

Ref: SEL/BSE/2018-19/41

September 29, 2018

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

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

Equity Scrip Code:532710

Equity Scrip Name: SADBHAV

Sub: Submission of 29th Annual Report for the year 2017-18 of Sadbhav Engineering Limited

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 29th Annual Report for the year 2017-18 of Sadbhav Engineering Limited.

You are requested to take the above on your record.

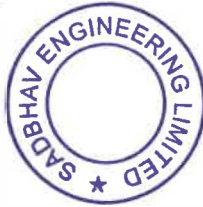
Thanking you.

Yours truly,

For Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216



Encl: As Above

Setting Benchmarks,
Creating Landmarks



29th

ANNUAL REPORT

2017-18

Sadbhav Engineering Limited

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**TRANSPORT
MINING
IRRIGATION**

At Sadbhav, we create our own path by trekking rough terrains, moving mountains, leaving no stones unturned, creating new landmarks and setting new benchmarks. Sadbhav is committed to dedicate more and more milestone projects to the nation in coming years and contributing to nation's progress.

“
Tomorrow’s success
can be guaranteed
with today’s hard work,
determination and
passion.”



Shri Vishnubhai M. Patel
Chairman Emeritus

We are building a strong foundation for the bright future, when we build roads, bridges or canals.

We are unearthing the ingredients to invigorate our economic growth, when we mine minerals.

We are creating and distributing more value to our stakeholders, when we accrue more profits.

Because we believe that, today is tomorrow. A tomorrow that is green, grand and glorious.



Consolidating for the Future

Sadbhav has become an epitome of excellence by “Setting Benchmarks and Creating Landmarks”. Entrenched upon the robust edifice of its cardinal values, stability, integrity and quality, Sadbhav has become one of the stalwarts in EPC Sector in last three decades. During 2006-18, Sadbhav has posted a CAGR of ~23%, ~26% & ~21% in net revenue, net profits and order book respectively. As on March 31, 2018 the market cap stands at ~ ₹ 6,681.82 crores. Sadbhav’s long-term facilities & NCDs are rated A+ by CARE and short-term facilities / CP are rated A1+ by CARE.

With an order book of ₹ 13,249.34 crores as on March 31, 2018, Sadbhav has been entrusted upon as consultants and contractors for the large scale prestigious projects by NHAI, AUDA, KSHIP, Ministry of Road Transport & Highways - Govt. of India, GSRDC, MSRDC, MPRDC, RIDCOR, Delhi Metro, WRD - Andhra Pradesh, NVDA, Sardar Sarovar Narmada Nigam, GHCL, L&T, GIPCL, MCL, NCL, BCCL, WCL, UCIL, SCCL, SWML and others.

As Indian economy has become the fastest growing and 6th largest economy in the world, the thrust on infrastructure projects by the government has created new growth opportunities and positive outlook for the EPC Sector. Sadbhav Group is poised to grab these opportunities and take a quantum leap by fortifying on its core competencies by setting new benchmarks and attaining new landmarks across the nation.

For Sadbhav, the quest for excellence drives through the sustainable path with structured approach, adoption of state-of-the-art technologies and benchmarking with the best global practices of quality, safety and environment care as key drivers.



“
Our business is not just about building robust infrastructure. It is about creating transit systems for various vital resources that nourishes our nation’s economy.”



Projects Completed Till Date

TRANSPORT
Roads & Highways Over
9,064 Lane kms



MINING
Over 526 mn
Cubic mt



IRRIGATION
Canal Work Over
669.29 kms



Building Roads to Progress

Roads are like capillaries that provide required flow of goods and resources to nourish the economy. More developed the roads and transport infrastructure the country has, more growth its economy can attain. Indian government has been progressive and determined to develop the roads and infrastructure to make the country, a developed nation. Ministry of Road Transport & Highways, Govt. of India has proposed a target to award construction of 20,000 kms of roads and completing the construction of 16,418 kms during 2018-19. Contributing to the nation's progress, Sadbhav has built 8,400 Lane kms of Roads as on March 31, 2018. The Company is already executing major ongoing EPC projects like four lane bypass of NH-24 Lucknow Ring Road Package-II, Six Laning of Ahmedabad Rajkot section NH-8A Highway (Package-2 and 4) and early completion of EPE, YP, ARRIL, BHTPL and DPTL. Apart from these, SEL has executed series of prestigious projects like Chhindwada road stretching 422 kilometers which is one of the largest and the longest projects of NHAI. These corridors spread across India are being developed with strategic focus on sustainable infrastructure development, inclusive growth and the protection of environment. SEL emphasises on bio-diversity management and abundant plantations in the vicinity of its constructions.

Mining for Nation's Prosperity

India continued to be largely self-sufficient in minerals which constitute primary mineral raw materials to industries, such as thermal power generation, iron & steel, ferro-alloys, aluminium, cement, various types of refractories, etc. The mining and quarrying sector contribution (at current price) to Gross Value Added (GVA) accounted for about 2.3 % for the first quarter of the year 2017-18 as reported by Ministry of Mines and was 2.9% AE as per the Economic Survey of India, 2017-18. The mining industry

has the potential to create 6 million additional total jobs by 2025, accounting for 12 per cent of the new non-farm job gap. At the same time, the mining industry could contribute an additional USD 125 billion to India's output and USD 47 billion to India's GDP by 2025. SEL has mined over 521 mn cubic mt and has a balance work order of ₹ 2,020.3 crores as on March 31, 2018 which translates to 7.87x of FY18 Mining revenue. SEL has many projects like excavation project site at Kapurdi, Barmer with Jindal Steel Works, removal of over burden at Basantimata – Dahibari colliery of C.V. area & Patch J of Dhansar Colliery of Kusunda Area of Bharat Coking Coal, Dhanbad, in Jharkhand along with overburden and extraction of Uranium Ore in Banduhurang mine, Jharkhand and removal of overburden in Amlohri OCP of NCL, Madhya Pradesh. During 2017-18, we have bagged 3 mining projects for removal of OB and coal at Kolgaon OCP, Bhanegaon OCP, Kolarpimpri Extension OCP all from Western Coalfields Limited in Maharashtra. Sadbhav aims at unearthing the value from beneath the earth that puts forth the nation into the next orbit of development.

Creating Greenscapes to Prosper the Nation

Irrigation is the lifeline for Indian agriculture sector as rural economy is majorly dependent on agriculture and has made India self-dependent for its growing need of agricultural produce. Still major part of the country depends on rain water or ground water and government & Niti Aayog have laid guidelines to prioritise the completion of the projects assigned under Pradhan Mantri Krishi Sinchayee Yojana. The scheme allocated ₹ 7,400 crores allocation for FY18. PMKSY targeted a total of 31 projects under Accelerated Irrigation Benefit Programme (AIBP) along with CAD&WM are proposed for implementation in 2017-18 and another 45 projects for completion by December 2019. Total requirement of funds for completion of identified 99 projects is estimated at ₹ 77,595 crores (₹ 48,546 crores for

project works and ₹ 29,049 for CAD&WM works) with Central Assistance (CA) of ₹ 31,342 crores. An area of 76.03 lakhs Ha is expected to get irrigation coverage after the completion of these projects. Sadbhav has completed 669.29 kms main canal & branch canals, 1,852.89 kms distributory network and 1,15,770 Hectare culturable command area as on March 31, 2018. The Company has already completed work for execution of Omkareshwar right bank lift canal including its distribution network upto 40 Ha., construction of intake barrel, tunnel, open channel and barrage of Bhanpura canal project in Madhya Pradesh, construction of Kachchh Branch canal, construction of Radhanpur sub branch canal and Manpura sub branch canal and constructing remaining works of earth work, lining, structures and service road for Morbi Branch canal in Gujarat. The work is in progress for Omkareshwar project canal system, Omkareshwar right bank lift canal including its distribution network, Halon irrigation project, Bahuti canal in Madhya Pradesh, Baitarani left bank canal in Odisha, Gouravelly right side canal and left side canal, canal network system in Karimnagar district, Package 2 and 3 of HNSS Phase - II in Anantapur District, Madakasira Branch canal and formation of Golapally Reservoir in Andhra Pradesh. With its expertise in large scale turnkey executions of projects, Sadbhav is expecting to complete and dedicate projects to the nation on or before project deadlines.

“More developed the infrastructure of a nation, better is the quality of life and the economic status of the people of the nation.”



Corporate Information



Shri Vishnubhai M. Patel
Chairman Emeritus

BOARD OF DIRECTORS



Shri Shashin V. Patel
Chairman & Managing Director



Shri Vasistha C. Patel
Executive Director



Shri Vikram R. Patel
Executive Director



Shri Nitin R. Patel
Executive Director & CFO



Shri Vipul H. Patel
Executive Director



Shri Sandip V. Patel
Independent Director



Shri Atul N. Ruparel
Independent Director



Shri Arun S. Patel
Independent Director



Shri Mirat N. Bhadlawala
Independent Director



Smt. Purvi S. Parikh
Independent Director

BOARD COMMITTEES

Audit Committee

Shri Sandip V. Patel
Chairman

Shri Nitin R. Patel
Member

Shri Atul N. Ruparel
Member

Shri Arun S. Patel
Member

Nomination and Remuneration Committee

Shri Atul N. Ruparel
Chairman

Shri Sandip V. Patel
Member

Shri Arun S. Patel
Member

Stakeholders Relationship Committee

Shri Mirat N. Bhadlawala
Chairman

Shri Sandip V. Patel
Member

Shri Nitin R. Patel
Member

Shri Vasistha C. Patel
Member

Corporate Social Responsibility Committee

Shri Shashin V. Patel
Chairman

Shri Vasistha C. Patel
Member

Shri Mirat N. Bhadlawala
Member

Finance and Investment Committee

Shri Shashin V. Patel
Chairman

Shri Vikram R. Patel
Member

Shri Nitin R. Patel
Member

Shri Vasistha C. Patel
Member

Shri Atul N. Ruparel
Member

BANKERS

Oriental Bank of Commerce
The Karur Vysya Bank Limited

ICICI Bank Limited

IDBI Bank Ltd.

Yes Bank Ltd.

Standard Chartered Bank

Punjab National Bank

State Bank of India

Axis Bank

Bank of India

Union Bank of India

COMPANY SECRETARY

Shri Tushar D. Shah

STATUTORY AUDITORS

M/s. Dhirubhai Shah & Co. LLP

WORKSHOP

Village Ognaj, Tal. Daskroi,
Dist. Ahmedabad.

REGISTERED OFFICE

“Sadbhav House”,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006.
Website: www.sadbhaveng.com

CORPORATE OFFICE

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

MUMBAI OFFICE

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

Corporate Identity Number (CIN):
L45400GJ1988PLC011322

REGISTRAR & TRANSFER AGENTS

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



Message From Chairman



Dear Stakeholders,

Sadbhav Engineering Limited is an excellence endeavour where we strive to attain new zeniths and materialise the aspirations and dreams of our stakeholders by creating a better tomorrow. At Sadbhav, “Today is Tomorrow” and all our thoughts, actions and manifestations are the direct upshot of our pursuit of excellence to attain this common vision. We strongly believe that, to achieve the 4th E - Excellence, we must have an optimum mix of 3Es - Experience, Expertise and Exemplary performance. During this endeavour, we stride ahead on our positively accelerated learning curve and we are quick to adapt at the opportunities and the changes in macro-economic environment. Sadbhav is a learning organisation that continuously benchmarks its processes, technologies and people skills with the best in the industry.

With prestigious Engineering, Procurement and Construction (EPC) projects on fast track in Transport, Mining & Irrigation sectors across 15 states of the country, Sadbhav today has become a stalwart in the industry within a short span of 30 years. With a well-diversified order book of ₹ 13,249.34 crores as on March 31, 2018 with order book to sales ratio of 3.7 x FY18 revenue providing good revenue visibility.

Your Company has been appreciated by many clients for before-time or on-time execution of its projects. Eastern Peripheral Expressway project which is India’s first smart expressway project of National Highway Authority of India (NHAI) was inaugurated by Hon. Prime Minister, Shri Narendra Modi on May 27, 2018 and Sadbhav was felicitated by Hon. Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga

“ An organisation’s ability to learn and translate that learning into action rapidly, is the ultimate competitive advantage.”

- Jack Welch

Rejuvenation, Government of India, Mr. Nitin Gadkari for exemplary execution of Eastern Peripheral Expressway project during a felicitation ceremony held by NHAI. With our aggressive approach to achieve project milestones and surpass expectations, we are contributing to fulfill the dream of government to place the country on path to progress. "Bharatmala Project" of Government of India is one such ambitious project in which private sector plays a key role to build, own and operate the large infrastructure projects. Your Company being the industry leader is an important catalyst of change that endeavours to bring in the inclusive growth for the society in environment-friendly manner by executing many such projects.

The coming years are going to be the golden years for our country's infrastructure. During 2017-18, NHAI has awarded 7,400 kms of road projects worth ₹ 1,22,000 crores as compared to 4,335 kms of road projects in the last financial year and this is going to further improve with plans such as Bharatmala on the cards. There is a lot of optimism in the market, and the banks have regained interest in financing HAM projects, where we are the market leaders.

Environment care and ethics are the two values intrinsic to our DNA since the inception of your Company. Sadbhav complies with all the statutes and we undertake mass-afforestation and try for lesser impact to the bio-diversity while executing large projects. Thus, Sadbhav is equally responsible towards people and planet while accruing more profits.

I am glad to share this report of Sadbhav Engineering Limited for the financial year 2017-18 that encompasses financial statements, facts

and figures and testifies your Company's strong financial health. Your Company has steadily posted CAGR of ~23%, ~26% & ~21% in net revenue, net profit and order book respectively over last 11 years and has market cap of ₹ 6,681.82 crores as on March 31, 2018. Your Company has been making profits since inception in its standalone business and has paid regular dividend over the last 16 years, while our profits rose by 17.47% over previous year. Adding value to your stakes, the higher performance of your Company has resulted in Earning Per Share ₹ 12.86 during 2017-18 from ₹ 10.95 in 2016-17. For the year 2017-18, Sadbhav Engineering Limited has generated net revenue of ₹ 3,505.06 crores, net profit of ₹ 220.66 crores and net worth of ₹ 1,866.79 crores.

The areas of business of your Company - transport, mining and irrigation are vital to the country's growth and hence the good performance and growth of the Company in these sectors is also an indicator of Country's growth in these sectors. Your Company is committed to contribute to nation's progress in times to come and materialise the Government's visions and missions like Make in India, Per Drop More Crop (Pradhanmantri Krishi Sinchai Yojana), connecting the remotest areas of country with all its borders under Bharatmala Project and making country energy efficient through clean energy.

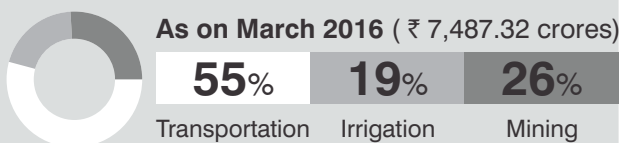
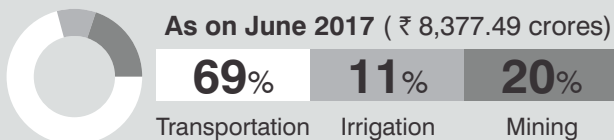
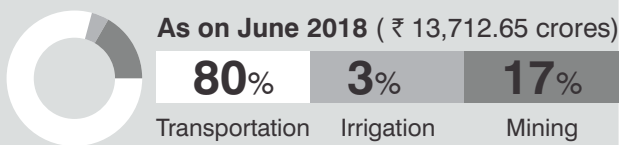
As on March 31, 2018 your Company has constructed roads and highways of over 8,400 lane kms and out of 25 Build, Operate & Transfer (BOT) / Hybrid Annuity Mode (HAM) Projects, 11 were fully operational and 12 projects were under construction while 2 projects were partly operational. SEL's subsidiary Company SIPL has bagged highest number of HAM projects till date



CAGR 2006-18

Net Revenue	Net Profit	Order Book
~23%	~26%	~21%

Total Order Book



Dun & Bradstreet India published-India's Top 500 Companies 2018, has ranked Sadbhav at 257 among Top 500 Companies in terms of Net Profit.

from NHAI. SIPL has a portfolio of 23 projects which consists of 11 BOT and 12 HAM projects. Your Company is mining precious minerals and specialises in the mining of Uranium ore and Coal. Keeping in view the nation's endeavour to switch to clean energy by 2027 and expand nuclear energy infrastructure (20,000 MWe by 2020 from the present capacity of 2770 MWe), Government of India has entrusted your Company to mine these precious minerals. Sadbhav has mined 521 Cubic mt as on March 31, 2018. Irrigation Division of your Company is constructing canals and dams for the surface conveyance of water for the irrigation. Your Company has performed efficiently by completing some of the major projects much before their timelines thus accruing more profits. As on March 31, 2018, your Company has completed work of 669.29 km main canal & branches, 1,852.89 km distributory network and 1,15,770 hectare culturable command area.

Your Company believes in the sustainable growth model and believes that Company's sole aim is not to generate profits and accrue wealth for itself but also believes in its fair distribution among stakeholders. Your Company has been conscious about the positive social impact that it creates through direct generation of employment opportunities and indirect generation of work and occupation opportunities around our projects as economic activities. We also believe in social trusteeship and our CSR activities are aimed at providing the necessary amenities to the communities around our sites of construction. Sadbhav, as our name suggests has been active in community health care, community infrastructure building and need based interventions around our sites on periodic intervals.

Your Company believes in scientific management of its resources to utilise the true potential of all our men, machine and material resources. Your Company is among the early adopters of the state-of-the-art technologies and has invested in SAP S/4HANA that manages the resources across the country in real time and gives us opportunity to make the best use of our resources to meet the objectives. Sadbhav also puts lot of thrust on the talent development and management and has been providing right platform to grow. Your Company has implemented SAP SuccessFactors, an innovative platform to manage human resources. Our well-laid HR policies and practices imbibe the spirit of performance, passion and persistence among the team members to bring out the best out of them. I would like to thank all our employees and stakeholders, for putting up their utmost hard work and being persistent till the goal was accomplished.

You would be glad to know that, Dun & Bradstreet India has published India's Top 500 Companies 2018 list and has ranked Sadbhav Engineering at 257 among Top 500 Companies in terms of Net Profit. This recognition has not only boosted our morale but also made us more determined to pursue the goals. I express the gratitude for your support and encouragement to Sadbhav on behalf of Board of Directors and assure you to take your Company to new heights in times to come.

