608.34	7,67,687.90

Current maturities of Non-current borrowings is included and transaction cost paid to lender on upfront basis excluded from above Non Current borrowing .

* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis.

56. Derivative instruments:

Derivative outstanding as at the reporting date

(₹ in Lakhs)

Nature of instrument	As at March 31, 2019	As at March 31, 2018
Swap contract - Interest Swap		
Notional amount of USD Lakhs	60.66	36.40
Option contracts to buy		
Notional amount of USD Lakhs	33.33	469.49
Notional amount of EURO Lakhs	57.80	0

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.

57. 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.

Summary of Quantitative Data is given hereunder :-

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Equity Share Capital	1,715.71	1,715.71
Other Equity	1,25,216.51	119,242.71
Add: Retained Earnings	(43,432.10)	(31,826.99)
Total Equity	83,500.12	89,131.43

Notes on Accounts forming part of Consolidated Financial Statements

58. Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection rights (Intangible Assets)

(₹ in Lakhs)

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	8.76 years
2	Aurangabad Jalna Tollway Limited	February 01, 2007	July 31, 2030	23 years 6 months	July 24, 2009	11.34 years
3	Bhilwara Rajsamand Tollway Pvt. Ltd.	October 9, 2013	October 8, 2043	30 years	June 4, 2016	25.54 years
4	Bijapur Hungund Tollway Pvt. Ltd.	September 05, 2010	September 04, 2030	20 years	June 20, 2012	11.43 years
5	Hyderabad Yadgiri Tollway Pvt. Ltd.	July 30, 2010	July 29, 2033	23 Years	December 10, 2012	14.34 years
6	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years & 6 months	November 16, 2011	14.51 years
7	Rohtak Hissar Tollway Pvt. Ltd.	December 26, 2013	December 26, 2035	22 years	July 29, 2016	15.74 years
8	Rohtak Panipat Tollway Pvt. Ltd.	April 18, 2011	April 17, 2036	25 years	January 6, 2014	17.06 years
9	Shreenathji Udaipur Tollway Pvt. Ltd.	April 18, 2013	April 17, 2040	27 years	October 16, 2015	21.6 years
10	Dhule Palesner Tollway Limited	December 21, 2009	December 20, 2027	18 years	January 23, 2012	8.73 years

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:-
- Rights to use the Specified assets
 - Obligations to provide or rights to expect provision of services
 - 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 project

(₹ in Lakhs)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of commercial operation	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 (Extension of time has been)
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	May 21, 2018	November 15, 2035	15 years from COD	November 15, 2020

Notes on Accounts forming part of Consolidated Financial Statements

9	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020
10	Sadbhav Tumkur Highway Private Limited	Appointed date awaited		15 years from COD	Appointed date Awaited
11	Sadbhav Bhimasar Bhuj Highway Private Limited	Appointed date awaited		15 years from COD	Appointed date Awaited
12	Sadbhav Kim Highway Private Limited	Appointed date awaited		15 years from COD	Appointed date Awaited
13	Sadbhav Vizag Expressway Private Limited	Appointed date awaited		15 years from COD	Appointed date Awaited

Notes:

In HAM projects, revenue is received / receivable as under:

- (i) 40% of the total 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.

59. 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.

- (i) Ind AS 116 "Leases"

"Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Company intends to adopt these standards from 1 April, 2019. As the company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Statement of Profit or Loss."

- 60 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 31st March, 2019, the company has achieved provisional certificate of completion for 21 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.

Notes on Accounts forming part of Consolidated Financial Statements

As at 31st March, 2019, 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 61 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.

