


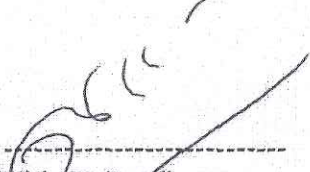
FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

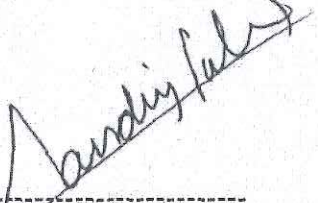
1.	Name of the Company:	Sadbhav Engineering Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period N.A.



(Vishnubahi M. Patel)
Managing Director

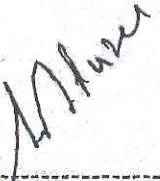


(Nitin R. Patel)
Executive Director /CFO



(Sandip V. Patel)
Chairman-Audit Committee





Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. -112171W
(Shashikant D. Patel),
Partner
Membership No : 037671



**26th
Annual Report
2014-2015**



**Bridging the Gap
Global to Local**

**“ Dream is not what you see in sleep.
It is the thing which doesn't let you sleep.”**

- Dr. A.P.J. Abdul Kalam

Our goal has always been our dream and this dream of ours, took us to the heights of professional skyline. From the top Management team to our Workforce, Sadbhav Engineering Ltd. has constantly thrived for contribution towards progressiveness and a sense of achievement. This led us to a path of success along with fulfilment of our aims.

At Sadbhav, we think the global nature of Indian infrastructure is the future and, thus, we design and provide it to you nationally. We gain this, by the satisfaction of rolling out the best of the world for you.

C O N T E N T S	01	Sadbhav Vision
	03	Corporate Information
	04	Chairman's Message
	08	Roads and Highways
	10	Mining
	11	Irrigation
	12	Financial Highlights
	13	Notice
	20	Directors' Report
	42	Report on Corporate Governance
	52	Management Discussion & Analysis
	55	Independent Auditor's Report
	58	Financial Statements
	86	Consolidated Financial Statements
133	Salient Features of Financial Statements of Subsidiary/Associates/Joint Ventures	
135	Attendance Slip & Proxy form	

Sadbhav was established in 1988, with a **vision** to strive for perfection in order to establish a prominent position, by exemplary performance, state of art quality work, thereby providing utmost satisfaction to all the stakeholders.

Our **mission** has always been to enhance and maintain our potential in providing our services through the support of latest technology with quality and timely civil engineering services needed to create a nation of our dreams. We Develop, Build & Service Physical Infrastructure for better living, work environment & better transportation. We endeavor to achieve our objectives in an environment of fairness and courtesy to our clients, employees, vendors, investors and society. Sadbhav also aspires to provide construction services in a professional manner to exceed the needs of our clients. We also strive to build quality industrial construction with commitments towards Delivery, Safety and Environment achieving highest level of customer satisfaction.

At all times Sadbhav's **objectives** have been to increase client satisfaction index, timely completion of projects, Executing Quality work to the client satisfaction and ensuring Prompt Services by adhering to safety & environment standards.

“Teamwork is the ability to work together toward a common vision. It is the fuel that allows common people to attain uncommon results”

- Andrew Carnegie

Key Management Team



Corporate Information

BOARD OF DIRECTORS

1. **Shri Vishnubhai M. Patel**
Chairman & Managing Director
2. **Shri Shashin V. Patel**
Joint Managing Director
3. **Shri Vasistha C. Patel**
Executive Director
4. **Shri Vikram R. Patel**
Executive Director
5. **Shri Nitin R. Patel**
Executive Director & CFO
6. **Shri Sandip V. Patel**
Independent Director
7. **Shri Atul N. Ruparel**
Independent Director
8. **Shri Arun S. Patel**
Independent Director
9. **Shri Sandip A. Sheth**
Independent Director
10. **Shri Mirat N. Bhadlawala**
Independent Director
11. **Smt. Purvi S. Parikh**
Independent Director
(w.e.f. 12-02-2015)

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
- Shri Sandip A. Sheth**
Member

Stakeholders Relationship Committee

- Shri Mirat N. Bhadlawala**
Chairman
- Shri Sandip V. Patel**
Member
- Shri Nitin R. Patel**
Member
- Shri Vasistha C. Patel**
Member

Finance and Investment Committee

- Shri Vishnubhai M. Patel**
Chairman
- Shri Shashin V. Patel**
Member
- Shri Nitin R. Patel**
Member
- Shri Vasistha C. Patel**
Member
- Shri Atul N. Ruparel**
Member

Corporate Social Responsibility Committee

- Shri Vishnubhai M. Patel**
Chairman
- Shri Vasistha C. Patel**
Member
- Shri Mirat N. Bhadlawala**
Member
- Shri Sandip A. Sheth**
Member

BANKERS

- Oriental Bank of Commerce
- The Karur Vysya Bank Limited
- Indian Overseas Bank
- ICICI Bank Limited
- IDBI Bank Ltd.
- Yes Bank Ltd.
- Standard Chartered Bank
- Punjab National Bank

COMPANY SECRETARY

Shri Vijay Kalyani

STATUTORY AUDITORS

Surana Maloo & Co.

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

1st Floor, "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.
(formerly Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills
Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400078.

“ Our approach to construction is simple: Teamwork & Hardwork conquers tough tasks; while honest business practices yield quality results. ”



Chairman's Message

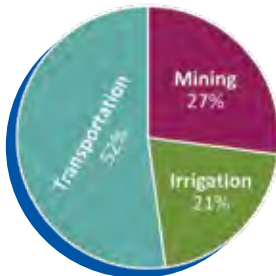
Dear Stakeholders,

Sadbhav Engineering has never ceased to amaze in its brilliance towards the development, rapid progress and success in the multifarious directions of engineering, construction, and infrastructural activities across transport, mining, and irrigation sectors in India. But amidst all this, your company took its responsibility towards the society and environment with a zest. Your company has always been one for all and all for one. It will continue to do so with the same attitude for immeasurable number of years.

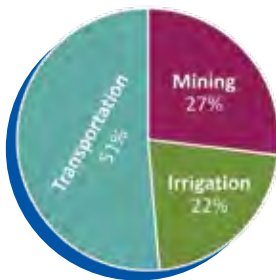
It, therefore, gives me a great pleasure to present the financial report of your company for the year 2014-2015. Given the present economic scenario your company still continues to do exceptionally well on the outset. The strengthening economic growth of India has brought in influx of trade and travel, thus providing a boost to the Indian infrastructure and converting them into imperative for bridging the gap between global and local. The thrust of such opportunities, which have emerged in the present circumstances, has had a great impact in the order book of your company, setting a standard for a superlative performance. This led your company to bag some of the most important contracts and projects which carve a niche in the Indian infrastructure and synonymize and engrave its name with development.

Total Order Book

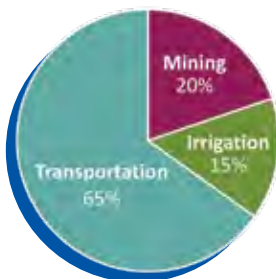
As on June 2015
(₹ 8,465.05 Crores)



As on June 2014
(₹ 8,336.08 Crores)



As on June 2013
(₹ 9,602.48 Crores)



“ SADBHAV marches with the country on its journey of progress, by providing Infrastructural support to accelerate growth ”



Sadbhav Engineering's dealings stretch across major sectors of infrastructural growth encompassing multiple sectors. Sadbhav has proudly reached a net worth of ₹ 1352.06 crores which accounts for a rocketing growth. The order book stands at ₹ 8199.98 crores as on 31st March, 2015. An achievement towards a turnover of ₹ 2969.85 crores for the said year was made by us wherein the sales rose to 25.94%. With Net Profit rising up-to 7.13%, our Profit after Tax stands at ₹ 113.73 crores. By comparison between various financial years, your company has broken its records by allotting ₹ 14.46 crores as the Dividend pay-out for 2014-2015.

Close to 68% of Sadbhav's revenues, this year, are derived from the Transport segment. The operations include upgrading, widening, strengthening and maintenance of roads and highways as well as undertaking Build Operate and Transfer (BOT) road projects. The Company through its subsidiary Sadbhav Infrastructure Project Limited currently has 8 BOT projects with inclusive of toll roads and annuity road projects. These projects are expected to be operational with time. Sadbhav is also doing EPC contracts under this sector and currently stands with 11 worth ₹ 1240.95 crores as per the order book. Your Company has won additionally 2 other projects adding on to other cash contracts in last quarter of Financial Year 2014-15 in transport sector.

The irrigation projects contributed 14% to company's overall revenues. Your company already has 23 on-going projects of value of ₹ 2014.63 crores during Financial Year 2014-15 in irrigation sector. This year Sadbhav generated 18 % revenues from mining sector. With this your company has reached at total mining capacity at over 675.00 lakh cubic meters of overburden removal and over 40.00 lakh metric tonnes of coal and lignite and over 8.00 lakh metric tonnes Uranium Ore mining for the year. During this financial year, order book status for mining sector stands at the valuation of ₹ 2392.48 crores with a continuation of its 11 projects.

I feel privileged to say that all the above would not have been possible if we, at Sadbhav Engineering, did not have a strong team of Engineering and Management staff. Our promotion

of young talent has resulted in gathering an excellent team of professionals who brought their comprehensive expertise to benefit our company. For us, a company's strength and success lies on the hands behind it. Therefore, we have ensured that our young employees gain ample opportunities for personal and professional growth.

As Jane Good all once said, "What you do makes a difference, and you have to decide what kind of difference you want to make." Therefore, I take this opportunity to thank every stakeholder of Sadbhav Engineering who plays a pivotal role in our success and our constant effort towards making a difference. We also place on record our appreciation for undaunted trust and unfathomable support of our customers, shareholders, lenders and vendors shown towards the company. Hence, on your behalf as well as on behalf of the Board of Directors, I whole heartedly admire the seamless efforts of the employees of Sadbhav Engineering on another impressive performance and pursuing their goal to establish trust amongst you during the year FY15. I would like to thank all of you for your constant and esteemed presence and garnered interest in the Company.

Thank you.



Vishnubhai Patel



*“ Create with the
mind; build with
the heart ”*



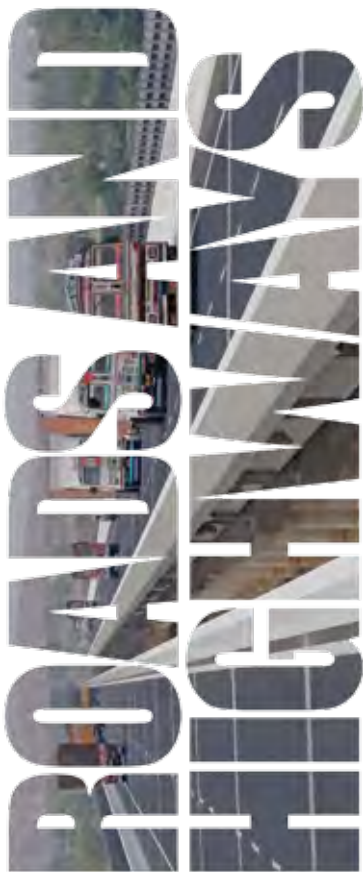
ROADS AND HIGHWAYS :

All the roads started with Rome. The Milliarium Aureum still continues to represent kilometre zero in Italy until modern times having done so for over two millennia (since its inception in 20BC by Augustus). Since then many civil engineers like Thomas Telford, Nora Barney, William Armstrong, etc. came. This led to a journey from where India went on to become the second largest road network in the World with a total length of around 43,20,000 kms. Indian road network consists of 1,000 kms Expressways, 79,243 kms National Highways, 1,31,899 kms State Highways and other major district and rural roads. These amazing networks of roads also have elevated Expressways, Cloverleaf Interchange, river road Bridge and flyover, which are the longest and largest in India as well as in Asia.

With the use of Public Private Partnership (PPP) models in the highway sector are Build Operate Transfer (BOT) toll and BOT annuity; during the next five years, investment through PPPs is expected to be in the region of US\$ 31 Billion for national highways. NHDP, a US\$ 60 Billion, seven-phase programme - one of the largest in the world - focuses on the widening, up-gradation and rehabilitation of 47,054 kms of National Highways. At present, the onus of financing road projects is mainly on commercial banks. However, insurance and pension funds, Infrastructure Investment Trusts, External Commercial Borrowings and Infrastructure Development Funds (IDFs) may be increasingly tapped to meet the financing requirements of road projects.

The company is currently executing 13 EPC projects under the transport sector with the order book status of ₹ 2316.94 crores as on 30th June, 2015. Of these, the on-going EPC projects are:

- Four Laning of Ambala - Kaithal Section in the state of Haryana of NH-65.
- Upgradation of the road from Managuli to Devapara of SH-61 in the state of Karnataka.
- Widening & Strengthening of Jodhpur-Barmer Section of NH-112 (Jodhpur to Pachpadra Pkg-I) with two lane with paved shoulder/four lane.
- Widening & Strengthening of Raj-Athagarh-Narasingshpur road (SH-65) to 2-lane.
- Work of Construction of Rigid Pavement Four Lane Main Trunk roads including construction of box culverts and Street Light with Foot-Path work in Sanand-II (BOL).



- Improvement/upgradation strengthening/widening of Govindpur-Sahibgunj state road project (Givindpur-Jamtara) Package-1 (JV).
- Improvement works of Ranchi ring Road in Jharkhand.
- Construction of cement concrete pavement and allied works within Surat city limit for Package-IV (a) Varachha road (b) Bamroli road (c) Rander road.
- Investigation, survey, design and construction of BRTS corridor from Pendurthi to DRM office (“PTC Corridor”) via NAD Jn. Kancharapalem.
- Four Laning of UP/Hariyana border-Yamunanagar-Saha-Barwala-Panchkula Section of NH-73 in the state of Haryana on EPC Mode (Package-1 and Package-2).
- Four Lanes with paved side shoulders of Tapa to Bathinda Section of NH-64 (New NH No. 7) in Punjab.
- Construction works of continuously reinforced cement concrete road with CD works including free maintenance guarantee period of 5 years on EPC Turn-Key basis at Shaper Veraval Industrial Estate, Dist. Rajkot.



Other cash contracts under Sadbhav Engineering Ltd. include 6 projects with the total order book status of ₹ 704.29 crores as on 30th June, 2015. Under this, the company is conducting design, build, civil construction works, architectural finishing, drainage, water supply, sanitary installations, land development works, etc. for various Delhi MRTS projects. This consists of Yamuna Vihar Corridor (line-7) of phase 3, Mundka-Bahadurgarh Corridor of phase 3 for Haryana and Delhi portion of Delhi MRTS. Project sites are also present at Badli for Jahangir Puri-Badli Corridor (ext line 2) and Bahadurgarh Depot at Mundka-Bahadurgarh corridor (line 5) extension of phase 3. Apart from this, terminal

facilities for passenger water transport along west coast of Mumbai at Marve and Borivali for MSRDC is also taken up by Sadbhav Engineering Ltd.

The Company through its subsidiary Sadbhav Infrastructure Project Limited (SIPL) currently has 13 BOT projects with 11 of them being toll roads, and 2 being annuity road projects, with total project cost of approx. ₹ 11703.52 crores. SIPL is also engaged in non-civil EPC work. The company plans to foray into routine & major maintenance services of its SPVs and providing consultancy services related to border check posts projects.

The Company is executing the EPC work of following BOT projects with an order book status of ₹ 1403.51 crores as on 30th June, 2015:

- Design, engineering, finance, procurement, construction, operation and maintenance of 4/6 lane of MP/Maharashtra Border-Dhule section of NH-3.
- Modernization and computerization of Integrated Border check post at 22 locations in the state of Maharashtra (MBCPNL).
- Four Laning of Gomati Chauraha - Udaipur Section of NH-8.
- Four laning of Rajsamand-Bhilwara Section of NH-758.
- Upgradation to 2 Lane with Horizontal & Vertical Alignment Improvements of Existing State Highway (SH 3 & 33) from Malavalli to Pavagadh.
- Four laning of Rohtak to Hissar section of NH-10.

The total order book status of Sadbhav Engineering Ltd. for the transport sector stands at ₹ 4424.75 crores with a total of 27 underway projects as on 30th June, 2015.

*“ Let what’s
beneath, surface:
and Let the World
know its true
Potential ”*



MINING :

Starting with Jamestown, Virginia, in 1606, immigrant settlers have sought gold and other minerals that would make their fortunes. The search for minerals drove western expansion in many areas - lead in Wisconsin and Missouri; gold in California and Colorado; iron in Minnesota and Michigan; Copper in Michigan, Montana, New Mexico, and Arizona; silver in Nevada and Idaho; Coal in India, etc. Mining and minerals are still the foundation of our standard of living.

India produces 88 minerals - 4 fuel-related minerals, 10 metallic minerals, 50 non-metallic minerals and 24 minor minerals. India has the world's sixth largest reserve base of bauxite and fifth largest base of iron ore, accounting for about 5% and 8% respectively of total world production. Where India's strategic location enables convenient exports; the National Mineral Policy, 2008 exudes measures like assuring rights to next stage mineral concession, transferability of mineral concessions and transparency in the allotment of concessions in order to reduce delays which are seen as impediments to investment and technology flows in the mining sector in India. The policy also seeks to develop a sustainable framework for optimum utilisation of the country's natural mineral resources for the industrial growth in the country and at the same time improving the life of people living in the mining areas, which are generally located in the backward and tribal regions of the country.

A humungous requirement of coal in India translates into removal of six to eight times of materials called overburden that overlies a coal deposit. Commercial coal mining is widely seen as an answer to the increasing demand and supply gap of coal in the country and by allowing private commercial mining. Sadbhav Engineering Ltd. derives 18% revenues from mining wherein it undertakes excavation of overburden, rock, coal, lignite, and Uranium ore for PSUs like G.I.P.C.L.; G.H.C.L; Bharat Coking Coal Limited; Northern, Mahanadi and Western Coalfield; UCIL; etc. Sadbhav Engineering Ltd. is currently, executing mining projects with an order book status of ₹ 2272.94 crores as on 30th June, 2015.

Following are the 11 projects under which company is currently engaged for mining activities:

- Excavation of overburden and lignite at Khadsaliya Lignite mines employer: G.H.C.L.
- Hiring Heavy earthmoving equipment with operators' maintenance, staff & facilities for Excavation work at Mangrol Lignite Mines.
- Removal of Over Burden of first dig by hiring of Equipment for composite work by mechanical means as per instruction of Engineer In charge at Specified Places at Navinkunada Mine of Majri Area.
- Removal of Over Burden of first dig by hiring of Equipment for composite work by mechanical means as per instruction of Engineer in charge at Bharat Coking Coal , Dhanbad.
- Hiring of HEMM for removal of OB, extraction and transportation of coal from Khudia, Palasia, GP (Top), GP (Bottom), Brindabanpur (Top & Bottom) and Kalimati group of seams at Basantimata-Dahibari Patch of Dahibari Colliery of C.V. Area.
- Excavation of Overburden of First Dig (Solid) by Hiring of Equipment by Mechanical Means as per Instruction of Engineer-in-charge at Specified Places of Amlohri OCP of NCL.
- Removal of Overburden/Waste and Extraction of Uranium Ore from Banduhurang Opencast Mine and transportation of ore to the ground hopper at Turamdih.
- Hiring of HEMM for removal of OB and extraction and transportation of coal from IV (B), III, II I(T) & I(B) seams of Patch-J of Dhansar Colliery of Kusunda Area.
- Hiring of HEMM for removal of OB and extraction and transportation of coal with fire fighting from VII C, VIII A, VIII & VII seams of AKWM colliery of Katras Area and Tetulmari colliery of Sijua Area named as "Mega Projects" of Katras Area.
- Hiring Heavy earthmoving equipment with operator's maintenance, staff & facilities for Excavation work at Kapurdi Lignite Mines, Barmer, Rajasthan.
- Hiring Heavy earthmoving equipment with operator's maintenance, staff & facilities for Excavation work at Pit B of Jalpa Lignite Mines.

IRRIGATION :

Development of irrigation water often entails development of large-scale, geographically significant dams and water impoundments and/or diversions that can provide additional functions apart from crop growth enhancement. Irrigation has acquired increasing importance in agriculture the world over. At the global scale 278.8 Mha (689 million acres) of agricultural land was equipped with irrigation infrastructure around the year 2000. About 68 % of the area equipped for irrigation is located in Asia, 17% in America, 9% in Europe, 5% in Africa and 1% in Oceania.

India's irrigation development in this century, and particularly after independence, has seen large number of large storage based systems. Post-independence has seen more than 60% of irrigation budgets going for major and medium (M&M) projects. However, Growth rate of irrigated area continues to fall from 4.23% per year during the 1970s to 3.08% per year in 1980s and to 2.56% in the 1990s. At present, with almost one fifth of worlds net irrigated area (57 Mha); India has the highest irrigated area in the world today. India's ultimate irrigation potential was estimated at 139.9 Mha, comprising of 58.46 Mha through M&M irrigation schemes and 81.43 Mha from MI schemes.

Increase in India, with 17.3 Mha, as public investment in irrigation has remained relatively strong and private investment in groundwater has been rapid. However, even in India, the projected 1995 to 2020 rate of growth in irrigated area of 1.2% per year is well below the rate of 2.0% per year during the past years. In India, the per annum increase in canal irrigated areas has to be rapidly developed.

Sadbhav Engineering Ltd., under its irrigation segment, engages in constructing earthen dams, canals, and siphons; and remodelling and improving canals.

Alongside, the Narmada Development Halon Division, Bichhiya Dist. Mandla (Madhya Pradesh) project, Sadbhav Engineering Ltd. is currently executing a total of 23 irrigation projects with an order book status of ₹ 1767.36 crores as on 30th June, 2015.

“The man, who has grit enough to bring about the afforestation or the irrigation of a country, is not less worthy of honour than its conqueror”

Of this, following are the major on-going projects:

- Investigation, preparation of Hydraulic particulars, designs, excavation and construction of CM & CD works of HNSS Main Canal in Anantapur District (Package-II).
- Execution of Amidyala Branch Canal for a length of 5.5 Km including cost of investigation, preparation of Hydraulic particulars, designs, drawings and construction of CM & CD works etc.
- Execution of Omkareshwar Project canal system (Phase-III) comprising of right bank flow canal (Phase-III).
- Earth work, excavation, forming embankment and construction of CD & CM works of Main canal and distributary system up to water course level and CC lining to main canal and other allied works including investigation, designing and estimation of Gouravelly right side canal and left side canal in Karimnagar District.
- EPC Contract of Radhanpur Sub Branch Canal, Manpura Sub Branch Canal, and distributaries & Miners.
- Constructing Kachchh Branch Canal reach for Earthwork, C.C. Lining, Structures, Service Roads, Gatework, Control Cabins & O+M for 5 years package IR-2, IR-3, IR-4 and IR-8.
- Earth work for deepening and widening of parallel lower Ganga canal as per final stage theoretical lined sections.
- Bhauti High Level Canal from Km. 18 to Km. 74 with full canal network to irrigate irrigable command area of 65000 hectares with all in-line structures on the canal system on Turnkey basis.
- Constructing remaining works of Earthwork, Lining, Structures and Service Road for Morbi Branch Canal Industrial Area Reach.
- Construction of intake barrel on Gandhi Sagar lake, control structure, hydraulic tunnel, open channel and barrage on Rewa river near Bhanpura town including Head sluice of Bhanpura canal project (Unit- I Head Works).
- Constructing 3.50 mt. wide W.B.M. Road on Inspection Path and Providing 5.75 mt. wide S.D.B.M. on Service Road with C. C. parapet wall above lining key on Narmada Main Canal (Package No.7).
- Constructing earthwork, C.C. Lining, Structures and service road of the Pipli Distributary and it's minors off taking from Vallabhpur.
- Excavation and Cement Concrete Lining of Baitarani Left Bank Canal (BLBC) which includes Construction of structures and service road.



2014-2015 Key Figures

Net Profit Rose
7.13% to
₹ **113.73** crores

Sales Rose
25.94% to
₹ **2969.85** crores

Operating Profit before
Tax and Non-recurring
items ₹ **145.85** crores

Revenue by business
68% Roads & Highway,
14% Irrigation,
18% Mining

Order Book by business
Transport Sector ₹ **3792.87** crores,
Irrigation ₹ **2014.63** crores,
Mining ₹ **2392.48** crores

Dividend
70%

Financial Highlights

(₹ in crores)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Turnover	2969.85	2358.12	1811.00	2675.55	2209.17
Total Income	3035.39	2395.01	1882.29	2686.37	2228.67
Earning Before Depreciation, Interest and Tax (EBDIT)	300.24	248.94	216.69	290.28	225.79
Exceptional Item	0.00	(3834.76)	60.94	0.00	0.00
Depreciation	81.71	47.40	31.82	27.44	26.86
Interest	138.22	118.11	84.37	65.11	42.69
Profit After Tax	113.73	106.16	74.07	140.56	119.59
Equity Dividend %	70%	70%	60%	60%	60%
Dividend Payout	14.46	12.52	10.53	10.49	10.49
Equity Share Capital	17.15	15.17	15.09	15.04	14.99
Warrant Application Money	0.00	23.15	0.00	0.00	0.00
Stock Option Premium Outstanding	0.51	1.54	2.30	2.63	2.10
Reserve & Surplus	1334.40	917.37	815.13	744.64	608.65
Net Worth	1352.06	957.22	832.52	762.30	625.75
Gross Fixed Assets	851.19	726.35	514.78	443.50	371.52
Net Fixed Assets	535.72	498.19	330.26	288.07	229.76
Total Assets	3525.01	3025.43	2490.83	2139.41	1990.28
Total Debt (Loan Fund)	1104.24	1028.03	765.17	460.23	396.07
Earning Per Share (In ₹)	7.25	7.01	4.91	9.36	8.50
Book Value Per Share (In ₹)	78.84	63.12	55.15	50.74	41.75
Weighted No. of Shares	156919684	151384261	150824388	150235175	140608299

Note:

1. Total Assets excluding Misc. Expenses.
2. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares.
3. Total Income means credit side of P&L after adjusting the Change in WIP.
4. EBDIT means PBT + Depreciation + Interest - Other Income.
5. Total Debt includes interest accrued but not due.

Notice

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on, Tuesday September 29, 2015 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006 at 11.00 A.M. to transact the following business –

ORDINARY BUSINESS

1. To consider and adopt :
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, 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 March 31, 2015.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Shashin V. Patel (DIN: 00048328) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Nitin R. Patel (DIN: 00466330) who retires by rotation and being eligible, offers himself for reappointment.
5. To ratify the appointment of the Auditors and fix their remuneration and in this regard 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 Sections 139 and 142 of the Companies Act, 2013, the appointment of M/s Surana Maloo & Co., Chartered Accountants, Ahmedabad, having Firm Registration No. 112171W as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Twenty Seventh Annual General Meeting be and is hereby ratified, and that their remuneration be determined by the Board of Directors of the Company on recommendation of Audit Committee.”

SPECIAL BUSINESS

6. To appoint Mrs. Purvi S. Parikh as an Independent Director of the Company

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 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Purvi S. Parikh (DIN: 07071155), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2020.”

7. Ratification of Remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Jitendra Soni & Co., Cost Accountant in Practice, having Firm Reg. No. 103339 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15 and financial year 2015-16, amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) and ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum respectively plus service tax applicable and re-imbusement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Notification, 2012 and 2014 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company, and subject to such other applicable laws, rules and regulations and guidelines, approval of Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by the Resolution) for making offers or invitations to subscribe to Secured/Unsecured/Redeemable Non-Convertible Debentures (“NCDs”) including but not limited to subordinated Debentures, bond, and/or other debt securities etc. on a private placement basis in one or more tranches during the period of one year from the date of passing the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

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

9. To authorize Board of Directors to make Investment on behalf of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board which expression shall also include a Committee thereof) for acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate including subsidiaries, joint ventures, associates whether in India or outside, which may or may not be subsidiary(ies) of the Company from time to time exceed up to a sum of ₹ 300 Crores (Rupees Three Hundred Crores only) over and above the 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalise the terms and conditions of such investments on behalf of the Company and to take such other steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any, as may be required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all agreements, deeds, applications, documents, and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution”.

10. To approve Related Party Transactions

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

“RESOLVED THAT pursuant to clause 49 of the listing agreement and subject to such approvals, consents and sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into material related party transaction as defined in clause 49 in listing agreement with stock exchanges in respect of providing of services and financial facilities to the related party as mentioned in explanatory statement annexed to the notice for the financial year 2014-15 and beyond.

RESOLEVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to determine the actual sums to be involved in the transactions with the related parties and terms & conditions related thereto from time to time and all other matters arising out of the incidental to the transactions and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

Place : Ahmedabad
Date : August 10, 2015

Registered Office :
“Sadbhav House”,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad-380 006.

By Order of the Board of Directors
For Sadbhav Engineering Limited

Vijay Kalyani
Company Secretary
Membership No. 7193

NOTES:

1. 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.

2. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.
3. The explanatory statements pursuant to Section 102 of Companies Act, 2013 relating to special business are annexed.
4. The information required under clause 49 of the Listing Agreement on Directors’ reappointment/ appointment are given below and form part of the Notice.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the web site of 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.
7. Relevant documents referred to in the accompanying Notice and the 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.
8. The Register of Members and Share Transfer Books will be closed from Monday September 07, 2015 to Saturday September 12, 2015, both days inclusive, for ascertaining the Shareholders entitled to receive dividend, if approved at the meeting.
9. 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.
10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended as on 31st March, 2008 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 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2008	27-09-2008	02-11-2015
31-03-2009	29-09-2009	04-11-2016
31-03-2010	08-09-2010	14-10-2017
31-03-2011	27-09-2011	02-11-2018
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

According to the provisions of the Act, shareholders are requested to note that no claims shall lie against the Company or said Fund 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.

11. 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 Clause 35B of the Listing Agreement, 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.

Instructions for Members for remote e-voting are as under :

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “Sadbhav Engineering Limited” from the drop down menu and click on “SUBMIT”.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vii) Now, fill up the following details in the appropriate boxes:
- (viii)

PAN	Enter your PAN issued by Income Tax Department <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.
DOB OR Dividend Bank Details	Enter your Date of Birth in dd/mm/yyyy format. OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held on cut off date i.e. September 22, 2015 in the Bank Account Number field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. Members holding shares in physical form will then reach directly the EVSN selection screen.
- (xi) 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.
- (xii) Click on the EVSN for Sadbhav Engineering Limited.
- (xiii) 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.
- (xiv) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xix) Notes for Institutional Shareholders :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- I. The remote e-voting period commences on September 26, 2015 @ 9.00 a.m. and ends on September 28, 2015 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 22, 2015, may cast their vote through remote 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 on September 22, 2015.
- 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 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 three days from the conclusion of the meeting 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.evoting.cdsl.com within two days of the passing of the resolutions at the 26th AGM of the Company held on September 29, 2015 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Details of Directors Seeking Appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Director	Mr. Shashin V. Patel	Mr. Nitin R. Patel	Mrs. Purvi S. Parikh
Date of Birth	April 02, 1981	August 04, 1968	January 11, 1982
Date of Appointment	May 23, 2000	August 01, 1999	February 12, 2015
Functional Expertise	In field of Management Information System, Project Bidding and Execution	Finance and Accounts, Audit, Taxation, Project Bidding and Execution, Cost Analysis	Finance and Accounts, Management Assurance in diverse industries
Qualifications	MBA	B. Com. A.C.A	B. Com, FCA. CISA (USA)
Directorship in other Companies	1. Sadbhav Infrastructure Project Ltd. 2. Aurangabad - Jalna Tollway Ltd. 3. Nagpur - Seoni Express Way Ltd. 4. Sadbhav Realty Pvt. Ltd. 5. Maharashtra Border Check Post Network Ltd. 6. Shreenathji - Udaipur Tollway Pvt. Ltd. 7. Bhilwara - Rajsamand Tollway Pvt. Ltd.	1. Ahmedabad Ring Road Infrastructure Ltd. 2. Sadbhav Quarry Works Pvt. Ltd. 3. Maharashtra Border Check Post Network Ltd. 4. Hyderabad - Yadgiri Tollway Pvt. Ltd. 5. Bijapur - Hungund Tollway Pvt. Ltd. 6. Sadbhav Infrastructure Project Ltd. 7. Dhule Palesner Tollway Ltd.	1. Bijapur - Hungund Tollway Pvt. Ltd.
Chairman / Member of Committee in other Companies	Nagpur - Seoni Express Way Ltd.	1. Ahmedabad Ring Road Infrastructure Ltd. 2. Sadbhav Infrastructure Project Ltd. 3. Hyderabad - Yadgiri Tollway Pvt. Ltd. 4. Maharashtra Border Check Post Network Ltd.	1. Bijapur - Hungund Tollway Pvt. Ltd.
No. of Equity Shares held in the Company	5499720	101	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 6

As per provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mrs. Purvi S. Parikh on February 12, 2015 as Additional Director of the Company in category of Woman Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and she shall not be included in the total number of directors for retirement by rotation.

Mrs. Purvi S. Parikh has consented to act as Director and provided a declaration that she 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 Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mrs. Purvi S. Parikh for the offices of Director of the Company.

Mrs. Purvi S. Parikh is independent of the management. The details and brief resumes of Mrs. Purvi S. Parikh has been given as part of the Notice.

Copy of the draft letter for respective appointment of Mrs. Purvi S. Parikh as Independent Director setting out the terms and conditions are available for inspection by member at the Registered Office of the Company.

Except Mrs. Purvi S. Parikh, 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. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under:

Age	33
Date of Appointment on Board	February 12, 2015
Functional Expertise	Finance and Accounts, management assurance in diverse industries
Qualifications	B. Com, FCA. CISA (USA)
Terms and Conditions of appointment	5 years for a term up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2020
Remuneration Paid	N.A.
Directorship in other Companies	Bijapur - Hungund Tollway Pvt. Ltd.
Chairman/Member of Committee in other Companies	Bijapur - Hungund Tollway Pvt. Ltd.
Shareholding in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	1

The Board recommends the Ordinary Resolution set out at Item Nos. 6 of the Notice for approval by the shareholders.

Item No. 7

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jitendra Soni & Co., Cost Accountant in Practice (Firm Reg. No. 103339), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2015 and March 31, 2016 at their meeting held in respective Financial Years.

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 2014-15 and 2015-16 as set out in the resolution for the aforesaid services to be rendered by them.

Company received the clear cut mandate as regards the applicability of the Companies (Cost Records and Audit) Rules, 2014 vide Companies (Cost Records and Audit) Amendment Rules, 2014 which was notified on December 31, 2014. Therefore your director also propose to ratify the remuneration payable for the Financial Year 2014-15 as set out in the resolution.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8

Pursuant to the provisions of Sections 42, 71, 179 of Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 effective from April 01, 2014, the Company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") is required to obtain the prior approval of the Members of the Company by way of a Special Resolution.

Keeping in view the requirements of funds for the Company's business operations and the limited availability of funds through bank loans, the Company seeks the approval of the Members to enable the Board of Directors to raise resources through issue of NCDs during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time on a private placement basis in one or more tranches.