Regards,



Shashin V. Patel
Chairman & Managing Director

2017-2018 Key Figures

Revenue

₹ **3505.06** crores

▲ 5.56% y-o-y growth

Net Profit

₹ **220.66** crores

▲ 17.47% y-o-y growth

Operating Profit before Tax and Non-recurring Items

₹ **216.27** crores

▲ 14.01% y-o-y growth

Revenue by Business



84%

Roads &
Highway

9%

Irrigation

7%

Mining

Order Book by Business

Transport Sector

₹ **10775.11** crores

Irrigation

₹ **453.87** crores

Mining

₹ **2020.35** crores

Dividend

100%

Financial Highlights

Turnover (₹ in crores)

2017-18	₹ 3505.06
2016-17	₹ 3320.31
2015-16	₹ 3186.25
2014-15	₹ 2969.85
2013-14	₹ 2358.12

Profit After Tax (₹ in crores)

2017-18	₹ 220.66
2016-17	₹ 187.85
2015-16	₹ 132.61
2014-15	₹ 113.73
2013-14	₹ 106.16

Earning Per Share (₹)

2017-18	₹ 12.86
2016-17	₹ 10.95
2015-16	₹ 7.70
2014-15	₹ 7.25
2013-14	₹ 7.01

Net Worth (₹ in crores)

2017-18	₹ 1866.79
2016-17	₹ 1660.89
2015-16	₹ 1489.21
2014-15	₹ 1370.90
2013-14	₹ 957.22

Book Value Per Share (₹)

2017-18	₹ 108.81
2016-17	₹ 96.81
2015-16	₹ 86.82
2014-15	₹ 79.94
2013-14	₹ 63.12

Market Capitalisation (₹ in crores)

2017-18	₹ 6681.82
2016-17	₹ 5236.34
2015-16	₹ 5111.70
2014-15	₹ 5711.83
2013-14	₹ 1477.95

(₹ in crores)

Particulars	2017-2018	2016-17	2015-16	2014-15	2013-14
Turnover	3505.06	3320.31	3186.25	2969.85	2358.12
Total Income	3520.81	3407.84	3283.26	3035.39	2394.55
Earning Before Depreciation, Interest and Tax (EBDIT)	415.14	355.61	315.35	300.24	249.40
Exceptional Items	0	0.00	(19.45)	0.00	(38.35)
Depreciation	97.90	100.04	97.07	81.71	47.40
Interest	190.67	153.44	150.73	138.22	118.11
Profit After Tax	220.66	187.85	132.61	113.73	106.16
Equity Dividend %	100%	75%	70%	70%	70%
Dividend Payout	15.49	14.45	14.45	12.52	10.53
Equity Share Capital	17.16	17.16	17.15	17.15	15.17
Warrant Application Money	0.00	0.00	0.00	0.00	23.15
Stock Option Premium Outstanding	0.00	0.00	0.26	0.51	1.54
Reserve & Surplus	1,849.63	1643.74	1471.79	1353.24	917.37
Net Worth	1,866.79	1660.89	1489.21	1370.90	957.22
Gross Fixed Assets	730.55	675.85	673.51	560.38	726.35
Net Fixed Assets	502.77	522.88	593.05	560.38	498.19
Total Assets	4,370.64	4020.31	3495.06	3525.01	3027.94
Total Debt (Loan Fund)	1,499.29	1780.17	1227.57	1113.54	1028.03
Earning Per Share (In Rs.)	12.86	10.95	7.70	7.25	7.01
Book Value Per Share (In Rs.)	108.81	96.81	86.82	79.94	63.12
Weighted No. of Shares	171570800	171566644	171531988	156919684	151384261

Note:

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

4. Total Debt includes interest accrued but not due.

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

Notice

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Thursday, September 27, 2018 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006 at 12.00 Noon to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt:

(a) The audited financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and

(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018.

2. To declare a dividend on Equity Shares.

3. To appoint a Director in place of Mr. Vikram R. Patel (DIN: 00048318) who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Mr. Vasistha C. Patel (DIN: 00048324) who retires by rotation and being eligible, offers himself for reappointment.

5. To appoint statutory auditors and fix their remuneration:

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298), be appointed as statutory auditors of the Company, to hold office for the period of Four (4) years from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 33rd AGM to be held in the calendar year 2022, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

6. 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. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum respectively plus GST applicable and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

Registered Office:

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

Place : Ahmedabad

Date : August 13, 2018

By Order of the Board of Directors
For Sadbhav Engineering Limited

Tushar Shah
Company Secretary
Membership No. F7216

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 Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 on Directors’ appointment/reappointment 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 website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.
7. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books will be closed from Saturday, September 15, 2018 to Thursday, September 27, 2018 (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 erstwhile provisions of Section 124(6) of the Companies Act, 2013, dividend for the financial year ended as on 31st March, 2011 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, Pursuant to Section 125 of the Companies Act, 2013.

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2011	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
31-03-2015	29-09-2015	04-11-2022
31-03-2016	28-09-2016	03-11-2023
31-03-2017	26-09-2017	01-11-2024

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

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

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, it has been mandated the Company/RTA to obtain copy of PAN Card and Bank Account details from all the shareholders holding shares in physical form.

Accordingly, shareholders who are holding shares in physical mode are requested to kindly furnish self-attested copy of your PAN card and original cancelled Cheque leaf/Attested Bank Passbook showing the name of Account holder along with an application.

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

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

12. Pursuant to the provisions of Section 108 of the Act and other applicable provisions, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from place other than the venue of the Meeting ('remote e-voting'). In addition, the facility of voting through Ballot Paper shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

The instructions for shareholders voting electronically are as under:

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

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

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

- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- I. The e-voting period commences on Monday, September 24, 2018 @9.00 a.m. and ends on Wednesday, September 26, 2018 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, September 21, 2018, may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 21, 2018.
- III. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), has been appointed as the Scrutinizer to scrutinize the Ballot and e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote-e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours from the conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sadbhaveng.com and on the website of CDSL www.evotingindia.com within forty eight hours of the passing of the resolutions at the 29th AGM of the Company to be held on Thursday, September 27, 2018 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/Reappointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Vasistha C. Patel	Mr. Vikram R. Patel
Director’s Identification Number (DIN)	00048324	00048318
Date of Birth	July 25, 1973	April 02, 1968
Date of Appointment	October 01, 2012	October 01, 2012
Brief resume of the director	He is a Civil Engineer by profession. He is associated with the company since September 09, 2012. He is having more than 20 years of experience in the construction industry. He is actively participating in bidding process and execution of various road projects. He is also in-charge of purchasing of construction materials. He has also track records for successfully completing the various projects in time.	He is a commerce graduate. He is associated with the company since September 09, 2012. He is having more than 26 years’ experience in construction industry. He is actively participating in execution of various road projects and successfully completed various projects in time to his credit.
Functional Expertise	20 years' experience in the construction industry	26 years' experience in construction industry, powered with entrepreneurship skill and motivation

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if	None	None
Qualifications	Civil Engineer	Commerce Graduate
Directorship in other listed Companies	1. Sadbhav Infrastructure Project Limited	None
Chairman/ Member of Committee in other listed Companies	Stakeholder & Relationship Committee - Member	None
No. of Equity Shares held in the Company	32,02,150	46,08,750

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 5

Considering the requirements of Section 139 (2) of the Companies Act, 2013, M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298) is proposed to be appointed as a statutory auditors of the Company to hold office for the period of Four (4) years from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 33rd AGM to be held in the calendar year 2022.

M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, have given consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

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

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

Item No. 6

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice (Firm Reg. No. 101163), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2019.

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

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

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

Registered Office :

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

By Order of the Board of Directors
For Sadbhav Engineering Limited

Place : Ahmedabad
Date : August 13, 2018

Tushar Shah
Company Secretary
Membership No. F7216

Directors' Report

To,
The Members,

The Directors have the pleasure in presenting the Twenty Ninth Annual Report together with the audited financial statements for the year ended March 31, 2018.

Financial Results

The Company's financial performance for the Year ended on March 31, 2018 is summarized below: (₹ in crores)

Particulars	Standalone		Consolidated	
	Current Year 2017-2018	Previous Year 2016-2017	Current Year 2017-2018	Previous Year 2016-2017
Total Revenue	3594.76	3407.84	5093.38	4654.18
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	504.84	443.16	1595.30	1346.37
Less : Finance Cost	190.67	153.44	1312.92	1187.45
Depreciation and amortization Expense	97.90	100.04	358.42	321.13
Profit /(Loss) before Exceptional Item and Tax	216.27	189.68	(76.04)	(162.21)
Exceptional Item (Net of Income)	-	-	-	-
Profit /(Loss) Before Tax	216.27	189.68	(76.04)	(162.21)
Less : Tax Expenses	47.36	40.48	86.96	20.61
(Less:-Deferred tax liability /(asset))	(51.75)	(38.65)	(48.98)	(11.17)
Profit/(Loss) for the period from continuing Operations	220.66	187.85	(114.02)	(171.65)
Add:- Share of Loss Transferred to Minority Interest	-	-	110.94	117.62
Net Profit for the period after tax	220.66	187.85	(3.08)	(54.03)
Balance brought forward from last year	799.95	636.64	(244.96)	(125.03)
Loss of Subsidiary for earlier year transferred (net)	0.00	0.00	0.00	0.00
Other Comprehensive Income (OCI)	0.72	(1.82)	0.85	(2.68)
Amount available for Appropriations	1020.61	824.49	(248.03)	(179.08)
Appropriations				
Transfer to General Reserve	0.00	10.00	0.00	10.00
Proposed Dividend & Tax	15.49	14.46	24.01	14.46
Adjustment Relating to Fixed Assets/Others	0.00	0.07	0.00	0.07
Adjustment on account of acquisition of non controlling interest	0.00	0.00	0.00	17.08
Equity Transactions	0.00	0.00	0.00	1.84
Transfer to Debenture Redemption Reserves	0.00	0.00	46.22	22.43
Closing Balance in Retain earnings	1005.13	799.56	(318.26)	(244.96)

Dividend

Directors are pleased to recommend dividend of 100% (₹ 1 per equity share of ₹ 1 each) for the financial year ended March 31, 2018 (P.Y. 75%) for approval of the shareholders. The final dividend, if approved, will result in cash payout of ₹ 17.16 Crores and dividend tax of ₹ 3.53 Crores.

Business Overview

Standalone Basis

The total revenue during the year under review was ₹ 3594.76 Crores against ₹ 3407.84 Crores for the previous year resulting the Increase of 5.48%. Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is ₹ 504.84 Crores (₹ 443.16 Crores in previous year) thereby resulting the increase of 13.92%. Net Profit after tax amounted to ₹ 220.66 Crores (₹ 187.85 Crores in previous year) thereby resulting increase of 17.47%.

Consolidated Basis

As per the Consolidated Financial Statements, the Total Income of the company, operating profit (PBDIT), and net loss for the year were ₹ 5093.38 Crores, ₹ 1595.30 Crores and ₹ 114.02 Crores respectively.

Dividend Distribution Policy

The Company has adopted a Dividend Distribution Policy on August 20, 2016, which is available on the website of the Company at the link: http://sadbhaveng.com/wp-content/uploads/2018/02/Dividend_Distribution_Policy_SEL.pdf

There has been no change to the policy during the year 2017-18.

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 0.12 lakhs to the Investor Education and Protection fund established by the Central Government during the financial year 2017-18, in compliance with Section 124(6) of the Companies Act, 2013. The said amount represents unclaimed dividend amount for the financial year 2009-2010 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2009-2010.

Reserves

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

Change in the Nature of Business, if any

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

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

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

Operations

Ongoing Works

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

(₹ in crores)

Sector	No. of projects	Work order	Work done	Work on hand
Transportation	38	19529.88	8754.77	10775.11
Irrigation	19	2378.52	1924.65	453.87
Mining Operation	9	3020.31	999.95	2020.36
Total	66	4928.71	11679.37	13249.34

The Company's order book (pending execution) shows work on hand amounting to ₹ 13249.34 crores as on the March 31, 2018.

BOT Projects under Implementation

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2018 Cost incurred (Including Mobilisation and Material Advances) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Mysore-Bellary Highway Pvt. Ltd. (MBHPL)	The DBFOMT (Annuity) project is for the existing State Highway (SH33 & SH3) from Malavalli to Pavagada (Approx length of 193.344 Kms) in the State of Karnataka (WAP-1).	811.20	761.93	74	-

Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9) from km 0.000 (km190.000 of NH-24) to km 42.791 (design chainage 43.446) [Package-I] in the State of Uttar Pradesh under NHDP-III on Hybrid Annuity Mode.	738.00	278.95	-	100
Sadbhav Nainital Highway Pvt. Ltd.(SNHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9, 109) from km 42.791 (design chainage 43.446) to km 88.000 (design chainage 93.226) [Package-II] in the State of Uttarakhand under NHDP-III on Hybrid Annuity Mode.	657.00	91.34	-	100
Sadbhav UNA Highway Pvt. Ltd. (SUHPL)	Four Laning of Una to Kodinar of NH-8E from Km. 180.478 to Km. 221.610 (Design Chainage from Km. 181.450 to Km. 222.400) (Package-V) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase IV.	623.00	130.47	-	100
Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	Four Laning of Bhavnagar-Talaja Section of NH-8E from km. 7.090 to km. 53.585 (Design Ch from km. 6.945 to km. 54.990) (Package-I) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase-IV.	819.00	269.14	-	100
Sadbhav Bangalore Highway Pvt. Ltd. (SBHPL)	Two/Four Laning of BRT Tiger Reserve Boundary to Bangalore Section of NH-209 (Existing Chainage from 287.520 to 461.550) in the State of Karnataka to be executed on BOT (Hybrid Annuity) basis under NHDP Phase-IV.	1008.00	135.22	-	100
Sadbhav Udaipur Highway Pvt. Ltd. (SUHPL)	Six lane of Greenfield proposed Udaipur Bypass [Connection between NH-76 at existing Km 118+500 at Debri to NH-8 Km 287+400 at Kaya Village (Udaipur bypass length 23.883)] on Hybrid Annuity Mode, Package-IV under NHDP phase V in the State of Rajasthan.	891.00	140.85	-	100
Sadbhav Vidarbha Highway Pvt. Ltd. (SVHPL)	Four laning of Waranga to Mahagaon section of NH-361 from km 253.000 to km 320.580 (Package-I) (Design Length 66.880 Km) in the state of Maharashtra under NHDP Phase-IV on Hybrid Annuity Mode.	1071.00	60.21	-	100
Sadbhav Jodhpur Ring Road Pvt. Ltd. (SJRPL)	Four Laning of Dangiywas (km 96.595 of NH-112) to Jajiwai (km 283.500 of NH-65 Nagaur Road) section Package-I (Design length 74.619 km) of Jodhpur Ring Road (In Principally declared NH) in the State of Rajasthan under NHDP Phase-VII.	1106.00	-	-	100
Sadbhav Tumkur Highway Pvt. Ltd. (STHPL)	Four laning of Tumkur – Shivamogga section from Km 121+900 (Banwara) to Km 170+415 (Bettadahalli) of NH-206 on Hybrid Annuity Mode under NHDP Phase-IV in the state of Karnataka. (Package - III).	1008.00	-	-	100

BOT Projects Partial Implementation:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2018 Cost incurred (Including Mobilisation and Material Advances) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Maharashtra Border Check Post Network Ltd. (MBCPL)	<ul style="list-style-type: none"> Modernization and computerization of integrated border check posts at 22(Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaje-village Limited 	1426.37	1625.05	^2.63	91

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. 2017-18 (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	Improvement & Widening to Four Laning of the then 2 Lane Sardar Patel Ring Road Around Ahmedabad City on BOT basis.	500.80	97.04	-	100
Aurangabad-Jalna Tollway Ltd. (AJTL)	Providing four laning to Aurangabad Jalna road (Km. 10/400 to 60/200) & Zalta Bypass Km. 0/00 to 2/850 & Beed Bypass Km. 292/500 to 305/650.	278.49	52.78	-	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	180.79	-	100
Bijapur-Hungund Tollway Pvt. Ltd. (BHTPL)	Four laning of Bijapur-Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer (“DBFOT”), Toll basis.	1322.61	121.53	-	77
Hyderabad-Yadgiri Tollway Pvt. Ltd. (HYTPL)	Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad-Yadgiri Section from km 18.600 to km 54.000 (36.65Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/ BOT/AP/04.	506.40	69.60	-	100
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. Toll collection has been started in 13 out of 22 Check Posts.	1426.37	184.64	^2.63	91
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	131.06	-	100

Shreenathji-Udaipur Tollway Pvt. Ltd. (SUTPL)	Four Laning of Gomati Chauraha - Udaipur section of NH-8 (from Km 177/000 to Km 260/100) in the state of Rajasthan under NHDP Phase IV.	1151.46	107.55	-	100
Bhilwara-Rajsamand Tollway Pvt. Ltd. (BRTPL)	Four laning of Rajsamand - Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	677.86	43.80	-	100
Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL)	The project consists of "4 - Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km).	1270.96	57.12	-	100

^ By virtue of agreement to be transferred to SIPL.

Notes:

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

2. Pursuant to Share Purchase Agreement dated 16.01.2017 entered by the company with D.Thakkar Construction Pvt. Ltd. and DTC Toll Projects Pvt. Ltd. (collectively referred as DTC), Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has Sold 3125 shares of Maharashtra Border Check post Network Ltd (MBCPNL) to DTC. However the said shares are pledged with the lenders of MBCPNL, hence Transfer formalities are pending.

In terms of Memorandum of understanding (MOU) dated 17/01/2017 between the company and Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has sold 6,590 shares of of Maharashtra Border Check post Network Ltd. (MBCPNL) to SIPL. MBCPNL has received approval from Government Maharashtra for transfer of shares from the company to SIPL. As at reporting date transfer formalities of 6,590 shares are in the process as shares held by the company are being pledged with lenders of MBCPNL.

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, 2018 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. Auditor's certificate would be placed at Annual General Meeting for inspection by members.

Share Capital

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

Debentures

The Company raised an aggregate amount of ₹ 320 Crores by way of issue of Non-Convertible Debentures on private placement basis. The said Non-Convertible Debentures are listed on the BSE Ltd. The Company has redeemed ₹ 236 Crores of Non Convertible Debentures (NCDs) during the year 2017-18. The aggregate Non-Convertible Debentures Outstanding amounts to ₹ 84 Crores as on 31st March, 2018. The Company has raised Non Convertible Debentures to the tune of ₹ 170 Crores on private placement basis and the same has allotted on June 22, 2018.