61. Maharashtra Border Check Post Network Limited ('MBCPNL') one of the subsidiary, has accepted and accounted certain project related costs variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to March 31, 2019 is INR 22,288.40 Lakhs (March 31, 2018 INR 22,123.00 lakhs). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variations is required to be approved by 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 is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
62. In the case of the following step-down subsidiaries there are accumulated losses as at the balance sheet date as those are in early stage of their operations, which have resulted in erosion of the respective company's net worth. These operational subsidiaries where networth is negative are expected to achieve adequate profitability as per the future traffic projections by way of increase in traffic and reduction in finance costs through repayment/refinancing of loan during their respective project tenure. Also, some of these operational subsidiaries have received favorable arbitration claims and have been able to meet/will continue to meet their financial obligations in the ordinary course of the business, complimented by the continuing unconditional financial support offered to the Group by the Company. Further, the management has also evaluated and concluded that BOT/Annuity assets value are in excess of carrying value based on certain parameters like cash flow projections, future projected traffic, growth rate and other factors. The details are as follows:

Name of the Subsidiary	Accumulated Losses as at	
	March 31, 2019	March 31, 2018
Bijapur Hungund Tollway Private Limited	14,593.66	-
Sadbhav Tumkur Highway Private Limited	11.70	-
Sadbhav Hybrid Annuity Projects Limited	466.60	-
Aurangabad Jalna Tollway Limited	8,287.90	8,789.40
Hyderabad Yadgiri Tollway Private Limited	15,167.48	15,869.40
Nagpur Seoni Expressway Limited	7,235.80	12,061.70
Rohtak Hissar Tollway Private Limited	28,175.38	16,507.90
Rohtak-Panipat Tollway Private Limited	80,868.90	62,261.60

63. 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, 2019

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 ₹ in Lakhs	As % of consolidated profit / (loss)	Amount ₹ in Lakhs	As % of consolidated OCI	Amount ₹ in Lakhs	As % of consolidated TCI	Amount ₹ in Lakhs
Parent Company								
SEL	18%	16,984.02	(3.46)	18,685.01	68%	(30.50)	-342%	18,654.51
Subsidiary Companies								
Indian								
SIPL	61%	59,104.91	3.16	(17085.64)	32%	(14.40)	314%	(17,100.04)
MBHPL	8%	7,406.79	(0.09)	513.49	0%	-	-9%	513.49
GADAG	0%	4.70	-	-	-	-	-	-
Minority interest in all subsidiaries	14%	13,342.50	1.39	(7,520.94)	0%	(0.10)	138%	(7,521.04)
Total	100%	96,842.90	100%	(5,408.08)	100%	(45.00)	100%	(5,453.08)

Notes on Accounts forming part of Consolidated Financial Statements

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 ₹ in Lakhs	As % of consolidated profit / (loss)	Amount ₹ in Lakhs	As % of consolidated OCI	Amount ₹ in Lakhs	As % of consolidated TCI	Amount ₹ in Lakhs
Parent Company								
SEL	13%	14,411.70	(1.96)	22,309.67	85.17%	72.38	(1.98)	22,382.05
Subsidiary Companies								
Indian								
SIPL	52%	58,562.33	1.99	(22,702.53)	-0.89%	(0.76)	2.01	(22,703.29)
MBHPL	14%	16,157.40	(0.01)	85.54	0.00%	-	(0.01)	85.54
Minority interest in all subsidiaries	21%	23,045.15	0.97	(11,095.10)	15.72%	13.36	0.98	(11,081.74)
Total	100%	112,176.58	100%	(11,402.42)	100%	84.98	100%	(11,317.44)

64. AS per Ind AS - 17 - "Leases", the disclosure of Operating Leases as defined in the accounting standard are as follows:

(a) The total of future minimum lease payments under non-cancellable operating leases are for each of the following periods:

Particulars	2018-19	2017-18
Not later than one year	2,183.85	1,110.93
Later than one year and not later than five years	3,837.43	2,820.20
Later than five years	-	-

(b) The Company has recognised lease payment of Rs. 1749.91 Lakhs (March 31, 2018: Rs. 657.68 Lakhs) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general discrimination of significant leasing arrangements:

At the conclusion of the Term, Lessee has right to exercise one or more of the following options.