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

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

Item No. 9

The Board of Directors of a Company has been permitted to make investments in the securities of other bodies corporate to the extent of 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher, in terms of Section 186 of the Companies Act, 2013, from time to time, for business purposes. However, under Section 186 of the Companies Act, 2013, the Company being infrastructure company is exempted

from the prescribed limits only in respect of giving loans, guarantees and providing securities and not for making investments in securities of other bodies corporate.

Section 186 provides that where the aggregate of investments made exceeds the prescribed limits, prior approval of the Members by way of a special resolution is required.

At present, the investments in securities are within the limit prescribed under Section 186 of the Companies Act, 2013 but considering the increasing business operations and future growth plans of the Company which would require making investments in the securities of other bodies corporate, including subsidiaries, joint ventures, associates, over a period of time, exceeding the higher of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, it is necessary to empower the Board to acquire by way of subscription, purchase or otherwise the securities of body corporate(s) in India or abroad, in exceed up to a sum of ₹ 300 Crores (Rupees Three Hundred Crores only) over and above the 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher.

None of Director, key managerial personnel (KMP) and their relatives, is concerned or interested in the said resolution except to the extent of their directorship and shareholding in the Investee Company which is subsidiary, joint venture or associates of Company.

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

Item No. 10

Pursuant to the equity listing agreements ("Listing Agreement") entered into by the Company with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and applicable circulars and regulations issued by the Securities and Exchange Board of India ("SEBI"), any material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of a special resolution.

Though, your Company always seeks to enter into transactions with each related parties in the ordinary course of business and on arm length basis; still there may be some material related party transactions which are likely to continue in the financial year 2015-16 and beyond for which your approval is required as per clause 49 of the Listing Agreement.

Pursuant to provisions of Clause 49 of the listing agreement, the Audit Committee of the Company has approved the following material related party transactions that the Company has entered into for the financial year 2014-15 and beyond.

The details of Material Related Party Transactions are given here in below in a tabular format for kind perusal of the members:

Sr. No.	Name of the Related Party	Nature of Relationship	Amount (₹ in Crores)	Nature of transactions
1	Sadbhav Infrastructure Project Limited	Subsidiary Company	1000.00	Providing of Financial facilities as per MOU dated 20.12.2014
2	Mysore-Bellary Highway Pvt. Ltd.	Subsidiary Company	684.00	EPC contract dated 01-07-2014
3	Shreenathji-Udaipur Tollway Pvt. Ltd.	Step Down Subsidiary	975.00	EPC contract dated 18-07-2012
4	Bhilwara Rajsamand Tollway Pvt. Ltd.	Step Down Subsidiary	603.00	EPC contract dated 25-02-2013
5	Rohtak-Hissar Tollway (P) Ltd.	Step Down Subsidiary	1080.00	EPC contract dated 10-06-2013
6	Maharashtra Border Check Post Network Ltd.	Step Down Subsidiary	834.00	EPC contract dated 18-06-2009

One of the business activities of your Company to bid for Road Project on Build, Operate and Transfer (BOT) basis. On becoming successful bidder, your Company is required by project granting authority to form the Special Purpose Vehicle (SPV) to undertake such BOT projects. All the above Companies are subsidiaries and the SPVs of the Company except Sadbhav Infrastructure Project Limited which is subsidiary of the Company and asset holding company for our BOT Projects.

Copy of the agreements referred in resolution are available for inspection by member at the Registered Office of the Company.

Members are hereby informed that pursuant to the provisions of clause 49 of Listing Agreement, members who are related parties shall abstain from voting on proposed resolution.

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in item No. 10 to the accompanying Notice as a special resolution.

None of Director, key managerial personnel (KMP) and their relatives, is concerned or interested in the said resolution except to the extent of their directorship and shareholding in Company and stated subsidiary of the Company.

Place : Ahmedabad
Date : August 10, 2015

By Order of the Board of Directors
For Sadbhav Engineering Limited

Registered Office :
"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad-380 006.

Vijay Kalyani
Company Secretary
Membership No. 7193

Directors' Report

To
The Members,

The Directors have the pleasure in presenting the Twenty Sixth Annual Report together with the audited financial statement for the year ended March 31, 2015.

Financial Results

The Company's financial performance for the Year ended on March 31, 2015 is summarized below: (₹ in crores)

	Stand Alone		Consolidated	
	Current Year 2014-2015	Previous Year 2013-2014	Current Year 2014-2015	Previous Year 2013-2014
Income from Operations	2969.85	2358.12	3446.78	2732.52
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	365.78	285.83	624.38	465.65
Less : Finance Cost	138.22	118.11	615.01	448.73
Depreciation and amortization Expense	81.71	47.40	219.27	126.69
Profit /(Loss) before Exceptional Item and Tax	145.85	120.31	(209.90)	(109.77)
Exceptional Item (Net of Income)	0	(38.35)	11.65	121.72
Profit /(Loss) Before Tax	145.85	81.96	(198.25)	11.95
Less : Current Tax	39.87	(9.44)	39.87	0.61
Deferred tax liability /(asset)	(5.27)	3.98	(5.25)	3.97
Add : Excess /(Short) provision for taxation of earlier years	(2.48)	(18.74)	(0.35)	(18.70)
Profit /(Loss) for the period from continuing Operations	113.73	106.16	(232.52)	26.07
Add :- Share of Loss Transferred to Minority Interest	-	-	87.15	18.15
Less :- Share of (Loss) of Minority interest of earlier years	-	-	(27.96)	0.00
Less :- Share of Loss of Associates	-	-	(2.31)	0.15
Add :- Share of Profit of Joint Venture	-	-	0.15	0.00
Net Profit for the year	113.73	106.16	(175.49)	44.37
Balance brought forward from last year	511.42	429.78	307.84	287.99
Loss of Subsidiary for previous year transferred			27.99	0.00
Amount available for Appropriations	625.15	535.94	160.34	332.36
Appropriations				
Transfer to General Reserve	10.00	10.00	10.00	10.00
Transfer to Debenture Redemption Reserve	69.85	2.00	80.77	2.00
Proposed Dividend	12.01	10.64	12.02	10.64
Tax on Proposed Dividend	2.45	1.88	2.45	1.88
Adjustment Relating to Fixed Assests	20.60	-	20.60	0.00
Balance carried to Balance Sheet	510.24	511.42	34.50	307.84

Dividend:

The Directors are pleased to recommend for approval of the shareholders dividend of 70% (₹ 0.70 per equity share of Re 1 each) for the financial year ended March 31, 2015. The final dividend, if approved, will result in cash payout of ₹ 12.01 Crores and dividend tax of ₹ 2.45 Crores.

Reserves:

Company has transferred a sum of ₹ 10.00 Crores into General Reserve during the period under review.

Business Overview:

Standalone Basis

The total income from operations during the year under review was ₹ 2969.85 Crores against ₹ 2358.12 Crores for the previous year resulting the Increase of 25.94% Operating profit (PBDIT) for the current year is ₹ 365.78 Crores (₹ 285.83 Crores

in previous year) thereby resulting the increase of 27.97%. Net Profit after tax amounted to ₹ 113.73 Crores (₹ 106.16 Crores in previous year) thereby resulting increase of 7.13%. There has been no change in the nature of business of the Company during the applicable financial year.

Consolidated Basis

As per the Consolidated Financial Statements, the income from operations of the company, operating profit (PBDIT), and net loss for the year were ₹ 3446.78, ₹ 624.38 and ₹ 175.49 Crores respectively.

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	27	10811.49	6386.74	4424.75
Irrigation	23	3295.97	1528.61	1767.36
Mining Operation	11	3351.03	1078.09	2272.94
Total	61	17458.49	8993.44	8465.05

The Company's order book (pending execution) shows work on hand amounting to ₹ 8465.05 crores as on the June 30, 2015.

BOT Projects under Implementation:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on June 30, 2015 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 Sahaj e-village Limited in ratio of 90:05:05 respectively. 	1426.37	1401.99	12	78
Shreenathji-Udaipur Tollway Private Limited	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	995.63	-	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). The project is in joint venture between Company & GKC Projects Ltd. in ratio of 74:26.	811.20	216.63	74	-
Bhilwara-Rajsamand Tollway Pvt. Ltd.	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.	676.10	459.64	-	100
Rohtak-Hissar Tollway Pvt. Ltd.	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).	1271.58	727.72		100

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. 2014-15 (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Mumbai-Nasik Expressway Ltd. (MNEL)	Vadape-Gonde 4 Lane BOT project for widening the existing two-lane of 99.50 Kms to four lanes and its operation and maintenance.	794.58	95.25	20	-
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	4-laning the present 76.21 km two-lane ring road around Ahmedabad city and its operation & maintenance.	500.80	83.77	-	94
Aurangabad-Jalna Tollway Ltd. (AJTL)	Widening the existing two-lane stretch of 65.80 kms to four lanes on Aurangabad Jalna Highway in state of Maharashtra and its operation and maintenance.	278.49	35.32	-	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
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	134.02	27	01
Bijapur-Hungund Tollway Private 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	104.34	-	77
Hyderabad-Yadgiri Tollway Private 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	44.88	-	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 9 out of 22 Check Posts.	1426.37	81.61	12	78
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	85.17	-	100

- In respect of MNEL, the Company and SIPL has reached in-principle understanding with Gammon Infrastructure Projects Ltd. vide binding term sheet for sale of 1,03,99,500 equity shares of ₹ 10 each held in MNEL constituting 19.99% of share capital of MNEL for an aggregate consideration of ₹ 72.00 crores either by itself or through SIPL.
- In respect of ARRIL, pursuant to the binding MOU and definitive transaction documents entered with JV partner, SIPL is in process of transferring of remaining 6% of the share capital in ARRIL from JV Partner.
- In respect of NSEL, due to non-availability of land possession for 28.745 kms, actual project length has been restricted to 27.73 kms. Also, NHAI has issued Completion Certificate for the Project and matter of Annuity finalization is under consideration by NHAI.
- In terms of Share Purchase Agreement dated 6th May, 2011 between SIPL and Company, SIPL has acquired entire shareholding of the Company in Nagpur Seoni Expressway Limited. As at reporting date, the transfer formalities for these shares is in process.
- In respect of DPTL, SIPL has signed definitive Sale Purchase Agreement dated 16.04.2015 for acquisition of 60% equity stake from HCC Concessions Ltd., a group company of Hindustan Construction Company Ltd. in DPTL subject to fulfilment of certain conditions, statutory approvals and lenders approval. Post completion of acquisition from HCC Group, JLL Group and transfer of holding by SEL to SIPL, SIPL will become 100% owner of DPTL.
- In respect of MBCPNL, pursuant to share purchase-cum-shareholders' cum sub-ordinated debt agreement dated September

18, 2013 SEL and SIPL have agreed to sell 5,940 equity shares (11.88% of the outstanding equity interest) and 4,963 equity shares (9.93% of the outstanding equity interest) of MBCPNL respectively to D. Thakkar Construction Private Limited. Further, SEL has also entered into a share purchase agreement dated November 04, 2014 to sell 5,000 equity shares (10.00% of the outstanding equity interest) of MBCPNL to SIPL .

- In respect of MBHPL - In accordance with the share purchase agreement dated November 03, 2014 our company to sell 3,36,99,560 equity shares (74.00% of the outstanding equity interest) to SIPL.

Employee Stock Option Scheme:

The Company implemented the Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008). The Nomination and Remuneration Committee administers and monitors the Scheme.

The applicable disclosures as stipulated under applicable Rules and Regulations as on March 31, 2015 with regard to Employee Stock Option Plan are provided in 'Annexure 1' forming part of this report.

Company has received certificate from Auditors of Company confirming that scheme has been implemented in accordance with SEBI Regulations and resolution passed by Shareholders. Auditors certificate would be placed at Annual General Meeting for inspection by members.

Warrant Conversion:

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company had allotted 80,00,000 fully convertible warrants on August 13, 2013 to one or more persons belonging to promoter and promoter group of the company entitling him for apply one equity shares against each warrants at a price of ₹ 115.75 per warrant entitling them to exercise at any time within 18 months from the date of allotment of the warrants.

During the year, allottee of the aforesaid warrants applied for conversion of 80,00,000 warrants into equity shares at predetermined price, accordingly the Company has issued and allotted 80,00,000 equity shares of Re. 1/- each at a premium of ₹ 114.75 per share on September 30, 2014 to the applicants and raised ₹ 92.60 cores. The entire amount so received has been utilised as under:

Sr. No.	Particulars	Amount (₹ in crores)
1	Repayment of loans	62.62
2	General corporate purpose / Working Capital requirements	29.98
	TOTAL	92.60

Qualified Institutions Placement (QIP):

During the year, the company successfully completed issue and allotment of 1,15,74,000 Equity Shares to qualified institutional buyers at the issue price of ₹ 216 per Equity Share (including ₹ 215 towards share premium) in accordance with provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The QIP opened for subscription to QIBs on October 14, 2014 and closed on October 17, 2014. The amount of ₹ 250.00 Crores was received and allotment of shares was made on October 21, 2014. The entire amount so received has been utilised for as per term mentioned in Placement document dated 17.10.2014 as under:

Sr. No.	Particulars	Amount (₹ in crores)
1	Pre-payment/repayment of debt	83.50
2	Working capital requirements	161.04
3	Issue Expenses	5.46
	TOTAL	250.00

Share Capital:

During the year, the total paid-up equity share capital of the company has been increased from ₹ 15,16,62,300/- to ₹ 17,15,00,800/- on account of the following:

1. Allotment of 80,00,000 equity shares of Re. 1/- each at a premium of ₹ 114.75 per share against conversion of warrants
2. Allotment of 1,15,74,000 equity shares of Re. 1/- each at a premium of ₹ 215 per share to qualified institutional buyers
3. Allotment of 2,64,500 equity shares of Re. 1/- each at a premium of ₹ 49 per share to the directors and employees of the Company under Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008).

Subsidiaries, Joint Ventures and Associates Companies:

During the year, no company has become/ceased to be company's subsidiaries, joint ventures or associate company.

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 Registered 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/investor>. 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/2014/11/MATERIAL_SUBSIDIARY.pdf.

Consolidated Financial Statements:

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2014-15.

Board of Directors and Key Managerial Personnel:

Retirement by Rotation

Shri Shashin V. Patel and Shri Nitin R. 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 re-appointment.

Appointment

In terms of Section 203 of Companies Act, 2013, Mr. Nitin R. Patel, Executive Director of the Company was appointed to hold office of Chief Financial Officer of the Company w.e.f. 01.06.2014.

Pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Purvi S. Parikh was appointed as Additional Director designated as an Independent Director in category of Woman Director and she shall hold office upto the date of ensuring Annual General Meeting. The Board recommend her appointment in the ensuing Annual General Meeting.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013. The details of familiarization programme for Independent Directors, conducted during the year, have been provided under the Corporate Governance Report.

Evaluation of Board Performance:

In compliance to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

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 2014-15.

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.

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.

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. All the recommendations made by the Audit Committee were accepted by the Board.

Development and implementation of Risk Management Policy:

In accordance with the Clause 49 of the listing agreement, 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, Six Board Meetings were held and the details of which are given in the Corporate Governance Report.

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, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors have 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 have prepared the annual accounts on a going concern basis;
- (e) that the directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors:

M/s Surana Maloo & Co., Chartered Accountants, Ahmedabad having Firm Registration No. 112171W, were appointed as Statutory Auditors of the Company with your approval at the 25th AGM to hold such office till the conclusion of the 28th AGM. The Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of M/s Surana Maloo & Co., Chartered Accountants from the conclusion of the ensuing AGM till the conclusion of the 27th AGM for such a remuneration that may be determined by the Board of Directors of the Company on recommendation of Audit Committee.

The Company has received the written consent from the auditor for their appointment and a certificate to the effect that the appointment if made shall be in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they have also satisfied the criteria provided in section 141 of Companies Act, 2013.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended March 31, 2015.

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:

M/s. Ravi Kapoor and Associates, Practicing Company Secretaries were appointed to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as 'Annexure 2' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. Ravi Kapoor and Associates, Company Secretaries as secretarial auditors of the Company for the financial year 2015-16.

Cost Auditors:

M/s. Jitendra Soni & Co., Cost Accountants (Firm Reg. No. 35151), were reappointed as Cost Auditors for the financial year 2014-15 to conduct cost audit of the accounts maintained by the Company in respect of the services prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2014-15, in respect of the various products prescribed under relevant Cost Audit Rules shall be filed as per the requirements of applicable laws.

Transfer To Investor Education and Protection Fund:

The Company has transferred a sum of ₹ 0.23 lacs to the Investor Education and Protection fund established by the Central Government during the financial year 2014-15, in compliance with Section 205A(5) of the Companies Act, 1956. The said amount represents unclaimed dividend amount for the financial year 2006-2007 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 send reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2006-2007.

Corporate Social Responsibility:

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of "promoting education". These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year, the company has undertaken a project of conservation and renovation of government school situated at Chakkarpur, Gurgaon, Haryana The Annual Report on CSR activities is annexed herewith as 'Annexure 3'.

Corporate Governance:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

Particulars of Employees and related disclosures:

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.

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 5' 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. The particulars of the expenditure and earning in Foreign Currency are given in Notes to Accounts (Note No. 2.41 To 2.43).

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. 2.12, 2.14 & 2.49 to the 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 6'.

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://www.sadbhaveng.com/wp-content/uploads/2014/11/RELATED_PARTY_TRANSACTION1.pdf. Your Directors draw attention of the members to notes no. 2.35 to the financial statement which sets out related party disclosures.

Extract of Annual Return:

Extract of Annual Return of the Company is annexed herewith as 'Annexure 7' to this Report.

Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

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. 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 enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company.

Acknowledgements:

The Directors wish to express their appreciation for the support and co-operation of the Central and State Government, Bankers, Financial Institutions, Suppliers, Vendors, Associates, Subcontractors and Shareholders during the year under review. Your Directors wish to place on record their appreciation for the employees of the Company at all levels for their commitment, dedication and continued support to the Company.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : August 10, 2015

Vishnubhai M. Patel
Chairman

Annexure - 1 forming part of Directors Report

Information required to be disclosed under applicable Rules and Regulations as at March 31, 2015 are given below :

A.

Sr. No.	Particulars	ESOS-2008
1	Option Granted	2,50,000 adjusted to 25,00,000 (on account of split of the face value of Equity Shares from ₹ 10 each to Re 1 per share)
2	The Pricing Formula / Exercise Price	Pursuant to the power granted to Remuneration Committee, it in its meeting held on October 04, 2010, has determined the Exercise Price ₹ 500/- per equity share which was subsequently adjusted to ₹ 50 per equity share due to split of equity share.
3	Option Vested	22,19,500
4	Option exercised	20,51,000
5	Total number of Shares arising as a results of exercise of Options	20,51,000
6	Options Lapsed	3,77,000
7	Variation in the terms of Options	NIL
8	Money realized by exercise of options	₹ 10,25,50,000
9	Total number of options in force	72,000

B. Employee wise details of options granted:

- i) During the year, no options were granted to any Key Managerial Personnel.
- ii) **Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year:**
1,80,000 options granted to Mr. Nitin R. Patel, the Executive Director during year 2010-11 and no options are outstanding as at 31/03/2015.
- iii) **Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:** None

C. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard AS-20 Earning per share ₹ 7.25)

D. Since Company has calculated the employee compensation cost using fair value method, the disclosure regarding difference between intrinsic value and fair value is not applicable.

E. Weighted average exercise price of Options granted during the year whose.

i) Exercise price equal market price (₹)	N.A.
ii) Exercise price is greater than market price (₹)	N.A.
iii) Exercise price is less than market price (₹)	N.A.

Weighted average fair value of Options granted during the year whose

i) Exercise price equal market price (₹)	N.A.
ii) Exercise price is greater than market price (₹)	N.A.
iii) Exercise price is less than market price (₹)	₹ 71.10

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Binomial Option Pricing Model.

The Assumptions used in the model are as follows :

Variables	Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008)
1. Risk Free Interest Rate	8.50%
2. Expected Life	1.5 years
3. Expected Volatility	62.67%
4. Dividend Yield	0.46%
5. Price of the underlying share in market at the time of the option grant (₹)	₹ 156.72

Annexure - 2

Form No. MR-3 Secretarial Audit Report for the Financial Year Ended 31st March, 2015

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

To,
The Members,
Sadbhav Engineering Limited

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

I 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, 2015 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, 1992;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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.

I have also examined compliance with applicable clauses of the listing agreement entered into by the Company with Stock Exchange. I have not verified the compliance of the Secretarial Standards issued by the Institute of Company Secretaries of India since the same are yet to be notified.

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

I 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.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

I 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.

I 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 30, 2015

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 30, 2015

Annexure - 3 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 Companies website and the web link for the same is http://www.sadbhaveng.com/wp-content/uploads/2014/11/CORPORATE_SOCIAL_RESPONSIBILITY.pdf The details of the CSR activities undertaken during the year can be accessed at http://www.sadbhaveng.com/csr-activities
2	The Composition of the CSR Committee	1. Mr. Vishnubhai M. Patel (Chairman & MD) 2. Mr. Vasistha C. Patel (Executive Director) 3. Mr. Mirat N. Bhadlawala (Independent Director) 4. Mr. Sandip A. Sheth (Independent Director)
3	Average net profit of the company for the last three financial years	₹ 133.10 crores
4	Prescribed CSR Expenditure (two per cent) of the amount as in item 3 above)	₹ 2.66 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	₹ 2.66 crores Nil As below

Manner in which the amount spent during the financial year

CSR project or 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) project or 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
conservation and renovation of government school	Promoting Education	Chakkarpur, Gurgaon (Haryana)	₹ 2.66 crores	1. Direct expenditure ₹ 2.60 crores 2. Overhead expenses ₹ 0.06 crores	₹ 2.66 crores	Direct by Sadbhav

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

Sd/- Mr. Vishnubhai M. Patel Chairman & Managing Director & CEO	Sd/- Mr. Vasistha C. Patel Executive Director
---	---

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, 2015

(a) Employees who are employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- 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. Vishnubhai Mafatlal Patel Qualification : S.S.C.	74 Yrs.	Chairman & Managing Director	03-10-1988	180.00	47 Years	None	13.66
Mr. Shashin Vishnubhai Patel Qualification : MBA	34 Yrs.	Joint Managing Director	23-05-2000	60.00	15 years	None	3.21
Mr. Nitin R. Patel Qualification : C.A.	47 Yrs.	Executive Director	01-08-1999	78.14	23 years	Manubhai & Co. - C.A.	-
Mr. P. K. Doshi* Qualification : Civil Engineer (ME)	49 Yrs.	Director (Tech.)	01-08-2010	79.99	23 Years	PWD Rajasthan	0.03

(b) Employees who are employed part of the year and in receipt of remuneration aggregating ₹ 5,00,000/- or more per month.

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. Subodh V. Kamat* Qualification: B.E. Civil	63 Yrs.	Chief Executive Officer	22-11-2011	15.00	38 Years	Lanco-Infratech	-

Notes :

1. 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.
2. All the above said appointment are in the nature of contractual employment except marked* and are terminated by notice of either side.
3. None of the employee is related to any Director of the company except Mr. Vishnubhai M. Patel & Mr. Shashin V. Patel, Joint Managing Director who are related to each other.

Annexure - 5

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 2014-15;

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
Vishnubhai M. Patel	Managing Director	180.00	2.78	65:1
Shashin V. Patel	Joint Managing Director	60.00	2.78	22:1
Vasistha C. Patel	Executive Director	30.00	2.78	11:1
Vikram R. Patel	Executive Director	30.00	2.78	11:1
Nitin R. Patel	Executive Director	78.14	2.78	28:1

(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;

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;
Vishnubhai M. Patel	Managing Director & Chief Executive Officer	Nil	Profit before Tax increased by 77.94% and profit after Tax increased by 7.13% in financial year 2014-2015
Shashin V. Patel	Joint Managing Director	Nil	
Vasistha C. Patel	Executive Director	Nil	
Vikram R. Patel	Executive Director	Nil	
Nitin R. Patel	Executive Director & Chief Financial Officer	44.70	
Vijay J. Kalyani	Company Secretary	16.55	

(iii) The percentage increase in the median remuneration of employees in the financial year 2014-2015;

The median remuneration of employee in the financial year 2014-15 was ₹ 2.78 Lakhs (₹ 2.17 Lakhs in financial year 2013-14). There was increase of 28.11 % in median remuneration of employee.

(iv) There were 1045 employees on the rolls of company as on March 31, 2015

(v) The explanation on the relationship between average increase in remuneration and company performance;

The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organisation success and helps the Company to retain its industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Total remuneration of Key Managerial Personnel increased by 7.18% from ₹ 367.72 Lakhs in 2013-14 to ₹ 394.13 Lakhs in 2014-15 whereas profit before tax increased by 7.13% to ₹ 11373.14 Lakhs in 2014-15 (₹ 10616.34 Lakhs in 2013-14).

(vii) Variation in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer;

- Variations in the market capitalisation of the company: The market capitalisation as on 31.03.2015 was ₹ 571184 Lakhs (₹ 147795 Lakhs as on March 31, 2014)
- Price earning ratio of the Company was 45.94 as at 31.03.2015 and 13.90 as at 31.03.2014
- The Company had come out with Initial Public offer (IPO) in 2006 at a price of ₹ 185/- per equity shares of ₹ 10/- each. Closing price of equity shares of Re. 1/- on NSE as of March 31, 2015 was ₹ 350/-. Considering the split of equity shares of ₹ 10/- into Re. 1/- each, percentage of increase in the market quotation of the shares of the company is 1891.89%.

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 6.86% whereas the increase in the managerial remuneration for the same financial year was 7.18%.**
- (ix) The key parameters for any variable component of remuneration availed by the directors;**
There are no variable components in remuneration package availed by the directors.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; - None**
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.**

Annexure - 6

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	Duration of the contracts / arrangements / transactions	Terms of the contracts or arrangements or transaction including the value (₹ in Crores)	Date(s) of approval by the Board	Amount paid/received as advances	Nature of transactions
1	Sadbhav Infrastructure Project Limited	Subsidiary Company	Facility is repayable by borrower on demand/call notice from lenders	1000.00	N.A.	NIL	Providing of Financial facilities as per MOU dated 20.12.2014
2	Mysore-Bellary Highway Pvt. Ltd.	Subsidiary Company	911th day from the Appointed Date i.e. 12/12/2014	684.00	N.A.	10% of the Contract Price	EPC contract dated 01-07-2014
3	Shreenathji-Udaipur Tollway Pvt. Ltd.	Step-down Subsidiary	910th day from the Appointed Date i.e. 08/04/2013	975.00	N.A.	10% of the Contract Price	EPC contract dated 18-07-2012
4	Bhilwara-Rajsamand Tollway Pvt. Ltd.	Step-down Subsidiary	910th day from the Appointed Date i.e. 09/10/2013	603.00	N.A.	10% of the Contract Price	EPC contract dated 25-02-2013
5	Rohtak-Hissar Tollway (P) Ltd.	Step-down Subsidiary	910th day from the Appointed Date i.e. 26/12/2013	1080.00	N.A.	10% of the Contract Price	EPC contract dated 10-06-2013
6	Maharashtra Border Check Post Network Ltd.	Step-down Subsidiary	450 days (for Road works) & 540 days (for Building works) from the handing over of the each site of Border Check Post (BCP)	834.00	N.A.	15% of the Contract Price	EPC contract dated 18-06-2009

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

For and on behalf of the Board of Directors

Place : Ahmedabad,
Date : August 10, 2015

Sd/-
Vishnubhai M. Patel
Chairman

Annexure - 7

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31/03/2015

[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-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai - 400078

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	68%
2	Construction & Maintenance of Irrigation System (Cannel)	422	14%
3	Site preparation for Mining including overburden removal and other development	431	18%

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.	U45202GJ2007PLC049808	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary	77.42	2(87)
2	Mysore-Bellary Highway Pvt. Ltd.	U45203GJ2014PTC078848	-----Do-----	Subsidiary	74	2(87)
3	Nagpur-Seoni Expressway Ltd.	U45203GJ2007PLC049963	-----Do-----	Step-down Subsidiary	100	2(87)
4	Ahmedabad Ring Road Infrastructure Ltd.	U45203GJ2006PLC048981	-----Do-----	Step-down Subsidiary	80	2(87)
5	Auranagabad-Jalna Tollway Ltd.	U45203GJ2007PLC049814	-----Do-----	Step-down Subsidiary	100	2(87)
6	Rohtak-Panipat Tollway Pvt. Ltd.	U45202GJ2010PTC059322	-----Do-----	Step-down Subsidiary	100	2(87)
7	Hyderabad-Yadgiri Tollway Pvt. Ltd.	U45203GJ2010PTC059262	-----Do-----	Step-down Subsidiary	100	2(87)
8	Bijapur-Hungund Tollway Pvt. Ltd.	U45203GJ2010PTC059669	-----Do-----	Step-down Subsidiary	77	2(87)
9	Maharashtra Border Check Post Network Ltd.	U45201GJ2009PLC056327	-----Do-----	Step-down Subsidiary	90	2(87)
10	Shreenathji-Udaipur Tollway Pvt. Ltd.	U45201GJ2012PTC069676	-----Do-----	Step-down Subsidiary	100	2(87)
11	Bhilwara-Rajsamand Tollway Pvt. Ltd.	U45203GJ2012PTC072902	-----Do-----	Step-down Subsidiary	100	2(87)
12	Rohtak-Hissar Tollway Pvt. Ltd.	U45203GJ2013PTC074446	-----Do-----	Step-down Subsidiary	100	2(87)

13	Dhule-Palesner Tollway Ltd.	U45203MH 2009PLC191222	Hincon House, 11th Floor, 247 park, Lal Bahadur Shastri Marg, Vikhroli (west, Mumbai,	Associates	28	2(6)
14	Mumbai Nasik Expressway Ltd.	U45203MH 2005PLC155016	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai	Associates	20	2(6)

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

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian Individual / HUF	53296765	-	53296765	35.14	60256765	-	60256765	35.14	-
Central Govt State Govt (s) Bodies Corp.	16545275	-	16545275	10.91	16545275	-	16545275	9.65	-1.26
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other (Trust)	3993840	-	3993840	2.63	3993840	-	3993840	2.33	-0.30
Sub-total (A) (1):-	73835880	-	73835880	48.68	80795880	-	80795880	47.11	-1.57
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter	-	-	-	-	-	-	-	-	-
A = (A) (1) + (A) (2)	73835880	-	73835880	48.68	80795880	-	80795880	47.11	-1.57
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	39779159	-	39779159	26.23	41676708	-	41676708	24.30	-1.93
b) Banks / FI	16062	-	16062	0.01	71094	-	71094	0.04	0.03
c) Central Govt / State Govt (s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	24288302	-	24288302	16.01	27347215	-	27347215	15.95	-0.06
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified foreign Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	64083523	-	64083523	42.25	69095017	-	69095017	40.29	-1.96
2. Non-Institutions									
a) Bodies Corp. i) Indian ii) Overseas	9358075	-	9358075	6.17	16259130	-	16259130	9.48	3.31

b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3937343	630	3937973	2.60	3719756	630	3720386	2.17	-0.43	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	115450	-	115450	0.08	766000	-	766000	0.45	0.37	
c) Others (specify)										
Clearing Members	201669	-	201669	0.13	209250	-	209250	0.12	-0.01	
NRI	80342	-	80342	0.05	102748	-	102748	0.06	0.01	
NRI (Non Repatriable)	49388	-	49388	0.03	552389	-	552389	0.32	0.29	
Sub-total (B) (2):-	13742267	630	13742897	9.06	21609273	630	21609903	12.60	3.54	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	77825790	630	77826420	51.32	90704290	630	90704920	52.89	1.57	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	151661670	630	151662300	100	171500170	630	171500800	100	-	

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Vishnubhai M. Patel	17829220	11.76	-	23429220	13.66	3.29	1.90
2	Shantaben V. Patel	14715375	9.70	-	14715375	8.58	-	1.12
3	Girish N. Patel	675500	0.45	-	675500	0.39	-	0.06
4	Shashin V. Patel	5499720	3.63	-	5499720	3.21	-	0.42
5	Vikram R. Patel	3408750	2.25	-	4608750	2.69	0.53	0.44
6	Vasistha C. Patel	2002150	1.32	-	3202150	1.87	0.53	0.55
7	Tosha Arpit Patel	1040000	0.69	-	-	-	-	0.69
8	Vishnubhai M. Patel-HUF	4581700	3.02	-	4581700	2.67	-	0.35
9	Santokba Trust	3993840	2.63	-	3993840	2.33	-	0.30
10	Sadbhav Finstock Pvt. Ltd.	16545275	10.91	-	16545275	9.65	9.65	1.26
11	Vipul H. Patel	166850	0.11	-	166850	0.10	-	0.01
12	Patel Rekhaben Vishnubhai	675500	0.45	-	675500	0.39	-	0.06
13	Patel Trutiben Vishnubhai	675500	0.45	-	675500	0.39	-	0.06
14	Bhavna Vikramkumar Patel	675500	0.45	-	675500	0.39	-	0.06
15	Alpa Dharmin Patel	675500	0.45	-	675500	0.39	-	0.06
16	Patel Rajeshreeben Vishnubhai	675500	0.45	-	675500	0.39	-	0.06
	Total	73835880	48.68	-	80795880	47.11	13.99	1.57

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

Sr. No.	Name of the Promoters / Promoters Group	Date wise increase / decrease	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
				73835880	48.68	73835880	48.68
1	Tosha G. Patel	14/05/2014	Secondary Market Sale	1040000	0.69	72795880	47.96
2	Vishnubhai M. Patel	30/09/2014	Allotment against Conversion of Warrants	5600000	3.50	78395880	49.03
3	Vikram R. Patel	30/09/2014	Allotment against Conversion of Warrants	1200000	0.75	79595880	49.79
4	Vasistha C. Patel	30/09/2014	Allotment against Conversion of Warrants	1200000	0.75	80795880	50.54
5	At the End of the year					80795880	47.11

(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		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ICICI Prudential Discovery Fund	8568210	5.65	9206885	5.37
2	ICICI Prudential Life Insurance Company Ltd.	5659811	3.73	8293425	4.84
3	Government Pension Fund Global	4493775	2.96	3223607	1.88
4	Eastspring Investments India Infrastructure Equity Open Limited	4068901	2.68	3023336	1.76
5	HDFC Trustee Company Limited-HDFC Tax SaverFund	3764010	2.48	3764010	2.19
6	Nomura India Investment Fund Mother Fund	2781296	1.83	5229243	3.05
7	TVF fund Ltd.	2653678	1.75	-	-
8	Emerging India Focus Funds	2643994	1.74	-	-
9	DSP Blackrock Equity Fund	2632722	1.74	1750929	1.02
10	HDFC Trustee Company Limited HDFC Infrastructure Fund	2616000	1.72	2595000	1.51
11	ICICI Prudential Infrastructure Fund	-	-	2015255	1.18
12	TATA Balance Fund	-	-	2000000	1.17

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year		
		Name of the Director / KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vishnubhai M. Patel		17829220	11.76	23429220	13.66
2	Shashin V. Patel		5499720	3.63	5499720	3.21
3	Vikram R. Patel		3408750	2.25	4608750	2.69
4	Vasistha C. Patel		2002150	1.32	3202150	1.87
5	Nitin R. Patel		10800	0.007	101	-
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	Sandip A. Sheth		-	-	-	-
11	Purvi S. Parikh		-	-	-	-
12	Vijay J. Kalyani		1281	0.0008	-	-

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 -01-04-2014				
i) Principal Amount	91618.82	10952.47	-----	102571.29
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	217.01	14.56	-----	231.57
Total (i + ii + iii)	91835.83	10967.03	-----	102802.86
Change in Indebtedness during the financial year				
• Addition	30899.60	646.06	-----	31545.66
• Reduction	21362.42	2562.56	-----	23924.98
Net Change	9537.18	(1916.49)	-----	7620.68
Indebtedness at the end of the financial year 31-03-2015				
Principal Amount	100624.29	9011.49	-----	109635.78
i) Interest due but not paid	-----	-----	-----	-----
ii) Interest accrued but	748.72	39.04	-----	787.76
Total (i + ii + iii)	101373.01	9050.53	-----	110423.54

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
		Vishnubhai M. Patel	Shashin V. Patel	Vasistha C. Patel	Nitin R. Patel	Vikram R. Patel	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	60.00	30.00	40.50	30.00	370.50
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-----	-----	-----	37.64	-----	37.64
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-----	-----	-----	-----	-----	-----
2	Stock Option	-----	-----	-----	-----	-----	-----
3	Sweat Equity	-----	-----	-----	-----	-----	-----
4	Commission - as % of profit - others, specify...	-----	-----	-----	-----	-----	-----
5	Others, please specify	-----	-----	-----	-----	-----	-----
	Total (A)	-----	60.00	30.00	78.14	30.00	378.14
	Ceiling as per the Act	₹ 1453.20 (being 10% of the net profit of ₹ 14532 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	Name of Directors								Total Amount
		Amarsinh J. Vaghela	Sandip V. Patel	Atul N. Ruparel	Arun S. Patel	Hemendra C. Shah	Mirat N. Bhadlawala	Sandip A. Sheth	Purvi S. Parikh	
1	1. Independent Directors									
	Fee for attending board committee meeting	0.15	0.90	0.90	0.90	0.15	0.75	0.75	0.15	4.65
	Total (1)	0.15	0.90	0.90	0.90	0.15	0.75	0.75	0.15	4.65
	2. Other Non-Executive Directors									
	Fee for attending board committee meetings Commission Others, please specify									
	Total (2)	0	0	0	0	0	0	0	0	0
	Total (B)=(1+2)	0.15	0.90	0.90	0.90	0.15	0.75	0.75	0.15	4.65
	Total Managerial Remuneration									382.79* (Lakhs)
	Overall Ceiling as per the Act	N.A.								