Credit Rating

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

Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Subsidiaries, Joint Ventures and Associates Companies

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

Sr. No.	Name of the Subsidiary/ Joint ventures/associate Company	Period of becoming company's subsidiaries, joint ventures or associate company.	Period of ceasing to company's subsidiaries, joint ventures or associate company.	Remarks, if any
1	Sadbhav Vidarbha Highway Pvt. Ltd.	24/04/2017	N.A.	Step-down Subsidiary by virtue of incorporation
2	Sadbhav Udaipur Highway Pvt. Ltd.	23/05/2017	N.A.	Step-down Subsidiary by virtue of incorporation
3	Sadbhav Jodhpur Ring Road Pvt. Ltd.	03/01/2018	N.A.	Step-down Subsidiary by virtue of incorporation
4	Sadbhav Tumkur Highway Pvt. Ltd.	20/03/2018	N.A.	Step-down Subsidiary by virtue of incorporation

Note: Between the end of the financial year 2017-18 and the date of this report, One new wholly owned subsidiary company and Four new step down subsidiaries Companies were incorporate as per mentioned below:

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

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

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

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS)-33 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2017-18.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

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

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

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

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

Change in Directors and KMPs

Mr. Sandip A. Sheth, Independent Director resigned from the Company on June 1, 2017. During the year, there was no change in KMPs.

Evaluation of Board Performance

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

Audit Committee

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

Committees of Board

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules and no complaint has been received on sexual harassment during the financial year 2017-18. Further Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Nomination and Remuneration Policy

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees has been provided under Corporate Governance Report.

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.

Development and implementation of Risk Management Policy

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

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

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

Meetings of Board

During the year, Four 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, 2018, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that the financial controls are adequate and are operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

As per Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and subject to the approval of the members, The Board has appointed, M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298), as statutory auditors of the Company, to hold office for the period of Four years from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 33rd AGM to be held in Financial year 2021-22.

The Company has received a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended March 31, 2018.

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Ravi Kapoor and Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as 'Annexure 2' to this Report. There are no qualification, reservations or adverse remarks made by Secretarial Auditors in their report.

Cost Auditors

The Board had, on the recommendation of the Audit Committee, appointed M/s Rajendra Patel & Associates, Cost Accountants, Ahmedabad to audit the cost records of the Company for the financial year 2018-19 on a remuneration of ₹ 1,50,000/- p.a. The Cost Audit Report for the year 2017-2018 was filed before the due date with the Ministry of Corporate Affairs. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Rajendra Patel & Associates is included at Item No. 6 of the Notice convening 29th Annual General Meeting.

Corporate Governance

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

Management Discussion and Analysis (MDA)

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

Corporate Social Responsibility

The Annual Report on CSR activities is annexed to this Report. The CSR policy is available on the website of the Company at the link: http://sadbhaveng.com/wp-content/uploads/2018/02/CORPORATE_SOCIAL_RESPONSIBILITY.pdf. The CSR activities is annexed herewith as 'Annexure 3'.

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. There was no earning and outgo in the foreign currency, while expenditure the particulars of the dividend in foreign currency are given in the notes no. 55 to the Standalone Financial Statements.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes no. 7, 17 & 58 to the Standalone Financial Statements.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contract / arrangement / transaction entered into by the Company with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions forms integral part of this report in form AOC-2 as per 'Annexure 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://sadbhaveng.com/wp-content/uploads/2018/02/RELATED_PARTY_TRANSACTION1.pdf. Your Directors draw attention of the members to notes no. 52 to the Standalone Financial Statements 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 designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134(5) (e) of the Companies Act, 2013. For the year ended on March 31, 2018, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

Business Responsibility Reporting

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

General

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

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

Industrial Relations

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

Acknowledgments

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

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : August 13, 2018

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Annexure - 1 forming part of Directors Report

Information required to be disclosed under applicable Rules and Regulations as at March 31, 2018 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 ₹ 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	21,21,000
5	Total number of Shares arising as a results of exercise of Options	21,21,000
6	Options Lapsed	3,79,000
7	Variation in the terms of Options	NIL
8	Money realized by exercise of options	₹ 10,60,50,000
9	Total number of options in force	NIL

B. Employee wise details of options granted:

- During the year, no options were granted to any Key Managerial Personnel.
- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None
- 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 Indian Accounting Standard (Ind AS)-33 Earning per share ₹ 12.86

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 (₹)	N.A.

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, 2018

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

To,
The Members,
Sadbhav Engineering Limited

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

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

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

We further report that

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

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

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

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

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

For, Ravi Kapoor & Associates

Ravi Kapoor

Company Secretary in Practice
FCS No.: 2587 • CP No.: 2407

Place : Ahmedabad
Date : August 13, 2018

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 : August 13, 2018

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 Company's website and the web link for the same is http://sadbhaveng.com/wp-content/uploads/2018/02/CORPORATE_SOCIAL_RESPONSIBILITY.pdf The details of the CSR activities undertaken during the year can be accessed at http://sadbhaveng.com/csr/#activities
2	The Composition of the CSR Committee	1. Mr. Shashin V. Patel (Chairman & MD) 2. Mr. Vasistha C. Patel (Executive Director) 3. Mr. Mirat N. Bhadlawala (Independent Director)
3	Average net profit of the company for the last three financial years	₹ 169.88 crores
4	Prescribed CSR Expenditure (two per cent) of the amount as in item 3 above)	₹ 3.40 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	₹ 3.42 crores Nil As mentioned 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
Following Activities at Isanpur Village						
Renovation of Anganwadi, Kumarshala & Kanyashala	Slum area development	Isanpur Village, Mota Chiloda, Dist. Gandhinagar, Gujarat	₹ 2.53 crores	<ul style="list-style-type: none"> Direct expenditure ₹ 2.52 crores Indirect Expenditure ₹ 0.01 crores 	₹ 2.53 crores	Direct by Sadbhav Engineering Ltd.
Renovation of Ashram	Slum area development					
Construction of Toilet	Sanitation					
Development of Roads in Village	Slum area development					
Construction of Quarter in Hospital	Slum area development					
Promoting Preventive Health care (Lions Club of Karnavati Foundation)	Health Development	At Ognaj Village, Taluka: Daskroi, Ahmedabad	₹ 0.34 crores	<ul style="list-style-type: none"> Indirect Expenditure ₹ 0.34 crores 	₹ 0.34 crores	In Direct by Lions Club of Karnavati Foundation
Construction of School Building	Promoting Education-Slum area Development	At Bagodara Limbdi, (PKG-2) Gujarat	₹ 0.35 crores	<ul style="list-style-type: none"> Indirect Expenditure ₹ 0.55 crores 	₹ 0.55 crores	Direct by Sadbhav Engineering Limited
Development of Roads in Village	Rural Development - Slum area Development	Sayla Bhamanbore (PKG-4) Near Chotila, Gujarat	₹ 0.20 crores			

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

Shashin V. Patel
Chairman of CSR Committee
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Annexure - 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, 2018.

(a) Employees who are employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,000,00/- 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
Shashin V. Patel Qualification : MBA	37 Yrs.	Chairman & Managing Director	23-05-2000	180.22	18 years	None	3.60

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

Notes :

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

Annexure - 5

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 2017-18;

Name of the Directors	Designation	Remuneration of the directors (₹ in Lakhs)	Median remuneration of the employees (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Shashin V. Patel	Chairman & Managing Director	180.22	3.24	56:1
Vasistha C. Patel	Executive Director	30.00	3.24	9:1
Vikram R. Patel	Executive Director	30.00	3.24	9:1
Nitin R. Patel	Executive Director	84.22	3.24	26:1
Vipul H. Patel	Executive Director	30.22	3.24	9:1
Sandip V. Patel [^]	Independent Director	0.60	3.24	0.19:1
Atul N. Ruparel [^]	Independent Director	0.30	3.24	0.09:1
Arun S. Patel [^]	Independent Director	0.60	3.24	0.19:1
*Sandip A. Sheth [^]	Independent Director	-	-	-
Mirat N. Bhadlawala [^]	Independent Director	0.45	3.24	0.14:1
Purvi S. Parikh [^]	Independent Director	0.45	3.24	0.14:1

[^] Reflects sitting fees.

* Resigned w.e.f. 01-06-2017

(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 2017-18;

Name of the Directors, Chief Financial Officer, Chief Executive Office, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Shashin V. Patel	Chairman & Managing Director	0.00	Profit before Tax increased by 14.02% and profit after
Vasistha C. Patel	Executive Director	0.00	Tax increased by 17.47% in
Vikram R. Patel	Executive Director	0.00	financial year 2017-2018

Nitin R. Patel	Executive Director & Chief Financial Officer	1.81	
Vipul H. Patel	Executive Director	Details not Comparable as Mr. Vipul H. Patel was appointed as Executive Director w.e.f. 20-08-2016	
Sandip V. Patel^	Independent Director	^	
Atul N. Ruparel^	Independent Director	^	
Arun S. Patel^	Independent Director	^	
*Sandip A. Sheth^	Independent Director	-	
Mirat N. Bhadlawala^	Independent Director	^	
Purvi S. Parikh^	Independent Director	^	
Tushar D. Shah	Company Secretary	8.85	

* Resigned w.e.f. 01-06-2017

^ Reflects sitting fees based on attendance of Board Meeting.

(iii) The percentage increase in the median remuneration of employees in the financial year 2017-2018.

The median remuneration of employee in the financial year 2017-18 was ₹ 3.24 Lakhs (3.03 Lakhs in FY 2016-17). So, there was 6.88% increase in median remuneration of employee.

(iv) There were 5991 employees on the rolls of company as on March 31, 2018.

(v) Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 8.06 % whereas the increased in the managerial remuneration for the same financial year was NIL.

(vi) 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	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ In Crore	Date(s) of approval by the Board	Amount Paid / Received in advance
1	Sadbhav Infrastructure Project Limited	Subsidiary	Facility is repayable by borrower on demand / call notice from lenders (Providing of Financial facilities as per MOU dated 20.12.2014)	2017-18	₹ 1000 (Facility used ₹ 582.10 crores)	N.A	Nil
2	Sadbhav Infrastructure Project Limited	Subsidiary	Fixed Asset Purchase	2017-18	0.26	N.A	Nil
3	Sadbhav Infrastructure Project Limited	Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
4	Mysore Bellery Highway Pvt. Ltd.	Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
5	Rohtak Hisar Tollway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
6	Ahmedabad Ring Road Infrastructure Limited	Step Down Subsidiary	Providing of Services	2017-18	0.18	N.A	Nil

7	Aurangabad Jalna Tollway Limited	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
8	Dhule Palesner Tollway Limited	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
9	Hyderabad Yadgiri Tollway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
10	Maharashtra Border Check Post Network Limited	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
11	Nagpur Seoni Express Way Limited	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
12	Rohtak Panipat Tollway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
13	Shreenathji Udaipur Tollway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
14	Bhilwara Rajsamand Tollway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil
15	Sadbhav Una Highway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
16	Sadbhav Bhavnagar Highway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
17	Sadbhav Rudrapur Highway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
18	Sadbhav Nainital Highway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
19	Sadbhav Bangalore Highway Pvt. Ltd.	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
20	Sadbhav Udaipur Highway Private Limited	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
21	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Providing of Services	2017-18	0.06	N.A	Nil
22	Bijapur Hungund Tollway Private Limited	Step Down Subsidiary	Providing of Services	2017-18	0.09	N.A	Nil

23	Corsan-Corviam Construction SA-SEL – 43 (1043)	Joint Venture	Providing of Services	2017-18	0.006	N.A.	Nil
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Note:

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

Annexure - 7

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

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

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.	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	70%
2	Construction & Maintenance of Irrigation System (Cannel)	422	17%
3	Site preparation for Mining including overburden removal and other development	431	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN	Address of the Company	Holding/ Subsidiary/ Associates	% of Shares Held*	Applicable Section
1	Sadbhav Infrastructure Project Ltd.	L45202GJ2007PLC049808	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary	68.77	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	100	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 Toll way Pvt. Ltd.	U45203GJ2010PTC059669	-----Do-----	Step-down Subsidiary	77	2(87)
9	Maharashtra Border Check Post Network Ltd.	U45201GJ2009PLC056327	-----Do-----	Step-down Subsidiary	91^	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.	U45203MH2009PLC191222	701,7th Floor,"C" Wing, Godrej Coliseum,B/h Everard Nagar, Sion (East) Mumbai - 400022	Step-down Subsidiary	100	2(87)
14	Sadbhav Rudrapur Highway Pvt. Ltd.	U45203GJ2016PTC091774	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Step-down Subsidiary	100	2(87)
15	Sadbhav Nainital Highway Pvt. Ltd.	U45309GJ2016PTC091777	-----Do-----	Step-down Subsidiary	100	2(87)
16	Sadbhav UNA Highway Pvt. Ltd.	U45500GJ2016PTC092589	-----Do-----	Step-down Subsidiary	100	2(87)
17	Sadbhav Bhavnagar Highway Pvt. Ltd.	U45309GJ2016PTC092557	-----Do-----	Step-down Subsidiary	100	2(87)
18	Sadbhav Bangalore Highway Pvt. Ltd.	U45202GJ2016PTC094257	-----Do-----	Step-down Subsidiary	100	2(87)
19	Sadbhav Udaipur Highway Pvt. Ltd.	U45309GJ2017PTC097508	-----Do-----	Step-down Subsidiary	100	2(87)
20	Sadbhav Vidarbha Highway Pvt. Ltd.	U45500GJ2017PTC097040	-----Do-----	Step-down Subsidiary	100	2(87)
21	Sadbhav Jodhpur Ring Road Pvt. Ltd.	U45309GJ2018PTC100367	-----Do-----	Step-down Subsidiary	100	2(87)
22	Sadbhav Tumkur Highway Pvt. Ltd.	U45309GJ2018PTC101396	-----Do-----	Step-down Subsidiary	100	2(87)

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

** Subject to the approval by NHAI / Government.

^ 2.63% stake pending for transfer from Sadbhav Engineering Limited to Sadbhav Infrastructure Project Limited

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

(i) Category-wise Share Holding:

	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individual / HUF	59695765	-	59695765	34.79	59195765	-	59195765	34.50	-0.29
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(2) Foreign									
Any Other (Specify)									
Promoter Trust	3993840	-	3993840	2.33	3993840	-	3993840	2.33	-
Bodies Corporate	16545275	-	16545275	9.64	16545275	-	16545275	9.64	-
Sub Total (A)(1)	80234880	-	80234880	46.76	79734880	-	79734880	46.47	-0.29
a) Individuals (NRI) / Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	80234880	-	80234880	46.76	79734880	-	79734880	46.47	-0.29

(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	45097554	-	45097554	26.29	38119973	-	38119973	22.22	-4.07
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	29432386	-	29432386	17.15	26666830	-	26666830	15.54	-1.61
f) Financial Institutions / Banks	41438	-	41438	0.02	220257	-	220257	0.13	0.10
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Other (Specify)									
Sub Total (B)(1)	74571378	-	74571378	43.46	65007060	-	65007060	37.89	-5.57
(2) Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	-	-	-	-	1910	-	1910	-	-
Sub Total (B)(2)	-	-	-	-	1910	-	1910	-	-
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	3025059	550	3025609	1.76	3830232	550	3830782	2.23	0.47
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	170000	-	170000	0.09	475000	-	475000	0.28	0.18
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding Drs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
Independent Relatives Of Director	20840	-	20840	0.01	20840	-	20840	0.01	-
Hindu Undivided Family	162815	-	162815	0.09	196215	-	196215	0.11	0.02
Non Resident Indians (Non Repat)	386485	-	386485	0.23	374701	-	374701	0.22	-0.01
Non Resident Indians (Repat)	117312	-	117312	0.07	127578	-	127578	0.07	0.01
Clearing Member	80179	-	80179	0.05	160769	-	160769	0.09	0.05
Bodies Corporate	12801302	-	12801302	7.46	21641065	-	21641065	12.61	5.15
Sub Total (B)(3)	16763992	550	16764542	9.76	26826400	550	26826950	15.64	5.86
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	91335370	550	91335920	53.24	91835370	550	91835920	53.53	0.29
Total (A)+(B)	171570250	550	171570800	100.00	171570250	550	171570800	100.00	-
(C) Non Promoter - Non Public									
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	171570250	550	171570800	100.00	171570250	550	171570800	100.00	-

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Patel Vishnubhai Mafatlal	28124920	16.39	3.90	28124920	16.39	1.62	-
2	Sadbhav Finstock Pvt. Ltd.	16545275	9.64	9.64	16545275	9.64	9.64	-
3	Patel Shantaben V	14715375	8.58	-	14715375	8.58	-	-
4	Shashin Vishnubhai Patel	5499720	3.21	0.60	6175220	3.60	2.31	0.39
5	Vikram Rasiklal Patel	4608750	2.69	0.92	4608750	2.69	1.19	-
6	Santokba Trust	3993840	2.33	-	3993840	2.33	-	-
7	Vasistha Patel	3202150	1.87	1.16	3202150	1.87	1.09	-
8	Vipul Harishchandra Patel	166850	0.10	-	166850	0.10	-	-
9	Patel Rajeshreeben Vishnubhai	675500	0.39	-	425500	0.25	-	-0.14
10	Patel Rekhaben Vishnubhai	675500	0.39	-	675500	0.39	-	-
11	Patel Truptiben Vishnubhai	675500	0.39	-	425500	0.25	-	-0.14
12	Patel Girishbhai Nandubhai	500	-	-	500	-	-	-
13	Bhavna Vikramkumar Patel	675500	0.39	-	675500	0.39	-	-
14	Alpaben Dharmin Patel	675500	0.39	-	-	-	-	-0.39
	Total	80234880	46.76	16.22	79734880	46.47	15.85	-0.28

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

Sr. No.	Name of the Promoters / Promoters Group	Shareholding at the beginning of the year		Increase / decrease during the year	Date wise increase / decrease	Reason for increase / decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Shashin Vishnubhai Patel	5499720	3.21	675500	13.10.2017	On market purchase	6175220	3.60
2	Alpaben Dharmin Patel	675500	0.39	(675500)	13.10.2017	On market sale	-	-
3	Rajshree Pritam Patel	675500	0.39	(250000)	01.12.2017	On market sale	425500	0.25
4	Truptiben Nileshbhai Patel	675500	0.39	(250000)	01.12.2017	On market sale	425500	0.25
	At the End of the year	7526220	-	(500,000)	-	-	7026220	-

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	ICICI Prudential Life Insurance Company Ltd.	8609953	5.02	5039145	-	13649098	7.96
2	HDFC Trustee Company Limited MID - CAPOPPORTUNITIES FUND	10642864	6.20	-	(985650)	9657214	5.63
3	SBI Blue Chip Fund	9049056	5.27	-	(996200)	8052856	4.69
4	Nomura India Investment Fund Mother Fund	5742872	3.35	717487	-	6460359	3.77
5	TATA Balanced Fund	7341002	4.28	-	(1193718)	6147284	3.58
6	DSP Blackrock small and MID Cap Fund	4989504	2.91	315906	-	5305410	3.09
7	ICICI Prudential value Discovery Fund	9455978	5.51	-	(5203705)	4252273	2.48
8	Kotak Funds - India Midcap Fund	-	-	2706669	-	2706669	1.58