- Request Lessor to agree to a renewal of Term or
- Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.
- Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

65. There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets"

66. DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIS ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2018:

Sr. No.	Name of Company	As at March 31, 2019	As at March 31, 2018
1	Ahmedabad Ring Road Infrastructure Ltd.	1492.00	2265.00
2	Sadbhav Infrastructure Project Ltd.	90200.00	80000.00
	Total	91692.00	82265.00

Notes on Accounts forming part of Consolidated Financial Statements

67. (a) During the year, Nagpur Seoni Expressway Limited (NSEL), a step down subsidiary company, has received favourable arbitration award dated October 05, 2018 and has received in full, claim amounting to INR 6875.20 Lakhs from National Highway Authority of India, which is recognised as income and is disclosed as exceptional item in the consolidated statement of profit and loss.
- (b) During the year, the company entered into settlement agreement dated October 20, 2018 with the minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') whereby the Sadbhav Infrastructure Projects Ltd, a subsidiary company has paid INR 1529.50 Lakhs towards settlement of dispute. The said amount has been disclosed as exceptional item in the consolidated statement of profit and loss

68. Event after the reporting period

The Board of Directors of the Sadbhav Infrastructure Projects Ltd, a subsidiary Company in their meeting held on May 27, 2019 have 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, 2019 subject to approval of the members at the ensuing general meeting.