* 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 (Mr. Vishnubhai M. Patel)	Company Secretary (Mr. Vijay J. Kalyani)	*CFO (Mr. Nitin R. Patel)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	----	15.99	----	15.99
	(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	----	----	----	
2	Stock Option	----	----	----	----
3	Sweat Equity	----	----	----	----
4	Commission - as % of profit - others, specify...	----	----	----	----
5	Others, please specify	----	----	----	----
	Total	----	15.99	----	15.99

* Mr. Vishnubhai M. Patel is Managing Director and CEO of the Company. Details of his remuneration has already been given under clause A-Remuneration to Managing Director, Whole-time Director etc.

* Mr. Nitin R. Patel is Whole-time Director. Details of his remuneration has already been given under clause A-Remuneration to Managing Director, Whole-time Director etc.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	211 of the Companies Act, 1956	Compounding Application under section 621A of the Companies Act, 1956 for violation of Section 211 r.w. Part-1 and Part-II of the Sch. VI, Section 211 (3A). r.w. AS-3, AS-5 and As-18 and Section 211 (3B) of the Companies Act,1956 in respect of Balance Sheet as at 31st March, 2010	No	Regional Director	Pending before the Office of Regional Director
DIRECTORS (MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	SAME AS MENTIONED FOR COMPANY				
OTHER OFFICERS IN DEFAULT (COMPANY SECRETARY)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	SAME AS MENTIONED FOR COMPANY				

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 clause 49 of the Listing Agreement with the Stock Exchange, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

Board of Directors

The Board of Directors comprises of 11 (Eleven) 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
Mr. Vishnubhai M. Patel	Chairman & Managing Director	Promoter, Executive Director	8	8	Nil
Mr. Shashin V. Patel	Joint Managing Director	Executive Director	6	2	Nil
Mr. Nitin R. Patel	Executive Director	Executive Director	6	11	Nil
Mr. Vikram R. Patel	Executive Director	Executive Director	2	Nil	Nil
Mr. Vasistha C. Patel	Executive Director	Executive Director	8	10	Nil
Mr. Amarsinh Vaghela (up to 05/07/2014)	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Sandip V. Patel	Director	Independent, Non-Executive Director	1	4	Nil
Mr. Atul N. Ruparel	Director	Independent, Non-Executive Director	8	6	8
Mr. Arun S .Patel	Director	Independent, Non-Executive Director	8	10	6
Mr. Hemendra C. Shah (up to 01/07/2014)	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Sandip A. Sheth (From 07/07/2014)	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Mirat N. Bhadlawala (From 07/07/2014)	Director	Independent, Non-Executive Director	8	9	6
Mrs. Purvi S. Parikh (From 12/02/2015)	Director	Independent, Non-Executive Director	1	Nil	Nil

Board Meeting and Attendance

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months.

During the year 2014-2015, 6 (Six) Board Meetings were held on 30/05/2014, 11/08/2014, 09/09/2014, 13/10/2014, 14/11/2014 & 12/02/2015.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel	5	Yes
Mr. Nitin R. Patel	4	Yes
Mr. Shashin V. Patel	6	Yes
Mr. Vikram R. Patel	4	-
Mr. Vasistha C. Patel	4	Yes
Mr. Amarsinh Vaghela (up to 05/07/2014)	1	-
Mr. Sandip V. Patel	6	Yes
Mr. Atul N. Ruparel	6	Yes
Mr. Arun S. Patel	6	Yes
Mr. Hemandra C. Shah (up to 01/07/2014)	1	-
Mr. Sandip A. Sheth (From 07/07/2014)	5	Yes
Mr. Mirat N. Bhadlawala (From 07/07/2014)	4	Yes
Mrs. Purvi S. Parikh (From 12/02/2015)	1	-

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 Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

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

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 the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 30th March, 2015 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. 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://www.sadbhaveng.com/familiarization-programme-for-independent-directors>

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2015 was as under –

Mr. Sandip V. Patel	Chairman
Mr. Nitin R. Patel	Member (From 30/05/2014)
Mr. Atul N. Ruparel	Member
Mr. Arun S. Patel	Member
Mr. Amarsinh J. Vaghela	Member (up to 05/07/2014)

The terms of reference stipulated by the Board to the Audit Committee are as contained in Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreements.

During the year 2014-2015, Five meetings of the Audit Committee were held on May 30, 2014, August 11, 2014, October 13, 2014, November 11, 2014 and February 12, 2015.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	5
Mr. Nitin R. Patel (From 30/05/2014)	4
Mr. Atul N. Ruparel	5
Mr. Arun S. Patel	5
Mr. Amarsinj J. Vaghela (up to 05/07/2014)	1

Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

Comprises of the following directors.

Mr. Atul N. Ruparel	Chairman
Mr. Sandip V. Patel	Member
Mr. Arun S. Patel	Member
Mr. Sandip A. Sheth	Member (From 11/08/2014)
Mr. H. C. Shah	Member (Up to 01/07/2014)

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 Clause 49 of Listing Agreements.

During the year 2014-2015, Seven meetings of Committee were held on April 22, 2014, May 30, 2014, July 05, 2014, July 18, 2014, November 03, 2014, February 12, 2015 and February 13, 2015 to review and revised the remuneration of Key Personnel in which following members were present.

Name of Director	Meetings attended
Mr. Sandip V. Patel	6
Mr. Arun S. Patel	6
Mr. Sandip A. Sheth (From 11/08/2014)	2
Mr. H. C. Shah (up to 01/07/2014)	2

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) Independence 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 atleast 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:

(a) 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.

(b) While formulating Policy, Managing Director of the Company shall ensure that:

- (1) 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;
- (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (3) 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

(c) 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.

(d) 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 2014-15 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 31st March, 2015	No. of outstanding Stock options
Mr. Vishnubhai M. Patel	180.00	Nil	3 years from July 01, 2014	23429220	Nil
Mr. Nitin R. Patel	78.14	Nil	3 years from July 01, 2004	101	Nil
Mr. Shashin V. Patel	60.00	Nil	3 years from July 01, 2004	5499720	Nil
Mr. Vikramkumar R. Patel	30.00	Nil	5 years from October 01, 2012	4608750	Nil
Mr. Vasistha C. Patel	30.00	Nil	5 years from October 01, 2012	3202150	Nil
Mr. Amarsingh J. Vaghela (Up to 01/07/2014)	Nil	0.15		N.A.	N.A.
Mr. Sandip V. Patel	Nil	0.90		10000	Nil
Mr. Atul N. Ruparel	Nil	0.90		10000	Nil
Mr. Arun S. Patel	Nil	0.90		Nil	Nil
Mr. Hemendra C. Shah (Up to 05/07/2014)	Nil	0.15		N.A.	N.A.
Mr. Sandip A. Sheth	Nil	0.75		Nil	Nil
Mr. Mirat N. Bhadlawala	Nil	0.75		Nil	Nil
Mrs. Purvi S. Parikh	Nil	0.15		Nil	Nil

The Directors were not paid any allowance or perquisites in the year 2014-15, except in case of Mr. Nitin R. Patel salary includes the monetary value of taxable perquisites towards the stock options exercised under the ESOS Scheme.

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 the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee" which comprising of –

Mr. Mirat N. Bhadlawala (From 11/08/2014)	Chairman
Mr. Sandip V. Patel	Member
Mr. Nitin R. Patel	Member
Mr. Vasistha C. Patel (From 11/08/2014)	Member
Mr. Amarsinh J. Vaghela (up to 01/07/2014)	Chairman

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 Clause 49 of Listing Agreements.

The committee reviews all matters connected with securities transfer and redresses investor complaints. The committee also oversees the performance of the Registrars and Transfer Agent, Link Intime India Pvt. Limited 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. Vijay J. Kalyani - Company Secretary as compliance officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirement under the Listing Agreement.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 0. No complaints were pending as on March 31, 2015.

During the year 2014-2015, Four meetings of Committee were held on May 30, 2014, August 11, 2014, November 14, 2014 and February 12, 2015 in which following members were present.

Name of Director	Meetings attended
Mr. Mirat N. Bhadlawala (From 11/08/2014)	2
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Vasistha C. Patel (From 11/08/2014)	1
Mr. Amarsinh J. Vaghela (up to 01/07/2014)	1

Other Committees

Finance and Investment Committee

The Board has re-constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Vishnubhai M. Patel, Mr. Shashin V. Patel, Mr. Nitin R. Patel, Mr. Vasistha C. 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 comprising of Mr. Vishnubhai M. Patel as a Chairman and Mr. Vasistha C. Patel, Mr. Mirat N. Bhadlawala and Mr. Sandip A. Sheth as a members of the Committee. During the year 2014-2015, one meeting of Committee was held on October 03, 2014 which were attend by all the members of the Committee.

General Body Meetings

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

Financial Year	Date	Time	Venue
2011-12	September 29, 2012	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2012-13	September 30, 2013	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2013-14	September 26, 2014	3.00 p.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

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

Date of AGM	Special Resolution Passed
September 29, 2012	<ul style="list-style-type: none"> Increase the remuneration of Mrs. Rajeshri R. Patel, holding place of profit under section 314 of the Companies Act, 1956
September 30, 2013	<ul style="list-style-type: none"> Nil
September 26, 2014	<ul style="list-style-type: none"> Appointment of Mr. Atul N. Ruparel as an Independent Director of the Company Appointment of Mr. Sandip V. Patel as an Independent Director of the Company Re-Appointment of Mr. Vishnubhai M. Patel as a Managing Director and Chief Executive officer of the Company Re-Appointment of Mr. Shashin V. Patel as a Joint Managing Director of the Company Re-Appointment of Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director of the Company Increase in borrowing limit of the company Create mortgage/Charge on the assets of the company Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

The details of Special resolutions passed by the company at its Extra Ordinary General Meeting are as under:

Date of EGM	Special Resolution Passed
October 04, 2014	<ul style="list-style-type: none"> Raising of funds by way of a qualified institutions placement in accordance with the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable laws up to an amount not exceeding ₹ 250 Crore.

No resolution was passed through postal ballot during 2014-15 and there is no any proposal to pass resolution through postal ballot.

Unclaimed Shares lying in Demat Suspense Account

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts 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.	3	1050
ii	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	Nil	Nil
iii	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
iv	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	3	1050
v	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

Disclosures

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.

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.

Whistle Blower Policy

The Company has established a vigil mechanism called '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.

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,
Ellisebridge, Ahmedabad- 380006

By e-mail : WhistleBlower@sadbhaveng.com

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.

Compliance with Other Mandatory Requirements

Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(IV) (F) of the Listing Agreement.

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 stake holders. 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 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.

In accordance with Clause 49 V(D) of the Listing Agreement, The policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website at the web link (http://www.sadbhaveng.com/wp-content/uploads/2014/11/MATERIAL_SUBSIDIARY.pdf)

Disclosure of Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement 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. 2.35).The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link (http://www.sadbhaveng.com/wp-content/uploads/2014/11/RELATED_PARTY_TRANSACTIONS1.pdf)

Disclosure of Accounting Treatment

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

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.

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 elsewhere in the Annual Report.

CEO/CFO Certificate

The Chief Executive Officer and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chief Executive Officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2014-15, Company has published its quarterly results as under

Quarter	News Papers
Q1	Economic Times (English & Gujarati)
Q2	Economic Times (English & Gujarati)
Q3	Economic Times (English & Gujarati)
Q4	Economic Times (English & Gujarati)

- Company has its own website www.sadbhav.co.in and results on approval of the Board are simultaneously hosted on website.
- 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 Report containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to the members and other entitled thereto.
- Pursuant to Clause 52 of Listing Agreement Company is awaiting the instruction from the participating stock exchanges, to file such data on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in
- The Company also submits electronically various compliances reports, public statements etc. periodically in accordance with the Listing Agreement on NSE and BSE.

General Shareholders Information

1. Annual General Meeting

Date and Time	: September 29, 2015 at 11.00 a.m.
Venue	: Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

2. **Financial calendar** : April 1 to March 31

3. **Book Closure date** : September 07, 2015 to September 12, 2015 (both days inclusive) for payment of dividend.

4. **Dividend payment date** : between October 01, 2015 and October 05, 2015.

5. Stock Code

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

6. Listing on Stock Exchanges :

A: Equity Shares	: The Bombay Stock Exchange Limited
	: The National Stock Exchange of India Limited

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.**

INE226H07023- NCDS of ₹ 100 Lakh each
INE226H07031- NCDS of ₹ 100 Lakh each
INE226H07049- NCDS of ₹ 10 Lakh each
INE226H07056- NCDS of ₹ 10 Lakh each
INE226H07064- NCDS of ₹ 10 Lakh each

Debenture Trustees : **IDBI Trusteeship Services Limited**
Asian Bldg., Ground Floor, 17, R. Kamani Marg, Ballard Estate, MUMBAI- 400 001.

Note: Annual listing fees for the year 2015-16 has been paid to the BSE and NSE

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

Month	The Bombay Stock Exchange Limited, Mumbai (BSE)		The National Stock Exchange, Mumbai (NSE)	
	High Price	Low Price	High Price	Low Price
April 2014	139.40	95.70	140.00	96.10
May 2014	199.60	124.80	199.00	123.80
June 2014	212.50	177.50	212.00	176.40

July 2014	225.95	178.00	225.60	172.35
August 2014	229.80	193.90	229.80	193.40
September 2014	252.10	205.20	252.00	204.35
October 2014	237.00	209.00	237.00	208.35
November 2014	270.00	231.60	270.55	232.50
December 2014	284.75	233.00	284.90	232.65
January 2015	292.00	240.65	292.00	241.00
February 2015	341.00	274.30	341.00	274.20
March 2015	385.00	324.50	385.00	324.20

- 8. Registrar & Transfer Agents :** Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
Phone : 022 25963838

9. 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 from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges.

10. Shareholding as on March 31, 2015

a. Distribution of shareholding as on March 31, 2015

No. of shares	No. of shareholders	% to total	No of shares held	% to total
1 - 500	8574	86.61	1219174	0.71
501 - 1000	534	5.39	416893	0.24
1001 - 2000	255	2.58	371090	0.22
2001 - 3000	116	1.17	295855	0.17
3001 - 4000	51	0.52	186701	0.11
4001 - 5000	44	.044	200631	0.12
5001 - 10000	84	0.85	618025	0.36
Above 10000	241	2.43	168192431	98.07
Total	9899	100.00	171500800	100.00

b. Categories of shareholders as on March 31, 2015

Category	No of shares	% to total
Promoters	80795880	47.11
Mutual Fund	41676708	24.30
Banks, Financial institutions, Insurance companies	71094	0.04
FII	27347215	15.95
Other private corporate bodies	16259130	9.48
Indian Public	4695636	2.74
NRI / OCB	655137	0.38
Total	171500800	100.00

11. Dematerialization of shares and liquidity

99.99% of the Company's paid-up equity share capital has been dematerialized up to July, 2015. 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).

12. Transfer of unclaimed dividend amount for the financial year 2006-2007 to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 0.23 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205A(5) of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

13. 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.

14. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversions, conversion date and likely impact on equity:

As at March 31, 2015, 72,000 stock options, granted under Sadbhav Employee Stock Option Scheme 2008 ("ESOS Scheme 2008") are outstanding.

Company has no other outstanding GDRs / ADRs as on 31st March, 2015.

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

16. **Address for Correspondence** : 'Sadbhav House', Opp: Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.
Phone : +91 79-26405687, Fax : +91 79-26400210

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board has formulated a code of conduct for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and senior managerial personnel have complied with the code of conduct framed by the company and confirmation to that effect has been obtained from the Directors and senior management.

For Sadbhav Engineering Limited

Place : Ahmedabad,
Date : May 30, 2015

Vishnubhai M. Patel
Chairman & Managing Director

Auditors' Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited

We have examined the compliance conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. 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 as stipulated in above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as certified by the share transfer agents of the company based on the records maintained by them.

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 conducted the affairs of the Company.

For, **Suran Maloo & Co.**
Chartered Accountants
Firm Reg. No. 112171W

Place : Ahmedabad
Date : May 30, 2015

S. D. Patel
PARTNER
Membership No. 37671

Management Discussion & Analysis

The company presents its annual report for the year 2014 - 15 and predictions of the future based on the foundation of existing scenario amongst the derivatives such as economic standing, political situation and all other global developments.

1. ECONOMIC

According to a report published by United Nations, a number of economies have encountered various country-specific challenges, including structural imbalances, infrastructural bottlenecks, increased financial risks and ineffective macroeconomic management, as well as geopolitical and political tensions. US Economy showed promising results in Q2 as opposed to its slowdown in Q1. Between the still persisting Euro crisis, China market crash and reduction in oil prices, developing countries and economies in transition have seen more divergent growth. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant prices 2014-15 is ₹ 106.4 trillion (US\$ 1.596 trillion), as against ₹ 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3 per cent.

2. INDUSTRY SYNOPSIS

According to a financial survey conducted by World Bank, Indian economy is becoming the world's fastest growing major economy from the Q4 of 2014, replacing China's. Its growth is expected to continue at 7-7.5% despite the global downturn. The long-term growth prospective of the Indian economy is moderately positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. Also there are fewer restrictions on foreign direct investment (FDI) for infrastructure projects. Provision of Tax holidays for developers of most types of infrastructure projects, some of which are of limited duration is also present. Opening up of the infrastructure sector through PPPs is an added advantage to the investors.

3. OPPORTUNITIES & STRENGTHS

Roads and Highways

Road Transport is vital for economic development and social integration of the country. Understanding this need, the Government of India has set aside 20 per cent of the investment of US\$ 1 trillion reserved for infrastructure during the 12th Five-Year Plan (2012-17) to develop the country's roads. The value of roads and bridges infrastructure in India is projected to grow at a compound annual growth rate (CAGR) of 17.4 per cent over FY12-17. The country's roads and bridges infrastructure, which was valued at US\$ 6.9 billion in 2009, is expected to touch US\$ 19.2 billion by 2017. Road construction projects awarded to build-operate-transfer (BOT) companies achieved a CAGR of 17.1 per cent over FY06-13.

Some of the key investments and developments in the Indian roads sector are as follows:

- The cabinet committee on economic affairs (CCEA) has approved six highway projects totalling 712 km with an investment of ₹ 12,646 crores (US\$ 2 billion). These projects, to be awarded under the engineering, procurement and construction (EPC) model, are divided into 10 packages under the national highways development project in states such as Uttar Pradesh, Madhya Pradesh, Odisha, Himachal Pradesh and West Bengal.
- The Delhi-Panipat stretch of NH-1 would be expanded to an eight-laned dedicated highway in the next three years. To meet the increasing demand of traffic growth, NHAI is set to award this project on toll mode by the end of March.
- Chhattisgarh is planning to invest ₹ 9,500 crore (US\$ 1.5 billion) to upgrade 44 roads in the state.
- The government is set to offer the final batch of road projects for this financial year. A total of nine, with a cumulative length of 895 km and project cost of ₹ 17,815 crore (US\$ 2.82 billion), are to be offered soon. Three are expected under a Build-Operate-Transfer (BOT) model. The other six are understood to be put out under Engineering-Procurement-Construction (EPC).

We, at Sadbhav Engineering Ltd., are keeping up with the boost in the particular sector and thus have 25 projects all over India out of which 11 are cash contracts and 8 are BOT contracts.

Irrigation

The need and urgency about creating more storage through Major & Medium Irrigation sector in the country is apparent. Structural changes in the Accelerated Irrigation Benefit Programme (AIBP) being made to maximise benefit from investments in irrigation projects. Allocation for AIBP stepped up by 13 per cent to ₹ 14,242 crores. An outlay of ₹ 341,900 crores is recommended for the MMI sector of which ₹ 208,600 crores would be in the state sector and ₹ 133,300 crores would be in the central sector. The bulk of the investments proposed are for completing on-going projects, undertaking selected new projects, imparting major trust to ERM and CAD projects. In addition, allocations for strengthening WRIS, restructuring water resources organizations and for promoting research and capacity building were proposed for the following sector by the Planning Commission. Restructuring AIBP and increasing its allocations is a major concern. An Irrigation Management Fund of ₹ 10,000 crores has also been proposed. For this sector, we have a total of 23 on-going and new projects, wherein we have various construction of CM and CD works, hydraulic preparation, excavation, investigation, earthwork construction, canal build up, etc.

Mining

Many countries view the mining sector as a key engine of economic development. The World Bank has supported 41 mining sector reform (technical assistance) projects in 24 countries since 1988. This contributed to an increase in investment in the mining sector and related economic indicators such as exports, fiscal revenues and gross domestic product (GDP) in recipient countries. The Indian mining industry however is passing through a critical phase, especially in the last two years, witnessing negative growth. As mining

is interlinked with industrial development, availability of raw material is of prime importance and as such, the pro-active role of union and state governments is called for to ensure an era of mineral development. PSU's are to be increased by the government so as to do the damage control. The NMP enunciates measures like assuring rights to next stage mineral concession, transferability of mineral concessions and transparency in the allotment of concessions in order to reduce delays which are seen as impediments to investment and technology flows in the mining sector in India. Changes, if necessary, in the MMDR Act, 1957 are to be introduced to encourage investment in the mining sector and promote sustainable mining practices. Sadbhav Engineering Ltd. has therefore 11 on-going projects with various activities like removal of overburden, hiring HEMM for removal excavation and transportation, extraction of ores like lignite and uranium. It also focuses on hiring earth moving equipment and trained manpower for the same.

4. OUTLOOK

Our past experience in the infrastructure industry has enriched us tremendously. According to Standard & Poor's and Fitch, they both rate the India's outlook as "stable". Structural advantages, relatively benign commodity prices and liquidity conditions globally will keep India's growth above its peers. Signs of sustainable growth from moves such as getting stalled infrastructure projects under way can be seen for Indian Infrastructure. The addressing of bottlenecks in the energy, mining and power sector; increasing investment to help close India's major infrastructure gaps; taking further steps to simplify and expedite the process of acquiring land and obtaining environmental clearances are affirmative. Also with the influx of investment based policies in India for various sectors and projects we look forward to the benefit to the organization. We, at Sadbhav Engineering Ltd. are walking in lines with the government policing to showcase promising results in the sectors of Infrastructure, irrigation and mining.

5. RISKS & ITS MITIGATION

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

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

- (1) The successful completion of projects depends on performance of our joint venture partners and sub-contractors. Before entering into any joint venture agreement and sub-contract agreement, we thoroughly analyse their past performances, credentials and track record with us. We always insist to have a performance guarantee and quality assurance from sub-contractor.
- (2) Cost overrun of projects due to problems of land acquisitions, removal of encroachment, complying with environmental standard and penalty for delay in completion of the project in time and our insurance coverage may not adequately protect us against possible risk of loss. We plan elaborately to execute all our projects before the scheduled time. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation policies to protect against losses caused to workmen through accident. We also take Advance Loss of Profit (ALOP) Policy for each project. Also before the start of work, we appoint Insurance Consultant / Professional to assess all our risks in worst conditions.
- (3) There is a risk of escalation of cost of raw materials for BOT projects. Estimates of increase in raw material costs for BOT projects are made at the time of bidding. Due to this, some risk is involved in the BOT projects as there is no provision for cost escalation. However, due to our considerable experience in this industry, we are able to plan effectively and 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 by entering long term arrangement with suppliers for every project.
- (5) Non-maintenance / break-down of equipment pose a major risk towards the non-execution of projects. We have full-fledged team of technical experts at our own workshop where the machines are regularly overhauled and repaired by skilled personnel, thereby minimising the chances of any break down. At each project site, mechanical divisions are set, wherein the regular maintenance and interim repairs are undertaken.
- (6) Mishandling of machines and equipments can result in accidents which in turn, may result in a liability. We have training programmes for handling the sophisticated equipment and machinery used in our project sites. These measures minimize the chances of mishaps occurring at any project site. We have taken insurance coverage for any claims that may arise under the Workman's Compensation Act.
- (7) Employee health, safety and regulatory measures are very important in our industry. Any negligence can affect our performance. We, therefore, take the required precautionary measures for our employees' health and safety. 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, also sufficiently covered by Workman Compensation Insurance. Company also provides its employees safety equipments like helmets, boots etc.. to ensure their safety while working at project sites.
- (8) We are a broad based organization and have strong systems in place to ensure minimal dependence on any single individual. But 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 proper planning, delegation and teamwork.
- (9) Our business needs substantial working capital and financing in the form of debt and/or equity to meet our requirements. Like any other business we use a mix of debt and equity to finance our fund requirements. Over the years we have built a healthy relationship with our lenders and we do not envisage any difficulty in 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 for e.g. changes in interest rates, changes in exchange rates etc. Our endeavour has been in taking proactive steps to

mitigate these in the form of creating sufficient barriers in the pricing, making suitable provisions in books, insurance cover by entering derivative transaction for hedging our obligation in foreign currency, etc.

Any change in the government policy, tax structure, political situation and civil disturbances will have adverse effect on company's business. Natural risks like adverse weather condition, fire, floods, earthquakes etc can be mitigated by taking the Insurance Coverage. An increased competition from large national and international organizations as well as deviation from estimated traffic volume are also an area of concern.

With this risk management exercise it not only identifies risks, but also reduces risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of the Company's business operations which are reviewed periodically by the Directors of the Company.

6. SEGMENT WISE PERFORMANCE

As on March 31, 2015 the Company has only one reportable business segment, that of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 2.37 to the consolidated financial statements.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

Sadbhav Engineering Ltd. has internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. This system of internal control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records. The ERP system of the company is already operative. It connects all sites with the corporate office, and by providing real time information to the top brass of the company. With this comes better management and control of all the processes.

8. FINANCIAL OVERVIEW

(a) Income Analysis

The Company's revenues for the current year stood at ₹ 2969.85 crores as against ₹ 2358.12 crores in the previous year, thereby registering an increase of 25.94%.

(b) Expense Analysis

Manufacturing and Construction expenses

Material consumed for the year ended March 31st, 2015 amounted to ₹ 735.29 crores, construction expenses increased from ₹ 1567.08 crores incurred during 2013-14 to ₹ 1696.71 crores.

Depreciation, Interest and Finance cost

Depreciation during 2014-15 amounted to ₹ 81.71 crores as against ₹ 47.40 crores recorded in 2013-14. Finance cost increased from ₹ 118.11 crores in 2013-14 to ₹ 138.22 crores in 2014-15.

(c) Profit Analysis

EBDITA during 2014-15 stood at ₹ 365.78 crores as against ₹ 285.83 crores recorded during 2013-14. Profit after tax for 2014-15 stood at ₹ 113.73 crores as compared to ₹ 106.16 crores during 2013-14.

(d) Net Worth

The company also saw a rise in the Net worth from ₹ 957.22 crores in 2013-14 to ₹ 1352.06 crores in 2014-15.

(e) Dividend

The Company declared a final dividend of 70% this year.

On consolidated basis, the revenue from operations stood at ₹ 3446.78 crores during the financial year under review as compared to ₹ 2732.52 crores in the previous year Loss before tax was ₹ 198.25 crores as compare to profit of ₹ 11.95 crores in the previous year and Loss after tax was ₹ 175.49 crores as compare to profit of ₹ 44.37 crores in the previous financial year.

9. HUMAN RESOURCE DEVELOPMENT

A major part of the company strategy is satiated towards our employees whose relentless support and devotion took our company to great heights. We realize that they are responsible for our existence as well as our goodwill. Therefore, as a responsibility towards them, we look after their social amenities like Medical, PF, Gratuity, LTA etc. The Human Resource team strives to attract the best possible talent and groom it to fulfil vision and mission of the Company. Sadbhav Engineering Ltd. recognizes the potential of each employee and provides them the right opportunity to grow. Regular in-house and external training which includes knowledge and skill development are provided to enhance their progress. Therefore, the current strength of employees in our organization as on 31st March, 2015 was 1045. We strive to maintain a professional, value-driven work environment where every employee feels satisfied and appreciated. Our positive approach towards competency development allows us to attract, retain and build the best team.

10. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections and approximate estimate may be "forward looking statements" set in the framework meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions of the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

Independent Auditor's Report

To,
The Members of **Sadbhav Engineering Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Sadbhav Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.31 (A) to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SURANA MALOO & CO.
Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2015

Annexure to Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

- 1. In respect of Fixed Assets:**
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 2. In respect of Inventories:**
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3. In respect of Loan to parties covered in the register maintained under section 189:**
 - (a) The company has granted loans to one subsidiary company covered in the register maintained u/s 189 of the Act.
 - (b) The borrowers have 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 ₹ 7795.63 lakhs which is repayable after eleven years from the date of term loan agreement dated 22nd October, 2014.
 - (c) There are no overdue amounts of more than rupee one lakh in respect of the loans granted to the bodies corporate listed in the register maintained u/s 189 of the Act.
- 4. In respect of Internal Control:**

In our opinion and according to the information and explanations given to us, there is formal internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets, sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company.
- 5. In respect of deposit from the Public:**

The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 and other relevant provisions of the Act and rules framed thereunder.
- 6. In respect of maintenance of cost records:**

We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit)

Rules, 2014 prescribed by the Central government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of statutory dues:

- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable except Labour cess of ₹ 559.05 lakhs.
- (b) The disputed statutory dues aggregating to ₹ 3475.24 lakh that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (₹ in Lakhs)
01	The Custom Act, 1962	Custom duty	2001-2002	Commissioner (Appeal)	104.95
02	Service Tax Act, 1994	Service Tax	2005-2006	CESTAT, Ahmedabad	67.29
03	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
04	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	The High Court, Gujarat	611.03
05	The Income Tax Act, 1961	Income Tax	2006-07 to 2011-12	Commissioner of Income Tax (Appeal), Ahmedabad	64.90
06	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	ITAT, Ahmedabad	1953.30
07	Jharkhand Value Added Tax Act, 2005	VAT	2010-2011	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
08	Rajasthan Minor Mineral Concession Rules, 1986	Royalty	2013-2014	The High Court, Rajasthan	51.32
				TOTAL	3475.24

- (c) According to the records of the Company amount which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules there under has been transferred to such fund within time.

8. In respect of accumulated losses and cash losses:

The Company does not have accumulated losses at the end of the Financial Year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.

9. In respect of dues to financial institution / banks / debentures:

Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks/debentures.

10. In respect of guarantee given for loans taken by others:

In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year except in cases of Subsidiary and step down subsidiaries of the company.

11. In respect of application of term loans:

In our opinion, and according to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied for the purposes for which the loans were obtained.

12. In respect of fraud:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company have been noticed or reported during the year.