9	Max Life Insurance Company Limited A/C - ULIF01108/02/07LIFEGRWSUP104 - Growth Super Fund	1327795	0.77	592307	-	1920102	1.12
10	The Nomura Trust And Banking Co., Ltd As The Trustee Of Nomura India Stock Mother Fund	1176376	0.68	698029	-	1874405	1.09
11	Abu Dhabi Investment Authority- Behave	2952184	1.72	-	(2952184)	-	-
12	Government Pension Fund Global	2610651	1.52	-	(2610651)	-	-
13	Eastspring Investments India Infrastructure Equity Open Limited	2169711	1.26	-	(2169711)	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP Name of the Director / KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	Shashin V. Patel	5499720	3.21	675500	-	6175220	3.60
2	Vikram R. Patel	4608750	2.69	-	-	4608750	2.69
3	Vasistha C. Patel	3202150	1.87	-	-	3202150	1.87
4	Nitin R. Patel	101	-	-	-	101	-
5	Vipul H. Patel	166850	0.10	-	-	166850	0.10
6	Sandip V. Patel	10000	0.006	-	-	10000	0.006
7	Atul N. Ruparel	10000	0.006	-	-	10000	0.006
8	Arun S. Patel	-	-	-	-	-	-
9	Mirat N. Bhadlawala	-	-	-	-	-	-
10	Purvi S. Parikh	-	-	-	-	-	-
11	Tushar D. Shah	-	-	-	-	-	-

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2017				
i) Principal Amount	126194.20	50328.10	-	176522.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	183.60	1310.93	-	1494.53
Total (i + ii + iii)	126377.80	51639.03	-	178016.83
Change in Indebtedness during the financial year				
• Addition	10654.06	11394.96	-	740.90
• Reduction	26036.13	1310.93	-	27347.06
Net Change	15382.07	12705.89	-	28087.96
Indebtedness at the end of the financial year 31-03-2018				
Principal Amount	109534.65	38933.14	-	148467.79
i) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	1461.08	-	-	1461.08
Total (i + ii)	110995.73	38933.14	-	149928.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shashin V. Patel	Vikram R. Patel	Vasistha C. Patel	Nitin R. Patel	Vipul H. Patel	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	180.00	30.00	30.00	84.00	30.00	354.00
		-	-	-	-	-	-
		-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5	Others, please specify (Provident Fund)	0.22	-	-	0.22	0.22	0.66
	Total (A)	180.22	30.00	30.00	84.22	30.22	354.66
	Ceiling as per the Act	₹ 2200.07 (being 10% of the net profit of ₹ 22007 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Sandip V. Patel	Atul N. Ruparel	Arun S. Patel	Mirat N. Bhadlawala	Purvi S. Parikh	Total
1	Independent Directors Fee for attending board committee meeting	0.60	0.30	0.60	0.45	0.45	2.40
	Total (B)	0.60	0.30	0.60	0.45	0.45	2.40
	Total Managerial Remuneration (A+B)*						357.06
	Overall Ceiling as per the Act	₹ 2200.07 (being 11% of the net profit of ₹ 22007 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)					

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

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Mr. Tushar D. Shah)	*CFO (Mr. Nitin R. Patel)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	17.49	-	17.49
		-	-	-	-
		-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify (Provident Fund)	-	0.22	-	0.22
	Total	-	17.71	-	17.71

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES FOR F.Y. 2017-2018: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT COURT]	Appeal made, if any (give details)
COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
DIRECTORS (MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL				
OTHER OFFICERS IN DEFAULT (COMPANY SECRETARY)					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL				

Business Responsibility Report

Section A : General Information about the Company

1. Corporate Identity Number (CIN)	L45400GJ1988PLC011322
2. Name of the Company	Sadbhav Engineering Limited
3. Registered Address	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat
4. Website	www.sadbhaveng.com
5. E-mail id	investor@sadbhav.co.in
6. Financial Year reported	1 st April, 2017 to 31 st March, 2018

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

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

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

The Company is involved in the development, operation and maintenance of national and state highways and roads in several states in India, We earn revenues primarily from the BOT road concessions in two ways, depending on whether it is a toll-based or an annuity-based concession. Our project portfolio for the Infrastructure Development Business consists of 38 Projects.

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

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

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

Section B: Financial Details of the Company

- 1. Paid up capital (INR) : ₹ 17.15 Crore
- 2. Total turnover (INR) : ₹ 3505.06 Crore
- 3. Total Profit after taxes (INR) : ₹ 220.66 Crore
- 4. Total Spending on CSR as percentage of profit After tax (%) : As Stipulated under section 135 of the Companies Act, 2013, 2% of the average net profits of the last three years have been spent on CSR activities.
- 5. List of activities in which expenditure in 4 above has been incurred : Slum Area Development, Health Development, Promoting Education, Rural Development.

Section C: Other Details

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

Yes, the Company has 22 subsidiary companies (including step-down subsidiaries) as on March 31, 2018

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Yes. There are 22 subsidiaries including step-down subsidiaries. All policies/Practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]

No. Other vendors/suppliers/contractors do not participate in group's BR policy.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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

Directors Identification Number (DIN): 00048328

Name: Shashin V. Patel

Designation: Chairman & Managing Director

b) Details of the BR Head:

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

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

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

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for.....	Y	*Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	MoEF, Pollution Control Board	-	-	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The Policies have been either approved by the Board or Senior Functional Head authorized by the Board in this respect.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://sadbhaveng.com/programme-and-policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	N
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	N	N
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

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

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

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Board will review the BR performance annually.

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

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

Section E: Principle-wise Performance

Principle 1

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

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

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No genuine concerns were received during financial year 2017-18.

Principle 2

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

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

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain ?

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

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

The Company strives to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle, and waste minimization.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

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

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

4. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors ?**

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

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

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so**

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

Principle 3

1. **Please indicate total number of employees:**

Sr. No.	Category of Employees	No. of Employees
1.	Directors	5
2.	Fix Term (Contractual)	4710
3.	Regular	1241
4.	Superannuation	35
	Total	5991

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

Sr. No.	Category of Employees	No. of Employees
1.	Fix Term (Contractual)	4710
	Total	4710

3. **Please indicate the number of permanent women employees:**

Number of permanent women employees: 8

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

Number of permanent employees with disabilities: None

5. **Do you have an employee association that is recognized by the Management?**

No

6. **What percentage of permanent employees is members of this recognized employee association?**

N.A.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Nil

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

		Approx.
A.	Permanent employees	70%
B.	Permanent women employees	100%
C.	Casual / Temporary / Contractual employee	30%
D.	Employees with disabilities	N.A.

Principle 4

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

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

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

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

For details of projects undertaken during the FY 2017-18, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

Yes. Policy on human rights covers employees of the Company as well as employees of the subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received during the year in this regard.

Principle 6

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

Policy extends to Company as well as subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.

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

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

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

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

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company does not have any projects related to Clean Development Mechanism (CDM).

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

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

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

Yes.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.

The Company has not received any such notices from CPCB/SPCB during FY 2017-18.

Principle 7

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

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

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

We have been suggesting changes in policies to remove bottlenecks impacting the growth of infrastructure in the country and simplification of arbitration policies.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof

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

For details of projects undertaken during the FY 2017-18, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

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

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

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

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

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

Yes.

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

During the year under review the Company had contributed ₹ 3.42 crores to various community development, Health development programmes,, Promoting educations/projects and slump area development as part of its CSR initiatives. The details of projects undertaken are mentioned elsewhere in the Business Responsibility Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

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

Principle 9

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

There are no customer complaints / consumer cases pending as of end of financial year 2017-18.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws ? Yes / No / N.A. / Remarks (additional information)

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

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.If so, provide details thereof, in about 50 words or so.

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

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

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

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all faces of its functioning and its interactions with shareholders, employees, government, regulatory bodies and community at large. The Company recognized good corporate governance practices as a key driver to sustainable growth and long term value creation and thus encourages timely and accurate dissemination of information to all their stakeholders.

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

Board of Directors

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors & Independent Directors. As on March 31, 2018, the Board comprised of 10 Directors which include Five Executive Directors and Five Non-Executive Directors & Independent Directors.

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

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

COMPOSITION

Name	Designation	Category	No. of other Directorship held in other public Company*	#No. of committee membership of other companies	#No. of committee chairmanship of other companies
Mr. Shashin V. Patel DIN:00048328	Chairman & Managing Director	Executive Director	11	4	-
Mr. Vikram R. Patel DIN:00048318	Whole time Director	Executive Director	9	7	-
Mr. Vasistha C. Patel DIN:00048324	Whole time Director	Executive Director	8	2	-
Mr. Nitin R. Patel DIN:00466330	Whole time Director	Executive Director	9	6	1
Mr. Vipul H. Patel DIN:06634262	Whole time Director	Executive Director	5	-	-
Mr. Sandip V. Patel DIN:00449028	Director	Independent, Non-Executive Director	8	3	3
Mr. Atul N. Ruparel DIN:00485470	Director	Independent, Non-Executive Director	10	2	5
Mr. Arun S. Patel DIN:06365699	Director	Independent, Non-Executive Director	9	7	4
Mr. Mirat N. Bhadlawala DIN:01027984	Director	Independent, Non-Executive Director	10	5	3
Mrs. Purvi S. Parikh DIN:07071155	Director	Independent, Non-Executive Director	3	1	1

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

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

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

Board Meeting and Attendance

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

During the year 2017-2018, 4 (Four) Board Meetings were held on May 29, 2017, August 14, 2017, November 13, 2017 and February 12, 2018.

Attendance at Board meetings and Annual General Meeting (AGM)

Name of the Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Shashin V. Patel	4	Yes
Mr. Vikram R. Patel	4	Yes
Mr. Vasistha C. Patel	3	Yes
Mr. Nitin R. Patel	4	Yes
Mr. Vipul H. Patel	1	Yes
Mr. Sandip V. Patel	4	Yes
Mr. Atul N. Ruparel	2	Yes
Mr. Arun S. Patel	4	Yes
Mr. Mirat N. Bhadlawala	3	Yes
Mrs. Purvi S. Parikh	3	Yes

Evaluation of Board Performance:

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

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 12, 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board.

Familiarisation Programmes for Independent Directors

Your company has conducted the familiarization programme for Independent Directors of the Company on February 12, 2018. The programme was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

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

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2018 was as under:

Mr. Sandip V. Patel	Chairman
Mr. Nitin R. Patel	Member
Mr. Atul N. Ruparel	Member
Mr. Arun S. Patel	Member

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

Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on September 26, 2017.

During the year 2017-18, Four meetings of the Audit Committee were held on May 29, 2017, August 14, 2017, November 13, 2017 and February 12, 2018.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Atul N. Ruparel	2
Mr. Arun S. Patel	4

Nomination and Remuneration Committee

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

The composition of Nomination and Remuneration Committee as on March 31, 2018 was as under:

Mr. Atul N. Ruparel	Chairman
Mr. Sandip V. Patel	Member
Mr. Arun S. Patel	Member

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained in Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015.

Mr. Atul N. Ruparel, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on September 26, 2017.

During the year 2017-18, One meeting of Committee was held on May 29, 2017.

Attendance of Nomination and Remuneration Committee meetings

Name of Director	Meetings attended
Mr. Atul N. Ruparel	1
Mr. Sandip V. Patel	1
Mr. Arun S. Patel	1

Policy for Appointment and Remuneration

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

It contains followings:

(a) Education Qualification for Director:

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

(b) Positive Attributes of Directors:

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

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

(c) Independency of Directors

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

(d) Criteria for evaluation of Independent Directors

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

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

(e) Criteria for evaluation of Board

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

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

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

1. Nomination and Remuneration Committee has empowered the Managing Director of the Company to frame the remuneration policy for Directors, Key Managerial Personnel and other employees including Senior Management Personnel on yearly basis.
2. While formulating Policy, Managing Director of the Company shall ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
3. The Directors and Key Management Personnel shall be remunerated pursuant to the provisions of the Section 196 and 197 read with Schedule V of Companies Act, 2013.
4. Other senior official's salary shall be based and determined having regard to their experience, responsibilities, performance and initiative taking abilities.

Details of the remuneration paid during the year 2017-18 and other terms of appointment of Directors

Name of Directors	Salary (₹ In lakhs)	Sitting Fees (₹ In lakhs)	Terms of Appointment	No. of equity shares held as on 31 st March, 2018	No. of outstanding Stock options
Mr. Shashin V. Patel	180.22	-	3 years from July 1, 2017	6175220	-
Mr. Vikram R. Patel	30.00	-	3 years from October 01,2017	4608750	-
Mr. Vasistha C. Patel	30.00	-	3 years from October 01,2017	3202150	-
Mr. Nitin R. Patel	84.22	-	3 years from July 1, 2017	101	-
Mr. Vipul H. Patel	30.22	-	3 years from August 20, 2016	166850	-
Mr. Sandip V. Patel	-	0.60	-	10000	-
Mr. Atul N. Ruparel	-	0.30	-	10000	-
Mr. Arun S. Patel	-	0.60	-	-	-
Mr. Mirat N. Bhadlawala	-	0.45	-	-	-
Mrs. Purvi S. Parikh	-	0.45	-	-	-

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

Stakeholders Relationship Committee

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

The composition of Stakeholders' Relationship Committee as on March 31, 2018 was as under:

Mr. Mirat N. Bhadlawala	Chairman
Mr. Sandip V. Patel	Member
Mr. Nitin R. Patel	Member
Mr. Vasistha C. Patel	Member

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

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

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

The total number of complaints received and resolved during the year to the satisfaction of the shareholders during the year under review was Nil. No complaints were pending as on March 31, 2018.

During the year 2017-18, Four meetings of Committee were held on May 29, 2017, August 14, 2017, November 13, 2017 and February 12, 2018, in which following members were present.

Name of Director	Meetings attended
Mr. Mirat N. Bhadlawala	3
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Vasistha C. Patel	3

Other Committees

Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Shashin V. Patel, Mr. Vikram R. 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 comprises of Mr. Shashin V. Patel, as Chairman and Mr. Vasistha C. Patel, Mr. Mirat N. Bhadlawala as members of the Committee. During the year 2017-18, Two meetings of Committee were held on May 29, 2017 and February 12, 2018.

General Body Meetings

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

Financial Year	Date	Time	Venue
2014-15	September 29, 2015	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2015-16	September 28, 2016	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2016-17	September 26, 2017	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

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

Date of AGM	Special Resolution Passed
September 29, 2015	<ul style="list-style-type: none"> Issue of Secured/Unsecured Non-convertible Debentures and/or other Debt Securities on private placement basis. Authorize Board of Directors to make investment on behalf of the Company. Approve Related Party Transactions.
September 28, 2016	<ul style="list-style-type: none"> Approve Conversion of Loan into Equity
September 26, 2017	<ul style="list-style-type: none"> Reappointment of Mr. Arun S. Patel as an Independent Director of the Company Appointment of Mr. Shashin V. Patel as a Chairman and Managing Director of the Company for a period of three years. Re-Appointment of Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director of the Company Re-Appointment of Mr. Vasistha C. Patel as a Whole-time Director designated as Executive Director of the Company Re-Appointment of Mr. Vikram R. Patel as a Whole-time Director designated as Executive Director of the Company Approve the place of keeping and inspection of Registers, Returns etc Alteration of Articles of Association of the Company

Postal Ballot

During the year 2017-18, no resolution was passed through postal ballot.

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

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

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

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

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

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/unclaimed dividend on shares and unclaimed shares lying in Demat Suspense Account for a consecutive period of seven years.

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder and Unclaimed Shares lying in Demat Suspense Account for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company. Consequent to the above, during the financial year 2017-18, 1910 equity shares of the Company were transferred to the IEPFA as below. Relevant details of such shares is available on the website of the Company www.sadbhaveng.com.

Shares held in	Number of Shareholders / records	Number of Shares transferred
Unclaimed shares held in NSDL and CDSL for which dividend were unclaimed for seven or more years	8	1210
Unclaimed Shares lying in Demat Suspense Account	2	700
Total	10	1910

Unclaimed Shares lying in Demat Suspense Account:

In terms of Regulation 39(4) of the SEBI (LODR) Regulations, 2015 the Company reports the following details in respect of equity shares lying in the suspense 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.	1	350
iii	Number of shareholders to whom shares were transferred from suspense account during the year.	2	700
iv	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	1	350
v	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

Other Disclosures

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

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

C. Whistle Blower Policy

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

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

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

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

By Post: Chairman of Audit Committee

Sadbhav Engineering Ltd.

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

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

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

D. Management Discussion and Analysis

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

E. Subsidiary Companies

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

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

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

F. Disclosure of Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. The transactions with related parties are disclosed in Notes to the accounts (Note No. 52). The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link. http://sadbhaveng.com/wp-content/uploads/2018/02/RELATED_PARTY_TRANSACTION1.pdf

G. Disclosure of Accounting Treatment

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

H. Disclosure on Risk Management

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

Code of Conduct

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

CEO/CFO Certificate

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

Certificate from Statutory Auditor

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

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2017-18, 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)
- The Company has its own website www.sadbhaveng.com. Financial results on approval of the Board, presentations made to institutional investors or to the analysts, concall etc. are simultaneously hosted on website of the Company.
- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.

- Annual Reports containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information are circulated to the members and other entitled thereto.
- The Company also submits electronically various compliances reports, announcements etc. from time to time in accordance with the SEBI (LODR) Regulations, 2015 with NSE & BSE on www.nseindia.com and www.bseindia.com through NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre respectively and also on the website of the Company www.sadbhaveng.com.

General Shareholders Information

1. Annual General Meeting

Date and Time : September 27, 2018 at 12.00 noon
Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat.

2. Financial calendar : April 01, 2017 to March 31, 2018.

3. Book Closure date : September 15, 2018 to September 27, 2018 (both days inclusive) for payment of dividend.

4. Dividend payment date : On and after 27th September, 2018 but within the statutory time of 30 days from the date of declaration by shareholders.

5. Stock Code

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

6. Listing on Stock Exchanges :

A: Equity Shares :

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

B: Debt Securities (Debentures)

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

INE226H07056 - NCDs of ₹ 10 Lakh each
INE226H07064 - NCDs of ₹ 10 Lakh each
INE226H07072 - NCDs of ₹ 10 Lakh each
INE226H07080 - NCDs of ₹ 10 Lakh each
INE226H07098 - NCDs of ₹ 10 Lakh each

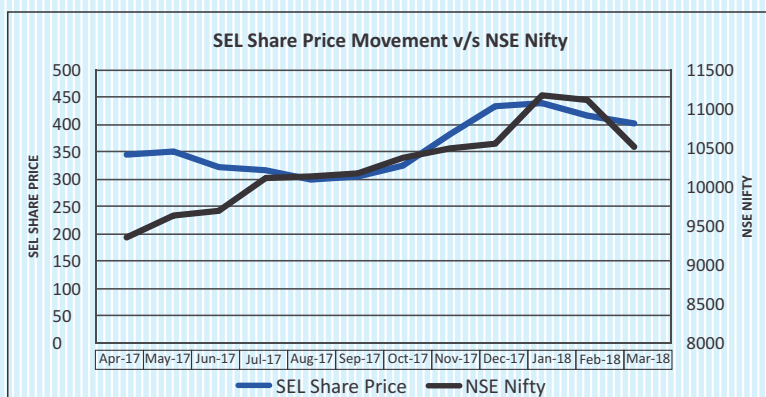
C: Debenture Trustees : IDBI Trusteeship Services Limited

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

Note: Annual listing fees for the year 2017-18 have been paid to the BSE and NSE.