69. In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

70. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated

71. Previous year figures:

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO. LLP

Chartered Accountants

Firm Regn. No.102511W/W100298

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 30/05/2019

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

FORM AOC-1

(Pursuant to first proviso 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

Part "A": Subsidiaries including Step down subsidiaries

(₹ in Lakhs)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Name of the Subsidiaries/Stepdown Subsidiaries Company	Sadbhav Infrastructure Project Pvc. Ltd.	Mysore- Bellary Highway Project Pvc. Ltd.	Sadbhav Gadag- Bellary Highway Project Pvc. Ltd.	Aurangab ad Road Tollway Infrastructure Limited	Almedab ad King Road Infrastructure Limited	Bilapur- Tungand Road Tollway Infrastructure Limited	Bhawan- Rajamani Tollway Infrastructure Limited	Dhule Palenar Tollway Infrastructure Limited	Hyderabad- Yadgir Tollway Infrastructure Limited	Maharash ra Borden Expressway Network Limited	Nagpur- Seoni Expressway Limited	Rohtak- Hissar Tollway Infrastructure Limited	Rohtak- Panipat Tollway Infrastructure Limited	Shreeganthi- Jodhpur Tollway Infrastructure Limited	Sadbhav Rudrapur Tollway Infrastructure Limited	Sadbhav Naical Highway Infrastructure Limited	Sadbhav Bha- nagar Highway Infrastructure Limited	Sadbhav Una Highway Infrastructure Limited	Sadbhav Bangalore Highway Infrastructure Limited	Sadbhav Vitaraha Highway Infrastructure Limited	Sadbhav Udaipur Highway Infrastructure Limited	Sadbhav Rongroad Highway Infrastructure Limited	Sadbhav Tumkur Highway Infrastructure Limited	Sadbhav Kim Ek- Bhemar Highway Infrastructure Limited	Sadbhav Vrag Port Road Private Limited	Sadbhav Annuity Projects Limited	TOTAL		
Reporting period	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19		
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR		
Share Capital	35222.50	7907.00	5.00	197.10	1046.00	10096.00	1734.00	6878.00	324.70	5.00	4800.00	1076.80	218.60	3374.30	100.00	100.00	400.00	400.00	3090.30	965.00	1779.90	1165.00	5.00	5.00	5.00	5.00	5.00	5.00	80910.20
Reserves & Surplus	1085.15	947.60	(0.30)	(184.40)	2732.40	(8995.80)	9333.00	(2706.30)	(2828.00)	3481.40	(6053.00)	(18244.20)	(56516.30)	8536.30	6044.00	5260.80	4853.30	2324.70	6851.20	7927.60	4949.80	1110.60	(11.70)	51.00	526.50	(14.70)	(466.60)	109056.90	
Total Assets	341764.60	46127.20	4.90	24015.10	32079.40	90609.00	40505.00	134053.83	64183.80	152486.00	22506.70	100632.20	179714.50	142150.30	42992.46	26896.40	43224.67	29364.89	60803.22	36909.88	44068.55	17842.47	4.60	2310.35	584.15	4.31	4711.13	1680399.62	
Total Liabilities (excluding Share Capital and Reserves & Surplus)	198027.10	37272.60	0.20	24001.41	28300.93	91416.27	29437.77	108964.53	66687.19	117623.93	23759.72	117899.67	26312.57	130240.40	36848.55	21535.70	37971.50	26640.42	50861.80	28124.90	37338.86	15566.90	11.30	2254.40	52.60	13.90	5174.30	4472139.45	
Investments	262147.20	110.90	0.00	190.80	314.39	4741.19	22.90	1516.71	509.50	0.00	2208.46	12.40	10.30	20.80	0.00	0.00	40.33	0.00	388.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	272234.18
Turnover	29502.70	4181.30	0.00	56337.3	10588.43	14437.51	5230.80	19498.29	9392.50	25194.27	461.20	6590.50	10734.10	12312.25	21168.55	14384.30	23930.53	16212.83	61570.46	39509.30	41700.31	855.12	0.00	2032.80	0.00	0.00	0.00	0.00	382812.77
Profit/(Loss) Before Taxation	10885.00	795.10	(0.30)	905.74	2138.64	(1127.09)	(213.94)	(2045.32)	(1344.96)	3165.56	(958.37)	(11668.46)	(18607.00)	(4457.59)	(483.30)	492.87	(442.24)	(477.86)	528.58	403.80	167.40	(4.60)	(11.70)	0.00	(26.70)	(14.70)	(466.59)	(23267.93)	
Exceptional Items	(1529.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6875.20)	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	3701.10	101.20	0.00	0.00	1346.80	0.00	0.00	(398.50)	0.00	0.00	1090.98	0.00	0.00	0.00	(25.04)	74.70	0.00	0.00	137.76	112.40	33.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6171.21
Profit/(Loss) After Taxation	5654.40	693.90	(0.30)	905.74	791.84	(1127.09)	(213.84)	(1646.82)	(1344.96)	3165.56	4825.90	(11668.46)	(18607.00)	(4457.59)	(454.26)	418.17	(442.24)	(477.86)	390.84	291.40	133.54	(4.60)	(11.70)	0.00	(26.70)	(14.70)	(466.59)	(24093.43)	
Proposed Dividend	0.30	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% of Shareholding**	69.05%	74.00%	100.00%	100.00%	100.00%	77.00%	100.00%	100.00%	100.00%	99.63%	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%	100.00%	100.00%	100.00%	100.00%	100.00%	-

Figures in bracket show negative figures.

* Subsidiary of Sadbhav Infrastructure Project Limited which is a step-down subsidiary of the Sadbhav Engineering Limited

** % of Shareholding Representing aggregate of shares held by the company and/or its subsidiaries.

For and on behalf of Board of Directors

Notes:

- Name of Subsidiaries which are yet to commence operations
- Sadbhav Tumkur Highway Private Limited
- Sadbhav Bhimasar Bhuj Highway Private Limited
- Sadbhav Kim Expressway Private Limited
- Sadbhav Vizag Port Road Private Limited
- Sadbhav Hybrid Annuity Projects Limited