For SURANA MALOO & COMPANY
Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2015

Balance Sheet as at March 31, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2015	As at 31-03-2014
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1715.01	1516.62
(b) Reserve and Surplus	2.2	133490.76	91890.53
(c) Money Received against Share Warrants		0.00	2315.00
		135205.77	95722.15
(2) Non-current Liabilities			
(a) Long Term Borrowings	2.3	55829.87	42152.71
(b) Deferred Tax Liabilities	2.4	2440.83	3566.81
(c) Other Long Term Liabilities	2.5	3370.77	4917.14
		61641.47	50636.66
(3) Current Liabilities			
(a) Short Term Borrowings	2.6	37998.98	44178.24
(b) Trade Payables	2.7	44109.25	37337.42
(c) Other Current Liabilities	2.8	57346.31	62479.29
(d) Short Term Provisions	2.9	16198.90	12189.26
		155653.44	156184.21
Total		352500.68	302543.02
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.10	53413.45	49756.69
(ii) Intangible Assets	2.11	158.93	61.88
		53572.38	49818.57
(b) Non-current Investments	2.12	53126.32	52100.41
(c) Long Term Trade Receivables	2.13	2926.68	1987.52
(d) Long Term Loans, Advances and Deposits	2.14	55883.53	45625.59
		165508.91	149532.09
(2) Current Assets			
(a) Inventories	2.15	21337.17	16382.10
(b) Trade Receivables	2.16	90674.91	73187.16
(c) Cash and Bank Balances	2.17	3510.75	7617.24
(d) Short-Term Loans and Advances	2.18	65055.34	48936.58
(e) Other Current Assets	2.19	6413.60	6887.85
		186991.77	153010.93
Total		352500.68	302543.02

Significant accounting policies & Notes on Accounts forming part of Financial Statements

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671
Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

Profit and Loss Statement for the Year Ended March 31, 2015

(₹ in Lakhs)

Particulars	Note No.	2014-2015	2013-2014
I Revenue from Operations	2.20	296984.74	235812.36
II Other Income	2.21	6554.47	3688.31
III Total Revenue (I+II)		303539.21	239500.67
IV Expenses :			
Cost of Material Consumed	2.22	73529.21	37796.07
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	2.23	418.20	0.00
Construction Expenses	2.24	169670.75	156707.62
Employee Benefits Expense	2.25	9738.73	6017.13
Finance Cost	2.26	13822.31	11811.49
Depreciation and Amortization Expense		8170.71	4739.97
Other Expenses	2.27	13604.28	10397.26
Total Expenses		288954.19	227469.54
V Profit Before Exceptional Items and Tax (III-IV)		14585.02	12031.13
VI Exceptional Item (Net of Income)	2.48	--	(3834.76)
VII Profit Before Tax (V+VI)		14585.02	8196.37
VIII Tax Expense			
(1) Current Tax		3986.80	1718.00
(2) MAT Credit Entitlement		--	(2661.50)
(3) Deferred Tax		(526.70)	397.64
(4) Short/(Excess) Provision for taxation for earlier years		(248.22)	(1874.11)
IX Profit for the period from continuing Operations (VII-VIII)		11373.14	10616.34
X Earning per Equity Share (in Rupees)			
(1) Basic	2.29	7.25	7.01
(2) Diluted	2.29	7.25	7.01
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

Cash Flow Statement for the Year 2014-2015

(₹ in Lakhs)

Particulars	2014-2015		2013-2014	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		11373.14		10616.34
Adjustments For :				
Interest Income	(5609.03)		(3464.99)	
Interest Expenses	13805.85		11781.61	
Depreciation & Amortisation	8170.71		4739.97	
Profit on sale of Assets	(53.49)		(2.44)	
Loss on sale of Assets	885.32		498.53	
Exceptional Item	0.00		3834.76	
Stock Option Premium	85.68		433.14	
Income Tax Provision	3738.58		(2817.61)	
Welath Tax Provision	0.00		2.51	
Foreign Exchange Loss	0.00		0.00	
Deferred Tax Liabilities/(Assets)	(526.70)	20496.92	397.64	15403.12
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		31870.06		26019.46
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	(939.16)		(265.21)	
(Increase)/Decrease of Trade Receivables	(17487.75)		461.99	
(Increase)/Decrease of Other Current Assets	486.07		(1059.01)	
(Increase)/Decrease of Inventories	(4955.07)		(6163.08)	
(Increase)/Decrease of Long Term Loans and Advances	1625.28		1783.70	
(Increase)/Decrease of Short Term Loans and Advances	(9982.51)		2553.70	
Increase/(Decrease) of Other Long Term Liabilities	284.97		17.19	
Increase/(Decrease) of Long-Term Provisions	0.00		24.26	
Increase/(Decrease) of Trade Payables	6771.83		5503.18	
Increase/(Decrease) of Other Current Liabilities	(5255.84)		22210.17	
Increase/(Decrease) of Short Term Provision	(180.06)		(0.04)	
		(29632.24)		25066.86
Cash generated from Operations		2237.82		51086.32
Tax Paid	(5887.96)	(5887.96)	(4860.66)	(4860.66)
Net Cash From Operating Activities		(3650.14)		46225.66
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Fixed Assets	(15847.89)		(22217.12)	
Sales of Fixed Assets	957.48		386.65	
Investments in Subsidiary Companies	(819.99)		(732.01)	
Investments in Associate Companies	(150.28)		0.00	
Other Non Current Investments	(55.64)		28.90	
Advance Recd. from subsidiary against sale of shares in other subsidiaries	(1831.34)		0.00	
Loan to Subsidiary Companies	(11883.22)		(37394.37)	
(Increase)/Decrease in Other Bank Balance & FDR's	(1043.83)		(298.17)	
Interest Received	5518.36	(25156.35)	3468.91	(56757.22)
Net Cash From Investing Activities		(25156.35)		(56757.22)

Cash Flow Statement for the Year 2014-2015

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	31530.95	358.25
Proceeds From Long Term Borrowings	29704.91	28669.61
Repayment of Long Term Borrowings	(16907.13)	(10917.39)
Proceeds/(Repayment) of Short Term Borrowings	(1940.97)	4600.91
Received against Issue of Share Warrant	0.00	2315.00
Net Increase in Working Capital Loan	(4238.29)	3481.64
Interest Paid	(13249.65)	(11768.99)
Dividend Paid	(1062.97)	(908.23)
Dividend Tax Paid	(180.67)	(154.40)
Transfer Investor Protection & Education Fund	0.00	(1.25)
	23656.18	15675.15
Net Cash From Financing Activities	23656.18	15675.15
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(5150.31)	5143.58
OPENING BALANCE OF CASH & CASH EQUIVALENTS	5783.87	640.29
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	633.56	5783.87
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	36.03	20.51
BALANCE IN CURRENT ACCOUNT WITH BANKS	347.52	1187.28
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	250.00	4576.08

Notes:

1. The cash flow statement has been prepared under Indirect Method as per Accounting Standard - 3 "Cash Flow Statement".
2. All figures in bracket are outflow.
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. Previous year figures have been recast / restated wherever necessary.

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Corporate Information:

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. 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.

Note 1. Significant Accounting Policies:

a) Basis of Preparation:

The Financial statements of the Company have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amount of income and expenses during the year of account. Example of such estimates includes contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes etc. Management periodically assesses whether there is an indication that an assets may be impaired and makes provision in the account for any impairment losses estimated. Contingencies are recorded when it is probable that a liabilities will be incurred and the amount can be reasonably estimated. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from those estimates and the difference between actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Inventories:

Stock of material, Spare-parts, Diesel oil is valued at the lower of cost or net realizable value after providing any other losses, where considered necessary. Cost is determined on first-in-first-out basis. Cost includes all the charges in bringing the goods to the point of use, including octroi and other levies, transit insurance and receiving charges.

Work in progress is valued at contract rates.

d) Cash and Cash Equivalent:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less from the date of acquisition.

e) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

f) Depreciation and Amortisation:

Depreciation is provided for all assets 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 assets 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 considered than those prescribed in schedule II.

Depreciation on assets sold, discarded or demolished during the year is being provided on their respective useful life on pro-rata up to the date on which such assets are sold, discarded or demolished.

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

g) Recognition of contract revenue and expenses:

- (i) In case of Item rate contracts Revenue is recognized over the life of the contract using percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date.
- (ii) In the case of lumpsum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management.
- (iii) 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.
- (iv) Price escalation and other Claims and/or variations in the contract work are included in contract revenue only when:
 - (a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.
- (vi) Site mobilization (Camp) Expenditure for site installation is written off over the period of contract in proportion to the value of work done.
- (vii) Income and expenses of previous years up to ₹ 500000/- are recognized in the current year as such. However income and expenses over and above ₹ 500000/- of previous year are accounted for as Prior Period item.

h) Other Income:

Interest Income on investment and bank deposits are recognized on a time proportion basis taking into account the amount invested and the rate applicable. Dividend income is accounted for when the right to receive it is established.

Sale of Material is accounted on accrual basis.

i) Fixed Assets (Tangible /Intangible):

Tangible Fixed Assets are valued at cost less accumulated depreciation. Direct cost is inclusive of all expenditure of capital in nature attributable to bring the fixed assets to working conditions, duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalized until fixed assets are ready for use. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible Fixed Assets are valued at cost less accumulated amortization/depletion. Direct cost is inclusive of all expenditure of capital in nature attributable to bring the fixed assets to working conditions, duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalized until fixed assets are ready for use.

j) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. On such indication, the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

k) Foreign Currency Transactions and Translations:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or rates that closely approximate the rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year end rates. As the Company has adopted para 46A of AS-11, the exchange differences arising on settlement/restatement of long-term foreign currency monetary items are Capitalised as part of the depreciable fixed assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

difference is carried in the Balance Sheet as "Foreign Currency Monetary Item Translation Difference Account" net of the tax effect thereon, where applicable.

Non monetary foreign currency items are carried at cost.

l) Investments:

Trade Investments are the investments made to enhance the Company's business interest. Investments are either classified as Current or Non-Current based on the management's intention at the time of purchase or Investment. Current investments are carried at the lower of cost or quoted / fair value, computed category wise. Non-Current Investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary.

m) Employee Benefits:

Contribution to "Defined Contribution Schemes" 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.

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 and Premium paid is recognized as expenses when it is incurred. Actuarial gains and loss in respect of Gratuity are charged to Profit & Loss Account.

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.

n) Employee Share Based payment:

The Company has constituted Employee Stock Option Plan - 2008. Employee Stock Option granted on 4th October, 2010 is accounted under 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

o) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Cost in connection with the borrowing of the funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing Costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that required substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

p) Earning per share (EPS):

Basic earnings per share are calculated by dividing the net profit 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 earning per share, the net profit for the year attributable to equity shareholders and the weighted average number of Equity Shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

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 & 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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

year in which the Company recognizes MAT credit, the said assets is created by way of credit to the statement of Profit and loss and shown as "MAT credit entitlement". 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.

Deferred Tax is recognized on timing difference being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In situation where the company has unabsorbed depreciation or carry forward losses, all Deferred Tax Assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on Balance Sheet date.

r) Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities & contingent assets:

Contingent liabilities are not provided for and are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statement.

t) Recognition of receipt on joint venture contracts:

In case of Construction Contracts received in the name of joint ventures the income and expenditure are included in financial statements of the company to the extent of share of the company in the joint ventures.

u) Derivative Contracts:

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, and forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All the derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised until realised on grounds of prudence.

v) Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

w) Service Tax Input Credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

x) 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.

y) General:

Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
--	------------------	------------------

Note 2. Notes on Accounts

2.1 Share Capital

(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000)
Equity Shares of Re. 1/- each

2000.00 2000.00

(b) Issued, Subscribed and fully paid
171500800 (151662300) Equity Shares of Re. 1/- each with voting rights

1715.01 1516.62

(c) Reconciliation of Nos. of Equity Shares with voting rights:

Outstanding at the beginning of the year	(Nos.)	151662300	150945800
Addition during the year towards ESOP	(Nos.)	264500	716500
Addition during the year on Conversion of Share Warrant into Equity	(Nos.)	8000000	0
Addition during the year on allotment of shares to QIB	(Nos.)	11574000	0

Outstanding at the end of the year (Nos.) 171500800 151662300

(d) Rights of Shareholders and Repayment of Capital:

- The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.
- Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive 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 March 31, 2015 No. of shares (%age)	As at March 31, 2014 No. of shares (%age)
Vishnubhai M. Patel	23429220 (13.66)	17829220 (11.76)
Sadbhav Finstock Private Limited	16545275 (9.65)	16545275 (10.91)
Shantaben V. Patel	14715375 (8.58)	14715375 (9.70)
ICICI Prudential Value Discovery Fund	13271678 (7.74)	14188296 (9.36)
HDFC Trustee Co. Ltd.-HDFC Tax Saver Fund	10719680 (6.25)	6852724 (4.52)

(f) Shares reserved for Issue under ESOP @ ₹ 50/- per share (Face Value Re. 1/-)

(Nos.) 72000 382500

The activity in the ESOP-2008 during the Year ended at March 31, 2015 and March 31, 2014 is set out below:

Particulars	As at March 31, 2015 (Figure in Nos)	As at March 31, 2014 (Figure in Nos)
Option outstanding in the beginning of the year	382500	1167500
Option granted during the year	0	0
Less: Exercised	264500	716500
Less: Forfeited/Lapsed	46000	68500
Option outstanding at year end	72000	382500
Option exercisable at year end	72000	382500

As at March 31, 2015 72,000 equity shares have been kept reserved for issue against the outstanding options.

All shares are vested and are exercisable at any point of time within three years from the date of vesting.

The exercise price of option is ₹ 50/- per option granted.

2.2 Reserve and Surplus

(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 29074.85 28214.33

Addition during the year 34381.75 860.52

Less: QIP Expense 546.13 0.00

Closing Balance 62910.47 29074.85

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	2014.80	1814.80
Addition during the year	6985.20	200.00
Closing Balance	9000.00	2014.80
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	153.57	229.86
Addition during the year	88.52	433.14
Less transferred to Security Premium Account	190.90	509.43
Closing Balance	51.19	153.57
(e) General Reserves		
As per Last Balance Sheet	9160.18	8160.18
Addition during the year	1000.00	1000.00
Closing Balance	10160.18	9160.18
(f) Profit and Loss account		
As per Last Balance Sheet	51142.13	42978.24
Net Profit for the year	11373.14	10616.34
Appropriations:-		
Transfer to general reserves	1000.00	1000.00
Transfer to Debenture Redemption reserves	6985.21	200.00
Adjustment Relating to Fixed Assets (Refer Note No. 2.10 & 2.11)	2059.60	0.00
Dividend Paid	1.40	2.90
Tax on Dividend Paid	0.24	7.48
Proposed Dividend (Re. 0.70 per Share)	1200.51	1061.64
Tax on Proposed Dividend	244.39	180.43
Closing Balance	51023.92	51142.13
Total	133490.76	91890.53

2.3 Long Term Borrowings

(a) Bonds/Debentures

(Secured)

Secured redeemable non-convertible debentures

28000.00

18000.00

(a) ICICI Bank [180 (196) debentures of ₹ 1 Crore each]

The debentures are secured by (a) a residual charge over all the movable assets of the company (b) exclusive charge over the secured Immovable Property i.e. piece of non agricultural freehold land situated at Maharajpura of Kadi Taluka, in favour of the Debenture Trustee (for the benefits of the secured parties) (c) pledged in favour of ICICI Bank Ltd. 3,10,96,308 (26,00,717) number of equity shares of Sadbhav Infrastructure Project Ltd.

Rate of interest of above NCD is ICICI Bank base rate plus spread of 1.75%

(b) HDFC Asset Management Co. Ltd.-1200 debentures of ₹ 10 Lakh each

The debentures are secured by (a) Pledge of 62,58,060 shares of Sadbhav Engineering Ltd. by Sabhav Finstock Pvt. Ltd.; (b) NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd. (c) Agricultural Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel.

Coupon Rate of 9% plus Redemption Premium resulting Effective Rate of interest (IRR) of 12.14% p.a. at maturity.

Repayment Schedule of Debentures is as under:

Repayable during the year	No. of Installments	Maturity Amount
2015-16	4	2000.00
2016-17	4	4000.00
2017-18	5	15600.00
2018-19	1	3600.00
2019-20	1	4800.00

Bonds redeemable during the year 2015-16 are shown under 'Current Maturity of Long Term Debts' (Note No 2.9 'Other Current Liabilities')

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
(b) Term Loans		
Secured		
From Banks:-		
(a) Foreign Currency Term Loan (ECB)	7657.88	11588.59
(b) Rupee Term Loan	14024.25	8578.53
[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]		
From Financial Institutions	6147.74	3985.59
(Secured by way of hypothecation of specific machineries and equipments purchased)		
Total	55829.87	42152.71

Repayable during the years	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2015-16	1031	10559.32	3247.61
2016-17	984	8623.72	3529.66
2017-18	486	6566.46	2353.44
2018-19	233	3948.44	264.64
2019-20	127	1326.97	0.00
2020-21	4	609.97	0.00
2021-22	2	606.56	0.00

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 8.47% to 12.00%. 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 2015-16 are shown under 'Current Maturity of Long Term Debts' (Note No 2.8 'Other Current Liabilities')

2.4 Deferred Tax Liabilities (Net)

As per accounting standard-22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Assets/Liabilities arising are as follows:-

Opening Balance of deferred Tax Liability	3566.80	3169.17
Add : Deferred Tax Liability on depreciation	(1125.97)	392.07
Add : Provision/(Excess provision) of Gratuity	0.00	5.57
Closing Balance of Deferred Tax Liability	2440.83	3566.81

2.5 Other Long Term Liabilities

(a) Advance Received From Clients	0.00	56.28
(b) Security & Other Deposits from Sub-contractors	692.75	351.50
(c) Advance Received for sale of Shares	2678.02	4509.36
Total	3370.77	4917.14

Advance towards sale of shares ₹ 2678.02 Lakhs (4509.36 Lakhs) disclosed under "Other long term liabilities" represents payment received from subsidiary (SIPL) and consequential economic interest / ownership rights thereunder in respect of some of the SPVs. The Company is in the process of obtaining regulatory approvals to get such shares transferred in its subsidiary (SIPL)'s name.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.6 Short-Term Borrowings		
Secured		
Loans repayable on demand		
Short Term Loans From Banks	25481.62	28191.18
Overdraft due to Issuance of Cheques	3505.87	5034.60
Secured by		
(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 & Immovable) 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.		
Unsecured		
From Banks	8200.00	10748.00
From Related parties		
From Directors	749.37	147.47
From Others (From Company in which Directors are Directors)	62.12	56.99
Total	37998.98	44178.24
2.7 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	44109.25	37337.42
Total	44109.25	37337.42
* As per information available with the company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues outstanding more than 45 days on account of principal amount together with interest and accordingly no additional disclosures have been made.		
2.8 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Secured		
Non Convertible Debentures	2000.00	1600.00
Foreign Currency Term Loan	4299.26	4456.86
Loan from Banks	6260.06	8709.54
Loan from Financial Institutions	3247.61	1473.94
Sub-total	15806.93	16240.34
(b) Sundry Creditors for Capital Goods	1643.22	1872.71
(c) Interest Accrued but not due on Loans	787.77	231.57
(d) Unclaimed Dividend *	4.66	4.59
(e) Statutory Dues	3610.03	2739.39
(f) Advances Received from Clients **	34100.39	41388.73
(g) Unpaid IPO & Right Issue Money	0.01	0.01
(h) Advance Received against sale of Assets	1388.72	1.95
(i) Miscellaneous Liabilities	4.58	0.00
Total	57346.31	62479.29
* Note :- There was no amount outstanding as on 31.03.2015, which is required to be transferred to Investor Education and Protection Fund (IEPF)		
** Advance Received from Clients includes ₹ 26,186.78 Lakhs (34,364.15 Lakhs) from subsidiaries		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.9 Short-Term Provisions		
(a) Provision for Employee Benefits	120.92	300.98
(b) Proposed Dividend	1200.51	1061.64
(c) Tax on Proposed Dividend	244.39	180.43
(d) Provision for Wealth Tax	2.59	2.51
(e) Provision for Income Tax	14630.49	10643.70
Total	16198.90	12189.26

Fixed Assets

2.10 Tangible Assets

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2014	Additions	Deduction	Adjsutments of Foreign Exc	Up to 31.03.2015	Up to 01.04.2014	For the Current Year	Deduction/Adjustments	Adjsutments as per New Schedule II	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
Land-Free Hold	278.47	117.53	0.00	--	396.00	0.00	0.00	0.00	0.00	0.00	396.00	278.47
Building	1712.55	2837.01	0.00	--	4549.56	148.45	78.59	0.00	14.79	241.83	4307.73	1564.09
Furniture	537.61	1288.58	0.00	--	1826.19	114.90	147.31	0.00	40.50	302.71	1523.48	422.71
Office Equipment	551.52	80.36	0.00	--	631.88	343.39	81.25	0.00	58.76	483.40	148.48	208.12
Machineries	59684.90	14470.35	3723.26	365.83	70797.82	20463.97	7451.52	2017.69	2542.96	28440.76	42357.06	39220.92
Vehicles	891.27	46.46	86.51	--	851.22	534.40	122.71	81.62	1.87	577.36	273.86	356.87
Wind Mills	5089.22	0.00	0.00	80.14	5169.36	542.37	220.15	0.00	0.00	762.52	4406.84	4546.86
Assets Not put to use	3158.63	0.00	3158.63	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3158.63
Total Tangible Assets	71904.17	18840.29	6968.40	445.97	84222.03	22147.48	8101.53	2099.31	2658.88	30808.58	53413.45	49756.67

2.11 Intangible Assets

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2014	Additions	Deduction	Adjsutments of Foreign Exc	Up to 31.03.2015	Up to 01.04.2014	For the Current Year	Deduction/Adjustments	Adjsutments as per New Schedule II	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
Computer Software	731.02	166.23	0.00	--	897.25	669.14	69.18	0.00	0.00	738.32	158.93	61.90
Total Amount ₹	72635.19	19006.52	6968.40	445.97	85119.28	22816.62	8170.71	2099.31	2658.88	31546.90	53572.38	49818.57
Previous Year	51477.89	22362.19	1642.99	438.10	72635.19	18451.42	4739.97	374.77	374.77	22816.62	49818.57	--

The company has adopted an option under para 46A of AS 11 - "The Effect of Changes in Foreign Exchange Rates", inserted by notification no G.S.R. 914(E) dated December 29, 2011 issued by Ministry of Corporate Affairs, and 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 asset. During the year company has added ₹ 445.97 Lakh (438.10 Lakh) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 862.34 Lakh (637.85 Lakh).

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in accounting policy on depreciation. Accordingly the unamortized carrying value is being depreciated over the revised remaining useful life. The written down value of fixed assets whose lives have expired as at 1st April 2014, have been adjusted net of tax, in the opening balance of profit and loss account amounting to ₹ 2059.60 Lakh.

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
--	------------------	------------------

2.12 Non-current Investments (at cost)

Trade Investment

In Subsidiary companies

(i) Investment in Equity Instruments (Unquoted) :-

(a) Nagpur Seoni Expressway Ltd. 200 (200) Fully Paid up Equity Shares of ₹ 10/-each	0.02	0.02
(b) Sadbhav Infrastructure Project Ltd (SIPL) 24,07,33,427 (2,18,84,856) Fully Paid up Equity Shares of ₹ 10/- each (Refer Note No. 2.39)	45972.99	38472.99

Out of 24,07,33,427 (2,18,84,856) shares held in Sadbhav Infrastructure Project Ltd., 3,10,96,308 (26,00,717) Shares have been pledged with ICICI Bank and 4,68,49,873 shares have been pledged with IL&FS Trust Co. Ltd.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
(c) Maharashtra Border Check Post Network Ltd. 6,040 (31,440) Fully Paid up Equity Shares of ₹ 10/- each 3,047 (14,997) Shares have been pledged out of 6,040 (31,440) shares held in Maharashtra Border Check Post Network Ltd. with the lenders of Maharashtra Border Check Post Network Ltd.	555.27	1832.64
(d) Shreenathji-Udaipur Tollway (P) Limited 100 (53,93,242) Fully paid up Equity Shares of ₹ 10/- each Nil (27,50,554) Shares have been pledged out of 100 (53,93,242) shares held in Shreenathji Udaipur Tollway (P) Ltd.	0.01	539.32
(e) Solapur-Bijapur Tollway (P) Limited 13,000 (13,000) Fully paid up Equity Shares of ₹ 10/- each Nil (6,630) Shares have been pledged out of 13,000 (13,000) shares held in Solapur Bijapur Tollway (P) Ltd.	1.30	1.30
(f) Bhilwara Rajsamand Tollway (P) Limited 100 (45,08,400) Fully paid up Equity Shares of ₹ 10/- each Nil (17,68,884) Shares have been pledged out of 100 (45,08,400) shares held in Bhilwara Rajsamand Tollway (P) Ltd.	0.01	450.84
(g) Rohtak-Hissar Tollway (P) Limited 100 (27,99,680) Fully paid up Equity Shares of ₹ 10/- each Nil (14,27,837) Shares have been pledged out of 100 (27,99,680) shares held in Rohtak Hissar Tollway (P) Ltd. 100 (Nil) Fully paid up Equity Shares of ₹ 10/- each	0.01	279.97
(h) Mysore-Bellary Highway (P) Ltd. 3,36,99,600 (25,000) Fully paid up Equity Shares of ₹ 10/- each 2,01,65,400 (Nil) Shares have been pledged out of 3,36,99,600 (25,000) shares held in Mysore Bellary Highway (P) Ltd.	3369.96	2.50
	49899.57	41579.58
(ii) Investment in Debt Securities (Unquoted):- Sadbhav Infrastructure Project Limited - Compulsory Convertible Debentures Nil (1100950) Nos. of Debentures of ₹ 681.23 each	0.00	7500.00
In Associate companies:- Investment in Equity Instruments (Unquoted):-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. 1,04,00,000 Fully Paid up Equity Shares of ₹ 10/- each 1,04,00,000 (1,04,00,000) Fully Paid up Equity Shares of ₹ 10/- each (Refer Note No. 2.47(a)) Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.	1040.00	1040.00
(b) Dhule Palasner Tollway Ltd. 1,78,82,800 (1,63,80,000) Fully Paid up Equity Shares of ₹ 10/- each 1,36,73,870 (1,36,73,870) Shares have been pledged out of 1,78,82,800 (1,63,80,000) shares held in Dhule Palasner Tollway Ltd. with lenders (Refer Note No. 2.47(b))	1788.28	1638.00
	2828.28	2678.00

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
Non-current Investments		
Others		
(a) 25,000 (25,000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) 5,55,370 (Nil) Fully Paid up Equity Shares of Indian Highways Management Co. Ltd. of ₹ 10/- each	55.54	0.00
(d) Share application Money with Indian Highways Management Co. Ltd.	0.00	1.00
(e) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(f) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(g) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd. of ₹ 10,00,000/- each	100.00	100.00
(h) Investment in NSC	12.80	11.70
	398.47	342.83
Total	53126.32	52100.41
Aggregate Value of Un-Quoted Investment ₹ 53126.32 (52100.41) Lakhs. NSC pledged with PWD, Odisha.		

2.13 Long Term Trade Receivables

Trade Receivables (Unsecured considered good)	2926.68	1987.52
Total	2926.68	1987.52

2.14 Long Term Loans and Advances

<u>Unsecured, considered good</u>		
(a) Loan to Subsidiary Companies	54436.71*	42553.49
(b) Advances for Goods and Services	909.99	2111.18
(c) Advances to Suppliers for Fixed Assets	518.83	602.26
(d) Security & Other Deposits	18.00	358.66
Total	55883.53	45625.59

* Includes interest free loan of ₹ 7795.63 lakhs given to SIPL, repayable after eleven 11 years from date of term loan agreement dated 22.10.2014.

Disclosures as per Clause 32 of the Listing Agreements with the stock exchanges

(a) Loans given to Subsidiaries having no repayment schedule,

Name of Subsidiaries	2014-15		2013-14	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Bhilwara-Rajsamand Tollway (P) Ltd.	3,014.96	-	1,803.36	1,803.36
Maharashtra Border Check Post Network Ltd.	-	-	247.08	-
Rohtak-Hissar Tollway (P) Ltd.	1,953.32	-	1,119.87	1,119.87
Sadbhav Infrastructure Project Limited	72,244.42	54,436.71	37472.96	37472.96
Shreenathji-Udaipur Tollway Pvt. Ltd.	3,054.61	-	2157.30	2157.30
Solapur-Bijapur Tollway (P) Ltd.	-	-	2,000.31	-

(b) Company has not given any Loans and Advances to any associates and firms/companies (except subsidiaries as stated above) in which directors are interested.

(c) None of the loanees have made investments in shares of the Company.

2.15 Inventories

(a) Construction Materials	20112.79	14193.45
(b) Work in Progress	511.39	929.59
(c) Stores & Spares	712.99	1259.06
Total	21337.17	16382.10

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.16 Trade Receivables		
Trade Receivables (Unsecured and considered good)		
(a) Outstanding for more than six months		
(i) Due from Companies in which directors of the company are directors	4288.24	10232.54
(ii) Due from Others	4141.07	5819.93
(b) Other Debts		
(i) Due from Companies in which directors of the company are directors	44118.00	20429.83
(ii) Due from Others	38127.60	36704.86
Total	90674.91	73187.16
2.17 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	36.03	20.51
(b) Balance with Banks		
(i) In Current Accounts	347.52	1187.28
(ii) In Fixed Deposit - Original Maturity of 3 months or less	250.00	4576.08
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity	2867.12	1825.27
(b) In earmarked Accounts		
(i) For Margin Money	5.41	3.50
(ii) Unclaimed Dividend	4.66	4.59
(iii) Unpaid Right Issue Money	0.01	0.01
Total	3510.75	7617.24
Balance with bank includes deposits of ₹ 2551.72 Lakh (1531.72 Lakh) with remaining maturity of more than 12 months. Fixed Deposit includes ₹ 2872.53 Lakh (2878.55 Lakh) Pledged with Central and various State Governments/Undertakings & Local Bodies.		
2.18 Short-term Loans and Advances		
<u>Unsecured, considered good</u>		
(a) Advances		
(i) Advances for goods and Services	14266.83	9826.80
(ii) Advances to Others	103.48	98.49
(b) Advance Income Tax	22014.71	15878.46
(c) MAT Credit Entitlement	2661.50	2661.50
(d) Advance Sales Tax & Service Tax	3711.46	4064.22
(e) Prepaid Expenses	1413.83	653.84
(f) Group Gratuity Fund	7.25	39.55
(g) Security & Other Deposits	20876.28	15713.72
Total	65055.34	48936.58
2.19 Other Current Assets		
(a) Interest Accrued But Not Due on Investments	105.76	15.09
(b) Receivable Against Sale of Assets	1394.78	1473.63
(c) Deferred Revenue Expenditures	1461.37	1826.03
(d) Income Tax Refund Receivable	0.00	288.09
(e) Others		
(i) Interest Receivable from Subsidiary	1179.12	2251.84
(ii) Recoverable in Cash or Kind		
(i) Due from subsidiaries	1080.52	1026.17
(ii) Due from others	1192.05	7.00
Total	6413.60	6887.85

Notes forming Part of the financial statements

(₹ in Lakhs)

	2014-2015	2013-2014
2.20 Revenue from Operations		
Contracts Receipt	296715.78	235812.36
Other Operating Income	268.96	0.00
Total	296984.74	235812.36
2.21 Other Income		
(a) Interest Income		
(i) From Subsidiaries	4912.57	2501.75
(ii) From Current Investments	95.43	271.06
(iii) From Non -Current Investments	214.20	139.51
(iv) From Others	386.83	552.67
(b) Profit on Sale of Assets	53.49	2.44
(c) Profit on Sale of Non Current Investments	553.97	0.00
(d) Miscellaneous Income	337.98	220.88
Total	6554.47	3688.31
2.22 Cost of Material Consumed		
Opening Stock	14193.45	8837.06
Add: Purchase	78370.12	43152.46
	92563.57	51989.52
Less: Closing Stock of Material	19034.36	14193.45
Total	73529.21	37796.07
2.23 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Opening Work-in-Progress	929.59	929.59
Less: Closing Work-in-Progress	511.39	929.59
Total	418.20	0.00
2.24 Construction Expenses		
Labour Expenses	126708.14	132560.55
Power & Fuel	34033.02	19465.28
Stores Consumed	740.49	27.51
Repairs & Maintenances-Construction Machineries	3670.60	2221.76
Transportation Expenses	476.20	207.76
Machinery Rent	1548.34	503.50
Land & Godown Rent	311.31	236.36
Site Establishment Expenses	1581.84	1020.93
Mess Expenses	600.81	463.97
Total	169670.75	156707.62
2.25 Employee Benefits Expense		
Salary & Wages	8593.88	4958.87
Contribution to PF and Other Funds	368.55	144.85
Group Gratuity Fund Expenses	133.21	18.36
Expense on Employee Stock Option Scheme [Refer Note 2.1 (f)]	85.68	433.14
Directors' Remuneration	340.50	303.00
Staff Welfare Expenses	216.91	158.91
Total	9738.73	6017.13

Notes forming Part of the financial statements

(₹ in Lakhs)

	2014-2015	2013-2014
2.26 Finance Cost		
Interest Expenses		
(i) On Borrowings	12630.50	10424.30
(ii) On Taxes	16.46	29.88
Other Borrowing Costs	1175.35	1357.31
Total	13822.31	11811.49
2.27 Other Expenses		
Rent Expenses	28.96	17.02
Rates & Taxes	8023.47	6297.26
Vehicle Rent	254.65	171.33
Running & Maintenance of Vehicles	93.77	64.62
Repairs & Maintenances		
Building	0.84	17.02
Other Assets	55.74	24.87
Insurance	407.55	344.26
Electricity Expense	17.17	19.59
Postage & Telephone	94.11	85.46
Stationary & Printing	99.79	56.79
Travelling & Conveyance Expenses, incl. Foreign Travelling Expenses		
₹ NIL (₹ NIL)	187.09	178.20
Directors' Travelling & Conveyance Expenses, incl. Foreign Travelling Expenses		
₹ Nil Lakhs (₹ 1.56 Lakh)	30.61	33.64
Legal & Consultation Fees & Expenses	1742.04	1619.45
Corporate Social Responsibility Expenses	266.67	0.00
Donation to Bhartiya Janata Party	35.00	0.00
Donation Expenses-Others	189.26	93.01
Bank Charges	152.02	77.02
Auditors Remuneration (Refer Note No. 2.45)	65.46	48.70
Loss on Sales of Assets	885.32	395.79
Assets Written Off	11.54	102.74
Miscellaneous Expenses	963.22	750.49
Total	13604.28	10397.26

Notes forming Part of the financial statements

2.28 Change in Accounting Policy & Change in Estimates

(a) Change in Accounting Policy

Pursuant to the enactment of Companies Act 2013, Company has adopted component wise depreciation policy as per the schedule II of the Act and accordingly amended the accounting policy to that extent. This Change in the accounting policy did not result in a material impact on Profit during the current year and will not affect the profit of later years.

(b) Change in Accounting Estimate

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. These changes result in a higher depreciation of ₹ 537.89 lakhs charged to profit and loss account and higher amount of ₹ 491.68 lakhs has been adjusted in opening balance of profit and loss account.