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

Month	Share price at BSE amount in ₹		BSE Sensex		Share price at NSE amount in ₹		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-17	344.05	296.00	30184.22	29241.48	344.00	295.00	9367.15	9075.15
May-17	350.90	300.00	31255.28	29804.12	350.00	302.25	9649.6	9269.9
Jun-17	324.90	295.00	31522.87	30680.66	322.00	295.60	9709.3	9448.75
Jul-17	315.00	271.90	32672.66	31017.11	315.00	277.00	10114.85	9543.55
Aug-17	297.95	262.00	32686.48	31128.02	299.05	261.05	10137.85	9685.55
Sep-17	305.00	280.10	32524.11	31081.83	303.60	281.00	10178.95	9687.55
Oct-17	325.75	272.10	33340.17	31440.48	326.00	275.00	10384.5	9831.05
Nov-17	383.75	296.20	33865.95	32683.59	383.45	304.00	10490.45	10094
Dec-17	435.75	335.00	34137.97	32565.16	435.10	333.85	10552.4	10033.35
Jan-18	438.85	397.50	36443.98	33703.37	440.00	397.10	11171.55	10404.65
Feb-18	419.00	360.60	36256.83	33482.81	418.00	365.05	11117.35	10276.3
Mar-18	403.55	369.00	34278.63	32483.84	402.70	369.95	10525.5	9951.9



- 8. Registrar & Transfer Agents** : Link Intime India Private Limited
 C-101,247 Park, L.B.S. Marg Vikhroli (West), Mumbai- 400 083
 Contact: 022-49186270, Fax: 022-49186060
 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

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 half-yearly compliance certificate from a Company Secretary in Practice under Regulation 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI Listing Regulations.

10. Shareholding as on March 31, 2018

a. Distribution of shareholding as on March 31, 2018

No. of shares	No. of shareholders	% to total	No. of shares held	% to total
1-500	17239	92.27	1689781	0.98
501-1000	657	3.52	513084	0.30
1001-2000	301	1.61	442396	0.26
2001-3000	95	0.51	244219	0.14
3001-4000	52	0.28	187062	0.11
4001-5000	37	0.20	172039	0.10
5001-10000	67	0.36	517006	0.30
10001 to 999999999	235	1.26	167805213	97.81
Total	18683	100.00	171570800	100.00

b. Categories of shareholders as on March 31, 2018

Category	No. of shares	% to total
Promoters	79734880	46.47
Mutual Fund	38119973	22.22
Banks, Financial institutions, Insurance companies, Government companies	222167	0.13
Other private corporate bodies	21641065	12.61
Indian Public	4662766	2.72
NRI / OCB	502279	0.29
Foreign Portfolio Investor (Corporate)	26666830	15.54
Independent Relatives of Directors	20840	0.01
Total	171570800	100.00

11. Dematerialization of shares and liquidity

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

12. Transfer of unclaimed dividend amount for the financial year 2008-2009 to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 0.12 lakhs amount being unclaimed dividend for the year 2009-2010 to the Investor Education and Protection Fund (IEPF) pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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, conversion date and likely impact on equity

Company has no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity as on 31st March, 2018.

15. Foreign Exchange Risk and Hedging Activities

The details of foreign exchange exposures as on 31st March, 2018 are disclosed in Note no. 3.13 of the Significant Accounting Policies to the standalone financial statements.

16. Work Shop

: At Village Ognaj, Tal. Daskroi, Dist. Ahmedabad

17. Address for Correspondence

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 17 (5) of the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2018.

For Sadbhav Engineering Limited

Shashin V. Patel

Chairman & Managing Director
 DIN: 00048328

Place: Ahmedabad

Date: August 13, 2018

Certification on Financial Statements of the Company

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

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:

- a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: May 29, 2018
Place: Ahmedabad

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Auditors' Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited,

We have examined the compliance of conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2018 as stipulated regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year under the review as stipulated in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Place: Ahmedabad
Dated: August 13, 2018

Harish B. Patel
Partner
Membership No. 014427

Management Discussion & Analysis

CAVEAT

Certain statements in this report are “forward-looking statements” that reflect management’s expectations regarding Sadbhav Engineering’s future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are presented for the purpose of assisting the stakeholders and financial analysts in understanding the Company’s operating environment and may not be appropriate for other purposes. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. However, such forward-looking statements involve a certain number of risks and uncertainties, including those discussed under the heading “Risks and Uncertainties” and elsewhere in this report. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this report are based on what management believes to be reasonable assumptions, Sadbhav Engineering Limited can not assure investors that actual results will be consistent with these forward looking statements. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective.

Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company’s operations’ substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to any new information, future events or otherwise.

Hereby, we at Sadbhav Engineering Limited present our report for the financial year 2017-18.

ABOUT SADBHAV ENGINEERING LIMITED

Founded in 1988, SEL has implemented and executed projects of national significance including construction of roads and highways, bridges, mining and irrigation supporting infrastructure. SEL has successfully constructed 9064 lane kms. (till date) of roads and highways (both state and national highways) and are among the top most infrastructure companies in India. SEL is also listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and have had privilege to work for and with NHAI, Coal India, GIPCL, GHCL, L&T, HCC, Punj Lloyd, Sardar Sarovar Narmada Nigam, among various others.

SEL’s foundation moves on the growth chart keeping in view various factors, such as patterns of key emerging markets in advanced economies, rising policy, geopolitical uncertainties, additional growth disappointments, and many more.

1. GLOBAL ECONOMIC OVERVIEW

Global growth remains robust but has softened in recent months, as manufacturing activity and trade have shown signs of moderation. The ongoing withdrawal of monetary policy accommodation in advanced economies has led to some tightening of global financing conditions, while oil prices are substantially higher than previously expected. Global inflation is trending up, but only gradually and from low levels.

Notwithstanding the ongoing global expansion, only 45 percent of countries are expected to experience a further acceleration of growth this year, down from 56 percent in 2017. Moreover, global activity is still lagging previous expansions despite a decade-long recovery from the global financial crisis. Accordingly, after reaching 3.1 percent in 2018, global growth is projected to moderate in 2019-20, edging down to 2.9 percent by the end of the forecast period. Global growth projections are above estimates of potential, suggesting that capacity constraints will become more binding and inflation will continue to rise during the forecast horizon.

2. PANAROMA OF INDIAN ECONOMIC SITUATIONS

Constraints to growth are dissipating in India, where investment is recovering. Inflation remains broadly stable so far, despite higher commodity prices and limited remaining slack. India’s economic growth will accelerate in the current and next fiscal years. According to latest IMF forecast, India will consolidate its position as the world’s fastest-growing major economy and opening a wider gap with China, which is projected to be slow.

India’s economy is forecast to grow 7.4% from 6.7% in FY18 and accelerate further in FY20 to 7.8%, which is unchanged from its earlier outlook. There will be a gradual increase in India’s growth rate as structural reforms raise potential output, as foreseen by IMF in its flagship World Economic Outlook.

As per the CII estimates, Gross Value Added (GVA) at basic constant prices for 2017-18 is expected to be around 6.4% as against 7.1% in 2016-17. Sectors such as public administration, defence and other services; trade, hotels, transport, communication and services related to broadcasting; electricity, gas and water supply and other utility services and financial, real estate and professional services are anticipated to register a growth rate of over 7%. At the sectoral level, agriculture, industry and services are expected to grow at 3%, 4.8% and 8.3% respectively during FY18.

Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the period April-Jan 2017-18 stood at 3.7% in contrast to 5.1% growth registered during April-Jan 2016-17. The faster pace of growth for January 2018 can be accorded to the growth of the Manufacturing and Electricity sectors. During April-Jan 2018, the Manufacturing sector registered a growth rate of 4.3% while the Electricity sector grew at 5.3% for the same period. Manufacturing sub-sectors such as pharmaceuticals, electronics and transport equipment registered robust double digit growth rates.

3. OUTLOOK OF OPPORTUNITIES AND STRENGTHS

Roads and Highways

India has an extensive road network of 5.23 Million kms which is the second largest in the world. The transport sector constitutes 6% of the country's GDP and 70% of the share of the roads sector. More than 60% of freight and 90% of the passenger traffic in the country is handled by road. India roads and highways market grew at a significant pace over the past few years, owing to increasing focus of Government of India towards better infrastructure of roads and highways network for public and freight transportation. Moreover, implementation of government programmes such as, Bharatmala Pariyojana is aimed at enhancing connectivity of rural and remote regions in India. Furthermore, implementation of Hybrid Annuity Model (HAM) in Public Private Partnership (PPP) projects in roads and highways sector in the country, is further anticipated to increase participation of project developers in the bidding process, which is further forecast to drive India's roads and highways sector in times to come. The Government of India has launched major initiatives to upgrade and strengthen highways and expressways in the country and the private sector has emerged as a key player in the development of road infrastructure. We, at Sadbhav Engineering Limited, are poised to keep pace with overall growth of the sector and have already acquired 40 Projects that includes transport, EPC and BOT contracts, across the country.

Irrigation

India is aggressively working on water resource management to convey the irrigation water to more and more areas through ambitious projects like Accelerated Irrigation Benefit Programme (AIBP) of the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD&GR), Integrated Watershed Management Programme (IWMP) of Department of Land Resources (DoLR) and the On Farm Water Management (OFWM) of Department of Agriculture and Cooperation (DAC). Net irrigation area through canals was 16278000 Hectares in 2013-14. Under PMKSY (Per Drop More Crop) programme, government has set target for coverage of Total 100.00 lakh ha under precision irrigation during 2015-16 to 2019-20. As against the total water availability (Utilizable Surface Water) of 690 BCM, storage capacity of about 253.4 BCM (36.72 %) has been created in the country through execution of major and medium irrigation projects. Additional storage capacity of about 51 BCM may be added with the completion of on-going projects. It is, therefore, expected that a total storage capacity of 304.3 BCM (44.10 %) would be available after completion of the projects under construction. Your Company has been entrusted with a total of 19 on-going and new projects in this sector, wherein our scope includes construction of CM and CD works, hydraulic preparation, excavation, investigation, earthwork construction, canal build up etc.

Mining

India is a mineral rich country and has favourable geological milieu which is yet to be fully explored, assessed and exploited. Its geological setup is similar in many ways to that of resource rich countries like Canada, Australia, Brazil, South Africa, Chile and Mexico etc. Exploration activities in India are mostly carried out by Geological Survey of India (GSI), Mining Exploration Corporation Limited (MECL), various State Directorates of Geological Mining (DGMs), public sector undertakings (PSU) and private sector entities both domestic and subsidiaries of many global companies. India's total land area is 3.2875 million sq. km out of which, GSI has identified 0.571 million sq. km. as Obvious Geological Potential (OGP) area for minerals. While the mining leases granted for longer and stable tenure of 50 years, the demand for various metals and minerals will grow substantially over the next 15 years as Indian economy is expected to grow at 7% in coming years.

Your Company has consolidated project base of 10 Projects that includes activities ranging from removal of overburden by hiring HEMM (Heavy Earth Moving Machinery) to the excavation and transportation and up to the extraction of ores like lignite and uranium. The Company also has developed requisite talent pool to execute these projects.

4. RISKS & ITS MITIGATION:

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

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

(1) The successful completion of projects also depends upon the performance of entire value chain that includes our joint-venture partners and/or sub-contractors. Therefore, before entering into any such agreement, we thoroughly analyse their credentials and maintain real time monitoring through systems like SAP S/4 HANA. Irrespective of the partner's and/or contractor's status of association (old as well as new), we always insist on having a performance guarantee and quality assurance from our collaborators.

- (2) Various situations such as; cost overrun of projects due to problems of land acquisitions, removal of encroachment, compliance with environmental standard, penalty for delay in completion of the project in time, insurance coverage and other provisional measures may not adequately protect us against all possible risk of losses. Therefore, we elaborately plan to execute all our projects before the scheduled time. Also, we have contractor's all risk insurance policy and workmen's compensation policies as a precautionary measure at our disposal. We take Advance Loss of Profit (ALOP) Policy for each project and always appoint an Insurance Consultant / Professional to assess all at stake.
- (3) The estimates of increase of raw materials for BOT projects are made at the time of bidding, since there is no provision for cost escalations. However, our vast experience in the infrastructural sector enables us to keep the associated risks to a minimum.
- (4) With respect to risk of shortage in supply of raw materials, we ensure continuous supply of raw-materials through our supply value chain by entering into long term arrangement with our suppliers before every single project.
- (5) Preventive Maintenance is less costlier than the non-maintenance or break-down costs of equipment that cause a major hindrance in complete execution of projects. Therefore, our team of technical experts regularly overhauls and repairs the machines, thereby minimising the chances of any break-downs. We also set up mechanical divisions at each project site, wherein the regular maintenance and interim repairs are undertaken.
- (6) Mishandling of machines and equipment can result in being a liability. Therefore, we have Standard Operating Procedures (SOPs) in place and have designed training programmes for handling the sophisticated equipment and machinery used at our project sites. We have taken insurance coverage for any mishap claims that may arise under the Workman's Compensation Act.
- (7) Any negligence in employees' health, safety and regulatory measures can affect our performance. We, therefore, have an HSE Policy monitored and adhered religiously by central HR Team. In case of mining projects, we are required to provide a proper medical certification under the Medical Certificate Form 'O' as prescribed by DGMS. All employees are, thereby, sufficiently covered by Workman Compensation Insurance. We also provide the employees with necessary safety gadgets such as helmets, boots, and more.
- (8) Being a broad organisation with personnel in abundance, we have strong systems to ensure minimal dependence on any individual. Our operations may suffer a temporary setback if any of our key managerial personnel were to leave. Therefore, successful completion of projects is ensured by properly planning the delegation of work and succession planning among teams.
- (9) SADBHAV uses a mix of debt and equity to finance its fund requirements as it needs substantial working capital and financing to meet the requirements of large scale operations. Over the years, we have built a healthy relationship with our lenders which consolidate the difficulty in the process of obtaining debt for our business needs.

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

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

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

5. SEGMENT WISE PERFORMANCE

As on March 31, 2018 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 54 to the consolidated financial statements.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

An internal control for business processes across departments is required to not only ensure efficient operations but to also comply with internal policies, applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectively of this system of internal control is extensive internal audits, regular reviews by the management team and standard policies and guidelines to ensure the reliability of financial and all other records. Therefore, the ERP-SAP system of the company, which is already operative, was established. It connects all the project sites with the corporate office by providing real time information to the top management of the Company. Ideation to centralise the entire data process is being acted upon by SADBHAV Engineering Limited so as to assure transparency to each and every stakeholder of the Company.

7. FINANCIAL OVERVIEW - STANDALONE

(a) Income Analysis:

The Company's revenues for the current year stood at ₹ 3594.76 crores as against ₹ 3407.84 crores in the previous year, thereby registering an increase of 5.48 %.

(b) Expense Analysis:

Manufacturing and Construction expenses

Material consumed for the year ended March 31, 2018 amounted to ₹ 1078.69 crores, construction expenses decreased from ₹ 1837.26 crores incurred during 2016-17 to ₹ 1734.74 crores in the year 2017-2018.

Depreciation, Interest and Finance cost

Depreciation during 2017-18 amounted to ₹ 97.90 crores as against ₹ 100.04 crores recorded in 2016-17. Finance cost increased from ₹ 153.44 crores in 2016-17 to ₹ 190.67 crores in 2017-18.

(c) Profit Analysis:

Profit Before Tax during 2017-18 stood at ₹ 216.27 crores as against ₹ 189.68 crores recorded during 2016-17. Profit after tax for 2017-18 stood at ₹ 220.66 crores as compared to ₹ 187.85 crores during 2016-17.

(d) Net Worth:

The company also saw a rise in the Net worth from ₹ 1660.89 crores in 2016-17 to ₹ 1866.79 crores in 2017-18.

(e) Dividend:

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

Consolidated Financial

On consolidated basis, the Total revenue stood at ₹ 5093.38 crores during the financial year under review as compared to ₹ 4654.18 crores in the previous year, Loss before tax was ₹ 76.04 crores as compare to loss of ₹ 162.21 crores in the previous year and Loss after tax was ₹ 114.02 crores as compare to loss of ₹ 171.65 crores in the previous financial year.

8. DEVELOPMENT OF HUMAN RESOURCE

Employees are one of the most important stakeholders for Sadbhav Engineering Limited. Sadbhav considers its Human Capital as its core strength in achieving the sustainable growth path charted by our strategic apex. Sadbhav is among a very few companies having implemented SAP SuccessFactors, world renowned system to manage core HR activities. We have systems in place for identifying the right talent, training them, performance management, monitoring, appraisals, rewards and recognitions for our employees. Our policy entails all our employees to the benefits like Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance etc. We frequently organise medical check-up camps and safety training, mock drills across all project sites as per our health and safety policy. A dedicated Human Resource team at Sadbhav Engineering Limited, keep on engaging with employees at sites and address their concerns. We put major thrust on ergonomics for their comfort while they perform their duties and invest in latest technologies and amenities as well as safety gadgets. We continuously upgrade employees' skills and knowledge to keep them updated on the best practices from across the world. Our growth strategy and value driven approach and congenial environment has led us build an excellent team. We are 5991 people strong organization as on March 31, 2018.