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Vasistha C. Patel

Executive Director

DIN : 00048324

Tushar D. Shah

Company Secretary

DIN : 00048324

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

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

Part 'B': Associates and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/Joint Ventures	SEL-GKC JV Radhanpur - Manjura Project	SEL-GKC JV Vishakhapatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Managuru Project	SEL-GKC JV BHPJL Project	SEL-GKC JV Govindpur Project	SEL-Annaapurna JV Basantimata Project	SEL-Vishmushiva Maheshpur Project	SEL-Vishmushiva Jalipa / Kapurdi Project	SEL-Vaishnvi JV - Halom Project	Corsan Corviam Const DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PIPL JV
1	Latest audited Balance Sheet Date	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
2	Shares of Associates/Joint Ventures held by the company on the year end															
No.		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Amount of investment in Associates/Joint Ventures (Rs. In Lakhs)		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Extend of Holding %		52.00	50.00	60.00	52.00	40.00	51.00	50.00	50.00	80.00	75.00	98.00	72.00	40.00	40.00	51.00
3	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note
5	Networth attributable to Shareholding as per latest audited Balance Sheet	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Profit / (Loss) for the year (Rs. In Lakhs)															
	i. Considered in Consolidated (Rs. In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii. Not Considered in Consolidated (Rs. In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*Note : Accounted as per Jointly Control Operation method. Assets, Liabilities, Income & Expenses are recognised in the respective Joint Venture partners' books of accounts.

Notes:-

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None

For and on behalf of Board of Directors

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Vasistha C. Patel
Executive Director
DIN : 00048324

Date: 30-05-2019
Place: Ahmedabad

Tushar D. Shah
Company Secretary



SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : 'Sadbhav House', Opp. Law Garden Police Chowki, Ellisbridge,
Ahmedabad-380006, Gujarat • Tel.: 91 79 40400400 • Fax : 91 79 40400444
E-mail : investor@sadbhav.co.in • Web : www.sadbhaveng.com

ATTENDANCE SLIP

Folio No. / DP ID - Client ID	
Name of the Shareholder	
Registered Address	

I hereby record my presence at the **30th Annual General Meeting of the Company** held on Wednesday, September 25, 2019 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad- 380006, Gujarat at 12.00 noon.

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)



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E-mail : investor@sadbhav.co.in • Web : www.sadbhaveng.com

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 _____ share of the Sadbhav Infrastructure Project Limited, hereby appoint;

- 1) _____ of _____ having email id _____ or failing him/her
- 2) _____ of _____ having email id _____ or failing him/her
- 3) _____ of _____ having email 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 **30th Annual General Meeting of the Company**, to be held on Wednesday, 25th September, 2019 at 12.00 noon 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:

ORDINARY BUSINESS

1. Consider and adopt:
 - (a) Audited Standalone Financial Statement, Report of the Board of Directors and Auditors thereon for the financial year ended March 31, 2019.
 - (b) Audited Consolidated Financial Statement for the financial year ended March 31, 2019.
2. Declaration of Dividend on Equity Shares.
3. Appointment of Mr. Nitin R. Patel who retires by rotation.
4. Appointment of Mr. Vipul H. Patel who retires by rotation.

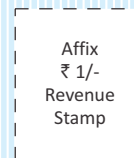
P.T.O.



SPECIAL BUSINESS

5. Ratification of Remuneration to Cost Auditor (Ordinary Resolution)
6. Re-appointment of Mr. Vipul H. Patel as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years (Special Resolution)
7. Re-appointment of Mr. Mirat N. Bhadlawala as an Independent Director of the Company for a further period of five years (Special Resolution)
8. Re-appointment of Mr. Atul N. Ruparel as an Independent Director of the Company for a further period of five years (Special Resolution)
9. Re-appointment of Mr. Sandip V. Patel as an Independent Director of the Company for a further period of five years (Special Resolution)

Signed this _____ day of _____ 2019



Signature of shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd 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 ENGINEERING LIMITED
CIN : L45400GJ1988PLC011322

Registered Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat, India.
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An ISO 9001:2015 Organization