2.29 Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

Particulars	As at March 31, 2015	As at March 31, 2014
Nominal Value of Equity Share (Re. per share)	1.00	1.00
For Basic EPS:		
Number of Equity Shares at the beginning of the year	151662300	150945800
Addition during the year on allotment of shares under ESOP-2008 Scheme	264500	716500
Addition during the year on Conversion of Share Warrant into Equity	8000000	-
Addition during the year on allotment of shares to QIB	11574000	-
Number of Equity Shares at year end	171500800	151662300
Weighted Average number of Equity Shares	156919684	151384261
For Diluted EPS:		
Weighted Average number of Equity Shares as per above working	156919684	151384261
Add: Dilution in No. of Equity Shares on Grant of Stock Option under ESOP-2008	56322	159910
Weighted Average number of Dilutive Equity Shares	156976006	151544171

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	11,373.14	10,616.34
Weighted Average number of Equity Shares	15,69,19,684	15,13,84,261
Basic EPS (₹)	7.25	7.01
Diluted EPS		
Net Profit after Tax	11,373.14	10,616
Weighted Average number of Diluted Equity Shares	15,69,76,006	15,15,44,171
Diluted EPS (₹)	7.25	7.01

2.30 Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method on the basis of physical measurement of contract work actually completed at the year end. (₹ in Lakhs)

Particulars	2014-2015	2013-2014
(a) Amount of Contract Revenue recognised as revenue during the period	296715.78	234621.44
(b) Disclosure in respect of Contract in Progress at the reporting date		
(i) Contract cost incurred and recognised profit less recognised losses upto the reporting date	806919.53	622229.43
(ii) Advances Received	33982.89	41051.58
(iii) Retention Amount	15557.61	12461.25
(c) Amount due from Customers for Contract in Progress	88066.72	67325.20
(d) Amount due to Customers for Contract in Progress	Nil	Nil

2.31 Contingent Liabilities and commitments

A Contingent Liabilities

(a) Claims against the company not acknowledged as debt:-

- (i) The Dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries ₹ 104.95 Lakh (₹ 104.95 Lakh) & Interest of ₹ 174.05 Lakh (₹ 174.05 Lakh). The Company has filed the Appeal to Commissioner of Customs (Appeal) "CCA" against the said order. The CCA, through its order, dismissed the appeal and directed the company to deposit ₹ 116.6 Lakh. The Company applied for a waiver from the payment of pre-deposit before the CESTAT, Mumbai, which was allowed. Subsequently, the company filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The Gujarat High Court, through its order, directed the company to deposit 10% of the customs duty demanded by the Customs Department and remanded the matter to the CCA hence no provision is made in the books of accounts.
- (ii) The Customs Department, Mumbai issued a show cause notice to SEL, seeking reasons for not demanding ₹ 170.98 Lakh with respect to the customs duty on six motor graders. The Commissioner of Central Excise and Service Tax, Mumbai through its order, directed SEL to pay an amount aggregating to ₹ 170.98 Lakh towards recovery of customs duty payable by SEL (the "Impugned Order"). Subsequently, SEL preferred an appeal before the Commissioner of Customs (Appeals), Sheva Raighad Maharashtra (the "CCA"). The CCA, through its order, dismissed the appeal. SEL preferred an appeal before CESTAT which was dismissed and directed SEL to deposit an amount of ₹ 90.69 Lakh. SEL deposited an amount of ₹ 90.69 Lakh and filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The aggregate amount involved is ₹ 170.98 Lakh. The matter is currently pending.
- (iii) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakh (₹ 46.42 Lakh) 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 Lakh (₹ 46.42 Lakh) 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 Lakh. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
- (iv) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (₹ 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, through its order, imposed a penalty of ₹ 67.29 Lakh on SEL in relation to the assessment year 2005-06. SEL preferred an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad (the "CESTAT"). The CESTAT, through its interim order, allowed the stay petition. The aggregate amount involved is ₹ 67.29 Lakh. The matter is currently pending.
- (v) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakh (₹ 199.13 Lakh) and impose penalty of ₹ 345.92 Lakh (₹ 345.92 Lakh). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (vi) 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 80IA of the IT Act and other expenses, (the "CIT(A) Order"). 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 80IA 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. years involved is ₹ 611.03 Lakh. The matter is currently pending.
- (vii) 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 2007-08 to AY 2011-12. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2007-08 to AY 2011-12 imposing total penalty of ₹ 60.30 Lakh (the "Penalty Order"). Subsequently, SEL has preferred an appeal before the CIT, Appeals-11, Ahmedabad against the Penalty Orders. The matters are currently pending.
- (viii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 1277 Lakh 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 80IA 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 Lakh. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount involved is ₹ 1953.30 Lakh. The matter is currently pending.

- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed SEL's claim for deduction for a sum of ₹ 379.50 Lakh 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 aggregate amount of Tax involved is ₹ 4.60 Lakh. The matter is currently pending.
- (x) The Deputy Commercial Tax Commissioner, Audit Division-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakh inclusive of interest ₹ 330.18 lakh and Penalty of ₹ 74.36 lakh. 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 Lakh. The company has paid ₹ 15.00 Lakh. hence no provision has been made.
- (xi) The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakh under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No. 2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakh with the Mining Engineer, Mines and Geology Department, Udaipur as per stay order of the Honourable Court. Further proceeding is pending, hence no provision has been made.
- (xii) The Deputy Commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 in which demand of ₹ 77,40,217. The company is in the process of filling the Appeal before higher authority against this Demand hence the same has not been provided in the Books of Accounts.
- (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 80IA(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 ₹ 3295.01 Lakh on claim of deduction u/s 80IA for the AY 2013-14 to AY 2015-16 has been considered 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 Lakh 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 utilised tools, plants and machineries. SEL has been submitted its statement of defence before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakh. The matter is currently pending.
- (c) Guarantees
- Company has given corporate guarantee to banks for ₹ 76136.00 Lakh (₹ 29825.00 Lakh) against the finance facility given by the banks to subsidiary companies.
- (d) During the FY 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 347 and 398 of the Companies Act, 1956 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd. a holding Company and its associates/affiliates wherein the company is also defendant. The Company Law Board (CLB) passed an order in favour of the minority shareholder although company pleaded that matter should be referred for arbitration as per shareholder agreement (SHA). Against the CLB order the company filled Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be referred as per SHA. Hon'ble High Court accepted SCA of the company and granted interim relief where by further proceeding of CLB have been stayed. Currently the matter is pending before Hon'ble High Court of Gujarat. The management believes that, based on legal advice, the outcome of above contingencies will be favourable and that any loss is not probable. Accordingly, no amounts have been accrued or paid in regard to dispute.

B Capital & other Commitments

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

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	18162.00	30774.37
(ii) Other Commitment	74.16	0.00

C During the year ended March 31, 2015 the amount of per share dividend recognised as distribution to equity share holders is Re. 0.70 (Re. 0.70) which comes to ₹ 1200.51 Lakh (₹ 1061.64 Lakh)

2.32 As per the Accounting Standard 11, "The effect of Change in Foreign Exchange Rates", the required disclosure are given below:-

The company uses Cross Currency Interest Rate Swap and Currency Option to hedge the interest and currency related risks on its capital account. Such transactions are governed by the strategy approved by the board of directors which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The company does not use these contracts for speculative purposes. Outstanding Currency Option and Interest Swap to hedge against foreign currency exchange rates and fluctuations in interest rate changes are as under:

Particulars	As at March 31, 2015	As at March 31, 2014
Currency Option-Repayment		
- Equivalent INR	11957.14	16045.53
- Equivalent USD	210.78	294.03
Interest Swap		
- Equivalent INR	2497.04	3535.07
- Equivalent USD	39.89	58.82

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2015		As at March 31, 2014	
	USD	INR	USD	INR
Principal & Interest Payable on Loan	Nil	Nil	Nil	Nil

2.33 Employee Benefits

As per Accounting Standard-15 "Employee Benefits", the disclosures of Employee Benefits as defined in the accounting Standard is given as below:-

(a) Defined Contribution Plan:-

Contribution to Defined Contribution Plan, recognized as expenses for the year is as under:- (₹ in Lakhs)

Particulars	2014-2015	2013-2014
Employer's Contribution to Provident Fund	350.02	171.92

(b) Defined Benefit Plan:

The company made annual contributions to the employee's Group Gratuity cash accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees.

The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at year end.

The following tables set out the funded status of the gratuity plan and the amount recognised by the company's financial statements as at year end.

(i) **Net Assets / Liability recognized in the Balance Sheet are as follows:** (₹ in Lakhs)

Particulars	2014-2015	2013-2014
(a) Present Value Funded Obligations	367.74	251.11
(b) Fair Value of Plan Assets	375.00	290.66
(c) Liability Recognized in the Balance Sheet	0.00	0.00

(ii) **Expenses recognized in Profit & Loss Statement (Under the head "Expenses on Employees - Contribution to Provident & Other Funds" (Refer Note 2.26))**

Particulars	2014-2015	2013-2014
(a) Current Service Cost	69.18	53.05
(b) Interest on obligation	21.89	17.93
(c) Expected Return on plan assets	(29.15)	(21.03)
(d) Net Actuarial Losses / (Gains) recognized in the year	60.17	(32.79)
(e) Past Service Cost	0.00	0.00
(f) Losses / Gain on curtailment & Settlement	0.00	0.00
NET GRATUITY COST	122.09	17.16

(iii) **Reconciliation of Opening & Closing balance of Gratuity is as follows:-** (₹ in Lakhs)

Particulars	2014-2015	2013-2014
(a) Opening Defined Benefit Obligation	251.11	226.84
(b) Service Cost for the year	69.18	53.05
(c) Interest Cost for the year	21.89	17.94
(d) Actuarial Losses / (Gain)	56.14	(35.95)
(e) Benefits Paid	(30.58)	(10.77)
Closing Defined Benefit obligation	367.74	251.11

(iv) **Reconciliation of Opening & Closing Balance of Fair Value of Plan Assets:** (₹ in Lakhs)

Particulars	2014-2015	2013-2014
(a) Opening fair value of plan assets	290.66	208.00
(b) Expenses Deducted from Fund	(5.21)	0.00
(c) Expected Return	29.15	21.03
(d) Actuarial Gains	(4.02)	(3.16)
(e) Contribution by the employer	95.00	75.56
(f) Benefits paid	(30.58)	(10.77)
Closing fair value of the plan assets	375.00	290.66

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2015 are as under:-**

Particulars	2014-2015	2013-2014
(a) Government of India Securities		
(b) High Quality Corporate Bonds		
(c) Equity Shares of Listed Companies		
(d) Property		
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance		

(vi) **Principal Actuarial assumptions at Year End:-**

Particulars	2014-2015	2013-2014
(a) Discount Rate as on 31-03-2015	7.80%	9.10%
(b) Expected return on plan assets at 31-03-2015	8.75%	8.75%
(c) Proportion of employees opting for early retirement		
Age Band		
Less than 25	5.00%	5.00%
26 to 35	4.00%	4.00%
36 to 45	3.00%	3.00%
46 to 55	2.00%	2.00%
56 & Above	1.00%	1.00%
(d) Annual increase in salary cost	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

2.34 Segment Reporting

As permitted by Paragraph 4 of Accounting Standard -17, "Segment Reporting", notified pursuant to the Companies (Accounting Standard) Rules 2006, if a single financial report contains both consolidated financial statement and the separate financial statements of the parent, segment information needs to be presented only on the basis of the consolidated financial statements. This financial report contains both standalone & consolidated financial statements of the parent, hence segment wise Revenue Results and Capital employed are given in consolidated financial statements only.

2.35 List of Related Parties

Subsidiary:

Sadbhav Infrastructure Project Limited and Mysore-Bellary Highway (P) 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., Solapur Bijapur Tollway Pvt. Ltd. and Rohtak-Hissar Tollway (P) Ltd.

Associate Companies:

Mumbai Nasik Expressway Ltd., Dhule Palesner Tollway Ltd.

Joint Ventures:

SEL-GKC JV, Sadbhav-Annapurna, Sadbhav-Vishnushiva, Sadbhav-Vaishnovi and Corsan Corviam Construction SA - Sadbhav

Key Management Personnel (KMP):

Shri Vishnubhai M. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel, Shri Vijay Kalyani

Relatives of KMP:

Smt. Shantaben V. Patel, V. M. Patel (HUF), Alpa Dharmin Patel, Bhavna V. Patel, Rekhaben V Patel, Truptiben V. Patel, Rajeshriben Patel, Girishbhai N. 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., Sadbhav Public Charitable Trust, Bhavna Engineering Company Pvt. Ltd., Saakar Infra Nirman Pvt. Ltd. (₹ in Lakhs)

Transactions	Subsidiaries & Step Down Subsidiaries	Associates	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/Relatives of KMP having significant influence	TOTAL
Sub contracting Income	1,42,385.00	-	39,952.43	-	-	1,82,337.42
	(64,919.94)	-	(18,621.30)	(-)	(-)	(83,541.24)
Providing of services	121.35	-	-	-	-	121.35
	(114.00)	(-)	(-)	(-)	(-)	(114.00)
Sub contracting Expenditure	-	-	-	-	9,190.97	9,190.97
	(-)	(-)	(-)	(-)	(14,644.05)	(14,644.05)
Remuneration Expenses	-	-	-	356.51	-	356.51
	(-)	(-)	(-)	(333.56)	(-)	(333.56)
Interest Expenses	-	-	-	121.22	5.70	126.92
	(-)	(-)	(-)	(34.73)	(5.22)	(39.95)
Interest Income	4,912.57	-	-	-	-	4,912.57
	(2,502.04)	(-)	(-)	(-)	(37.65)	(2,539.69)
Rent & Service charges	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.69)	(1.69)
Sale of Assets	-	-	-	2.00	424.84	426.84
	(21.54)	(-)	(-)	(-)	(-)	(21.54)
Other Expenses	1,121.43	-	1,344.30	-	-	2,465.73
	(874.34)	(-)	(-)	(-)	(-)	(874.34)
Sale of Shares	3,101.44	-	-	-	-	3,101.44
	(2,447.98)	(-)	(-)	(-)	(-)	(2,447.98)
Purchase/Subscription of Shares	3,367.46	150.28	-	-	-	3,517.74
	(-)	(-)	(-)	(-)	(-)	-
Conversion of our CCD to Equity Shares	7,500.00	-	-	-	-	7,500.00
	(-)	(-)	(-)	(-)	(-)	-
Issue of Shares on Conversion of Warrants	-	-	-	9,260.00	-	9,260.00
	(-)	(-)	(-)	(-)	(-)	-
Advance received during the year for Sale of shares	-	-	-	-	-	-
	-	(-)	(-)	(-)	(-)	-
Loan given during the year	11,883.22	-	-	-	-	11,883.22
	(52,086.65)	(-)	(-)	(-)	(-)	(52,086.65)
Loan Received During the Year	-	-	-	3,534.55	-	3,534.55
	(-)	(-)	(-)	(2,067.73)	-	(2,067.73)
Mobilization Advance Received during the year	10,171.90	-	4,312.21	-	-	14,484.11
	(30,648.61)	(-)	(2,336.55)	(-)	(-)	(32,985.16)
Mobilization Adv. Given during the year	-	-	-	-	245.64	245.64
	(-)	(-)	(-)	(-)	(340.99)	(340.99)

Security Deposit - Retention Deducted during the year- Receivable	6,700.48	-	2,909.61	-	-	9,610.10
	(2,949.94)	-	(2,377.16)	(-)	(-)	(5,327.10)
Security Deposit - Retention Deducted from Sub Contract given - Payable	-	-	-	-	449.10	449.10
	(-)	(-)	(-)	(-)	(528.11)	(528.11)
Donation Given	-	-	-	-	0.35	0.35
	(-)	(-)	(-)	(-)	(8.10)	(8.10)
Dividend Paid during the year	-	-	-	201.18	302.50	503.68
	(-)	(-)	(-)	(177.49)	(265.52)	(443.01)
Written off during the year	-	-	-	-	-	-
	(479.02)	(-)	(-)	(-)	(-)	(479.02)
Advance received during the year for Issue of Convertible Warrant	-	-	-	-	-	-
	(-)	(-)	(-)	(2,315.00)	(-)	(2,315.00)
Balance Receivable at the year end	24,678.45	-	6,461.44	-	-	31,139.90
	(17,788.08)	(1,068.14)	(2,452.55)	(-)	(-)	(21,308.77)
Balance Payable at the year end	-	751.75	-	-	694.69	1,446.45
	(-)	(-)	(-)	(-)	(295.17)	(295.17)
Closing Balance: Loan Given during year	55,615.83	-	-	-	-	55,615.83
	(44,805.33)	(-)	(-)	(-)	(-)	(44,805.33)
Closing Balance: Mobilization Advance Received	26,185.55	-	4,183.72	-	-	30,369.27
	(34,084.32)	(-)	(3,396.51)	(-)	(-)	(37,480.83)
Closing Balance: Mobilization Advance Given	-	-	-	-	28.05	28.05
	(-)	(-)	(-)	(-)	(174.10)	(174.10)
Closing Balance: Security Deposit - Receivable	1,950.80	499.02	5,196.47	-	-	7,646.29
	(941.48)	(908.20)	(3,289.69)	(-)	(-)	(5,139.37)
Closing Balance: Security Deposit - Payable	-	-	-	-	394.80	394.80
	(-)	(-)	(-)	(-)	(1,139.41)	(1,139.41)
Closing Balance: Loan Received during year	-	-	-	748.37	62.12	810.49
	(-)	(-)	(-)	(147.47)	(56.99)	(204.46)
Closing Balance: Advance Received for Issue of Convertible Warrant	-	-	-	-	-	-
	(-)	(-)	(-)	(2,315.00)	(-)	(2,315.00)
Closing Balance: Advance Received for Sale of Shares	2,678.02	-	-	-	-	2,678.02
	(4,509.36)	(-)	(-)	(-)	(-)	(4,509.36)

NOTE:-

- Sub-contracting income from subsidiaries includes ₹ 24849.90 Lakh (₹ 8427.15 Lakh), ₹ 44618.85 Lakh (₹ 9082.30 Lakh) and ₹ 59111.92 Lakh (₹ 28066.37 Lakh) from Bhilwada Rajsamand Tollway Pvt. Ltd., Rohtak Hissar Tollway Pvt. Ltd. and Shreenathji Udaipur Tollway Pvt. Ltd. respectively and at the year end ₹ 6233.93 Lakh (₹ 2006.66 Lakh), ₹ 2816.98 Lakh (₹ 566.63 Lakh) and ₹ 3895.30 Lakh (₹ NIL) are receivable respectively from the above parties.
- Sub-Contract Expenditure of relatives of Key Managerial Personnel and Enterprise over which Relatives of Key Managerial Persons have Significant Influence includes ₹ 2381.43 Lakh (₹ 5332.59 Lakh) payable to Sarjan Infracon Pvt. Ltd., ₹ 3655.48 Lakh (₹ 7622.56 Lakh) to Saakar Infra Nirman Pvt. Ltd. and ₹ 2310.28 Lakh (₹ Nil Lakh) to Bhavna Engg. Co. Pvt. Ltd. and at the year end ₹ 425.37 Lakh (₹ 121.71 Lakh), ₹ -19.36 Lakh (₹ -15.86 Lakh) and ₹ 259.63 Lakh (₹ Nil Lakh) are outstanding respectively of the above parties.

2.36 As per the Accounting Standard-27 'Financial Reporting of Interest in Joint Venture', Joint Ventures entered into by the Company are as follows:

Sr. No.	Name of Joint Venture	Description of Interest	% of Involvement
1	SEL-GKC (Radhanpur-Manpura)	Jointly Controlled Operation	52%
2	SEL-GKC (Vishakhapatnam Project)	Jointly Controlled Operation	50%
3	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	60%
4	SEL-GKC (Karimnagar Project)	Jointly Controlled Operation	52%
5	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	40%
6	SEL-GKC (Managuru Project)	Jointly Controlled Operation	51%
7	SEL-GKC (BSHP-II)	Jointly Controlled Operation	50%
8	SEL-GKC (Govindpur Project)	Jointly Controlled Operation	50%
9	SEL-Annapurna (Basantimata Project)	Jointly Controlled Operation	80%
10	SEL-Vishnushiva (Maheshpur Project)	Jointly Controlled Operation	75%
11	SEL-Vishnushiva (Jalipa/Kapurdi Project)	Jointly Controlled Operation	75%
12	SEL-Vaishnovi (Halon Project)	Jointly Controlled Operation	72%
13	Corsan Corviam Const S.A.-SEL (DMRC-CC43)	Jointly Controlled Operation	40%
14	Corsan Corviam Const S.A.-SEL (DMRC-CC47)	Jointly Controlled Operation	40%

2.37 Details of holding in the Associates Entities are as under:

Name of the Associates Entity	% of Holding
Mumbai - Nasik Expressway Ltd. (MNEL) (Refer Note No 2.47(a))	(20%)
Dhule Palesner Tollway Ltd. (DPTL) (Refer Note No 2.47(b))	(26%)

2.38 There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Accounting Standard-28 "Impairment of Assets "

2.39 (i) As on 22nd October 2014, SIPL has issued 1 Equity share on conversion of CCDs as per clause 4(C)(i) of the terms of CCD agreement dt. 1st November 2012 after giving effect of Adjustment of Net Negative Valuation pursuant to Shareholders' agreement dt. 18th August 2010 executed between SIPL, the Company, Norwest Venture Partners VII-A Mauritius and Xander Investment Holding XVII Limited. (ii) As on 29th October 2014, SIPL has issued 10 Bonus Shares for each share held by the Company.

2.40 Construction material and store consumed:

(₹ in Lakhs)

Particulars	2014-2015		2013-2014	
	Value	Percentage	Value	Percentage
(i) Imported	0	0.00%	0	0.00%
(ii) Indigenous	74269.70	100.00%	37823.58	100.00%
Total	74269.70		37823.58	

2.41 C.I.F. Value of Imports:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
(i) Capital goods (Machineries)	990.31	273.53

2.42 Expenditure in Foreign currencies:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
(i) Traveling Expenses	1.97	1.56
(ii) Interest	283.04	568.37
(iii) Professional Fess	3.32	0.00
(iv) Dividend	170.98	164.31

2.43 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	243,27,917	45	170.29	2013-14
	(273,12,794)	(30)	(163.88)	(2012-13)
Non Resident Indians	98,543	169	0.69	2013-14
	(71,523)	(106)	(0.43)	(2012-13)
Total	244,26,460	214	170.98	2013-14
	(273,84,317)	(136)	(164)	(2012-13)

2.44 Borrowing Cost:

During the year, company has capitalized borrowing cost ₹ 58.92 Lakh (292.22) Lakh according to AS-16 Borrowing Cost.

2.45 Payment to Auditors:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
(i) For Audit	26.41	24.16
(ii) For Taxation matters	31.46	16.85
(iii) For Certification Works	7.30	7.30
(iv) Reimbursement of Expenses	0.29	0.39
Total	65.46	48.70

2.46 Prior Period Adjustments (Net):

The Details of Prior Period Adjustments are as under:-

(₹ in Lakhs)

Prior Period Expenses:	2014-2015	2013-2014
Construction Expenses	270.11	0.00
Contribution to PF	0.00	(4.85)
Group Gratuity Contribution	0.00	0.00
Insurance	0.00	34.89
Labour welfare cess	215.63	0.00
Material Consumed	9.48	7.70
Professional fee	11.77	0.00
Tender Fees	(67.01)	0.00
Prior Period Income		
Interest Income	0.00	46.09
Total	439.98	(8.35)

2.47 (a) During the year the Company has reached in-principle understanding with Gammon Infrastructure Projects Limited vide binding term sheet dated 02/02/2015 for sale of 1,03,99,500 equity shares of ₹ 10 each held in Mumbai Nasik Expressway Limited for an aggregate consideration of ₹ 7200 Lakh either by itself or through Sadbhav Infrastructure Project Limited (subsidiary of the Company). The cost of these shares in the books of company is ₹ 1039.95 Lakh. Detailed agreements will be executed in due course.

(b) Sadbhav Infrastructure Project Limited, a company promoted by Sadbhav Engineering Limited has signed definitive Sale Purchase Agreement dated 16/04/2015 for acquisition of 60% equity stake from HCC Concessions Limited, a group company of Hindustan Construction Company Limited in Dhule Palesnar Tollway Limited subject to fulfilment of certain conditions, statutory approvals and lenders approval. Post completion of acquisition from HCC Group, JLL Group and transfer of holding by SEL to SIPL, SIPL will become 100% owner of Dhule Palasner Tollway Limited. Gross purchase consideration for the acquisition shall be ₹ 20397 Lakh.

2.48 Details of Exceptional Items:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
Bonus Received / Income	0.00	0.00
Bonus Expenses	0.00	0.00
Advances Written off	0.00	(910.26)
Bad debts	0.00	(2445.48)
Loan to Subsidiary Written off	0.00	(231.94)
Interest to Subsidiary Written off	0.00	(247.08)
Net Amount	0.00	(3834.76)

2.49 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND 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, 2015:-

(₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2015	As at March 31, 2014
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	4288.00	6753.00
2	Aurangabad Jalna Tollway Ltd.	3848.00	4072.00
3	Sadbhav Infrastructure Project Ltd.	68000.00	19000.00
	Total	76136.00	29825.00

- 2.50** No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries.
- 2.51** 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.
- 2.52** All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.
-

As per our Audit Report of even date attached

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

For and on behalf of Board

V. M. Patel
Managing Director
DIN: 00048287

Vasistha C. Patel
Executive Director
DIN: 00048324

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

Vijay Kalyani
Company Secretary

***Consolidated
Balance Sheet***

Independent Auditors' Report on the Consolidated Financial Statements

To,
The Members of **Sadbhav Engineering Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements by the Directors of the Holding Company, as aforesaid

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 2.46 to the Consolidated Financial Statements, regarding accounting of CENVAT credit and service tax charge on user services provided by Maharashtra Border Check Post Network Limited ('MBCPNL', a step down subsidiary of the Company) under the Concession agreement. During the year, MBCPNL has recorded service tax liability on user services rendered since commencement of collection of user fees (i.e. April 2013) and also accounted cenvat credit of service tax paid on input

services / materials availed since financial year 2009-10, pending revision of its tax returns filed with government authorities. Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements / financial information of two subsidiaries and ten step down subsidiaries, and one jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 1002811.14 lakh as at 31st March, 2015, total revenues of ₹ 52888.70 lakh and net cash flows amounting to ₹ 11574.60 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 231.18 lakh for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements / financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and step down subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and step down subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and step down subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, step down subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.34 to the consolidated financial statements.
 - (ii) The Group did not have any material foreseeable losses 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 Holding Company and its subsidiary companies and step down subsidiaries.

For SURANA MALOO & CO.

Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL

PARTNER

Membership No. 37671

Place : Ahmedabad

Date : May 30, 2015

Annexure to Independent Auditors' Report on the Consolidated Financial Statements

Annexure referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

The Group, comprising Sadbhav Engineering Limited ('Holding Company') and its subsidiaries and step down subsidiaries incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report). Our reporting under the Order includes two subsidiaries and ten step down subsidiary companies which are audited by other auditors. Accordingly, our report is solely based on reports of respective auditors, to the extent considered applicable for our reporting under the Order.

1. In respect of Fixed Assets:

- (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding company and Covered entities of the Group have regular programme of physical verification of its fixed assets through which all the fixed assets are verified in a phased manner, over a period of three years in case of covered entities and once in a year in case of the Holding Company . In our opinion and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries and step down subsidiaries, the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and other auditors, no material discrepancies were noticed on such verification.

2. In respect of Inventories:

- (a) Inventories of Holding Company have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories of Holding Company followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Holding Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

The business of the covered entities of the Group does not involve purchase of inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Covered entities of the Group.

3. In respect of Loan to parties covered in the register maintained under section 189:

- (a) The Holding Company have granted unsecured loans to one company and the Covered entities have granted unsecured loan to fourteen companies, covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand except (i) subordinate debts given by a covered entity in the nature of promoter's contribution which are recoverable on achievement of certain financial performance of respective investee entities and (ii) interest free term loan of ₹ 7795.63 lakh given by the Holding Company to a subsidiary which is repayable after eleven years from the date of term loan agreement dated 22nd October, 2014.
- (b) In respect of loans granted, repayment of the principal amount is repaid as demanded (other than subordinate debt) during the year, thus there is no default on part of the parties to whom the money has been lent. The payment of interest has been regular, payable annually, by borrowers at the discretion of the lender.
- (c) There is no overdue amount of loans granted by the Holding Company and the covered entities of the Group to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

4. In respect of Internal Control:

- (a) In our opinion and according to the information and explanations given to us, there is formal internal control system commensurate with the size of the Holding Company and the nature of its business for the purchase of inventory, fixed assets, sale of goods and services.
- (b) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the covered entities of the Group and the nature of its businesses, for the purchase of fixed assets and for the sale of services, to the extent applicable to the nature of the business of the covered entities of the Group. The activities of the covered entities of the Group do not involve purchase of inventory and the sale of goods.

During the course of our audit of the Holding Company and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.

5. In respect of deposit from the Public:

The Holding Company and covered entities has not accepted any deposits from the public within the meaning of Section 73 to 76 and other relevant provisions of the Act and rules framed thereunder.

6. In respect of maintenance of cost records:

We have broadly reviewed the books of account maintained by the Holding Company and certain covered entities by the other auditors who audited the financial statements / financial information of covered entities of the Group to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors. To the best of our knowledge and as explained, the maintenance of cost records under clause 148(1) of the Companies Act, 2013, is not applicable to certain other Covered entities of the Group.

7. In respect of statutory dues:

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect certain covered entities. Attention is invited to Note 2.46 of the Consolidated Financial Statements relating to service tax regarding accounting and adjustment recorded during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and covered entities of the Group except labour cess of ₹ 559.05 lakhs in case of the Holding Company.

(b) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements / financial information of certain covered entities in the Group, the disputed statutory dues aggregating to ₹ 5191.14 lakh that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (₹ in lakh)
01	The Custom Act, 1962	Custom duty	2001-2002	Commissioner (Appeal)	104.95
02	Service Tax Act, 1994	Service Tax	2005-2006	CESTAT, Ahmedabad	67.29
03	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
04	The Finance Act, 1994	Service Tax	2009-10 to 2010-11	CESTAT, Ahmedabad	409.80
05	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	The High Court, Gujarat	611.03
06	The Income Tax Act, 1961	Income Tax	2006-07 to 2011-12	Commissioner of Income Tax (Appeal), Ahmedabad	64.90
07	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	ITAT, Ahmedabad	1953.30
08	The Income Tax Act, 1961	Income Tax	2007-08 to 2011-12	Commissioner (Appeals)	1306.10
09	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
10	Rajasthan Minor Mineral Concession Rules, 1986	Royalty	2013-14	The High Court, Rajasthan	51.32
TOTAL					5191.14

(c) According to the records of the Holding Company amount which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules there under has been transferred to such fund within time and in case of covered entities there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

8. In respect of accumulated losses and cash losses:

The Holding Company does not have accumulated losses at the end of the Financial Year and has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year. The accumulated losses of six Covered entities of the Group at the end of the financial year are more than fifty percent of its net worth. The six Covered entities of the Group have incurred cash loss during the year and five covered entities in the immediately preceding financial year. Three of the Covered entities of the Group have been registered for a period of less than five years and hence, in respect of those entities, we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.

9. In respect of dues to financial institution /banks /debentures:

Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, we are of the opinion that the Holding Company and the covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.

10. In respect of guarantee given for loans taken by others:

According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.

11. In respect of application of term loans:

Based on the information and explanations given to us by the management and the reports of other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group, though idle/surplus funds which were not required for immediate utilization have been temporarily invested in units of mutual funds in case of covered entities.

12. In respect of fraud:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For SURANA MALOO & CO.
Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2015

Consolidated Balance Sheet as at March 31, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2015	As at 31-03-2014
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1715.01	1516.62
(b) Reserve and Surplus	2.2	152007.07	123479.11
(c) Money Received against Share Warrants		0.00	2315.00
		153722.08	127310.73
(2) Minority Interest			
		18941.29	22574.41
(3) Non-current Liabilities			
(a) Long Term Borrowings	2.3	625554.20	484756.71
(b) Deferred Tax Liabilities	2.4	2440.83	3566.81
(c) Other Long Term Liabilities	2.5	223991.95	417.48
(d) Long Term Provisions	2.6	9965.20	4013.71
		861952.18	492754.71
(4) Current Liabilities			
(a) Short Term Borrowings	2.7	41128.98	46779.54
(b) Trade Payables	2.8	47278.75	38799.77
(c) Other Current Liabilities	2.9	53133.82	45489.40
(d) Short Term Provisions	2.10	17142.00	13369.03
		158683.55	144437.74
TOTAL		1193299.10	787077.59
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	55610.25	52239.29
(ii) Intangible Assets	2.12	703170.43	470886.48
(iii) Capital Work-in-Progress	2.11	66.80	71.80
(iv) Intangible Assets under Development	2.12	200933.72	77463.20
		959781.20	600660.77
(b) Goodwill on Consolidation		13327.46	6103.41
(c) Non-current Investments	2.13	2641.87	2557.48
(d) Deferred Tax Assets	2.14	0.00	2.22
(e) Long Term Trade Receivables	2.15	2926.68	1987.52
(f) Long Term Loan, Advances and Deposits	2.16	15741.05	17779.96
(e) Other Non Current Assets	2.17	5353.40	5561.80
		999771.66	634653.16
(2) Current Assets			
(a) Current Investments	2.18	470.10	10285.90
(b) Inventories	2.19	21337.17	16382.10
(c) Trade Receivables	2.20	68396.32	57577.62
(d) Cash and Bank Balances	2.21	20479.61	12800.74
(e) Short-Term Loans and Advances	2.22	69190.85	49840.56
(f) Other Current Assets	2.23	13653.39	5537.51
		193527.44	152424.43
TOTAL		1193299.10	787077.59

Significant accounting policies & Notes on Accounts forming part of Consolidated Financial Statements

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

Consolidated Profit and Loss Statement for the Year Ended March 31, 2015

(₹ in Lakhs)			
Particulars	Note No.	2014-2015	2013-2014
I Revenue from Operations	2.24	344678.12	273252.26
II Other Income	2.25	4419.70	2987.18
III Total Revenue (I+II)		349097.82	276239.44
IV Expenses :			
Cost of Material Consumed	2.26	73009.93	37788.37
Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade	2.27	418.20	0.00
Construction, Toll Plaza and Road Maintenance Expenses	2.28	184208.11	168578.42
Employee Benefits Expense	2.29	12168.83	7657.08
Finance Cost	2.30	61501.25	44873.34
Depreciation and amortization Expense		21927.32	12668.97
Amortisation of Goodwill		421.09	379.30
Other Expenses	2.31	16433.32	15271.38
Total Expenses		370088.05	287216.86
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		(20990.23)	(10977.42)
VI Exceptional Item (Net) Refer Not No. 2.40		1165.40	12172.68
VII Profit/(Loss) Before Tax (V-VI)		(19824.83)	1195.26
VIII Tax Expense			
(1) Current Tax		3986.80	2722.20
(2) MAT Credit Entitlement		0.00	(2661.50)
(3) Deferred Tax		(524.50)	396.84
(4) Short/(Excess) Provision for taxation for earlier years		(34.72)	(1869.71)
IX Profit/(Loss) for the period from continuing Operations (VII-VIII)		(23252.41)	2607.43
Add: Share of Loss Transferred to Minority interest		8715.61	1814.75
Less: Reversal of Share of Loss of Minority interest of earlier years		(2796.30)	0.00
Add: Share of Profit/(Loss) of Associates		(231.18)	15.30
Add: Share of Profit of Joint Venture		15.63	0.00
Net Profit / (Loss) for the year		(17548.65)	4437.48
X Earning per Equity Share: (in Rupees)			
(1) Basic	2.32	(11.18)	2.93
(2) Diluted	2.32	(11.18)	2.93
Significant accounting policies & Notes on Accounts forming part of Consolidated Financial Statements	1 & 2		

As per our Audit Report of even date attached

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

For and on behalf of Board

V. M. Patel
Managing Director
DIN: 00048287

Vasistha C. Patel
Executive Director
DIN: 00048324

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

Vijay Kalyani
Company Secretary

Consolidated Cash Flow Statement for the Year 2014-2015

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	(23252.41)	2607.39
Adjustments For :		
Interest Expenses	61501.25	45546.41
Interest Income	(2630.56)	(2520.63)
Depreciation & Amortisation	22348.41	13048.30
Dividend Income	(6.20)	(7.36)
Profit on sale of Assets	(53.49)	(2.70)
Loss on sale of Assets	885.32	498.53
Profit on sale of Mutual funds & Investments	(1351.57)	418.17
Stock Option Premium	85.68	433.14
Provision for Taxation	3986.80	2722.19
Bad Debts & Provision for Doubtful Debt	11.00	4.82
Exceptional Item	(1294.80)	(12172.22)
Writing off of Intangible asset under Construction	0.00	257.59
Interest receivable Written off	0.00	226.51
Transfer to Investor Protection & Education Fund	0.00	1.25
Sundry balances written back	(101.80)	2.91
Excess Provision written back	(34.72)	(1869.61)
MAT Credit Entitlement	0.00	(2661.50)
Deferred Tax Liabilities/(Assets)	(524.50)	396.87
	82820.82	396.87
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	59568.41	46930.06
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	(939.16)	(265.21)
(Increase)/Decrease of Trade Receivables	(10829.70)	13425.99
(Increase)/Decrease of Other Current Assets	(2467.68)	97.69
(Increase)/Decrease of Other Non Current Assets	208.40	955.79
(Increase)/Decrease in Inventories	(4955.07)	(6163.08)
(Increase)/Decrease of Long Term Loans and Advances	2728.51	9789.91
(Increase)/Decrease of Short Term Loans and Advances	(13214.04)	1420.64
Increase/(Decrease) of Other Long Term Liabilities	(324.13)	(231.34)
Increase/(Decrease) of Long-Term Provisions	5951.49	4127.48
Increase/(Decrease) of Trade Payable	8496.98	3795.60
Increase/(Decrease) of Other Current Liabilities	1485.22	10365.70
Increase/(Decrease) of Short Term Provision	(415.63)	(0.71)
	(14274.81)	37318.46
Cash generated from Operations	45293.60	84248.52
Tax Paid	(6792.32)	(5610.56)
Net Cash From Operating Activities	38501.28	78637.96
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(15840.97)	(22500.55)
Sales of Fixed Assets	947.83	730.75
Increase in Intangible Assets completed/under development	(126014.19)	(98654.25)
(Increase)/Decrease in Current Investments	9815.80	(9467.52)
(Increase)/Decrease in Long Term Advances	0.00	(17607.93)
(Increase)/Decrease in Other Bank Balance & FD	(1254.63)	(298.17)
(Increase)/Decrease in Other Non Current Investments	(84.39)	(88.16)
Payment towards acquisition of subsidiaries/Minority Interest	(7299.35)	1689.38
Profit on sale of current Investments & Mutual funds	1351.57	(418.17)
Interest Received	2630.56	2520.63
Dividend Received	6.20	7.36
	(135741.57)	(144086.63)
Net Cash From Investing Activities	(135741.57)	(144086.63)

Consolidated Cash Flow Statement for the Year 2014-2015

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings	168409.58	122963.36
Proceeds from Short Term Borrowings (Net)	(1410.97)	5124.24
Repayment of Long Term Borrowings	(26310.03)	(17883.26)
Net Increase in Working Capital Loan	(4239.59)	4336.78
Proceeds from issue of Share Capital	32077.13	358.26
Share Issue Expenses (QIP Expenses)	(546.13)	0.00
Grant from Government Authorities (in the nature of promoters' contribution)	13030.30	0.00
Received against Issue of Share Warrant	0.00	2315.00
Interest Paid	(76095.05)	(45546.41)
Transfer to Investor Protection & Education Fund	0.00	(1.25)
Dividend Paid	(1063.04)	(908.23)
Dividend Tax Paid	(187.67)	(154.40)
	103664.53	70604.09
Net Cash From Financing Activities	103664.53	70604.09
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	6424.24	5155.42
OPENING BALANCE OF CASH & CASH EQUIVALENTS	10967.37	5811.95
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	17391.61	10967.37
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	278.90	305.41
BALANCE IN CURRENT ACCOUNT WITH BANKS	13562.41	6085.58
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	3550.30	4576.38

Notes:

1. The cash flow statement has been prepared under Indirect Method as per Accounting Standard - 3 "Cash Flow Statement".
2. All figures in bracket are outflow.
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. Previous year figures have been recast / restated wherever necessary.