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of change in Equity 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 including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, 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 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. 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 including the, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 43 (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 DHIRUBHAI SHAH & CO
Chartered Accountants
Firm's Registration Number: 102511W

Harish B. Patel
Partner
Membership No. 014427

Place : Ahmedabad
Date : May 29, 2018

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

1. (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.
(c) Based on our audit procedures and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, inventories have been physically verified by the management at regular intervals during the year and there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) The company has granted loans to two subsidiary companies covered in the register maintained u/s 189 of the Act. The terms and conditions of the loans granted are not prejudicial to the Company's interest.
(b) The borrower has been regular in the payments of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand except interest free term loan of ₹ 7795.63 lakh 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 ninety days in respect of the loans granted to the bodies corporate listed in the register maintained u/s 189 of the Act.
4. In our opinion and according to the information and explanations given to us, The Company has complied with the provision of Section 185 and 186 of the Act in respect of loans, investment, guarantees and securities.
5. 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. 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. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident 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, 2018 for a period of more than six months from the date of becoming payable except Labour cess of ₹ 137.73 lakhs.
- (b) The disputed statutory dues aggregating to ₹ 19678.86 lakhs 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 Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
02	The Finance Act, 1994	Service Tax	2005-06	Supreme Court of India	67.29
03	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	The High Court, Gujarat	212.68
04	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	ITAT, Ahmedabad	2506.23
05	The Income Tax Act, 1961	Income Tax	2007-08	ITAT, Ahmedabad	37.22
06	The Income Tax Act, 1961	Income Tax	2011-12	ITAT, Ahmedabad	269.36
07	The Income Tax Act, 1961	Income Tax	2012-13	ITAT, Ahmedabad	836.74
08	The Income Tax Act, 1961	Income Tax	2013-14	ITAT, Ahmedabad	1048.50
09	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
10	Jharkhand Value Added Tax Act, 2005	VAT	2010-11-2011-12	VAT Tribunal, Haryana	87.31
11	Maharashtra Value Added Tax Act, 2002	VAT	2010-11	Commissioner Appeal (Commercial Tax), Maharashtra	13991.08
				TOTAL	19678.86

8. 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, banks, government and dues to debenture holders.
9. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Company were, prima facie, applied for the purposes for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. 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 material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of the section 197, read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company therefore the provision of clause xii of paragraph 3 of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 178 of the Act where applicable and the details of such transaction have been disclosed in the standalone financial statements as required by the applicable accounting standard.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm's Registration Number: 102511W

Harish B. Patel
Partner
Membership No. 014427

Place : Ahmedabad
Date : May 29, 2018

Annexure - A

To the Independent Auditor's Report Of Even Date on the Financial Statements of Sadbhav Engineering Limited

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm's Registration Number: 102511W

Harish B. Patel
Partner
Membership No. 014427

Place : Ahmedabad
Date : May 29, 2018

BALANCE SHEET as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	6	49390.68	51523.24
(b) Capital Work in Progress	6	234.99	694.87
(c) Inangible Assets	6	651.38	69.76
(d) Financial Assets			
(i) Investments	7	57745.55	56941.40
(ii) Trade Receivables	8	3587.28	3587.28
(iii) Loans	9	3510.16	3162.31
(iv) Other Financial Assets	10	555.20	227.85
(d) Deferred Tax Assets	11	9942.02	4766.51
(e) Other Non Current Assets	12	1483.60	2489.14
		127100.86	123462.36
(2) Current Assets			
(a) Inventories	13	16425.32	12335.81
(b) Financial Assets			
(i) Trade Receivables	14	159217.58	166510.49
(ii) Cash and cash Equivalents	15	674.43	1269.30
(iii) Bank balance other than (ii) above	16	593.51	1026.96
(iv) Loans	17	65309.49	50646.37
(v) Other Current Financial Assets	18	40157.26	26164.63
(c) Current Tax Assets	19	9518.07	6029.74
(d) Other Current Assets	20	18067.89	14585.40
		309963.55	278568.70
Total Assets		437064.41	402031.06
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity & Share Capital	21	1715.71	1715.71
(b) Other Equity	22	184963.09	164373.55
		186678.80	166089.26
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	28627.97	30623.44
(ii) Other Financial Liabilities	24	831.00	980.16
(b) Provisions	25	0.00	0.00
		29458.97	31603.60
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	104632.46	121210.84
(ii) Trade Payables	27	59900.81	41178.31
(iii) Other Financial Liabilities	28	16673.06	26187.31
(b) Other Current Liabilities	29	39453.96	15562.02
(c) Provisions	30	266.35	199.72
		220926.64	204338.20
Total Equity & Liabilities		437064.41	402031.06

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants

Firm Regn. No. 102511W

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

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

(₹ in Lakhs)

Particulars	Note No.	2017-18	2016-17
I Revenue from Operations	31	350505.99	332030.52
II Other Income	32	8970.23	8753.94
III Total Revenue (I+II)		359476.22	340784.46
IV Expenses :			
Cost of Material Consumed	33	107868.92	81789.74
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	34	0.00	0.00
Construction Expenses	35	173473.90	183726.79
Employee Benefits Expense	36	15534.94	13663.30
Finance Cost	37	19067.44	15343.61
Depreciation and Amortization Expense		9790.39	10003.67
Other Expenses	38	12113.91	17289.49
Total Expenses		337849.50	321816.60
V Profit Before Exceptional Items and Tax (III-IV)		21626.72	18967.86
VI Exceptional Item		0.00	0.00
VII Profit Before Tax (V+VI)		21626.72	18967.86
VIII Tax Expense			
(1) Current Tax		4736.35	4048.04
(2) Deferred Tax Expense/(Income) including MAT Credit		(5175.51)	(3864.71)
IX Profit for the year (VII-VIII)		22065.88	18784.53
X Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (refer note no. : 39)		72.38	(181.47)
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		72.38	(181.47)
Total Comprehensive Income for the year			
XI Earning per Equity Share (in Rupees)			
Profit attributable to equity shareholders		22138.26	18603.06
Weighted Average number of equity shares outstanding during the year (refer note 41)			
Nominal value of equity share		1.00	1.00
Basic and Diluted Earning per Share (EPS)		12.86	10.95

Summary of Significant Accounting Policies 1 to 3

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

Partner
Membership No. 014427

Place: Ahmedabad

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Tushar D. Shah

Company Secretary

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

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2018	1715.71	0	1715.71
As on March 31, 2017	1715.34	0.37	1715.71

B Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Share Stock Option Account	General Reserve	Retained Earning	
As at April 01, 2016	345.00	62,950.11	9,000.00	26.31	11,160.18	63,723.93	1,47,205.53
Total Comprehensive Income for the year	-	-	-	-	-	18,784.53	18,784.53
Other Comprehensive Income (OCI)	-	-	-	-	-	(181.47)	(181.47)
Dividends (including tax on dividend)	-	-	-	-	-	(1,445.80)	(1,445.80)
Transfer to General Reserves	-	-	-	-	1,000.00	(1,000.00)	-
Transfer to Security premium account	-	-	-	(26.31)	-	-	(26.31)
Adjustment relating to Fixed Assets	-	-	-	-	-	(7.37)	(7.37)
Addition to the reserves	-	44.44	-	-	-	-	44.44
As at March 31, 2017	345.00	62,994.55	9,000.00	-	12,160.18	79,873.82	1,64,373.55
As at April 01, 2017	345.00	62,994.55	9,000.00	-	12,160.18	79,873.82	1,64,373.55
Total Comprehensive Income for the year	-	-	-	-	-	22,065.89	22,065.89
Other Comprehensive Income (OCI)	-	-	-	-	-	72.38	72.38
Dividends (including tax on dividend)	-	-	-	-	-	(1,548.73)	(1,548.73)
Transfer to General Reserves	-	-	(6,480.00)	-	6,480.00	-	-
Transfer to Security premium account	-	-	-	-	-	-	-
Addition to the reserves	-	-	-	-	-	-	-
As at March 31, 2018	345.00	62,994.55	2,520.00	-	18,640.18	1,00,463.36	1,84,963.09

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

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Tushar D. Shah

Company Secretary

Cash Flow Statement for the year ended on 31.03.2018

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	22065.88	18784.53
Adjustments For :		
Interest Income	(8093.26)	(7466.18)
Interest Expenses	19067.44	15343.61
Depreciation & Amortisation	9790.39	10003.67
Profit on sale of Property, Plant & Equipments	(121.80)	(186.99)
Loss on sale of Property, Plant & Equipments	137.88	257.74
Acturial Gain/Loss	72.38	(181.47)
Income Tax Provision	4736.35	4048.04
Deferred Tax Liabilities/(Assets) including MAT Credit	(5175.51)	(3864.71)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	42479.75	36738.24
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	0.00	197.17
(Increase)/Decrease of Trade Receivables	7292.91	(66570.21)
(Increase)/Decrease of Other Current Assets	(3482.49)	3234.87
(Increase)/Decrease of Other Current Financial Assets	(13992.63)	(4312.05)
(Increase)/Decrease of Other Non Current Assets	1005.54	(1640.90)
(Increase)/Decrease of Other Non Current Financial Assets	(327.35)	2060.74
(Increase)/Decrease of Inventories	(4089.51)	1726.28
(Increase)/Decrease of Other Bank Balances	972.88	(1143.32)
Increase/(Decrease) of Other Long Term Financial Liabilities	(149.16)	705.98
Increase/(Decrease) of Trade Payables	18722.50	30397.73
Increase/(Decrease) of Other Current Liabilities	23891.97	(8273.10)
Increase/(Decrease) of Other Current Financial Liabilities	1156.61	(378.14)
Increase/(Decrease) of Long Term Provision	0.00	(45.11)
Increase/(Decrease) of Short Term Provision	66.63	(131.93)
	31067.90	(44171.99)
Cash generated from Operations	73547.65	(7433.75)
Tax Paid	(8224.68)	2349.80
Net Cash From Operating Activities	65322.97	(5083.95)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Property, Plant & Equipments and Intangible Assets	(9772.26)	(3825.56)
Sales of Property, Plant & Equipments	1976.59	607.36
Investments in Subsidiary Companies	(606.65)	(648.27)
Investments in Associate Companies	0.00	0.00
Other Non Current Investments	(197.50)	(1.09)
Loan to/recd back from Subsidiary Companies	(15010.97)	4511.28
Interest Received	8093.26	7466.18
Net Cash From Investing Activities	(15517.53)	8109.90

Cash Flow Statement for the year ended on 31.03.2018

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	0.00	18.52
Proceeds From Long Term Borrowings (Net)	(12666.33)	(8446.39)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(11394.96)	25688.40
Net Increase in Working Capital Loan	(5183.42)	20225.46
Repayment of Advances	0.00	(24225.00)
Interest Paid	(19067.44)	(15343.61)
Dividend Paid	(1286.78)	(1201.25)
Dividend Tax Paid	(261.95)	(244.55)
	(49860.88)	(3528.42)
Net Cash From Financing Activities	(49860.88)	(3528.42)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(55.44)	(502.46)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	247.88	750.34
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	192.44	247.88
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	80.89	24.98
BALANCE IN CURRENT ACCOUNT WITH BANKS	111.55	217.90
BALANCE IN FIXED DEPOSITS	0.00	5.00

Notes:

- All figures in bracket are outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Fixed Deposits are pledged with central and various state govt/undertakings and local bodies , hence not considered in Components of Cash & Cash equivalents.

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

Partner
Membership No. 014427

Place: Ahmedabad

Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel

Executive Director
DIN : 00048324

Nitin R. Patel

Executive Director & CFO
DIN : 00466330

Tushar D. Shah

Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

1. Company overview

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

Indian rupee is the functional and presentation currency.

2.4 Use of estimates

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

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

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

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

3. Significant Accounting Policies

3.1 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

a. Contract revenue

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

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

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

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

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

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

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

Rendering of Services:

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

b. Other income

i. Revenue from wind mill power generation

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

ii. Interest income

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

iii. Dividend income

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

3.2 Property, Plant and Equipment

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

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

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

Significant Accounting Policies & Notes on Accounts

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

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

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

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

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

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

Asset Class	Useful life as per Schedule II	Useful life adopted by the company
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Wind Mills	22 Years	22 Years
Plant and Equipment	8 Years	9 to12 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

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

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

3.3 Intangible assets

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

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

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

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

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

3.4 Financial Instruments

3.4.1 Initial recognition

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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

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

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

3.4.2 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortized cost

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

ii. Financial assets at fair value through other comprehensive income

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

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

iii. Financial assets at fair value through profit or loss

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

iv. Financial liabilities

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

v. Investments in subsidiaries, associates and joint ventures

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

b. Derivative financial instruments

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

c. Equity instruments

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

d. Debt Instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in 3.4.2 a(i) are met. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

3.4.3 De-recognition

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

3.4.4 Off-setting

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

3.5 Fair Value Measurement

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

Significant Accounting Policies & Notes on Accounts

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

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

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

3.6 Income tax

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

Current Tax

Current tax is recognized in profit or loss.

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

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

Deferred Tax

Deferred tax is recognized in profit or loss.

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

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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

Deferred tax assets and deferred tax liabilities are off set, where company has a legally enforceable right to set off the recognized amount sandwhereitintendseithertosettleonanetbasis,ortorealizetheassetandsettletheabilitysimultaneously.

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

MAT Credit

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

3.7 Impairment

3.7.1 Financial assets other than investments in subsidiaries

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

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

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

3.7.2 Financial assets – investments in subsidiaries

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount based on value in use.

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

In assessing value in use, the estimated future cash flows are discounted to their present

Value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

3.7.3 Non-financial assets - Tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount.

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present

value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Borrowing costs

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

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

3.9 Employee Benefits

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

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

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

3.10 Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

3.11 Contingent Liability

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

3.12 Contingent Asset

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

3.13 Foreign Currency

a. Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

b. Conversion

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

c. Exchange difference

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

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

- Long-term foreign currency monetary items recognized in the financial statements after March 31, 2016 related to acquisition of a fixed asset are charged to the Profit and Loss statement.
- Other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

ii. Exchange differences on other monetary items

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

3.14 Cash and cash equivalent

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

3.15 Earnings per share

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

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

3.16 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.17 Lease

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

a) Company as lessee

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

b) Company as lessor

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

3.18 Segment Reporting

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

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

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

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

3.19 Share based payment

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

3.20 Operating Cycle

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

Notes forming Part of the financial statements

4. Recent Accounting Pronouncements issued but not yet effective

On March 2018, Ministry of Corporate Affairs (MCA) has notified new standards and amendments to existing standards. These amendments are effective for annual periods beginning on or after April 1st, 2018.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 construction contracts. Core principle of the new standard that an entity should recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhances disclosures about the nature, amount timing and uncertainty or revenue and cash flows arising from the entity's contract with customers.

This Standard permits two possible methods of transition. i.e. retrospective approach and modified retrospective method. The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

5. Transition to Ind AS

These standalone financial statements of The Company for the year ended March 31, 2018 and March 31, 2017 has been prepared in accordance with Ind AS.

Note No. 6 Property, Plant and Equipments

(₹ in Lakhs)

Particulars	Property, Plant and Equipments								Capital Work in Progress	Intangible Assets Computer Software	Total
	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Total			
Cost											
As at 01/04/2016	1111.61	7484.00	1464.32	208.90	51129.21	331.00	5323.06	67052.10	92.95	206.22	67351.27
Addition	0.00	727.07	117.42	68.41	2177.65	112.21	0.00	3202.76	694.87	20.88	3918.51
Disposal	0.00	0.00	0.00	0.00	3387.60	42.79	0.00	3430.39	92.95	0.00	3523.34
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	-40.76	0.00	-120.58	-161.35	0.00	0.00	-161.35
As at 31/03/2017	1111.61	8211.07	1581.74	277.32	49878.50	400.42	5202.47	66663.13	694.87	227.10	67585.10
Addition	0.00	7.05	85.96	95.45	9312.62	148.74	0.00	9649.83	84.41	732.89	10467.13
Disposal	102.38	297.95	0.00	0.00	4038.37	17.12	0.00	4455.81	544.29	0.00	5000.10
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(6.59)	0.00	9.04	2.44	0.00	0.00	2.44
As at 31/03/2018	1009.24	7920.17	1667.70	372.76	55146.16	532.04	5211.51	71859.59	234.99	959.99	73054.57
Accumulated Depreciation											
As at 01/04/2016	0.00	1111.20	153.92	62.07	6303.30	63.43	268.57	7962.49	0.00	83.36	8045.85
Addition	0.00	1250.18	162.41	61.78	8097.39	87.40	270.51	9929.68	0.00	73.99	10003.67
Disposal	0.00	0.00	0.00	0.00	2714.82	37.46	0.00	2752.28	0.00	0.00	2752.28
As at 31/03/2017	0.00	2361.39	316.33	123.85	11685.87	113.37	539.08	15139.89	0.00	157.35	15297.24
Charge for the Year	0.00	1142.16	177.30	71.56	7884.44	102.63	261.05	9639.14	0.00	151.26	9790.39
Disposal	0.00	276.32	0.00	0.00	2017.42	16.39	0.00	2310.13	0.00	0.00	2310.13
As at 31/03/2018	0.00	3227.23	493.63	195.41	17552.89	199.61	800.13	22468.90	0.00	308.61	22777.51
Net Book Value											
As at 31/03/2016	1111.61	6372.80	1310.40	146.84	44825.91	267.56	5054.49	59089.61	92.95	122.86	59305.42
As at 31/03/2017	1111.61	5849.68	1265.41	153.47	38192.63	287.05	4663.39	51523.24	694.87	69.76	52287.86
As at 31/03/2018	1009.24	4692.94	1174.07	177.36	37593.27	332.44	4411.38	49390.68	234.99	651.38	50277.06

- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard'. Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year company has added ₹ -2.44 Lakh (₹ 148.49 Lakhs) to the capital asset towards such exchange differences. The unamortized amount of such exchange difference included into the carrying amount of asset is ₹ 1247.51 Lakhs (₹ 1687.82 Lakhs).
- The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. This changes result in a higher depreciation of ₹ 1206.21 lakhs (₹ 845.71 lakhs) charged to profit and loss account.
- Refer Note No. 49 for information on property, plant and equipment pledged as security.
- There are no restriction on title of property, plant and equipments and Intangible Assets.
- Capital Work in progress balance is relating to Plant & Machinery of ₹ 1.11 lakhs and Office Building of ₹ 233.88 lakhs
- There is no contractual commitment on acquisition of property, plant and equipment and intangible assets.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
7. Investments		
7.1 Investments in Equity Instruments of Subsidiary Companies		
(A) Quoted		
Sadbhav Infrastructure Project Ltd. 24,22,23,427(24,17,83,427) Fully Paid up Equity Shares of ₹ 10/-each	51175.47	50568.82
Out of 24,22,23,427 (24,17,83,427) shares held in Sadbhav Infrastructure Project Ltd., 3,52,22,522 (3,52,22,522) Shares have been pledged with ICICI Bank		
Total (a)	51175.47	50568.82
Aggregate Marker Value of Quoted Investment ₹ 3,21,067.15 (₹ 2,32,353.87)) Lakhs		
(B) Unquoted		
(a) Nagpur Seoni Expressway Ltd. (NSEL) 200 (200) Fully Paid up Equity Shares of ₹ 10/-each	0.02	0.02
(b) Maharashtra Border Check Post Network Ltd. (MBCPNL) 1,315 (1315) Fully Paid up Equity Shares of ₹ 10/-each 1,315 (1315) Shares have been pledged with the lenders of MBCPNL out of 1,315 (1315) shares held by the company	120.90	120.90
(c) Shreenathji Udaipur Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
(d) Bhilwara Rajsamand Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
(e) Rohtak-Hissar Tollway Pvt. Ltd. 100 (100) Fully paid up Equity Shares of ₹ 10/-each	0.01	0.01
(f) Mysore-Bellary Highway Pvt. Ltd. 5,85,11,800 (5,85,11,800) Fully paid up Equity Shares of ₹ 10/-each 4,03,25,700 (4,03,25,700) shares are pledged out of 5,85,11,800 (5,85,11,800) shares held by the company	5851.18	5851.18
Total (b)	5972.13	5972.13