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

Notes on Accounts forming part of Consolidated Financial Statements

1.1 Corporate Information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, 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. 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 activities. SIPL undertakes infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) in the form of subsidiaries, joint ventures or associates.

Mysore Bellary Highway Projects Limited (MBHPL), subsidiary company and all other step down subsidiaries are the Special Purpose Vehicles (SPVs) incorporated to undertake the specific project.

1.2 Principles of Consolidation:

The consolidated financial statements relate to the Company (SEL) and its subsidiaries companies, Step down Subsidiaries, its associates and Joint Ventures hereinafter referred to as the 'Group Companies'. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company, its subsidiary companies and step-down subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions. The results of subsidiaries acquired during the year are included in the Statement of Profit and Loss from the effective date of acquisition. The amount shown in respect of reserves comprises the amount of relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition change in the relevant results of the subsidiaries.
- b) The Build, Operate & Transfer (BOT)/Design, Build, 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/user fee rights against the construction services rendered. Since the construction revenue earned by the company is considered as exchanged with grantor against toll collection/user fee rights, profit from such contracts is considered as realized.

Accordingly BOT/DBFOT contracts awarded to subsidiary and step-down subsidiaries (operator), where the work is sub-contracted to parent company, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated for consolidation under Accounting Standard - 21.
- c) The financial statements are based on historical cost convention and are prepared on accrual basis.
- d) The difference between the costs of investment in the subsidiaries/step down subsidiaries/associates companies over the net assets at the time of acquisition of shares in subsidiaries/step down subsidiaries/associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- f) Investment in Associate companies has been accounted as per AS 2 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- g) Investment in Joint Ventures has been accounted as per AS 27 - "Financial reporting of Interest in Joint Ventures".
- h) The Company accounts for its share in change in net assets of the associate companies, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and associate companies to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associate company's Profit or Loss and through its reserves for the balance, based on available information.
- i) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- j) The list of subsidiaries, step-down subsidiaries, associates & Joint Ventures included in consolidation and the company's holding therein are as under:

Notes on Accounts forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2015	Proportion of Ownership Interest as at 31-03-2014
1	Sadbhav Infrastructure Projects Ltd. (SIPL)	India	77.42%	84.15%
2	Mysore Bellary Highway Private Limited (MBHPL)	India	74.00%***	50.00%

Information pertaining to Step-down Subsidiaries (Subsidiaries of SIPL)				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2015	Proportion of Ownership Interest as at 31-03-2014
1	Ahmedabad Ring Road Infrastructure Ltd. (ARRIL) (refer note no (i) below)	India	100.00%	80.00%
2	Aurangabad Jalna Tollway Ltd. (AJTWL)	India	100.00%	100.00%
3	Bijapur Hungund Tollway Private Ltd. (BHTPL)	India	77.00%	77.00%
4	Hyderabad Yadgiri Tollway Private Ltd. (HYTPL)	India	100.00%	60.00%
5	Maharashtra Border Check Post Network Ltd. (MBCPNL)	India	90.00%*	90.00%
6	Rohtak Panipat Tollway Private Ltd. (RPTPL)	India	100.00%	100.00%
7	Solapur Bijapur Tollway Private Ltd. (SBTPL)	India	**	100.00%
8	Shreenathji Udaipur Tollway Private Limited (SUTPL)	India	100.00%	100.00%
9	Bhiwara Rajsamand Tollway Private Ltd (BRTPL)	India	100.00%	100.00%
10	Rohtak Hissar Tollway Private Ltd. (RHTPL)	India	100.00%	100.00%
11	Nagpur-Seoni Expressway Ltd. (NSEWL) (Refer Note (ii) below)	India	100.00%	100.00%

Information pertaining to Associates				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2015	Proportion of Ownership Interest as at 31-03-2014
1	Mumbai Nasik Expressway Ltd. (MNEL) (Refer Note no 2.52)	India	20.00%	20.00%
2	Dhule Palesner Tollway Ltd. (DPTL)	India	28.00%****	27.00%

* 12% SEL and 78% SIPL ** Dissolved during the year *** 74% by SEL **** 26% SEL and 2% SIPL
Note: ARRIL, AJTL, HYTPL, NSEWL, RPTPL, RHTPL, SUTPL, BRTPL converted to 100% subsidiary of SIPL.

Sr. No.	Name of Joint Venture	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2015	Proportion of Ownership Interest as at 31-03-2014
1	SEL-GKC JV			
	Radhanpur-Manpura Project	India	52%	52%
	Vishakhapatnam Project	India	50%	50%
	Omkareshwar Project	India	60%	60%
	Karimnagar Project	India	52%	52%
	Omkareshwar Project	India	40%	40%
	Managuru Project	India	51%	51%
	BSHP-II Project	India	50%	50%
	Govindpur Project	India	50%	50%
2	SEL-Annapurna JV	India	80%	80%
3	SEL-Vishnushiva JV	India	75%	75%
4	SEL-Vaishnovi JV	India	72%	72%
5	Corsan Corviam Const S.A.-SEL	India	40%*	40%

* As per MOU dated January 7, 2015, SEL has taken over and will execute the entire Works in conformity with the terms and conditions of the Contract Documents.

Notes on Accounts forming part of Consolidated Financial Statements

Note No. (i)

In terms of Share Purchase Agreement (SPA) dated November 3, 2014, between SIPL and Patel Infrastructure Private Limited ('PIPL'), SIPL has acquired 2,092,000 shares of PIPL in Ahmedabad Ring Road Infrastructure Limited ("ARRIL") for purchase consideration of ₹ 6200 Lakh. As at March 31, 2015, SIPL had paid an amount of ₹ 4000 Lakh to PIPL being partial payment of the total purchase consideration and received approval of lenders to acquire stake of PIPL, as condition precedent in terms of SPA. After March 31, 2015, SIPL has paid the remaining purchase consideration of ₹ 2200 Lakh to PIPL in the month of April 2015 and 1,464,400 equity shares held by PIPL were transferred to SIPL. The transfer formalities for the remaining 627,600 equity shares are in process as such shares held are pledged with lender of ARRIL. As at March 31, 2015, SIPL has recorded the transaction in the book as all the conditions precedent in terms of SPA got complied.

Note No. (ii)

In terms of Share Purchase Agreement dated September 22, 2010, between SIPL and Sadbhav Engineering Limited ('SEL'), SIPL has acquired 2,44,79,940 shares of NSEL from SEL. NSEWL has received approval from National Highway Authority of India ('NHAI') for transfer of shares from SEL to SIPL on April 3, 2013. As at March 31, 2015, the transfer formality of 1,44,00,000 Shares are in process as shares held by SEL are pledged with lender of NSEWL.

1.3 Significant Accounting Policies

a) Basis of Preparation of Consolidated Financial Statements:

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has presented these consolidated financial statements to comply in all material respects with Accounting Standard specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in accounting policy explained below in note b.

b) Change in Accounting Policies:

(i) Contractual obligation to restore the infrastructure to a specified level of serviceability:

During the year, the Group has reassessed the accounting treatment for Contractual Obligations to periodically maintain Project Asset as per the terms of the concession agreement, from recognising the Major Maintenance Expense in the year of actual expenditure to recognise expense at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date, in accordance with Accounting Standard (AS) -29 "Provisions, Contingent Liabilities and Contingent Assets". The same is reviewed at each balance sheet date and adjustments if any to the carrying amount is provided for accordingly.

The change in accounting policy has resulted in increase in expenses and corresponding increase in loss for the year ended March 31, 2015 by ₹ 358.60 lakhs.

(ii) Additional Concession Fees Payable to National Highways Authority of India (NHAI):

Post deferment of premium in the current year, the Group has reassessed the accounting treatment on premium payment to NHAI. In order to more appropriately present the Financial Statements, total premium payable of ₹ 22,6297.10 lakhs as per the concession agreement has been capitalized as 'Intangibles Assets-Toll Collection Rights' and amortized over the period of service concession agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding obligation for committed premium has been recognised as liabilities. The total premium payable up to March 31, 2014 of ₹ 2637.00 lakhs was charged to Statement of Profit and Loss. Due to change in accounting policy in the current year, the amount of premium payable of ₹ 2637.00 lakhs after adjusting ₹ 1103.80 lakhs (Net Amount ₹ 1533.20 lakhs) towards actual amortisation, has been written back in consolidated statement of profit and loss account as exceptional item. Refer note no 2.40 Due to change in accounting policy, loss before tax for the year ended March 31, 2015 has decreased by ₹ 3306.10 lakhs.

(iii) Treatment of Ancillary Cost of Borrowing during Construction Period:

With Effect from April 1, 2014, one of the subsidiary, viz. MBCPNL has retrospectively revised the method of amortisation of its ancillary borrowing cost over tenure of loan to capitalization of ancillary borrowing as part of project cost into the intangible assets. Management believes that this change would result in a more appropriate preparation or presentation of the financial statements of the enterprise and consistent with group accounting policy. The amortisation portion of operational check posts have been charged off to statement of profit & loss account till March 31, 2014 as per the earlier basis to the extent of ₹ 83.80 lakhs has been written back during the year ended March 31, 2015. This change in accounting policy has resulted in decrease in ancillary borrowing cost expenses and corresponding decrease in loss for the year by ₹ 83.80 lakhs which has been disclosed under other income. Had the Subsidiary continued to use the earlier method to charge off amortisation of ancillary borrowing cost to consolidated statement of profit & loss for operation, the Loss for the current period would have been higher by ₹ 112.10 lakhs.

c) Use of accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amount of income and expenses during the year of account. Example of

Notes on Accounts forming part of Consolidated Financial Statements

such estimates includes contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes etc. Management periodically assesses whether there is an indication that an assets may be impaired and makes provision in the account for any impairment losses estimated. Contingencies are recorded when it is probable that a liabilities will be incurred and the amount can be reasonably estimated. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from those estimates and the difference between actual results and the estimates are recognised in the periods in which the results are known/ materialise.

d) Inventories:

Stock of material, Spare-parts, Diesel oil is valued at the lower of cost or net realizable value after providing any other losses, where considered necessary. Cost is determined on first-in-first-out basis. Cost includes all the charges in bringing the goods to the point of use, including octroi and other levies, transit insurance and receiving charges.

Work in progress is valued at contract rates.

e) Cash and Cash Equivalent:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less from the date of acquisition.

f) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

g) Recognition of contract revenue and expenses:

- (i) In case of Item rate contracts Revenue is recognized over the life of the contract using proportionate completion method, on the basis of physical measurement of work actually completed at the balance sheet date.
- (ii) In the case of lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management.
- (iii) 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.
- (iv) Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
 - Negotiation have reached at an advance stage such that it is probable that customer will accept the claim; and
 - The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.
- (vi) Site mobilization (Camp) Expenditure for site installation is written off over the period of contract in proportion to the value of work done.
- (vii) Income and expenses of previous years up to ₹ 500000/- are recognized in the current year as such. However income and expenses over and above ₹ 500000/- of previous year are accounted for as Prior Period item.
- (viii) Toll collection from users has been accounted when the amount is received. Income of monthly pass is recognized as and when it is received in entirety.
- (ix) Income from sale of services: Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs.
- (x) Income from publicity rights are recorded on accrual basis.
- (xi) Profit/loss on sale of units of mutual funds and dividend income is recognized on realization basis.
- (xii) Income from fixed priced contract Revenue from development projects under fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contracts. Pending completion of milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue.
- (xiii) Annuity income for the project is recognized on accrued basis as per Concession agreement with NHAI.

h) Other Income:

Interest Income on investment and bank deposits are recognized on a time proportion basis taking into account the amount invested and the rate applicable. Dividend income is accounted for when the right to receive it is established.

Sale of Material is accounted on accrual basis.

i) Tangible Assets:

Tangible Fixed Assets are valued at cost less accumulated depreciation. Direct cost is inclusive of all expenditure of capital in nature attributable to bring the fixed assets to working conditions, duties and taxes, incidental expenses including interest

Notes on Accounts forming part of Consolidated Financial Statements

relating to acquisition and cost of improvements thereon are capitalized until fixed assets are ready for use. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

j) Depreciation:

- (i) Depreciation on tangible assets of SEL is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life specified in schedule II of the Companies Act, 2013. Depreciation is provided for all assets 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 considered than those prescribed in schedule II.
- (ii) In case of AJTL, ARRIL, HYTPL & RPTPL, Tangible Project Assets, as defined under Concession Agreement, are amortized on straight line basis, from the date on which such project asset is ready for use, till the end of concession period.
- (iii) Depreciation on Tangible Assets of remaining subsidiaries and step down subsidiaries is provided based on useful life prescribed under Schedule II of the Companies Act 2013. All categories of assets costing less than ₹ 5,000 each are fully depreciated in the year of purchase.
- (iv) In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.
- (v) Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished.

k) Intangible Assets and Amortisation:

- (i) 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. Intangibles are stated at cost, less accumulated amortisation and impairment losses, if any.
- (ii) Toll collection rights received from the authority against construction services rendered by the subsidiary companies on BOT basis include direct and indirect expenses on construction of roads, bridges etc.
- (iii) Goodwill arising on consolidation is amortised on straight line basis, beginning from the date of acquisition of subsidiaries or stepdown subsidiaries or commencement of commercial operations by subsidiaries, whichever is later, till the end of concession period.
- (iv) The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned 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. Total Projected Revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period
- (v) Software used at Head office and work-shop are amortised over a period of three years and software used at Project sites are amortised during the project completion period.

l) Accounting for rights under Concession agreements:

(i) Recognition and Measurement

The Group builds infrastructure assets 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 recognised and classified as "Intangible Assets". 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 recognised and classified as intangible assets. Such an intangible asset is recognised 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 Company receives the completion certificate from the authority as specified in the Concession Agreement and in case of MBCPNL, each check post is capitalised when the company 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 Company.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Right for Annuity fees" under Intangible assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements.

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the Concession Agreements is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

(ii) Premium capitalization

The Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHA"), Grantor, over the concession period. Such obligation has been recognised upfront on an undiscounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

Notes on Accounts forming part of Consolidated Financial Statements

(iii) **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.

m) Expenditure during construction period, pending allocation:

In case of Step down subsidiaries, Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of the indirect expenditure. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to Consolidated Statement of Profit and Loss.

n) Impairment of Assets:

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

o) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or rates that closely approximate the rate at the date of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. As the Company has adopted para 46A of AS-11, the exchange differences arising on settlement/restatement of long-term foreign currency monetary items are Capitalised as part of the depreciable fixed assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as " Foreign Currency Monetary Item Translation Difference Account" net of the tax effect thereon, where applicable.
- (iii) Non-monetary foreign currency items are carried at cost
- (iv) Exchange differences arising on 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.
- (v) Foreign currency transactions are recorded in the reporting currency either on settlement or on year end by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the settlement or year end.

p) Derivative Contracts:

The Company uses derivative contracts to hedge its risks. In respect of derivative contracts, premiums paid, gains/losses on settlement and provision for losses for cash flow hedges are recognized in the statement of profit and loss.

q) Investments:

Trade Investments are the investments made to enhance the Company's business interest. Investments are either classified as current or long-term based on the management's intention at the time of purchase or Investment. Current investments are carried at the lower of cost or quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

r) Grant:

Government grants are recognised only when it is reasonably certain that the related entity will comply with the conditions and ultimate collection is not in doubt.

Grant received or receivable from government or other authorities is in the nature of promoters' contribution hence treated as capital receipt and is accounted as Capital Reserve. Grant received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss and are accounted in the period to which it relates.

Notes on Accounts forming part of Consolidated Financial Statements

s) Employee Benefits:

- (i) Contribution to "Defined Contribution Schemes" 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.
- (ii) 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 and Premium paid is recognized as expenses when it is incurred. Actuarial gains and loss in respect of Gratuity are charged to Profit & Loss Account.
- (iii) Short term employee benefits including leave are recognized as an expense in the profit and loss account of the year in which the related services are rendered.
- (iv) 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.

t) Employee Share Based payment:

The Company has constituted Employee Stock Option Plan - 2008. Employee Stock Option granted on 4th October, 2010 is accounted under 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

u) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Cost in connection with the borrowing of the funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing Costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that required substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

In respect of an intangible asset, borrowing costs attributable to the construction of roads/infrastructure are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset/facility as specified in Concession Agreement are charged to the Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

v) Segment Reporting Policies:

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic unit that offers different services and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of Company operate i.e. India.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment. Assets and liabilities (including investments made in infrastructure projects through special purpose vehicle) that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

Segment Policies:

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.

w) Leases:

Where the Company is the lessee,

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. In case of SPVs where the commercial operations have not commenced, the lease payments are capitalised as "Expenditure during Construction Period, pending allocation".

x) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference being the differences between the taxable incomes and accounting income

Notes on Accounts forming part of Consolidated Financial Statements

that originate in one period and are capable of reversal in one or more subsequent periods. In situation where the company has unabsorbed depreciation or carry forward losses, all Deferred Tax Assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on Balance Sheet date.

As per the provisions of the Income Tax Act, 1961, step down subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive years out of 20 years beginning of toll operations. Accordingly, no deferred tax (asset or liability) is recognised in respect of timing difference which gets reversed during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognised in the year in which the timing difference originate. However the Company, restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. For recognition of deferred tax, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only 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 recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company will review the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

y) Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

z) Earning per share (EPS):

Basic earnings per share are calculated by dividing the net profit 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 earning per share, the net profit for the year attributable to equity shareholders and the weighted average number of Equity Shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

aa) Contingent Liabilities & contingent assets:

Contingent liabilities are not provided for and are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statement.

bb) Periodic Major Maintenance:

Contractual Obligations to periodically maintain Project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard(AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" i.e; at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

cc) Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

dd) Service Tax Input Credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

ee) 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.

ff) General:

Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
Note 2. Notes on Accounts		
2.1 Share Capital		
(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171500800 (151662300) Equity Shares of Re. 1/- each with voting rights	1715.01	1516.62
(c) Reconciliation of No. of Shares:		
Outstanding at the beginning of the year (Nos.)	15,16,62,300	15,09,45,800
Addition during the year towards ESOP (Nos.)	2,64,500	7,16,500
Addition during the year on Conversion of Share Warrants into Equity	80,00,000	-
Addition during the year on allotment of shares to QIB	1,15,74,000	-
Outstanding at the end of the year (Nos.)	17,15,00,800	15,16,62,300
(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 Re. 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 held by each share holder holding more than 5% Equity shares of the company		
Name	No. of shares & (%)	No. of shares & (%)
Vishnubhai M. Patel	23429220 (13.66)	17829220 (11.76)
Sadbhav Finstock Private Limited	16545275 (9.65)	16545275 (10.91)
Shantaben V. Patel	14715375 (8.58)	14715375 (9.70)
ICICI Prudential Value Discovery Fund	13271678 (7.74)	14188296 (9.36)
HDFC Trustee Co. Ltd.-HDFC Tax Saver Fund	10719680 (6.25)	6852724 (4.52)
(f) Shares reserved for Issue under ESOP @ ₹ 50/- per share (Face Value Re. 1/-) (Nos.)	72000	382500
The activity in the ESOP-2008 during the year ended March 31, 2015 and March 31, 2014 respectively, is set out below:		
Particulars	As at March 31, 2015 (Figure in Nos)	As at March 31, 2014 (Figure in Nos)
Option outstanding in the beginning of the year	382500	1167500
Option granted during the year	0	0
Less: Exercised	264500	716500
Less: Forfeited/Lapsed	46000	68500
Option outstanding at year end	72000	382500
Option exercisable at year end	72000	382500
As at March 31, 2015 72,000 equity shares have been kept reserved for issue against the outstanding options. All shares are vested and are exercisable at any point of time within three years from the date of vesting. The exercise price of option is ₹ 50/- per option granted.		
2.2 Reserve and Surplus		
(a) Capital reserve		
As per Last Balance Sheet	52291.95	52291.95
Add/(Less) during the year	18678.50	0.00
	70970.45	52291.95
(b) Capital reserve - Acquisition of subsidiaries		
As per Last Balance Sheet	0.00	0.00
Add/(Less) during the year	758.00	0.00
	758.00	0.00

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
(c) Security Premium Account		
As per Last Balance Sheet	29074.85	28214.29
Addition during the year	34381.76	860.52
Less: Conversion of CCCPS into equity Shares	1.10	0.00
Less: Issue of Bonus Shares	6384.60	0.00
Less: QIP Expense	546.13	0.00
	56524.78	29074.81
(d) Debenture Redemption Reserve		
As per Last Balance Sheet	2014.80	1814.80
Addition during the year	8077.30	200.00
	10092.10	2014.80
(e) Shares Options Outstanding Account		
As per Last Balance Sheet	153.57	229.86
Addition during the year	88.52	433.14
Less Transferred to Security Premium Account	190.90	509.43
	51.19	153.57
(f) General Reserves		
As per Last Balance Sheet	9160.18	8160.18
Addition during the year	1000.00	1000.00
	10160.18	9160.18
(g) Profit and Loss account		
As per Last Balance Sheet	30783.63	28798.77
Net Profit /(Loss) for the year	(17548.65)	4437.48
Add: Loss of Subsidiary for previous year transferred	2798.84	0.00
Appropriations:-		
Transfer to general reserves	1000.00	1000.00
Transfer to Debenture Redemption reserves	8077.31	200.00
Adjustment Relating to Fixed Assets (Refer Note No. 2.11 & 2.12)	2059.60	0.00
Dividend Paid	1.40	0.00
Tax on Dividend Paid	0.24	0.00
Proposed Dividend	1200.51	1064.54
Tax on Proposed Dividend	244.39	187.91
	3450.37	30783.80
Total	152007.07	123479.11

2.3 Long Term Borrowings

(a) Bonds/Debentures (Secured)		
Secured redeemable non-convertible debentures		
(i) ICICI Bank [180 (196) debentures of ₹ 1 Crore each issued by SEL]	16000.00	18000.00
The debentures are secured by (a) a residual charge over all the movable assets of the company (b) exclusive charge over the secured Immovable Property i.e. piece of non agricultural freehold land situated at Maharajpura of Kadi Taluka, in favour of the Debenture Trustee (for the benefits of the secured parties (c) pledge in favour of ICICI Bank Ltd. 3,10,96,308 (26,00,717) number of equity shares of Sadbhav Infrastructure Project Ltd. Rate of interest of above NCD is ICICI Bank base rate plus spread of 1.75%		
(ii) HDFC Asset Management Co. Ltd. 1200 (Nil) debentures of ₹ 10 Lakh each issued by SEL	12000.00	0
Add: Accrued amount of Premium on Redemption	201.73	0
	12201.73	0.00

The debentures are secured by (a) Pledge of 62,58,060 shares of Sadbhav engineering Ltd. by Sabhav Finstock Pvt. Ltd.; (b) NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd. (c) Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel. Coupon Rate of 9% plus Redemption Premium resulting Effective Rate of interest (IRR) of 12.14% p.a. at maturity.

Notes forming Part of the Consolidated financial statements

Repayment Schedule of Debentures issued by SEL are as under:

Repayable During The Year	No of Instalments	Maturity Amount
2015-16	4	2000
2016-17	4	4000
2017-18	5	15600
2018-19	1	3600
2019-20	1	4800

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
(iii) 1600 (Nil) 9% Redeemable, Non Convertible Debentures of ₹ 10,00,000 each (Secured) issued by SIPL Add: Accrued amount of Premium on Redemption	16000.00 166.90	0 0
	16166.90	0.00
(iv) 1405405 (Nil) 6% Non Convertible Debentures of ₹ 1000 each (Secured) issued by SIPL Add: Accrued amount of Premium on Redemption	14054.10 645.20	0 0
	14699.30	0.00
(v) 2000 (Nil) Redeemable, Non Convertible Debentures of ₹ 1000 each (Secured) issued by SIPL Add: Accrued amount of Premium on Redemption	20000.00 253.80	0 0
	20253.80	0.00
(b) Term Loans		
(i) (Secured)		
From Banks:-		
(a) Foreign Currency Term Loan (ECB)	81244.88	86476.99
(b) Rupee Term Loan	436034.15	353816.63
From Financial Institutions	28953.44	26463.09
Secured by way of hypothecation of specific machineries and equipments purchased		
Total	625554.20	484756.71

A The details in respect of long term borrowings availed by Subsidiaries are as under:

**1 Sadbhav Infrastructure Projects Limited (SIPL)
2,000 Redeemable, Non Convertible Debentures (NCD):**

2,000 Redeemable NCDs are secured by (i) first ranking charge created by way of pledge over the RPTPL Pledged Shares; (ii) the Corporate Guarantee by Sadbhav Engineering Limited (the Holding Company); (iii) first and exclusive mortgage over the Mortgaged Property, in accordance with the respective Security Documents.

Terms of repayment are as under:

Series on NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	April 26, 2018
Series B	500	11.75%	Bullet Repayment	April 13, 2000
Series C	700	5%	Bullet Repayment	April 13, 2000

The debenture holders shall, at the end of Year 3 and Year 4, 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, 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 Put option is exercised.

9% 1,600 Redeemable, Non Convertible debentures (NCD):

9% 1,600 Redeemable NCDs are secured by (i) an unconditional, irrevocable and continuing Corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of SEL by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% of SPV shareholding i.e. Dhule Palesner Tollway Limited (DPTL). However, till such shares are transferred in the name of SIPL, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) would be pledged. (iv) WCDL facility of to the extent of next repayment to be lien marked for the NCD to be

Notes forming Part of the Consolidated financial statements

obtained by the SIPL/ 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.

Terms of repayment are as under:

Series on NCDs	March 31, 2015		
	No. of NCDs outstanding as at March 31, 2015	Terms of Repayment	Earliest Date of Redemption
Series I	480	Bullet Repayment	April 18, 2018
Series II	480	Bullet Repayment	April 18, 2019
Series III	640	Bullet Repayment	November 18, 2019

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

14,05,405 Redeemable, Non Convertible debentures (NCD):

14,05,405 NCDs have been issued at discount. NCDs are secured by (i) Pledge of 16% share holding in the Company held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% share holding of Maharashtra Border Check Post Network Limited held by SIPL and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee from Promotor i.e. Mr. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of SIPL. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of SIPL.

NCD are having a floating interest rate of 6% to 6.33% during the year ended on March 31, 2015 which is linked to benchmark rate to be reset on a quarterly bases 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.

0.01% Compulsory Convertible Debentures (CCDs) upto the date of conversion into equity shares:

During the year ended March 31, 2013, SIPL had issued 1,100,950 unsecured 0.01% Compulsory Convertible Debentures (CCDs) of ₹ 681.23 each to Sadbhav Engineering Limited (SEL) the holding company, which were convertible as under: Each CCDs are convertible upon the earlier of (i) the final adjustment date as per shareholder's agreements and (ii) the date of closing of an initial public offering of the Equity Shares (such date, the "Conversion Date").

0.01% 11,00,950 Compulsory Convertible Debentures of ₹ 7,500 Lakh issued to Sadbhav Engineering Limited (CCDs') have been converted into equity share as per Board Resolution dated October 22, 2014 . Pursuant to the conversion, the Company has issued 1 equity share against 11,00,950 CCDs.

Term Loan from Bank amounting to ₹ 18,000 Lakh availed by SIPL :

Term Loan from Bank availed by SIPL is secured by

A first charge on all movable assets including intangible assets, book debts and other receivables of SIPL.

First charge on all bank accounts of SIPL.

Corporate guarantee of Sadbhav Engineering Limited, Holding Company. The guarantee shall fall off in case the credit rating of SIPL remains AA- for two consecutive periods.

As at March 31, 2015, the term loan carries a floating interest rate of 13.50%. The loan is repayable in 4 annual instalments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

SIPL has rights to pre-pay the loan amount before reset date (i.e. date falling at the end of 12 months from the date of first Disbursement and thereafter the date falling at the end of 12 months from the last Reset Date, as the case may be) along with prepayment premium. SIPL needs to mandatory prepay the loan amount in case SIPL receive proceeds from the (i) initial public offering of the Company, (ii) securitization of revenues of (a) the projects undertaken by SIPL, and/ or (b) project companies, that may be received by SIPL; and (iii) disposal of assets of the projects or divestment of investments of SIPL in the projects. In case of mandatory prepayment, the premium shall not be applicable if the above option is made on reset date.

Notes forming Part of the Consolidated financial statements

2 Mysore Bellary Highway Projects Limited (MBHPL)

(i) The details of Security in respect of Term Loans are as under:

- 1 first mortgage and charge on all MBHPL's immovable properties, both present and future, save and except the Project Assets;
- 2 first charge on all MBHPL'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;
- 3 first charge over all accounts of MBHPL 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;
- 4 first charge on all intangibles assets of MBHPL including but not limited to goodwill, rights, undertakings, intellectual property and uncalled capital present and future excluding the Project Assets.
- 5 assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of MBHPL in the Project Documents;
 - the right, title and interest of MBHPL in, to and under all the Governmental Approvals;
 - all the right, title, interest, benefits, claims and demands whatsoever of MBHPL 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 MBHPL under all Insurance Contracts.
- 6 pledge of 51% (fifty one percent) of the issued and paid up equity shares of MBHPL held by Sadbhav Engineering Limited 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.
- 7 Corporate Guarantee from Sadbhav Engineering Limited guaranteeing the repayment of the Secured Obligations Provided that:
 - 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 Concession 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 1 to 7 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 3 above for the benefit of the WC lenders would not include the Termination Payment, and
 - the Security Interest stipulated in para 1 to 6 above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) Terms of Repayment:

The Principal amounts of the Loan is repayable to the Lenders in 14 half yearly structured instalments, commencing from the First Repayment date (September, 2017) 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. MBHPL has the option to prepay the loan after the payment of Prepayment Premium. As at March 31, 2015, term loans carry interest of 11.50 percent per annum.

B Rupee Term Loans and Foreign Currency Loans from banks and Finance Companies availed by Step down Subsidiaries: Rupee Term Loans and Foreign Currency Loans from banks availed by Step down Subsidiaries are secured by:

a first mortgage and charge on all the respective step down subsidiary's immovable properties, both present and future, save and except the Project Assets;

a first charge on all the respective step down subsidiary'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;

a first charge over all accounts of the respective step down subsidiary's 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 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.

Notes forming Part of the Consolidated financial statements

a first charge on all intangibles assets of the respective step down subsidiary's including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.

a first charge on assignment by way of security in:

- all the right, title, interest, benefits, claims and demands whatsoever of the respective step down subsidiary in the Project documents;
- charge/ assignment on all the intangible assets of the respective step down 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 step down 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 step down subsidiary under all Insurance Contracts.

pledge of equity shares held by the Company and other promoters of the respective step down subsidiary as stipulated in the Loan Agreements.

Notes

(a) the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated above shall in all respects rank pari-passu inter-se amongst the lenders and the working capital lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;

(b) the Security Interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement), unless such security is consented to by the authority pursuant to the Concession Agreement.

Terms of Repayment of Rupee Term Loans and Foreign Currency Loans from banks and Finance Companies availed by Step down Subsidiaries:

1 Ahmedabad Ring Road Infrastructure Limited (ARRIL)

Term loans include loan amounting to ₹ 35,793.80 Lakh as on March 31, 2015 taken from a consortium consisting of a 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, 2015, the loans carry average interest rate of 10.75 percent to 11.00 per cent 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, 2015, the loan carries average interest rate of 12.75 percent per annum.

2 Aurangabad Jalna Tollway Limited (AJTL)

Term loans include loan amounting to ₹ 16,624.40 Lakh as on March 31, 2015 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 48 equal quarterly instalments commencing from October 1, 2011. As per the repayment schedule of the loan agreement, all principal amount outstanding under the said agreement shall be repaid by July 1, 2023. Further, the lenders have an option to call upon AJTL to repay the entire outstanding loan along with interest, additional interest, further interest and liquidated damages thereon at the end of ten (10) years from the date of Commercial Operation (COD) by giving thirty days notice. Similarly, AJTL also has the option to prepay the loans.

As at March 31, 2015, the term loans carry average interest rate of 11 percent to 11.50 percent p.a.

Notes forming Part of the Consolidated financial statements

3 Bijapur Hungud Tollway Pvt. Ltd. (BHTPL)

Term loans include loan amounting to ₹ 83,430.80 Lakh as on March 31, 2015 taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 37 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (14 quarters from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 12 years and 6 months.

The Loans carry interest of 11.45% to 12% as on March 31, 2015.

Foreign Currency loan from Bank:

Foreign currency loan shall be repayable in unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan.

The BHTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

4 Hyderabad Yadgiri Tollway Pvt. Ltd. (HYTPL)

Term loans include loan amounting to ₹ 37,276.70 Lakh as on March 31, 2015 taken from a consortium consisting of a bank and financial companies.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 47 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (33 months from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 14 years and 6 months.

Term loans carry interest of 11.50 to 11.75 percent per annum.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan. The HYTPL pays interest at LIBOR plus 470 basis points per annum on the foreign currency loan.

As at the period end, HYTPL is in the process of concluding modification to Common Rupee Loan Agreement, External Commercial Borrowing Agreement and Equity Subscription and Subordinate Loan Agreement taking into consideration Share Purchase Agreement with GKC Projects Limited whereby Sadbhav Infrastructure Project Limited acquired 40% share holding of the GKC in HYTPL.

5 Maharashtra Border Checkpost Network Limited (MBCPNL)

Term loans include loan amounting to ₹ 96,908.50 Lakh as on March 31, 2015 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Such loan is repayable in 50 quarterly instalments commencing from last day of 15th quarter from the first disbursement i.e. 20th March 2010.

The long term loans from the banks carry interest rate of 13.25%.

6 Rohtak Panipat Tollway Pvt. Ltd. (RPTPL)

Term loans include loan amounting to ₹ 97,472.10 Lakh as on March 31, 2015 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 quarterly instalments on the last day

Notes forming Part of the Consolidated financial statements

of each quarter, commencing from 22 quarters from 30th March, 2011 (initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 16 years.

As at March 31, 2015, the term loans carry interest rate of 12.25 to 12.75 percent per annum.

Foreign Currency loan from Bank:

Repayments shall be made in accordance with the Repayment Schedule which shall be in line with the repayment schedule of the Rupee Lenders under the amended Common Rupee Loan Agreement.

RPTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

7 Shreenathji Udaipur Tollway Pvt. Ltd. (SUTPL)

Term loans include loan amounting to ₹ 63,926.50 Lakh as on March 31, 2015 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Tranche I

The Principal amounts of the Loan under Tranche I is repayable to the Lenders in 138 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Schedule Commercial Operations Date (SCOD) occurs.

As at March 31, 2015, term loans carry interest of 12.25 to 12.50 percent per annum.

Tranche II

The Principal amounts of the Loan under Tranche II is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.

As at March 31, 2015, term loans carry interest of 12.25 to 12.50 percent per annum.

8 Bhilwara Rajsamand Tollway Pvt. Ltd. (BRTPL)

Term loans include loan amounting to ₹ 12,701.00 Lakh as on March 31, 2015 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 instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.

As at March 31, 2015, term loans carry average interest rate of 12.25 percent per annum.

9 Rohtak Hissar Tollway Pvt. Ltd. (RHTPL)

Term loans include loan amounting to ₹ 44,390.00 Lakh as on March 31, 2015 taken from a consortium consisting of a banks.

Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.

As at March 31, 2015 term loans carry interest of 12.50 percent per annum.

10 Nagpur Seoni Expressway Limited (NSEL)

Term loans include loan amounting to ₹ 18,973.50 Lakh as on March 31, 2015 taken from a consortium consisting of banks.

Foreign Currency loan from Bank:

As per the Terms of the Facility Agreement, the NSEL shall repay the loan by paying fifteen semi-annual Instalments commencing from 30th December, 2010.

The loans carry interest rate of LIBOR + 135 bps per annum.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.4 Deferred Tax Liabilities		
As per accounting standard-22 on "Accounting for taxes on Income" notified under the Companies (Accounting Standard) Rules, 2006, Deferred Tax Assets/Liabilities arising are as follows:-		
Opening Balance of deferred Tax Liability	3566.80	3169.17
Add: Deferred Tax Liability/(Assets) on depreciation	(1125.97)	392.07
Add: Provision/(Excess provision) of Gratuity	-	5.57
Closing Balance of Deferred Tax Liability	2440.83	3566.81
2.5 Other Long Term Liabilities		
(a) Advance Received From Clients	0.00	56.28
(b) Security & Other Deposits from Sub-contractors/Vendors	692.75	351.50
(c) Premium Obligation to NHAI (Refer Note below)	223290.70	0.00
(d) Capital Creditors	8.50	9.70
Total	223991.95	417.48
Note: As per the Ministry of Road Transport and Highways (MoRTH) policy of National Highways Authority of India (NHAI), the Group is liable to make payment of Interest on Deferment of Premium @ BR + 2% p.a. which is charged to consolidated statement of profit & loss for the period and obligation on the same has been recognised as liabilities.		
2.6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	36.00	271.01
Periodic Major Maintenance	9929.20	3742.70
Total	9965.20	4013.71
2.7 Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Banks	26481.62	29191.18
Overdraft due to Issuance of Cheques	3505.87	5035.90
Secured by		
(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 second charge on machineries owned by the company.		
(c) Personal Guarantee of Shri Vishnubhai M Patel, Smt. Shantaben V. Patel, Shri Vasisthakumar & Shri Vikramkumar		
Unsecured		
From Banks	8200.00	10748.00
From Related parties	749.37	147.47
From company in which Directors are Directors	62.12	0.00
From Others	2130.00	1656.99
Total	41128.98	46779.54
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	47278.75	38799.77
Total	47278.75	38799.77

* As per Intimation available with the company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues outstanding more than 45 days on account of principal amount together with interest and accordingly no additional disclosures have been made.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Non Convertible Debentures	2000.00	1600.00
Loan from Banks (Net of Derivative Settlement Receivable)	23786.22	22569.30
Loan from Financial Institutions	3815.41	1473.94
(b) Sundry Creditors for Capital Goods	1243.23	4431.56
(c) Interest Accrued but not due on Loans	2477.34	1572.87
(d) Interest Accrued and due on Loans	947.38	214.26
(e) Unclaimed Dividend *	4.66	4.59
(f) Statutory Dues	5160.00	4456.29
(g) Unearned Revenue	1299.50	2008.70
(h) Advance received against sales of Assets	1388.72	1.95
(i) Advances Received from Clients	7914.84	7024.59
(j) Unpaid IPO & Right Issue Money	0.01	0.01
(k) Payable towards acquisition of additional investment in Subsidiary	2200.00	0.00
(l) Payable to Authorities (AUDA, NHAI)	537.00	0.00
(m) Employee Emoluments	203.80	0.00
(n) Miscellaneous Liabilities	155.71	131.34
Total	53133.82	45489.40

* Note:- There was no amount outstanding as on 31.03.2015, which is required to be transferred to Investor Education and Protection Fund (IEPF)

2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	128.52	189.15
(b) Periodic Major Maintenance	0.00	355.00
(c) Proposed Dividend	1200.51	1061.64
(d) Tax on Proposed Dividend	244.39	180.43
(e) Provision for Wealth Tax	2.59	2.51
(f) Provision for Income Tax	15565.99	11580.30
Total	17142.00	13369.03

Notes forming Part of the Consolidated financial statements

Fixed Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK		
	As at 01-04-2014	Additions during the year	Adjustment/ deductions during the year	Adjustment/ on Account of Foreign Exchange	As at 31-03-2015	As at 01-04-2014	For the year	Adjustment/ deductions during the year	Adjustment in Reserve as per Schedule II	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
2.11 Tangible Assets:												
Land Free Hold	578.29	117.53	17.30	-	678.52	-	-	-	-	-	678.52	578.27
Building	2672.13	2837.01	-	-	5509.14	326.96	118.09	-	14.79	459.84	5049.30	2345.20
Machineries	61002.89	14487.76	3723.26	365.83	72133.22	20806.97	7645.73	2017.69	2542.96	28977.97	43155.25	40195.92
Furniture	726.26	1,302.18	-	-	2,028.44	204.72	177.71	-	40.50	422.93	1,605.51	521.62
Vehicles	1251.61	77.36	99.01	-	1,229.96	709.53	187.81	92.72	1.87	806.49	423.47	542.07
Computer	109.44	13.80	-	-	123.24	79.45	24.10	-	-	103.55	19.69	29.90
Office Equipments	575.87	163.96	-	-	739.83	351.06	108.85	-	58.76	518.67	221.16	224.82
Wind Mills	5089.22	-	-	80.14	5169.36	542.36	220.15	-	-	762.51	4406.85	4546.86
Assets Not put to use	3158.63	-	3158.63	-	-	-	-	-	-	-	-	3158.63
Advertisement hoarding under Disposal	96.00	-	45.50	-	50.50	-	-	-	-	-	50.50	96.00
Total (i)	75260.34	18999.60	7043.70	445.97	87662.21	23021.05	8482.44	2110.41	2658.88	32051.96	55610.25	52239.29
2.12 Intangible Assets:												
Computer Software	731.03	166.23	-	-	897.26	669.13	69.18	-	-	738.31	158.95	61.90
Toll Rights	402728.17	226297.10	-	2210.36	631235.63	22359.62	12355.90	(1103.80)	-	35819.32	595416.31	380368.48
User Fees Rights	90685.40	19850.40	1691.50	-	108844.30	229.33	1019.80	-	-	1249.13	107595.17	90456.10
Toll Plaza Booth Work	-	-	-	-	-	-	-	-	-	-	-	-
Total (ii)	494144.60	246313.73	1691.50	2210.36	740977.19	23258.08	13444.88	(1103.80)	-	37806.76	703170.43	470886.48
2.11 Capital Work in Progress:												
Advertisement Hoardings	3.60	-	3.60	-	-	-	-	-	-	-	-	3.60
Toll Plaza Building	68.20	-	1.40	-	66.80	-	-	-	-	-	66.80	68.20
Total (iii)	71.80	-	5.00	-	66.80	-	-	-	-	-	66.80	71.80
2.12 Intangible assets under development:												
Road Development Expenditure	38999.95	120259.03	-	-	159258.98	-	-	-	-	-	159258.98	39000.00
Expenditure during construction period (Pending Allocation) (refer note no 2.12 (i) below)	13062.99	15716.10	5423.20	-	23355.89	-	-	-	-	-	23355.89	13062.90
Railway Authorities	-	-	-	-	-	-	-	-	-	-	-	-
Road and Check Post Development Work	12570.53	4276.79	7459.02	-	9388.30	-	-	-	-	-	9388.30	12570.60
Building Development Work	3136.29	1002.20	2754.30	-	1384.19	-	-	-	-	-	1384.19	3136.30
Computerisation and Check Post Integration Work	6403.35	2017.80	3587.00	-	4834.15	-	-	-	-	-	4834.15	6403.40
Other Direct Capital Expenses	150.66	410.50	315.50	-	245.66	-	-	-	-	-	245.66	150.60
Project Upfront Fees	3139.48	-	672.93	-	2466.55	-	-	-	-	-	2466.55	3139.40
Total (iv)	77463.25	143682.42	20211.95	-	200933.72	-	-	-	-	-	200933.72	77463.20
Total (i)+(ii)+(iii)+(iv)	646939.99	408995.75	28952.15	2656.33	1029639.92	46279.13	21927.32	1006.61	2658.88	69858.72	959781.20	600660.77
Previous Year	527285.58	303268.69	185977.19	2362.80	646939.88	39209.92	12668.97	5599.77	-	46279.13	600660.77	-

- Advertisement hoarding under disposal are stated at the lower of their net block or net realisable value.
- Toll collection rights also include premium paid / payable under the concession agreement over the concession period.
- Project up front fees represent amount paid to Maharashtra State Road Development Corporation Limited (MSRDC) as per Project Tender Terms.
- In term of the Concession agreement, deposits for electricity supply is considered as a part of the project cost.
- Adjustment in the Gross Block of Intangible assets of ₹ 1691.50 Lakh (previous year - Nil) and Intangible assets under development of ₹ 362.20 Lakh (previous year - Nil) is on account of CENVAT credit availed as per provisions of Cenvat Credit Rules, 2004.
- The Group has adopted an option under Para 46A of AS 11, inserted by notification no. G.S.R. 914(E) dated 29th March, 2011 issued by Ministry of Company Affairs, and 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 the company has added ₹ 2656.38 Lakh (Previous year ₹ 2362.80 Lakh) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 10315.04 Lakh (Previous year ₹ 8395.65 Lakh).
- Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in accounting policy on depreciation. Accordingly the unamortised carrying value is being depreciated over the revised remaining useful life. The written down value of fixed assets whose lives have expired as at 01st April 2014, have been adjusted net of tax, in the opening balance of profit and loss account amounting to ₹ 2059.60 Lakh.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.12(i) Expenditure during construction period (Pending Allocation):		
(a) Opening Balance	13,062.88	29,028.11
(b) Additions during the year	-	-
(i) Finance Costs		
Interest on:		
Long-term Borrowings	12,542.10	14,377.76
Short-term Borrowings	11.80	109.49
Other borrowing cost:		
Bank Charges	109.20	12.31
Processing, Upfront and Syndication Fees	347.90	-
Ancillary Borrowing Cost (Refer Note (i) below)	2,013.50	1,585.61
	15,024.50	16,085.17
Less: Other Income	-	-
Gain on sale of units of mutual fund and dividend income	28.00	16.28
Sundry creditors written back	-	1.62
Interest on fixed deposits with banks	6.50	28.47
	34.50	46.37
Total (i)	14,990.00	16,038.80
(ii) Other Expenses		
Rent	31.50	56.20
Insurance	34.80	45.40
Rates and Taxes	0.80	47.53
Employee Benefits	31.50	117.66
Legal & Professional Fees	546.60	3,899.22
Travelling & Conveyance	22.35	46.41
Auditors Remuneration	7.10	4.72
Other Miscellaneous Expenses	51.70	102.19
	726.35	4,319.33
Total (i) + (ii)	15,716.35	20,358.13
(c) Add / (Less): Adjustments / Deduction during the year		
Intangible Assets under development written off (Refer Note (ii) below)	-	(257.60)
Long term interest written back	-	(473.59)
CENVAT Credit taken (Refer Note No. 2.46)	(99.10)	-
Capitalised in Intangible asset	(5,324.25)	(35,592.17)
Closing Balance (a)+(b)-(c)	23,355.89	13,062.88

(i) In case of MBCPNL, unmortised portion of ancillary borrowing cost of ₹ 1690.30 Lakh pertaining to period prior to March 31, 2014 has been transferred from Other Assets to Expenditure during construction period (Pending allocation). Further, ancillary borrowing cost of ₹ 83.80 Lakh which was already charged to statement of profit & loss for the year ended March 31, 2015, is written back due to change in accounting policy which is disclosed under Other Income. The Ancillary costs incurred during the year is also accounted under Expenditure during construction year.

(ii) During the year ended March 31, 2014, SBTPL had entered the settlement and close out agreement with National Highway Authority of India ("NHAI") dated 23rd December, 2013 for foreclose the concession agreement due to delay in handling over the land for the road project as per Concession agreement with NHAI. Since, SBTPL was incorporated for purpose of execution of road project under the concession agreement, which is foreclosed and hence the management has liquidated SBTPL. Accordingly, SBTPL has written off the intangible assets under development.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.13 Non-current Investments		
(A) Trade Investment		
Investment in Equity Instruments (Unquoted):-		
In Associate companies:-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. (SPV) 10400000 (10400000) Fully Paid up Equity Shares of ₹ 10/- each (Refer Note No 2.52)	2043.50	2043.50
Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.		
(b) Dhule Palesner Tollway Ltd. 1,93,22,000 (1,70,10,000) Fully Paid up Equity Shares of ₹ 10/- each (Refer Note No 2.49)	0.00	0.00
1,36,73,870 (1,36,73,870) Shares has been pledged out of 1,93,22,000 (1,70,10,000) shares held in Dhule Palesner Tollway Ltd. with lenders		
	2043.50	2043.50
Others		
(a) 25000 (25000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) 5,55,370 (Nil) Fully Paid up Equity Shares of Indian Highways Management Co. Ltd. of ₹ 10/- each	55.54	0.00
(d) Share application Money with Indian Highways Management Co. Ltd.	0.00	1.00
(e) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(f) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(g) 12.5% 10 (10) Nos Debentures of Srei Equipment Finance Ltd. of ₹ 10,00,000/- each	100.00	100.00
(h) Investment in NSC	13.30	12.15
(i) Land at cost	199.40	170.60
	598.37	513.88
(B) Non Trade Investments (Unquoted)		
Fixed Deposit (VAT)	0.00	0.10
Aggregate Value of Un-Quoted Investment ₹ 2641.87 Lakh (₹ 2557.39 Lakh)		
Total	2641.87	2557.48

2.14 Deferred Tax Asset

(a) Deferred tax assets in case of SIPL- Standalone:

In accordance with Accounting Standard 22 "Accounting for Taxes on Income". The components of Deferred Tax Assets and Liability are as under:-

Deferred Tax Assets

Gratuity	0.00	3.06
Carry forward of business losses and unabsorbed depreciation as per Income Tax Act, 1961	2.10	3.06
Deferred Tax Liability		
Difference in Book and Tax Depreciation	2.10	0.84
Deferred Tax Assets	-	2.22

(b) Deferred tax assets and liabilities in case of Step Down Subsidiaries:

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" notified under the Companies (Accounting Standards) Rules, 2006, the Subsidiary Companies have a net deferred tax assets. Having regard to the consideration of the fact that Subsidiaries are entitled to deduction under section 80IA of the Income Tax, 1961, the deferred tax assets on timing differences, on account of unabsorbed depreciation and business losses have not been accounted for in the books since it is not virtually certain that they will be realised against forceable future.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.15 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)		
Due from Others	2926.68	1987.52
Total	2926.68	1987.52
2.16 Long Term Loans ,Advances and Deposits		
Unsecured, considered good		
(a) Loan to Related Party	0.00	1371.60
(b) Advances for Goods and Services	909.99	2111.18
(c) Advances to Suppliers for Fixed Assets	523.43	610.06
(d) Group Gratuity Fund	0.00	290.66
(e) Sub-ordinate Debts - to related parties (Refer Note (i) below)	11240.00	11240.00
(f) Security & Other Deposits	78.20	410.76
(g) Advance Income Tax	2161.00	1471.40
(h) Deferred Cenvat Credit	746.03	0.00
(i) Tax Credits & Receivables	82.40	274.30
Total	15741.05	17779.96
(i) Sub-ordinate debt of ₹ 11,240 Lakh as at March 31, 2015 (₹ 11,240 Lakh as at March 31,2014) is given to Dhule Palesnar Tollway Limited on which interest of ₹ 4148.90 Lakh as at March 31, 2015 (₹ 3036.20 Lakh as at March 31, 2014) has accrued as per terms of the Loan Agreement with lenders of DPTL.		
2.17 Other Non Current Assets		
Unamortised Option Premium	529.30	721.90
Interest Accrued But Not Due on Non current Investment	0.10	0.00
Interest receivable on unsecured Loan (refer note no (i) below)	4148.90	3290.50
Ancillary cost of arranging the Borrowings	675.10	1549.40
Total	5353.40	5561.80
(i) The interest receivable on loan is recoverable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders of the Dhule Palesnar Tollway Limited.		
2.18 Current Investments		
Trade: Un-quoted		
Investment in units of Mutual Fund	470.10	10285.90
Total	470.10	10285.90
2.19 Inventories		
(a) Construction Materials	20112.79	14193.45
(b) Work in Progress	511.39	929.59
(c) Stores & Spares	712.99	1259.06
Total	21337.17	16382.10
2.20 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months		
Due from Others	4175.77	5826.53
(b) Other Debts		
(i) Due from Companies in which directors of the company are directors	24807.09	13620.63
(ii) Due from Others	39413.46	38130.46
Total	68396.32	57577.62

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.21 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	278.90	305.41
(b) Balance with Banks		
(i) In Current Accounts	13562.41	6085.58
(ii) In Fixed Deposit original maturities of 3 months or less (refer note no (iv) below)	3550.30	4576.38
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity (refer note (v) & (vi) below)	3077.92	1825.27
(b) In earmarked accounts		
(i) For Margin Money	5.41	3.50
(ii) Unclaimed Dividend	4.66	4.59
(iii) Unclaimed Right Issue Money	0.01	0.01
Total	20479.61	12800.74
<p>(i) Cash on hand include amount collected towards toll charges / user fee, pending deposit with the bank.</p> <p>(ii) Balance with Bank in current accounts of ₹ 12498.10 Lakh (March 31, 2014: ₹ 4468.5 Lakh) includes balances lying in Escrow Account, as per terms of borrowings with the lenders.</p> <p>(iii) Balance with bank includes deposits of ₹ 2551.72 Lakh (1531.72 Lakh) with remaining maturity of more than 12 months.</p> <p>(iv) Balance with Banks in fixed deposit include balance of ₹ 3300.00 Lakh (P. Y. ₹ Nil) being the deposit earmarked for Debt Service Reserve (DSR) of term loan of Bijapur Hungud Tollway Pvt. Ltd. (BHTPL).</p> <p>(v) Fixed deposits amounting to ₹ 210.8 Lakh as on March 31, 2015 lying with Bank are earmarked for Debt Servicing Reserve for interest to be served within 12 months on Redeemable Non Convertible Debentures (NCDs) of ₹ 14054.10 Lakh.</p> <p>(vi) Fixed Deposit includes ₹ 2872.53 Lakh (2878.55 Lakh) Pledged with Central and various State Governments/Undertakings & Local Bodies.</p>		
2.22 Short-term Loans and Advances		
Unsecured, considered good		
(a) Advances		
(i) Advances for goods and Services	14266.83	9826.80
(ii) Advances to Others	188.88	99.49
(b) MAT Credit Entitlement	2661.50	2661.50
(c) Advance Income Tax	22014.71	15878.46
(d) Advance Sales Tax & Service Tax	4013.46	4107.72
(e) Prepaid Expenses	1551.53	791.24
(f) Group Gratuity Fund	7.25	0.00
(g) Security & Other Deposits	18925.90	14775.35
(h) Loan to Related Parties	1372.80	0.00
(i) Inter Corporate Loans	4188.00	1700.00
Total	69190.86	49840.56

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2015	As at 31-03-2014
2.23 Other Current Assets		
(a) Interest Accrued But Not Due on Investment	130.46	15.09
(b) Receivable from Authority	901.50	383.00
(c) Receivable Against Sale of Assets	1394.78	1473.63
(d) Grant Receivable (Refer Note (i) below)	6290.60	642.40
(e) Unamortised Option Premium	192.60	192.60
(f) Discount on debentures, pending amortisation	206.70	0.00
(g) Deferred Revenue Expenditure	1461.37	1826.03
(h) Income Tax Refund Recievable	0.00	288.09
(i) Interest receivable on unsecured loan	783.40	89.30
(j) Gratuity Plan Assets	0.00	5.20
(k) Unbilled Revenue	0.00	123.60
(l) Initial Public Issue Expense (Refer Note (ii) below)	661.80	0.00
(m) Receivable from EPC contractor towards change of scop	172.70	0.00
(n) Ancillary cost of arranging the borrowings	0.00	140.90
(o) Recoverable in Cash or Kind Due from others	1457.48	357.67
Total	13653.39	5537.51

- (i) As per the respective Concession Agreements between ARRIL and Ahmedabad Urban Development Authority (AUDA) and, between BRTPL & RHTPL and NHAI, ARRIL, BRTPL and RHTPL are entitled to receive grant of ₹ 3600.00 Lakh, ₹ 22,640.00 Lakh and ₹ 21,150.00 Lakh, respectively for meeting the part project cost subject to the conditions laid down in the Concession Agreements. Upto March 31, 2015 the said companies have received grant of ₹ 2,957.60 Lakh, ₹ 12,241.50 Lakh and ₹ 6,437.00 Lakh in ARRIL, BRTPL and RHTPL, respectively. Also, ARRIL and BRTPL have grant of ₹ 642.40 Lakh and ₹ 5,648.20 Lakh, respectively as receivable since the conditions of the Concession Agreement related to grant have been met.
- (ii) SIPL is in the process of an Initial Public Offer ('IPO') in respect of its Equity Shares. As per the offer agreement between SIPL and the selling shareholders, all expenses incurred in connection to the SIPL's IPO will be borne by the SIPL and each of the selling shareholders in proportion to the Equity shares allotted by the SIPL in the fresh issue and transferred by each selling shareholder in Offer for Sale, respectively. Thus, the expenses incurred by the SIPL in connection to the IPO upto March 31, 2015, have been shown as 'Unamortised Share Issue Expenses'. SIPL will adjust the expense against the Securities premium balance in the next financial year upon the finalisation of the proportion between the Company and the Selling Shareholders.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2014-2015	2013-2014
2.24 Revenue from Operations		
Contracts Receipt		
EPC & Other Contract Income (refer note (i) below)	296671.96	238223.76
Revenue from Toll Collection & Annuity Income	39187.40	29104.00
User Fees	8161.00	3022.60
Sale of Services		
Advisory and Project Management Fees	12.00	2762.00
Other Operating Income	645.76	139.90
Total	344678.12	273252.26
(i) During the year, SIPL has accounted Contract Income towards cost escalation claim of ₹ 728.70 Lakh [31 March 2014: ₹ 2948.80 Lakh (gross)], in line with cost inflation index principles (cost escalation formula) approved by independent consultant of MBCPNL. The price escalation is also approved by the lenders' engineer of MBCPNL.		
2.25 Other Income		
(a) Interest Income		
(i) From Related Parties (refer note no. 2.36)	1389.60	1413.90
(ii) From Current Investments	262.43	312.16
(iii) From Non-Current Investments	214.20	139.51
(iv) From Others	764.33	577.87
(b) Dividend Income	6.20	7.40
(c) Profit on sale of Investment	1351.57	418.20
(d) Profit on Sale of Assets	53.49	2.74
(e) Other Non-operating Income		
(i) Sundry Balances Written Back	101.80	2.96
(ii) Miscellaneous Income	276.08	112.44
Total	4419.70	2987.18
2.26 Cost of Material Consumed		
Opening Stock	14193.45	8837.06
Add Purchase	77850.84	43144.76
	92044.29	51981.82
Less Closing Stock of Material	19034.36	14193.45
Total	73009.93	37788.37
2.27 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Opening Work-in-Progress	929.59	929.59
Less: Closing Work-in-Progress	511.39	929.59
Total	418.20	0.00
2.28 Construction, Toll Plaza and Road Maintenance Expenses		
Labour Expenses	130412.94	137014.85
Power & Fuel	34855.42	19984.38
Stores Consumed	740.49	27.51
Repairs & Maintenances-Construction Machineries	3670.60	2221.76
Transportation Expenses	476.20	207.76
Machinery Rent	1548.34	503.50
Land Rent	311.31	236.36
Site Establishment Expenses	1581.84	1020.93
Mess Expenses	600.81	463.97
Operation & Maintenance Expenses	2681.50	1831.80
Periodic Major Maintenance	5863.46	4097.70
Security Expenses	692.90	569.30
Miscellaneous Expenses	772.30	398.60
Total	184208.11	168578.42

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2014-2015	2013-2014
2.29 Employee Benefits Expense		
Salary & Wages	11042.38	6728.77
Contribution to PF and Other Funds	466.45	208.10
Group Gratuity Fund Expenses	166.71	22.86
Expense on Employee Stock Option Scheme	85.68	433.14
Staff Welfare expenses	407.61	264.21
Total	12168.83	7657.08

2.30 Finance Cost

Interest Expenses		
On Borrowings	56818.33	41284.25
On Taxes	34.47	47.58
Deferred Additional Concessional Fees (Refer Note No. 1.3(b)(ii))	106.60	0.00
Others	238.40	0.00
Other Borrowing Costs	4303.45	3541.51
Total	61501.25	44873.34

One of the step-down Subsidiaries, viz. MBCPNL capitalizes each checkpoint from the date it receives provisional completion certificate from the engineer appointed by Maharashtra State Road Development Corporation (Project Implementation Agency). Pending receipt of notification from government authorities to start collecting user service fee, the cost incurred (including interest costs) from the date of capitalization of checkpoint till the notification to collect user service fee is expensed to Consolidated statement of profit and loss. MBCPNL has expensed aggregate of ₹ 2121.40 Lakh (P. Y. ₹ 3010.50 Lakh) relating to such nature of interest costs (with corresponding no user service fee income) in the Consolidated statement of profit and loss during financial year ended March 31, 2015.

2.31 Other Expenses

Rent Expenses	141.36	34.87
Rates & Taxes	8652.37	6368.46
Vehicle Rent	254.65	171.33
Running & Maintenance of Vehicles	93.77	64.62
Repairs & Maintenances		
Building	0.84	17.02
Others Assets	159.84	117.46
Insurance	570.85	419.47
Electricity Charges	17.17	19.59
Postage & Telephone	142.06	121.66
Stationary & Printing	99.79	56.79
Travelling & Conveyance Expenses	297.99	251.50
Directors' Travelling & Conveyance Expenses	30.61	33.64
Legal & Consultation Fees & Expenses	2917.74	2519.25
Additional Concession Fees	0.00	2247.00
Donation to Bhartiya Janata Party	35.00	0.00
Donation Expenses	189.26	93.01
Other Bank Charges	152.02	77.02
Auditors Remuneration	98.36	75.82
Loss on Sales of Assets & Asset Written Off	885.32	498.53
Trade Receivable written off	4.00	4.80
Provision for Bad debts	7.00	0.00
Writing off of Intangible asset under Construction	0.00	820.10
Assets Written Off	11.54	0.00
Interest receivable written off	0.00	226.50
Miscellaneous Expenses	1344.96	1041.29
Corporate Social Responsibility Expenses (Refer Note no 2.53)	326.57	0.00
Prior Period Adjustment	-	(8.35)
Preliminary Expenses Written off	0.25	0.00
Total	16433.32	15271.38

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2014-2015	2013-2014
2.32		
Basic EPS		
Net Profit after Tax	(17548.65)	4437.48
Weighted Average number of Equity Shares	15,69,19,684	15,08,24,388
Basic EPS (₹)	(11.18)	2.94
Diluted EPS		
Net Profit after Tax	(17548.65)	4437.48
Weighted Average number of Diluted Equity Shares	15,69,76,006	15,15,55,961
Basic EPS (₹)	(11.18)	2.93

2.33 Change in Accounting Policy & Change in Estimates

(a) Change in Accounting Policy

Pursuant to the enactment of Companies Act 2013, the Company (SEL) has adopted component wise depreciation policy as per the schedule II of the Act and accordingly amended the accounting policy to that extent. This Change in the accounting policy did not result in a material impact on Profit during the current year and will not affect the profit of later years.

(b) Change in Accounting Estimate

The Company (SEL) 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. These changes result in a higher depreciation of ₹ 537.89 lakhs charged to profit and loss account and higher amount of ₹ 491.68 lakhs has been adjusted in opening balance of profit and loss account.

2.34 Contingent Liabilities and commitments

A Contingent Liabilities

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

- (i) The Dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries ₹ 104.95 Lakh (₹ 104.95 Lakh) & Interest of ₹ 174.05 Lakh (₹ 174.05 Lakh). The Company has filled the Appeal to Commissioner of Customs (Appeal) "CCA" against the said order. The CCA, through its order, dismissed the appeal and directed the company to deposit ₹ 116.6 Lakh. The Company applied for a waiver from the payment of pre-deposit before the CESTAT, Mumbai, which was allowed. Subsequently, the company filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The Gujarat High Court, through its order, directed the company to deposit 10% of the customs duty demanded by the Customs Department and remanded the matter to the CCA hence no provision is made in the books of accounts.
- (ii) The Customs Department, Mumbai issued a show cause notice to SEL, seeking reasons for not demanding ₹ 170.98 Lakh with respect to the customs duty on six motor graders. The Commissioner of Central Excise and Service Tax, Mumbai through its order, directed SEL to pay an amount aggregating to ₹ 170.98 Lakh towards recovery of customs duty payable by SEL (the "Impugned Order"). Subsequently, SEL preferred an appeal before the Commissioner of Customs (Appeals), Sheva Raighad Maharashtra (the "CCA"). The CCA, through its order, dismissed the appeal. SEL preferred an appeal before CESTAT which was dismissed and directed SEL to deposit an amount of ₹ 90.69 Lakh. SEL deposited an amount of ₹ 90.69 Lakh and filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The aggregate amount involved is ₹ 170.98 Lakh. The matter is currently pending.
- (iii) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakh (₹ 46.42 Lakh) 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 Lakh (₹ 46.42 Lakh) 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 Lakh. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.

- (iv) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (₹ 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, through its order, imposed a penalty of ₹ 67.29 Lakh on SEL in relation to the assessment year 2005-06. SEL preferred an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad (the "CESTAT"). The CESTAT, through its interim order, allowed the stay petition. The aggregate amount involved is ₹ 67.29 Lakh. The matter is currently pending.
- (v) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakh (₹ 199.13 Lakh) and impose penalty of ₹ 345.92 Lakh (₹ 345.92 Lakh). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (vi) 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 80IA of the IT Act and other expenses, (the "CIT(A) Order"). 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 80IA 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. years involved is ₹ 611.03 Lakh. The matter is currently pending.
- (vii) 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 2007-08 to AY 2011-12. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2007-08 to AY 2011-12 imposing total penalty of ₹ 60.30 Lakh (the "Penalty Order"). Subsequently, SEL has preferred an appeal before the CIT, Appeals-11, Ahmedabad against the Penalty Orders. The matters are currently pending.
- (viii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 1277 Lakh 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 80IA 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 Lakh. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount involved is ₹ 1953.30 Lakh. The matter is currently pending.
- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed SEL's claim for deduction for a sum of ₹ 379.50 Lakh under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with GoI 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 aggregate amount of Tax involved is ₹ 4.60 Lakh. The matter is currently pending.
- (x) The Deputy Commercial Tax Commissioner, Audit Division-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakh inclusive of interest ₹ 330.18 Lakh and Penalty of ₹ 74.36 lakh. 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 Lakh. The company has paid ₹ 15.00 lakh. hence no provision has been made.
- (xi) The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakh under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No.2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakh with the Mining Engineer, Mines and Geology Department, Udaipur as per stay order of the Honourable Court. Further proceeding is pending, hence no provision has been made.
- (xii) The Deputy Commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 in which demand of ₹ 77,40,217. The company is in the process of filling the Appeal before higher authority against this Demand hence the same has not been provided in the Books of Accounts.
- (xiii) service tax demand of ₹ 434.80 Lakh (₹ 434.80 Lakh)from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, for which company has deposited ₹ 25 Lakh and received stay order from tribunal for recoveries of demands. Further the matter is pending with Tribunal as at reporting date.
- (xiv) The income tax demands of ₹ 1410.40 Lakh (₹ 48.9 Lakh) are pertaining to various step down 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.