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
7.2 Investments in Equity Instruments of Other Companies		
(a) 25,000 (25,000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	0.00	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 (5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of ₹ 10/- each	55.54	55.54
Total (c)	55.60	58.10
7.3 Investments in Bonds and Debentures		
(a) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(c) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each.	100.00	100.00
(d) 9.25% 20000 (0) Debentures of Srei Equipment Finance Ltd of ₹ 1,000/- each.	200.00	
Total (d)	527.57	327.57
7.4 Other Investments		
Investment in NSC	14.78	14.78
Total (e)	14.78	14.78
Total (a + b + c + d + e)	57745.55	56941.40
(i) Aggregate Value of Un-Quoted Investment ₹ 6570.08 Lakhs round(₹ 6372.58 Lakhs)		
(ii) Refer to Note No.52 for Related party transactions and outstanding balances		
8. Trade Receivables		
Unsecured considered good	3587.28	3587.28
Total	3587.28	3587.28
Management is of the opinion that amount recoverable is not less than the amount stated , hence no impairment is required.		
9. Loans		
Unsecured, considered good		
Loan to Subsidiary Companies	3510.16	3162.31
Total	3510.16	3162.31
(i) Refer to Note No.52 for Related party transactions and outstanding balances		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
10. Other Financial Assets		
(i) Receivable under derivative contract	70.80	193.77
(ii) Security & Other Deposits	18.00	18.00
(iii) Bank Deposits with more than 12 months Maturity	452.45	2.13
(iv) In earmarked Accounts For Margin Money	13.95	13.95
Total	555.20	227.85
11. Deferred Tax Assets		
Deferred tax Assets (Net) Refer Note No. 40	9942.02	4766.51
Total	9942.02	4766.51
12. Other Non Current Assets		
12.1 Capital Advance		
Advances to Suppliers for Fixed Assets	336.37	819.93
12.2 Advance other than capital Assets		
(a) Security & Other Deposits	951.54	1473.52
(b) Advances for Goods and Services	195.69	195.69
Total	1483.60	2489.14
13. Inventories		
(a) Construction Materials	12453.03	10297.55
(b) Work in Progress	511.39	511.39
(c) Stores & Spares	3460.90	1526.87
Total	16425.32	12335.81
Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rate.		
14. Trade Receivables		
(Unsecured considered good)		
(i) Receivable from related parties	25461.59	44708.21
(ii) Receivable from Others	133755.99	121802.28
Total	159217.58	166510.49
Notes		
(a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.		
(b) Refer to Note No.52 for Related party transactions and outstanding balances		
(c) Fair values disclosure for financial assets are given in Note No. 46		
15. Cash and Cash Equivalents		
15.1 Balance with Banks		
(a) In Current Accounts	111.55	217.90
(b) In Fixed Deposit Accounts* (Maturity up to 3 months)	481.99	1026.42
	593.54	1244.32
15.2 Cash On Hand	80.89	24.98
Total	674.43	1269.30

* Fixed Deposits include ₹ 481.99 Lakhs (1021.42) pledged with central and various state Govt/undertakings and local bodies.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017																			
16. Bank balance other than Cash and Cash Equivalents																					
In earmarked Accounts																					
(i) Unclaimed Dividend	4.62	4.75																			
(ii) Maturity more than 3 months but upto 12 months	588.89	1022.20																			
(iii) Unpaid Right Issue Money	0.00	0.01																			
Total	593.51	1026.96																			
17. Loans																					
Unsecured, considered good																					
Loans to related parties:																					
Loan to Subsidiary Companies	65309.49	50646.37																			
Total	65309.49	50646.37																			
Disclosures in terms of regulation 34(3) and 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015)																					
(a) Loans given to Subsidiaries having no repayment schedule.																					
	<table border="1"> <thead> <tr> <th rowspan="2">Name of Subsidiaries</th> <th colspan="2">2017-18</th> <th colspan="2">2016-17</th> </tr> <tr> <th>Maximum Balance</th> <th>Closing Balance</th> <th>Maximum Balance</th> <th>Closing Balance</th> </tr> </thead> <tbody> <tr> <td>Sadbhav Infrastructure Project Limited</td> <td>54707.74</td> <td>54707.74</td> <td>57847.49</td> <td>43576.37</td> </tr> <tr> <td>Mysore Bellary Highway Pvt. Ltd.</td> <td>11856.25</td> <td>10601.75</td> <td>7070.00</td> <td>7070.00</td> </tr> </tbody> </table>		Name of Subsidiaries	2017-18		2016-17		Maximum Balance	Closing Balance	Maximum Balance	Closing Balance	Sadbhav Infrastructure Project Limited	54707.74	54707.74	57847.49	43576.37	Mysore Bellary Highway Pvt. Ltd.	11856.25	10601.75	7070.00	7070.00
Name of Subsidiaries	2017-18			2016-17																	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance																	
Sadbhav Infrastructure Project Limited	54707.74	54707.74	57847.49	43576.37																	
Mysore Bellary Highway Pvt. Ltd.	11856.25	10601.75	7070.00	7070.00																	
(b) Company has not given any Loans and Advances to any firms/companies (except subsidiaries as stated above) in which directors are interested.																					
(c) Loans Given to subsidiaries are of short term and to fulfill the temporary mismatch in cash flow.																					
(d) None of the loanees have made investments in shares of the Company																					
(e) Refer to Note No.52 for Related party transactions and outstanding balances																					
18. Other Current Financial Assets																					
(i) Interest Receivable from Subsidiary	4072.63	890.51																			
(ii) Interest Accrued But Not Due on Investments	150.99	29.29																			
(iii) Security & Other Deposits	31881.06	22069.38																			
(iv) Receivable Against Sale of Assets	64.30	50.70																			
(v) Recoverable in Cash																					
(i) Due from subsidiaries	573.31	470.23																			
(ii) Due from others	3414.97	2654.52																			
Total	40157.26	26164.63																			
(a) Refer to Note No.52 for Related party transactions and outstanding balances																					
19. Current Tax Assets (Net)																					
Advance Income Tax	22079.71	13855.03																			
Deduct Provision for Income Tax	12561.64	7825.29																			
Total	9518.07	6029.74																			
20. Other Current Assets																					
20.1 Advances other than capital advances																					
(a) Advances for goods and Services	13365.02	9984.36																			
(b) Advances to Others	210.92	132.13																			
	13575.94	10116.49																			
20.2 Others																					
(a) Advance Sales Tax & Service Tax	2481.33	3007.63																			
(b) Prepaid Expenses	1946.20	1415.04																			
(c) Group Gratuity Fund	64.42	46.24																			
	4491.95	4468.91																			
Total	18067.89	14585.40																			

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
21. Equity Share Capital		
(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of ₹ 1/- each with voting rights	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights:		
Outstanding at the beginning of the Period (Nos.)	171570800	171533800
Addition during the period towards ESOP (Nos.)	0	37000
Outstanding at the end of the Period (Nos.)	171570800	171570800

(d) Rights of Shareholders and Repayment of Capital:

(i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-.

(ii) Each holder of equity shares is entitled to one vote per share.

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

(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:-

Name of Share Holder(s)	As at 31.03.2018		As at 31.03.2017	
	No. of shares	% age	No. of shares	% age
Vishnubhai M. Patel	28124920	16.39%	28124920	16.39%
Sadbhav Finstock Pvt. Ltd.	16545275	9.64%	16545275	9.64%
Shantaben V. Patel	14715375	8.58%	14715375	8.58%
ICICI Life Insurance Company Limited	13649098	7.96%	9206830	5.37%
HDFC Trustee Company Limited. Midcap Opportunities Fund	9657214	5.63%	9152444	5.33%

(f) Share based payments

Shares reserved for Issue under ESOP @ ₹ 50/-per share (Nos.)

Nil

Nil

The Employee stock option scheme (ESOS) 2008 was approved by the shareholder at their Annual General Meeting of the company held on September 27, 2008.

The employee option plan is designed to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the company.

All the permanent employees of the company and its subsidiaries excluding promoters of the company, as decided by the Remuneration committee, are entitled to be granted for ESOS 2008. Vesting of the option would be subject to continued employment with the company. Once vested, the option is remains exercisable for period of three years. Options when exercisable, each option is converted into one equity share.

Summary of Options granted under the plan.

The activity in the ESOP-2008 during the year ended at March 31, 2018 and is set out below:

Particulars	31.03.2018		31.03.2017	
	Average exercise price per option	Number of option	Average exercise price per option	Number of option
Option outstanding in the beginning of the Year	-	-	50.00	37,000.00
Option granted during the Year end				
Less: Exercised	-	-	50.00	37,000.00
Less: Forfeited/Lapsed	-	-		
Option outstanding at the Year end				-
Option exercisable at the Year end				-

Notes forming Part of the financial statements

Share option outstanding at the end of the year have following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Share options outstanding	
			March 31, 2018	March 31, 2017
4-Oct-10	6-Oct-17	50.00	0	0

(₹ in Lakhs)

		As at March 31, 2018	As at March 31, 2017
22.	Other Equity		
(a)	Capital reserve		
	As per Last Balance Sheet	345.00	345.00
	Closing Balance	345.00	345.00
(b)	Security Premium Reserve		
	As per Last Balance Sheet	62994.55	62950.11
	Addition during the year	0.00	44.44
	Less : QIP Expenses	0.00	0.00
	Closing Balance	62994.55	62994.55
(c)	Debenture Redemption Reserve		
	As per Last Balance Sheet	9000.00	9000.00
	Deduction during the year	(6,480.00)	0.00
	Closing Balance	2520.00	9000.00
(d)	Shares Options Outstanding Account		
	As per Last Balance Sheet	0.00	26.31
	Addition during the year	0.00	0.00
	Less transferred to Security Premium Account	0.00	26.31
	Closing Balance	0.00	0.00
(e)	General Reserves		
	As per Last Balance Sheet	12160.18	11160.18
	Addition during the year	6480.00	1000.00
	Closing Balance	18640.18	12160.18
(f)	Other Comprehensive Income		
	As per Last Balance Sheet	(121.77)	59.70
	Addition During the Year	72.38	(181.47)
	Closing Balance	(49.39)	(121.77)
(g)	Profit and Loss account		
	As per last Balance Sheet	79995.56	63664.23
	Net Profit for the year	22065.89	18784.53
	Appropriations:-		
	Transfer to general reserves	0.00	1000.00
	Dividend Paid	1286.78	1201.25
	Tax on Dividend Paid	261.95	244.55
	Adjustment Relating to Fixed Assets/others	0.00	7.37
	Closing Balance	100512.72	79995.59
	Total	184963.06	164373.55

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
23. Non Current Borrowings		
(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures		
(a) HDFC Asset Management Co. Ltd.: 840 (1200) debentures of 10 Lakh each	5931.49	9590.20
	5931.49	9590.20

Details of Security

- (a) HDFC Asset Management Co. Ltd.: 840 (1200) debentures of 10 Lakh each Debentures are secured by :
- Pledge of 62,58,060 (62,58,060) shares of Sadbhav Engineering Ltd. by Sabhav Finstock Pvt. Ltd.
 - NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.
 - Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel

Rate of Interest : Coupon rate of 9 % plus Redemption Premium resulting Effective rate of Interest (IRR) of 12.15% & 14.19% p.a. at maturity.

Repayable during the year	No. of Installments	Maturity Amount
2018-19	1	4147.49
2019-20	1	5931.49

Debentures redeemable during the year 2018-19 are shown under 'Current Maturity of Long Term Debts' (Note No. 28 'Other Financial Liabilities')

(b) Term Loans		
Secured		
(i) From Banks:		
(a) Foreign Currency Term Loan (ECB)	2168.14	3708.41
(b) Rupee Term Loan	15182.32	14972.58
	17350.46	18680.99
Less Deferred Processing Fees	0.00	0.00
Total	17350.46	18680.99
Detail of Security		
Secured by way of hypothecation of specific machineries and equipments purchased and mortgage of Sadbhav Vision House, Guest House & office in Mumbai, Non Agricultural land at Sheikhpur (Ahmedabad), Guest House in Delhi.		
(ii) From Financial Institutions	5346.02	2352.25
Detail of Security		
Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.		
Total	28627.97	30623.44

Notes forming Part of the financial statements

Payable During the Years	No. of Instalments	Payable Amount	
		To Banks	To Financial Institutions
2018-19	1177	7324.44	3735.43
2019-20	913	6580.49	2151.24
2020-21	524	6360.92	1785.23
2021-22	357	4342.45	1204.39
2022-23	114	83.91	187.85

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

Loan repayable during the year 2018-19 are shown under 'Current Maturity of Long Term Debts' (Note No. 28 'Other Financial Liabilities')

		(₹ in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
24.	Other Financial Liabilities		
	(i) Advance Received for sale of Shares	0.02	0.02
	(ii) Security & Other Deposits from Sub-contractors	742.05	768.54
	(iii) Other Payables	88.93	211.60
	Total	831.00	980.16
25.	Long-Term Provisions		
	Provision for Employee		
	Provision for Gratuity	0.00	0.00
	Total	0.00	0.00
26.	Short-Term Borrowings		
26.1	Loans repayable on demand		
	Secured		
	Short Term	61260.64	52550.80
	Overdraft due to Issuance of Cheques	4438.68	18331.94
	Detail of Security		
	(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
	(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & 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 Shashin V. Patel, Shri Vasisthakumar Patel , Shri Vikramkumar Patel and Smt. Shantaben V. Patel.		
	Unsecured		
	Secured by Personal Guarantee of Shri Shashin V. Patel		
	From Banks	38775.00	49980.92
	Total	104474.32	120863.66
26.2	Loan from Related Parties - Unsecured		
	From Directors	0.00	184.42
	From Others (From Company in which Directors are Directors)	158.14	162.76
		158.14	347.18
	Total	104632.46	121210.84
	(a) Refer to Note No.52 for Related party transactions and outstanding balances	104632.46	121210.84
27.	Trade Payables		
	To Micro, Small and Medium Enterprises *	0.00	0.00
	Others	59900.81	41178.31
	Total	59900.81	41178.31

Notes forming Part of the financial statements

(a) Refer to Note No.52 for Related party transactions and outstanding balances

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

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

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

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
28. Other Financial Liabilities		
(a) Current Maturities of Long term debts		
Secured		
Non Convertible Debentures	4147.49	15998.95
Foreign Currency Term Loan	1552.02	2098.25
Loan from Banks	5772.42	4374.86
Loan from Financial Institutions	3735.43	3406.16
Sub-total	15207.36	25878.22
(b) Interest Accrued but not due on Loans	1461.08	304.33
(c) Unclaimed Dividend	4.62	4.75
(d) Unpaid IPO & Right Issue Money	0.00	0.01
Total	16673.06	26187.31
29. Other Current Liabilities		
(a) Sundry Creditors for Capital Goods	4229.33	1147.93
(b) Statutory Dues	1779.16	1782.05
(c) Advances Received from Clients *	10517.24	4712.17
(d) Security & Other Deposits	22917.60	7919.87
(e) Miscellaneous Liabilities	10.66	0.00
Total	39453.99	15562.02
Note :-There was no amount outstanding as on 31.03.2018, which is required to be transferred to Investor Education and Protection Fund (IEPF).		
Refer to Note No.52 for Related party transactions and outstanding balances		
30. Short-Term Provisions		
(a) Provision for Employee Benefits	260.99	194.36
(b) Provision for Wealth Tax	5.36	5.36
Total	266.35	199.72

Notes forming Part of the financial statements

(₹ in Lakhs)

	2017-18	2016-17
31. Revenue from Operations		
Contracts Receipt	349803.64	331609.77
Other Operating Income	702.35	420.75
Total	350505.99	332030.52
32. Other Income		
(a) Net Gain or (Loss) on financial assets measured at FVTPL		
Gain on Derivative Contracts	-13.01	133.62
(b) Interest revenue for financial assets that are measured at amortised cost		
(i) Interest income from Subsidiaries	7257.64	5737.52
(ii) Interest from Fixed Deposits	174.58	109.08
(iii) Interest from Bonds & Debentures	40.62	32.69
(c) Other Interest		
On IT Refunds	38.35	676.56
From Others	582.07	1586.89
(d) Profit on Sale of Assets	121.80	186.99
(e) Forex Gain	0.00	
(f) Miscellaneous Income	768.18	290.59
Total	8970.23	8753.94
33. Cost of Material Consumed		
Opening Stock	10297.55	12585.94
Add Purchase	110024.40	79501.35
	120321.95	92087.29
Less Closing Stock of Material	12453.03	10297.55
Total	107868.92	81789.74
34. Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-trade		
Opening Work-in-Progress	511.39	511.39
Less :Closing Work-in-Progress	511.39	511.39
Total	0.00	0.00
35. Construction Expenses		
Labour Expenses	126420.34	135557.30
Power & Fuel	27876.94	31438.98
Stores Consumed	3108.31	1833.02
Repairs & Maintenances-Construction Machineries	5594.56	7371.83
Transportation Expenses	804.24	671.18
Machinery Rent	6936.98	4679.92
Land & Godown Rent	348.67	429.58
Site Establishment Expenses	1225.94	735.27
Mess Expenses	1157.92	1009.71
Total	173473.90	183726.79
36. Employee Benefits Expense		
Salary & Wages	13969.59	11779.26
Contribution to PF and Other Funds	902.12	698.39
Group Gratuity Fund Expenses	10.00	127.50
Directors' Remuneration	354.00	733.91
Staff Welfare Expenses	299.23	324.24
Total	15534.94	13663.30

Refer to Note No.52 for Related party transactions and outstanding balances

Notes forming Part of the financial statements

(₹ in Lakhs)

	2017-18	2016-17
37. Finance Cost		
(a) Interest Expenses on Financial liabilities measured at Amortised Cost		
On Borrowings	17004.84	14076.17
(b) Other Interest Expenses		
On Taxes	73.67	86.67
(c) Other Borrowing Costs	1988.93	1180.77
Total	19067.44	15343.61
38. Other Expenses		
Rent Expenses	45.37	38.71
Rates & Taxes	4415.67	10635.01
Insurance	891.31	576.03
Legal & Consultation Fees & Expenses	2682.68	2447.63
Corporate Social Responsibility Expenses	342.28	565.22
Donation Expenses-Others	54.47	25.42
Auditors Remuneration	24.75	62.16
Loss on Sales of Assets	137.88	257.74
Miscellaneous Expenses	3519.50	2681.57
Total	12113.91	17289.49

39. Employee Benefits Note

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

39.1 Defined Contribution Plans

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

Particulars	2017-18	2016 - 2017
Contribution to Provident Funds	902.12	650.63
Contribution to ESIC	124.07	38.45
Total (Ref. Note No. 36)	1,026.19	689.08