(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 80IA(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 ₹ 3295.01 Lacs on claim of deduction/s 80IA for the AY 2013-14 to AY 2015-16 has been considered 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 Lakh 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 utilised tools, plants and machineries. SEL has been submitted its statement of defence before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakh. The matter is currently pending.
- (c) During the year 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL/affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Patent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. The LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management believes that, based on legal advice, the outcome of above contingencies will be favourable and that any loss is not probable. Accordingly, no amounts have been accrued or paid in regard to dispute.
- (d) In case of one of the step down subsidiary viz. Aurangabad Jalna Tollway Limited (AJTL), the Officer of Public Works Department, Government of Maharashtra (PWD) passed the order on November 4, 2013 to stop Toll Collection on grounds that some part of ROB work was incomplete. AJTL had filed a writ petition in the Honourable High Court, Aurangabad Bench challenging the said order. The Hon. High Court passed an interim order on December 9, 2013 allowing restoration of Toll Collection from December 14, 2013 on the undertaking to complete balance works and road maintenance works under supervision of Maharashtra Engineering Research Institute (MERI), Nasik and PWD authorities and also directed to deposit the amount of toll collection into separate ESCROW account to be opened and operated jointly by Company and PWD officer to be operated upto March 31, 2014. According to AJTL, the entire work is completed. However Public Works Department(PWD) did not agree to discontinue Escrow Account on the ground that some work of ROB & maintenance work was pending, and also did not permit to withdraw the amount lying in the Escrow Account. Hence, AJTL filed Arbitration petition before district court at Aurangabad for directing PWD to permit the withdrawal of amount deposited in Escrow A/c and to allow to deposit the Toll Collection in regular Bank Account. The district court vide its order dated October 04, 2014 directed to permit withdrawal of amount lying in Escrow Account in stages and resumption of operating regular account by obtaining permission of Government of Maharashtra. In partial compliance to the said order, the Chief Engineer has allowed the withdrawal of the amount lying in escrow a/c. However, the toll collected is not being permitted to be deposited in regular bank account of AJTL.

B Capital & other Commitments

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

	2014-2015	2013-2014
(a) The followings are the estimated amount of contractual commitments of the company:		
(i) Sub Ordinate Debt/Equity Shares in Subsidiary Companies	18162.00	3074.37
(ii) Other Commitment	74.16	0.00

(b) Commitment-Derivative contract

The company uses Cross Currency Interest Rate Swap and Currency Option to hedge the interest and currency related risks on its capital account. Such transactions are governed by the strategy approved by the board of directors which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The company does not use these contracts for speculative purposes. Out standing Currency Option and Interest Swap to hedge against foreign currency exchange rates and fluctuations in interest rate are as under:

Particulars	Outstanding As at March 31, 2015	Outstanding As at March 31, 2014
Index Swap	331.50	750.29
Currency Option-Repayment (Amount in Lakhs)		
- Equivalent INR	69259.24	81172.47
- Equivalent USD	1275.38	1518.58
Interest Swap (Amount in Lakhs)		
- Equivalent INR	20060.94	26363.66
- Equivalent USD	320.99	419.55

Un-hedged Foreign Currency Exposure

ECB from Standard Chartered Bank is hedged for currency movements from the range of ₹ 65.50 to ₹ 80/-, ECB of USD 15mn from DBS is hedged for currency movements from the range of ₹ 44.50 to ₹ 52/- and ECB from ICICI is hedged for currency movements from the range of ₹ 53.7125 to ₹ 61.7125.

Mark to market value of Overnight Index Swap(OIS)

Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, has entered into an Overnight Index Swap (OIS) Agreement with ICICI Bank Limited on December 27, 2007. The maturity date of the OIS Agreement is December 28, 2015. The mark to market value of this agreement at March 31, 2015 is ₹ 331.5 Lakh (Previous year ₹ 750.3 Lakh).

Additional Concession Fees as per Concession Agreement

In terms of the Concession Agreement with NHAI, SUTPL has agreed to pay to NHAI, on the COD date, a Premium in the form of an additional Concession Fee equal to ₹ 2160 Lakh as due to NHAI during that year, due and payable for the period remaining in that year and for each subsequent year of the Concession Period. The Premium shall be determined by increasing the amount of Premium in the respective year by an additional 5% as compared to the immediately preceding year.

2.35 Employee Benefits

(a) Defined Benefit Plan:

The company made annual contributions to the employee's Group Gratuity cash accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees.

The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following tables sets out the funded status of the gratuity plan and the amount recognised by the company's financial statements as at Balance Sheet Date.

(i) **Net Assets / Liability recognized in the Balance Sheet are as follows:** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Present Value Funded Obligations	443.14	293.34
(b) Fair Value of Plan Assets	406.80	317.80
(c) Liability Recognized in the Balance Sheet	43.60	0.00

(ii) **Expenses recognized in the statement of Profit & Loss Account(Under the head "Expenses on Employees - Contribution to Provident & Other Funds"- Refer Schedule-20)** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Current Service Cost	86.58	68.02
(b) Interest on obligation	25.49	20.86
(c) Expected Return on plan assets	(31.75)	(21.03)
(d) Net Actuarial Losses / (Gains) recognized in the year	75.27	(44.03)
(e) Past Service Cost	0.00	0.00
(f) Adjustment	0.00	(2.04)
Net Gratuity Cost	155.59	21.78

(iii) **Reconciliation of Opening & Closing balance of Gratuity is as follows:** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Opening Defined Benefit Obligation	293.21	263.35
(b) Service Cost for the year	86.58	68.02
(c) Past Service cost	0.00	0.00
(d) Interest Cost for the year	25.49	20.87
(e) Actuarial Losses/ (Gain)	70.64	(47.28)
(f) Benefits Paid	(32.78)	(11.75)
(g) Opening Provision for Gratuity	0.00	0.00
Closing Defined Benefit obligation	443.14	293.21

(iv) **Reconciliation of Opening & Closing Balance of Fair Value of Plan Assets:** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Opening fair value of plan assets	317.76	228.55
(b) Adjustment to the opening fund	0.00	0.00
(c) Expected Return	31.75	23.07
(d) Actuarial Gains	(4.62)	(3.20)
(e) Contribution by the employer	99.60	80.37
(f) Benefits paid	(32.48)	(10.99)
(g) Expenses deducted from Fund	(5.21)	0.00
Closing fair value of the plan assets	406.80	317.80

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2015 are as under:** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Government of India Securities		
(b) High Quality Corporate Bonds		
(c) Equity Shares of Listed Companies		
(d) Property		
(e) Policy administered by L.I.C. of India	100%	100%

(vi) **Principal Actuarial assumptions at the Balance Sheet Date:** (₹ in Lakhs)

	2014-2015	2013-2014
(a) Discount Rate as at year end		
For SEL	7.80%	9.10%
For Subsidiaries	7.80%	9.10%
(b) Expected return on plan assets at year end	8.75%	8.75%
(c) Proportion of employees opting for early retirement		
- At Younger Ages	5.00%	5.00%
- At Older Ages	1.00%	1.00%
(d) Annual increase in salary cost	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

2.36 List of Related Parties

Associate Companies : Mumbai Nasik Expressway Ltd., Dhule Palesner Tollway Ltd.,

Joint Ventures : SEL-GKC JV, SEL-Annapurna JV, SEL-Vishnushiva JV, Sadbhav, Corsan Corviam Const S.A.-SEL & SEL-Vaishnovi JV

Key Management Personnel (KMP) : Shri Vishnubhai M. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel, Shri Vijay Kalyani

Relatives of KMP : Smt. Shantaben V. Patel, V. M. Patel (HUF), Alpa Dharmin Patel, Bhavna V. Patel, Rekhaben V Patel, Truptiben V. Patel, Rajeshriben Patel, Girishbhai N. Patel

Enterprises owned or significantly influenced by KMP or their relatives : Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Sadbhav Public Charitable Trust, Bhavna Engineering Co., Saakar Infra Nirman Pvt. Ltd.

Enterprises having significant influence over SIPL, a subsidiary company, under a contract : Norwest Venture Partners VII-A-Mauritius (Norwest) (Upto October 22, 2014), Xander Investment Holding XVII Limited (Xander) (Upto October 22, 2014)

Note:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

Details of Related Party Transactions:

(₹ in Lakhs)

Transactions	Associates	Key Managerial Persons	Relatives of KMP & Enterprises over which KMP/Relatives of KMP/having significant influence/ Enterprise having significant influence under contract	Joint Venture	Total
Sub contracting Income	- (0.00)	- (0.00)	- (0.00)	39952.43 (18621.00)	39952.43 (18621.00)
Interest Income	1377.70 (1304.47)	- (0.00)	- (0.00)	- (0.00)	1377.70 (1304.47)
Sale of Service	12.00 (12.00)	- (0.00)	- (0.00)	- (0.00)	12.00 (12.00)
Sub contracting Expenditure	- (0.00)	- (0.00)	9190.97 (14644.05)	- (0.00)	9190.97 (14644.05)
Other Expenses	- (0.00)	- (0.00)	- (0.00)	1344.30 (0.00)	1344.30 (0.00)
Sale of Assets	- (0.00)	2.00 (0.00)	424.84 (0.00)	- (0.00)	426.84 (0.00)
Remuneration Paid	- (0.00)	389.01 (333.56)	- (0.00)	- (0.00)	389.01 (333.56)
Interest Paid	- (0.00)	121.22 (34.73)	5.70 (5.22)	- (0.00)	126.92 (39.95)
Rent & Service charges	- (0.00)	- (0.00)	- (1.69)	- (0.00)	0.00 (1.69)
Loan Received during the year	- (0.00)	3534.55 (2067.73)	- (0.00)	- (0.00)	3534.55 (2067.73)
Loan given during the year	1371.60 (141.27)	- (0.00)	- (0.00)	- (0.00)	1371.60 (141.27)
Security Deposit - Retention Deducted during the year - Receivable	- (0.00)	- (0.00)	- (0.00)	2909.61 (2377.16)	2909.61 (2377.16)
Security Deposit - Retention Deducted from Sub Conct - Payable	- (0.00)	- (0.00)	449.10 (528.11)	- (0.00)	449.10 (528.11)
Deposit repaid during the year	- (0.00)	- (0.00)	- (0.00)	- (0.00)	- (0.00)
Loan Repaid during the year	137.70 (0.00)	- (0.00)	- (0.00)	- (0.00)	137.70 (0.00)
Dividend Paid during the year	- (0.00)	201.18 (177.49)	302.50 (265.52)	- (0.00)	503.68 (443.01)
Donation given during the year	- (0.00)	- (0.00)	0.35 (8.10)	- (0.00)	0.35 (8.10)
Mobilization Given during the year	- (0.00)	- (0.00)	245.64 (340.99)	0.00 (0.00)	245.64 (340.99)
Mobilization Advance Received during the year	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	4312.21 (2336.55)	4312.21 (2336.55)
Investment	- (0.00)	- (0.00)	- (0.00)	- (0.00)	0.00 (0.00)
Advance Received during the Year for issue of Convertible Warrants	- (0.00)	- (2315.00)	- (0.00)	- (0.00)	0.00 (2315.00)
Issue of Shares on conversion warrants/CCPS	0.00 (0.00)	9260.00 (0.00)	10000.00 (0.00)	0.00 (0.00)	19260.00 (0.00)
Issue of Shares/Bonus Shares	0.00 (0.00)	334.00 (0.00)	7068.40 (0.00)	0.00 (0.00)	7402.40 (0.00)
Purchase/Subsription of Shares	232.38 (0.00)	- (0.00)	- (0.00)	- (0.00)	232.38 (0.00)
Sub-ordinate Given	11240.00 (1396.00)	- (0.00)	- (0.00)	- (0.00)	11240.00 (1396.00)
Trade Receivable Reversed	- (0.00)	- (0.00)	- (37.65)	- (0.00)	0.00 (37.65)
Balance Receivable at the year end	- (1068.14)	- (0.00)	- (34.67)	6164.66 (2452.55)	6164.66 (3555.36)
Balance Payable at the year end	751.75 (0.00)	- (0.00)	694.69 (295.17)	- (0.00)	1446.44 (295.17)
Closing Balance:	-	748.37	62.12	-	810.49
Loan Received during year	(0.00)	(147.47)	(56.99)	(0.00)	(204.46)

Closing Balance:	-	-	-	-	0.00
Loan Given during year	(0.00)	(0.00)	(1371.55)	(0.00)	(1371.55)
Closing Balance: Mobilization Advance Received	-	-	-	4183.72	4183.72
	(0.00)	(0.00)	(0.00)	(3396.51)	(3396.51)
Closing Balance: Mobilization Advance Given	-	-	28.05	-	28.05
	(0.00)	(0.00)	(174.10)	(0.00)	(174.10)
Closing Balance: Security Deposit - Receivable	499.02	-	-	5196.47	5695.49
	(908.20)	(0.00)	(0.00)	(3289.69)	(4197.89)
Closing Balance: Security Deposit - Payable	-	-	394.80	-	394.80
	(0.00)	(0.00)	(1139.41)	(0.00)	(1139.41)
Sub Ordinate Loan Receivable Outstanding at the year end	-	-	-	-	0.00
	(0.00)	(0.00)	(11240.00)	(0.00)	(11240.00)
Closing Balance: Advance Received during the Year for issue of Convertible Warrants	-	-	-	-	0.00
	(0.00)	(2315.00)	(0.00)	(0.00)	(2315.00)
Closing Balance: Share application pending allotment	-	-	1184.00	-	1184.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Remuneration Payable at year end	-	2.50	-	-	2.50
	(0.00)	(3.85)	(0.00)	(0.00)	(3.85)
Interest Receivable at Year end	4530.30	-	-	-	4530.30
	(3290.47)	(0.00)	(0.00)	(0.00)	(3290.47)

(figures in bracket show previous year amount)

2.37 Segment Information:

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.
- The Company's operations predominantly relate to EPC Contracts, Toll Collection and energy generation through Wind Power Project.
- The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- For the purpose of reporting, business segment is primary segment and geographical segment is a secondary segment.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segment as also amounts allocable on a reasonable basis.
- The expenses and income, which are not directly allocated between the segments are shown as unallocated corporate expense or income as the case may be.
- As per requirement of Accounting Standard-17 "Segment Reporting", Management has identified two segments as reportable segments i.e. EPC Contracts and BOT (Toll & Annuity).
- Assets that cannot be allocated between the segments are shown as a part of unallocated corporate assets.
- Details of Business Segment information is presented below:

Statement Showing details of Segment Reporting

(₹ in Lakhs)

	Construction & Engineering		BOT (Toll & Annuity)		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue								
External Revenue	296434.22	237652.22	47725.20	32266.50	518.70	3333.54	344678.12	273252.26
Inter-Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	296434.22	237652.22	47725.20	32266.50	518.70	3333.54	344678.12	273252.26
Segment Expense	265134.35	212780.53	17908.94	13808.74	123.46	16.97	283166.75	226606.24
Segment Result								
Operating Profit	31299.87	24871.69	29816.26	18457.76	395.24	3316.57	61511.37	46646.02
Less: Interest & other finance expense	0.00	0.00	0.00	0.00	0.00	0.00	61501.25	44873.34
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	2630.56	2443.44
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	1789.14	543.74
Unallocated Corporate Expense	0.00	0.00	0.00	0.00	0.00	0.00	3071.64	2689.00
Unallocated Corporate Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit before Depreciation and Tax	31299.87	24871.69	29816.26	18457.76	395.24	3316.57	1358.18	2070.86
Depreciation and Amortisation	7545.91	4353.66	14177.70	8308.30	220.15	267.98	21943.76	12929.94
Unallocated Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	404.65	118.33

Profit Before Tax and Exceptional Items	23753.96	20518.03	15638.56	10149.46	175.09	3048.59	(20990.23)	(10977.41)
Exceptional Items (Performance Bonus)	0.00	(3602.82)	1165.40	15775.50	0.00	0.00	1165.40	12172.68
Profit Before Tax	23753.96	16915.21	16803.96	25924.96	175.09	3048.59	(19824.83)	1195.27
Current Tax	0.00	0.00	0.00	0.00	0.00	0.00	3986.80	2722.20
MAT Credit Entitlement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2661.50)
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	(524.50)	396.84
Short/(Excess) provision of Taxation of Earlier Years	0.00	0.00	0.00	0.00	0.00	0.00	(34.72)	(1869.71)
Profit after Tax	23753.96	16915.21	16803.96	25924.96	175.09	3048.59	(23252.41)	2607.44
Add: Share of Loss Transferred to Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	8715.61	1814.76
Add: Share of (Loss) of Minority interest of earlier years	0.00	0.00	0.00	0.00	0.00	0.00	(2796.30)	0.00
Less: Share of Loss of Associates	0.00	0.00	0.00	0.00	0.00	0.00	(231.18)	15.30
Add: Share of Profit/(Loss) of Joint Venture	0.00	0.00	0.00	0.00	0.00	0.00	15.63	0.00
Net Profit for the Year	23753.96	16915.21	16803.96	25924.96	175.09	3048.59	(17548.65)	4437.50
ASSETS								
Segment Assets	316700.46	277746.82	1000444.34	634764.43	4453.85	4546.86	1321598.65	917058.11
Unallocated Segment Assets	0.00	0.00	0.00	0.00	0.00	0.00	6875.97	2473.42
Segment Liabilities	199053.04	194485.35	961342.64	575709.33	4245.95	4546.86	1164641.63	774741.54
Capital Expenditure	0.00	0.00	105106.90	129540.30	0.00	0.00	105106.90	129540.30
Depreciation and Amortisation	7545.91	4353.66	14177.70	8308.30	220.15	267.98	21943.76	12929.94
Unallocated Depreciation	0.00	0.00	0.00	0.00	405	118	404.65	118.33
Non Cash Expenses other than depreciation and amortisation	4.00	402.46	0.00	5511.24	0.00	0.00	4.00	5,913.70

Footnotes:

- Segment Assets Exclude the following:-
 - Advance payment of Income Tax of ₹ 26837.21 Lakhs (₹ 20011.36 Lakhs) and Advance payment for FBT ₹ Nil (₹ Nil)
- Segment Liability Exclude the following:-
 - Provision of Income Tax of ₹ 15565.99 Lakhs (₹ 11351.58 Lakhs) and Provision for FBT of ₹ Nil (₹ Nil)
 - Deferred Tax Liabilities of ₹ 2440.83 Lakhs (₹ 3564.59 Lakhs)

2.38 Intra-group Turnover and Profits on BOT Construction Contracts:

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" or User Fee Income in the case of MBCPNL (Maharashtra Border Check Post Ltd.) against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to subsidiary and step-down subsidiaries (operator), where work is sub-contracted to parent company, the intra-group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard - 21.

The revenue and profit in respect of these transactions during the year is ₹ 142385.00 Lakhs (Previous Year ₹ 64919.94 Lakhs) and ₹ 20229.41 Lakhs (Previous Year ₹ 12018.12 Lakhs) respectively.

- 2.39** In terms of disclosure required to be made under the accounting standard (AS) 7 (revised 2002 for 'Construction Contracts'), the amounts considered in the financial statements upto the reporting date are as follows:

Particulars		As at March 31, 2015	As at March 31, 2014
1	Amount of Contract Revenue Recognised as revenue during the period	299008.48	237032.82
2	Disclosure in respect of Contract in Progress at the reporting date		
	(a) Contract cost incurred and recognised profit less recognised losses upto the reporting date	822384.73	635970.87
	(b) Profits (less recognized losses) upto reporting	6291.20	5174.35
	(c) Advances Received	33982.89	43130.35
	(d) Retention Amount	15557.61	12489.71
3	Amount due from Customers for Contract in Progress	89366.12	69333.94
4	Amount due to Customers for Contract in Progress	0.00	0.00

2.40 Exceptional Items:

Exceptional items consist of the following:

Particulars		As at March 31, 2015	As at March 31, 2014
1	Additional Concession Fees Payable to National Highways Authority of India (NHAI) in case of RPTPL and HYTPL (Refer Note No. 1.3(b)(ii))	(1533.20)	0.00
2	Amount payable to AUDA for toll collected by the Company during the construction period without approval from AUDA (Refer note (i) below)	367.80	0.00
3	Change in method of amortisation of Toll Collection Rights from Straight Line Basis to amortisation based on proportion of actual revenue.	0.00	(15775.00)
4	Bad debts & written off of Interest & Advances	0.00	3602.32
TOTAL		(1165.40)	(12172.68)

ARRIL has requested AUDA to adjust the amount of ₹ 367.80 Lakh payable in respect of toll collected during the construction period without the approval from AUDA against the Grant of ₹ 642.40 Lakh receivable as per the Concession agreement dated September 7, 2006 between ARRIL and AUDA.

2.41 Movement in Periodic Major Maintenance Provision:

Particulars	2014-2015	2013-2014
Carrying amount as at Beginning of the Year	4097.66	-
Add: Additional provision made in the year	7680.70	4097.66
Less: Amounts used (i.e. incurred and charged against the provision) during the year	1849.20	-
Unused amounts reversed during the year	-	-
Carrying amount as at End of the Year	9929.16	4097.66

2.42 Borrowing Cost:

During the year, company has capitalized borrowing cost ₹ 58.92 Lakh (₹ 292.22 Lakh) according to AS-16 Borrowing Cost.

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

2.44 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, MBCPNL has physical possession of 20 Border Check Post (BCP) sites as at 31st March, 2015 out of total 22 BCP sites as per Concession agreement. MBCPNL 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, 2014, MBCPNL has achieved provisional certificate of completion for 13 check posts. The collection of service fees have been started in 9 BCP as per directive of MSRDC. As at 31st March, 2015, the project implementation is in progress and there are costs variance in development of each BCP site. MBCPNL has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC. MBCPNL has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement and 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.

2.45 Up to the reporting date, MBCPNL has accounted cost escalation claim of EPC contractor (including in respect of BCP site already operational) of ₹ 16,374.40 Lakh (up to Previous year: ₹ 13,649.50 Lakh) as certified by lender's engineer. The cost escalation as estimated is in line with cost inflation index principals (cost escalation formula) approved by Independent Consultant appointed by MSRDC. The revision of EPC agreement with the contractors in terms of cost escalation claim accounted in the books is in progress at the year end as well as the said company needs to take formal approval of cost escalation from MSRDC in terms of concession agreement. MBCPNL do not expect any adjustment in future against the cost escalation accounted in the books, pending formal approval from MSRDC.

2.46 Till June 30, 2014, MBCPNL has not recorded the service tax liability on User Fee income collected at various check posts in terms of amendments as per Finance Act, 2012 as the MBCPNL has made the representations in the matter to various Excise and Customs authorities to seek clarifications/applicability of the amendment so as to conclude its liability to pay service tax. MBCPNL also didn't account CENVAT credit on input services and materials utilized towards construction of the check posts infrastructure in terms of the Concession agreement and input services availed during operations of the check posts.

The management has now decided to recognize service tax liability of ₹ 1367.30 Lakh (on the User fee Income earned since April 2013). Current year's service tax charge is adjusted against User Fee Income and earlier years charge is accounted as Rate and Taxes in statement of profit and loss. MBCPNL also recorded CENVAT credit of ₹ 2348.50 Lakh (including ₹ 746.00 Lakh on works contract towards services for construction of building and civil infrastructure) on project input services/materials, as applicable.

CENVAT credit of ₹ 195.1 Lakh on services availed during operations of the check posts since April 2013 was also accounted in books of account.

The CENVAT credit on project input material/services is recorded by adjusting the cost of the intangible assets (including under constructions) and CENVAT credit on operational services is adjusted to the cost of the services. MBCPNL has accounted the credit based on legal opinion obtained by it.

Of the above, the CENVAT credit of ₹ 746 lakh on works contract for construction of building and civil infrastructure have been accounted as Deferred CENVAT credit account, pending assessment by the statutory authority. The service tax liability of ₹ 1367.30 Lakh on the user fee income have been discharged by adjusting the same against balance in CENVAT Credit Account. MBCPNL is in process of filing the service tax return with statutory authorities to give effect of above.

MBCPNL also propose to represents to the Government of Maharashtra (Licensor) as per the rights given in the Concession agreement for possible amendment in the Concession agreement, due to the change in service tax law under Finance Act 2012, whereby there is no financial loss to MBCPNL.

- 2.47** In the case of the following subsidiaries there are accumulated losses as at the balance sheet date, which have resulted in erosion of the respective company's net worth, although the Sponsors of the Projects, have invested sub-ordinate debts which is part of the Project equity capital as per terms of Rupee Facility Agreements of the respective entities. The repayment of such sub-ordinate debt is subject to certain stipulations under the loan agreement. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (SIPL). In case of MBCPNL, the management represented that the subsidiary is in start-up phase of the project and its operation/revenue is gradually increasing on commencing operation at additional border check post. Accordingly, these consolidated financial statements have been prepared assuming that these Subsidiaries will continue as a going concern. (₹ in Lakhs)

Name of the Step down Subsidiary	Accumulated Losses as at	
	March 31, 2015	March 31, 2014
Aurangabad-Jalna Tollway Limited	6,271.20	3,810.40
Hyderabad-Yadgiri Tollway Limited	6,442.00	4,696.90
Rohtak-Panipat Tollway Private Limited	11,707.40	2,720.90
Maharashtra Border Check Post Network Limited	11,449.20	5,465.00

- 2.48** During the year 2014-15, the group has recognised adjustment relating to share of losses of minority interest aggregating to ₹ 2796.30 Lakh pertaining to earlier years. As per the arrangement, such losses is required to be borne by the Company.

- 2.49** Details of holding in the Associates Entities are as under:-

Name of the Associates Entity	% of Holding
Mumbai-Nasik Expressway Ltd (MNEL) (Refer Note No 2.52)	(20%)
Dhule-Palesner Tollway Ltd. (DPTL) (Refer Note (i) below)	(28%)

(i) Sadbhav Infrastructure Project Limited, a company promoted by Sadbhav Engineering Limited has signed definitive Sale Purchase Agreement dated 16/04/2015 for acquisition of 60% equity stake from HCC Group & JLL Group in Dhule Palesnar Tollway Limited subject to fulfilment of certain conditions, statutory approvals and lenders approval. Post completion of acquisition from HCC Group, JLL group and transfer of holding by SEL to SIPL, SIPL will become 100% owner of Dhule Palasner Tollway Limited.

- 2.50** Prior Period Adjustments (Net)

The Details of Prior Period Adjustments are as under:-

(₹ in Lakhs)

PRIOR PERIOD EXPENSES	2014-2015	2013-2014
Prior Period Expenses		
Construction Expenses	270.11	0.00
Contribution to PF	0.00	(4.85)
Group Gratuity Contribution	0.00	0.00
Insurance	0.00	34.89
Labour welfare cess	215.63	0.00
Material Consumed	9.48	7.70
Professional fee	11.77	0.00
Tender Fees	(67.01)	0.00
Prior Period Income		
Interest Income	0.00	46.09
Total	439.98	(8.35)

2.51

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount in Lakhs	As % of Consolidated profit or loss	Amount in Lakhs
Parents				
Sadbhav Engineering Limited	17.95	30996.03	(26.00)	4562.33
Subsidiaries & step-down subsidiaries in India				
(i) Sadbhav Infrastructure Projects Limited & its subsidiaries	70.86	122346.60	158.10	(27744.04)
(ii) Mysore-Bellary Highway Private Limited	0.22	379.45	0.40	(70.70)
Minority Interest in all Subsidiaries	10.97	18941.29	(33.73)	5919.31
Associates in India				
Dhule-Palesner Tollway Limited			1.32	(231.18)
Joint Ventures in India				
Corsan Corviam Construcccion S.A.-Sadbhav Engineering Limited			(0.09)	15.63
Sadbhav-Annapurna JV *			0.00	0.00
Sadbhav-Vishnushiva JV *			0.00	0.00
SEL-GKC JV *			0.00	0.00
	100.00	172663.37	100.00	(17548.65)

* Accounted as per Jointly Control Operation method. Assets, Liabilities, Income & Expenses are recognised in the respective Joint Venture partners' books of accounts.

Following are the List of Associates & Joint Ventures which are not consolidated in the consolidated financial statements.

Associates in India	Reason for not Consolidating
Mumbai-Nasik Expressway Limited	Refer Note no 2.52

2.52 The SEL has agreed to sell 20% Equity shares of Mumbai Nasik Express Way Limited (MNEL) to SIPL as per share purchase agreement dated September 22, 2010. Further a binding term sheet dated January 22, 2015 executed between SEL, SIPL and Gammon Infrastructure Projects Limited, pursuant to which SEL has agreed to transfer 20% of MNEL shares to SIPL, which the SIPL has agreed to sell to Gammon Infrastructure Projects Limited for an aggregate consideration of ₹ 7200.00 Lakh. The company has not received the Audited financial statement of MNEL for the year ended 31st December, 2014 till the preparation for Consolidated financial statements, Hence the Share of SEL in the Profit/Loss of MNEL has not been considered. However the share of loss of SEL as per financial statements for the nine month ended 31st September, 2014 is ₹ 25.42 lakh.

2.53 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof is ₹ 326.57 Lakh disclosed as 'Other Expenses' under Note 2.31.

2.54 All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director
DIN: 00048287

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330

S. D. PATEL
Partner
Membership No. 37671
Place : Ahmedabad
Date : 30-05-2015

Vasistha C. Patel
Executive Director
DIN: 00048324

Vijay Kalyani
Company Secretary

FORM AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures Part "B": Associates and Joint Ventures

Name of Associates / Joint Ventures	Dhule Palasner Tollway Ltd.	Mumbai-Nasik Expressway Ltd.	SEL-Annapura (JV)	SEL-Vishnushiva (JV)	SEL-Vaishnovi (JV)	CCCSA-SEL (JV)	SEL-GKC (JV)
Latest audited Balance Sheet Date	31-Mar-15	Please refer notes no 2.52 to the consolidated financial statement	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15
Shares of Associates/Joint Ventures held by the company on the year end							
Number	19322000	10400000	NIL	NIL	NIL	NIL	NIL
Amount of Investment in Associates/Joint Ventures (₹ in Lakhs)	1932.20	1040.00	NIL	NIL	NIL	NIL	NIL
Extend of Holding %	28*	20	NIL	NIL	NIL	NIL	NIL
Description of how there is significant influence	There is significant influence due to percentage (%) of share Capital	There is significant influence due to percentage (%) of share Capital	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
Reason why the associate/joint venture is not consolidated	Consolidated	Not Consolidated (Please refer notes no 2.52 to the consolidated financial statement)	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet	(1932.20)	1003.50	NIL	NIL	NIL	NIL	NIL
Profit / (Loss) for the year (₹ in Lakhs)	(231.18)		NIL	NIL	NIL	15.63	NIL
i. Considered in Consolidated (₹ in Lakhs)			NIL	NIL	NIL		NIL
ii. Not Considered in Consolidated (₹ in Lakhs)			NIL	NIL	NIL		NIL

* 26% SEL and 2% SIPL

Notes:-

- Names of associates or joint ventures which are yet to commence operations:- NIL
- Names of associates or joint ventures which have been liquidated or sold during the year:- NIL

For and on behalf of Board

V. M. Patel **Nitin R. Patel**
Managing Director Executive Director & Chief Financial Officer
DIN: 00048287 DIN: 00466330

Vasistha C. Patel **Vijay Kalyani**
Executive Director Company Secretary
Place : Ahmedabad
Date : 30-05-2015 DIN: 00048324



SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : info@sadbhav.co.in • Web : www.sadbhaveng.com

A T T E N D A N C E S L I P

DP ID	
Client ID	

Folio No.	
No. of Shares	

Name and address of Shareholder / Proxy holder

I hereby record my presence at the **26th Annual General Meeting of the Company** held on Tuesday, September 29, 2015 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 at 11.00 A.M.

Shareholder / Proxy's Signature

(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)



SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : info@sadbhav.co.in • Web : www.sadbhaveng.com

P R O X Y F O R M

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules.2014]

Name of the Member (s):			
Registered Address:			
E-mail ID:			
Folio No./ Client ID:		DP ID:	

I/We, being the member(s) of _____ shares of the **Sadbhav Engineering Ltd.**, hereby appoint;

- 1) _____ of _____ having e-mail id _____ or failing him / her
- 2) _____ of _____ having e-mail id _____ or failing him / her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **26th Annual General Meeting of the Company**, to be held on the Tuesday, September 29, 2015 at 11.00 A.M. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

1. Consider and adopt:
 - (a) Audited Financial Statement, Report of the Board of Directors and Auditors

P. T. O.



(b) Audited Consolidated Financial Statement

2. Declaration of Dividend on Equity Shares.
3. Re-Appointment of Mr. Shashin V. Patel who retires by rotation.
4. Re-Appointment of Mr. Nitin R. Patel who retires by rotation.
5. Rectification of appointment of Statutory Auditors and fixing their remuneration.
6. Appointment of Mrs. Purvi S. Parikh as an Independent Director.
7. Rectification of remuneration of Cost Auditor.
8. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.
9. Authorize Board of Directors to make investment on behalf of the Company.
10. Approve Related Party Transactions.

Signed this _____ day of _____ 2015

Please
affix Re 1/-
Revenue
Stamp

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 jointholders, the signature of any one holder will be sufficient, but names of all The joint holders should be stated.



Disclaimer

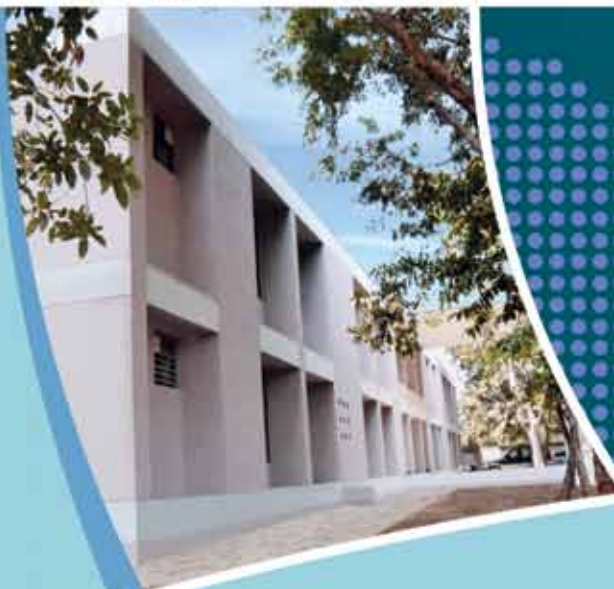
This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based 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 cannot 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.



As a part of our CSR activity, we have recently established a state-of-art School, for the less privileged, in Chakkarpur, Gurgaon (HR.)



SADBHAV ENGINEERING LIMITED

“Sadbhav House”,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006, India.
Phones : +91-79-2646 3384, 2640 5687
Fax : +91-79-2640 0210
E-mail : info@sadbhav.co.in
Website : www.sadbhaveng.com