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

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

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 10,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

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

39.4 Risk to the Plan

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

A Actuarial Risk:

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

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

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

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

Notes forming Part of the financial statements

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

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

39.5 Reconciliation of defined benefit obligations

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligations as at beginning of the year	745.30	438.49
Current service cost	193.15	128.03
Interest cost	54.60	31.99
Actuarial Loss/(Gain) due to change in financial assumptions	25.71	-
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	(110.42)	178.64
Past Service Cost	42.01	-
Benefits Paid	(42.75)	(31.85)
Defined benefit obligations as at end of the year (Refer note no 20)	907.60	745.30

39.6 Reconciliation of Plan Asset

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Plan Asset as at beginning of the year	791.53	393.38
Expenses deducted from the fund	-	-
Interest Income	65.95	32.64
Return on plan assets excluding amounts included in interest income	(12.32)	(2.83)
Contributions by employer	169.61	400.19
Benefits paid	(42.75)	(31.85)
Plan Asset as at end of the year (Refer note no 20)	972.02	791.53

39.7 Reconciliation of the Effect of Asset ceiling

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

39.8 Net amount Charged to Statement of Profit and Loss for the period

(₹ in Lakhs)

Particulars	2017-18	2016-17
Current service cost	193.15	128.03
Past Service Cost and Loss/(gain) on curtailments and settlement	42.01	-
Net Interest cost	(11.35)	(0.65)
Net amount recognized (Refer note no. 36)	223.81	127.38

Notes forming Part of the financial statements

39.9 Other Comprehensive income for the period

(₹ in Lakhs)

Particulars	2017-18	2016-17
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	25.71	-
Due to change in demographic assumption		-
Due to experience adjustments	(110.42)	178.64
Return on plan assets excluding amounts included in interest income	12.32	2.83
Amounts recognized in Other Comprehensive Income	(72.39)	181.47

39.10 Break up of Plan Assets

Particulars	2017-18	2016-17
Insurance Policy	100%	100%

39.11 Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.95%	7.95%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages

39.12 Sensitivity Analysis for Actuarial Assumption

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

As at 31.03.2017	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	₹ in Lakhs	%	₹ in Lakhs	%
Discount Rate	0.50%	0.50%	(18.20)	-2.44%	19.13	2.57%
Salary Growth Rate	0.50%	0.50%	18.37	2.46%	(18.77)	-2.52%

Limitation of method used for sensitivity analysis :

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

39.13 Details of Asset - Liability Matching Strategy

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

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
Expected contribution to the plan	210.78	181.80
Total	210.78	181.80

Notes forming Part of the financial statements

39.15 Maturity Profile of the Defined Benefit Obligation

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

As at March 31, 2017	₹ in Lakhs	%
2018	117.11	9.80%
2019	93.61	7.98%
2020	95.28	7.90%
2021	105.52	8.80%
2022	87.14	7.30%
2023 - 2027	355.07	29.60%

40. Income Tax expense

40.1 Income tax expense in the statement of profit and loss comprises of:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Current income tax	4,736.35	4,048.04
Adjustments in respect of current tax of earlier years	-	-
Total current income tax	4,736.35	4,048.04
Deferred tax		
Relating to origination and reversal of temporary difference	(5,175.51)	(3,864.71)
Total Deferred tax	(5,175.51)	(3,864.71)
Income tax expense	(439.16)	183.33

40.2 The company was required to make provisions of Income tax as per the rate applicable for MAT. A reconciliation of MAT tax provision to the amount computed by applying the statutory MAT rate is summarized below:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Accounting profit before tax	21,626.72	18,967.86
MAT rate	21.342%	21.342%
MAT liability on accounting profit	4,615.49	4,048.04
Adjustment of Income tax of Earlier Year	-	-
Deferred tax Adjustment	(5,175.51)	(3,864.71)
Effect of non deductible items	120.86	
Effect of deductible items	-	
Income tax expenses considered in accounts as per MAT rate	(439.16)	183.33

Notes forming Part of the financial statements

40.3 There is no changes in the applicable tax rates compared to previous accounting period.

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

Particulars	Recognized DTA / DTL in balance sheet		Deferred tax (Income) / Expense recognized in P&L	
	31.03.2018	31.03.2017	2017-18	2016-17
Deferred tax liability				
Property, Plant and Equipment	1,825.10	2,348.37	(523.28)	(810.64)
Derivative deals - Option and Currency Swap	24.50	67.06	(42.56)	(49.18)
Non convertible Debenture	-	-	-	(47.44)
Interest Accrued But Not Due	-	-	-	(2.68)
Unamortized processing fees	-	-	-	(0.43)
Total Deferred tax liability	1,849.60	2,415.43	(565.84)	(910.37)
Deferred tax asset				
Investment in SIPL - Sub Debt	1,483.11	1,603.50	120.39	77.88
Provision for Gratuity	(22.29)	(16.00)	6.29	33.80
Derivative Deal - Interest Swap	-	-	-	27.50
ECB Loan	-	-	-	233.96
Total Deferred tax asset	1,460.82	1,587.50	126.68	373.14
Net Deferred Tax Liability / (Assets) before MAT Credit	388.78	827.94	(439.16)	(537.23)
MAT Credit Entitlement	10,330.80	5,594.45	(4,736.35)	(3,327.49)
Net Deferred Tax Liability / (Assets) Recognized	(9,942.02)	(4,766.51)		-
Deferred Tax Expenses / (Income) Recognized	-	-	(5,175.51)	(3,864.72)

41. Working of Earning Per Share

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

Particulars	As at March 31, 2018	As at March 31, 2017
Nominal Value of Equity Share (₹ per share)	1.00	1.00
For Basic EPS		
Number of Equity Shares at the beginning of the year	17,15,70,800	17,15,33,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	0	37000
Number of Equity Shares at year end	17,15,70,800	17,15,70,800
Weighted Average number of Equity Shares	17,15,70,800	17,15,66,644
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,70,800	17,15,66,644
Add: Dilution in Nos. of Equity Shares on Grant of Stock Option under ESOP-2008		-
Weighted Average number of Dilutive Equity Shares	17,15,70,800	17,15,66,644

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	22065.88	18784.53
Weighted Average number of Equity Shares	17,15,70,800	17,15,66,644
Basic EPS (₹)	12.86	10.95
Diluted EPS		
Net Profit after Tax	22,065.88	18,784.53
Weighted Average number of Diluted Equity Shares	17,15,70,800	17,15,66,644
Diluted EPS (₹)	12.86	10.95

Notes forming Part of the financial statements

42. 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	As at March 31, 2018	As at March 31, 2017
(a) Amount of Contract Revenue recognised as revenue during the period	349803.64	331035.17
(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	995054.76	899671.56
(ii) Advances Received	10668.97	4387.11
(iii) Retention Amount	26518.15	18344.59
(c) Amount due from Customers for Contract in Progress	43526.43	41721.43
(d) Amount due to Customers for Contract in Progress	Nil	Nil

43. Contingent Liabilities and commitments

A Contingent Liabilities

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

- (i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakhs (March 31, 2017: ₹ 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed ₹ 46.42 Lakhs (March 31, 2017: ₹ 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid ₹ 21.020 Lakhs (March 31, 2017: ₹ 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
- (ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakhs (March 31, 2017: ₹ 199.13 Lakhs) and impose penalty of ₹ 345.92 Lakhs (March 31, 2017: 345.92 Lakhs). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (iii) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (March 31, 2017: ₹ 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.
- (iv) The ACIT, Central Circle - 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the "CIT(A) Order") totaling to ₹ 611.03 lakhs. Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is ₹ 212.68 Lakhs . The matter is currently pending.
- (v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2008-09. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2008-09 imposing total penalty (the "Penalty Order") of ₹ 37.22 Lakhs. Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Circle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.
- (vi) The JCIT, Range 8, Ahmedabad served assessment orders to SEL in relation to the assessment years 2008-09 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act aggregating to ₹ 906.99 lakh. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions . Subsequently, the Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 308.29 Lakhs . The matter is currently pending.

Notes forming Part of the financial statements

- (vii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 1277.00 Lakhs (March 31, 2017: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 5746.80 Lakhs (March 31, 2017: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1953.30 Lakhs (March 31, 2017: 1953.30 lakhs). The matter is currently pending.
- (viii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of ₹ 378.99 Lakhs (March 31, 2017: 378.99). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. Subsequently, the DCIT, Central Circle -4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 244.64 Lakhs (March 31, 2017: 244.64 lakhs). The matter is currently pending.
- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 450.73 Lakhs (March 31, 2017: ₹ 450.73 Lakhs) and disallow SEL's claim for deduction for a sum of ₹ 379.47 Lakhs (March 31, 2017: ₹ 379.47 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with Gol and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle-1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 269.36 Lakhs (March 31, 2017: ₹ 269.36 Lakhs). The matter is currently pending.
- (x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 377.87 Lakhs (March 31, 2017: ₹ 377.87 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 7716.78 Lakhs (March 31, 2017: ₹ 7716.78 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2013-14 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 836.74 Lakhs (March 31, 2017: ₹ 377.87 Lakhs). The matter is currently pending.
- (xi) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 448.85 Lakhs (March 31, 2017: ₹ 448.85 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 2993.28 Lakhs (March 31, 2017: ₹ 2993.28 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2014-15 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1048.50 Lakhs (March 31, 2017: ₹ 1048.50 Lakhs). The matter is currently pending.
- (xii) During the year, there was a search u/s 132 of income tax on the company. The company has received notice u/s 153A to file the income tax return for the FY 2011-12 to 2016-17 & notice u/s 148 for the AY 2010-11. The company has filled the return in response to notice u/s 153A & u/s 148. The proceedings are pending.
- (xiii) 1. The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakhs (March 31, 2017: ₹ 702.00 Lakhs inclusive of interest ₹ 330.18 Lakhs (March 31, 2017: ₹ 330.18 Lakhs) and Penalty of ₹ 74.36 Lakhs (March 31, 2017: ₹ 74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 15 Lakhs (March 31, 2017: ₹ 15.00 Lakhs). As the company has paid ₹ 15.00 Lakhs, no provision has been made.
- (xiv) 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 Lakhs (March 31, 2016: ₹ 81.32 Lakhs and April 1, 2015: ₹ 81.32 Lakhs) 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 ₹ 81.32 Lakhs (March 31, 2017: ₹ 30.00 Lakhs) with the Mining Engineer, Mines and Geology Department, Udaipur. Further proceeding is pending and amount is fully paid, hence no provision has been made.
- (xv) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of ₹ 77.40 lakhs (March 31, 2017: ₹ 77.40 Lakhs) and also has passed order for FY 2011-12 with demand of ₹ 152.83 lakhs (March 31, 2017: ₹ 152.83 Lakhs). The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts.

Notes forming Part of the financial statements

- (xvi) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of ₹ 13991.08 lakhs (March 31, 2017: ₹ 13991.08 lakhs) which includes Interest of ₹ 4593.08 Lakhs (March 31, 2017: ₹ 4593.08 Lakhs) and Penalty of ₹ 4699.00 Lakhs (March 31, 2017: ₹ 4699.00 Lakhs). The company has filled Appeal against this order and also asked for stay on this demand.
- (xvii) (i) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of ₹ 11.69 Lakhs (March 31, 2017: ₹ 11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.
- (ii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of ₹ 3.63 Lakhs (March 31, 2017: Nil). The company is going to filled appeal before the High court of Gujarat. The matter is currently pending.
- (iii) An employee has filed case before Labour court at Balaghat for compensation of ₹ 13.20 Lakhs (March 31, 2017: ₹ 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.
- (xviii) SEL has moved to Nagpur High Court for release of penalty amount ₹ 1,13,45,265/- against the services provided at Junad Mines of WCL. The judge handling the case has retired and new appointed judge currently handling the case, stated that new hearing date will be issued after re-opening of Court. New hearing date awaited.
- (xix) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. Reply against the legal notices have already been sent. SEL is waiting for next hearing date from Ranchi Court.
- (xx) Ex-party order passed on 18/05/2017 by the Labour Commissioner (Central), Kanpur (U.P) in the matter of an application filed by the Applicant Mohanlal Patel and 4 Others through Shri Arjun Prasad Gupta. In this regard in relation to the Khadiya: project of NCL. SEL had received two legal notices from Regional commissioner dated 21.06.2017 and 03.06.2017. The amount ₹ 3,65,11,211/- was withheld by NCL.
- (xxi) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding 1,87,88,756/- with respect to the customs duty on importing Electronic Sensor paver Finisher , which was valued at ₹ 7,26,76,802 by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12/ 2012, pertaining to exemption from payment of custom duty. The Additional Director General DRI, Zonal unit, Lucknow through its show cause notice. Subsequently, SEL preferred an appeal before the Commissioner of Customs Customs Commisinsinate-II, Customs House, No.60, Rajaji Salai, Chennai-600001. SEL submitted its detailed reply on 23/03/2018 to justify nil custom duty against Import of paver. Thereafter not got any further date in the matter.
- (b) Other Money for which the company is contingently liable:
- (i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of legal opinion and decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of Total income tax of ₹ 20320.70 Lakhs (March 31, 2017: ₹ 11563.41 Lakhs) on claim of deduction/s 80IA for the AY 2015-16 to AY 2018-19 has been consider as contingent liability for which assessment is not completed.
- (ii) Siddharth Infraprojects Pvt. Ltd. (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 8160.00 Lakhs (March 31, 2017: ₹ 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakhs (March 31, 2017: ₹ 8160.00 Lakhs). The matter is currently pending.
- (c) Guarantees:
- Company has given corporate guarantee to banks for 82265.00 Lakhs (March 31, 2017: ₹ 83652.50 Lakhs) against the finance facility given by the banks to subsidiary companies.

Notes forming Part of the financial statements

(d) Pending Litigation with Minority Shareholders of Step down Subsidiary:

M/s. Monte Carlo Ltd., the minority Shareholder of Bijapur Hungud Tollway Pvt. Ltd. ('BHTPL') (a step down subsidiary of the Company), holding 23% of the total Paid Up Share Capital in the BHTPL, has filed Company Petition No. 78 of 2013 under sections 397 & 398 of the Companies Act, 1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders SIPL, SEL (Sadbhav Group) and the past and present Directors of the BHTPL appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). SIPL had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the BHTPL Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Monte Carlo, Sadbhav & BHTPL. The said Application was dismissed by the CLB by Order dated January 8, 2014. SIPL then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the January 8 Order. The Writ Petition was dismissed by single judge of Honorable High Court of Gujarat by Order dated August 14, 2014. SIPL has filed Letters Patent Appeal No.1070 of 2014 before the Division Bench of the Hon'ble Gujarat High Court against the August 14 Order. The Hon'ble Gujarat High Court has by Order dated November 24, 2014 continued the interim Orders passed during the pendency of the Writ Petition and further directed to stay proceedings before CLB till disposal of LPA. The LPA is, pending hearing before the Hon'ble Gujarat High Court. There is no financial impact on the BHTPL in relation to the said litigation.

B Capital & other Commitments

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

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	0.00	2193.20
(ii) Other Commitment	3418.57	3185.23

44. Dividend

(₹ in Lakhs)

Particulars	₹ Per Share	As at March 31, 2018	As at March 31, 2017
Dividend Proposed and not recognized at the end of reporting period	0.75 1.00	- 1715.71	1548.74 -
Dividend (Including tax on Dividend) paid during the reporting period	0.75 0.70	1548.73	1445.80

45. Financial Instruments

45.1 Disclosure of Financial Instruments by Category

As at March 31, 2018

(₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	7	-	55.60	-	55.60	55.60
Investments in Bonds and Debentures	7	-	-	527.57	527.57	527.57
Investments in NSC	7	-	-	14.78	14.78	14.78
Trade Receivables	8 & 14	-	-	1,62,804.86	1,62,804.86	1,62,804.86
Long term Loans and Advances	9	-	-	3,510.16	3,510.16	3,510.16
Receivables under derivative contract	10	70.80	-	-	70.80	70.80
Other Long term Financial Assets	10	-	-	484.40	484.40	484.40
Cash and Cash Equivalents	15	-	-	674.43	674.43	674.43
Bank Balances other than Cash and Cash equivalents	16	-	-	593.51	593.51	593.51

Notes forming Part of the financial statements

Loan to Related Parties - Current	17	-	-	65,309.49	65,309.49	65,309.49
Other current financial assets	18	-	-	40,157.26	40,157.26	40,157.26
Total Financial Asset		70.80	55.60	2,74,076.46	2,74,202.86	2,74,202.86
Financial liability						
Long Term Borrowings	23	-	-	28,627.97	28,627.97	28,627.97
Other Long term Financial Liabilities	24	-	-	831.00	831.00	831.00
Short Term Borrowings	26	-	-	1,04,632.46	1,04,632.46	1,04,632.46
Trade Payables	27	-	-	59,900.81	59,900.81	59,900.81
Other Current Financial Liabilities	28	-	-	16,673.06	16,673.06	16,673.06
Total Financial Liabilities		-	-	2,10,665.30	2,10,665.30	2,10,665.30

As at March 31, 2017

(₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	7	-	58.10	-	58.10	58.10
Investments in Bonds and Debentures	7	-	-	327.57	327.57	327.57
Investments in NSC	7	-	-	14.78	14.78	14.78
Non Current Trade Receivables	8 & 14	-	-	1,70,097.77	1,70,097.77	1,70,097.77
Long term Loans and Advances	9	-	-	3,162.31	3,162.31	3,162.31
Receivables under derivative contract	10	193.77	-	-	193.77	193.77
Other Long term Financial Assets	10	-	-	34.08	34.08	34.08
Cash and Cash Equivalents	15	-	-	1,269.30	1,269.30	1,269.30
Bank Balances other than Cash and Cash equivalents	16	-	-	1,026.96	1,026.96	1,026.96
Loan to Related Parties - Current	17	-	-	50,646.37	50,646.37	50,646.37
Other current financial assets	18	-	-	26,164.63	26,164.63	26,164.63
Total Financial Asset		193.77	58.10	2,52,743.77	2,52,995.64	2,52,995.64
Financial liability						
Long Term Borrowings	23	-	-	30,623.44	30,623.44	30,623.44
Other Long term Financial Liabilities	24	-	-	980.16	980.16	980.16
Short Term Borrowings	26	-	-	1,21,210.84	1,21,210.84	1,21,210.84
Trade Payables	27	-	-	41,178.31	41,178.31	41,178.31
Other Current Financial Liabilities	28	-	-	26,187.31	26,187.31	26,187.31
Total Financial Liabilities		-	-	2,20,180.06	2,20,180.06	2,20,180.06

Notes forming Part of the financial statements

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

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

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of Borrowed Funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

- 45.3 Refer Note 49 for information on financial asset pledged as security

46. Fair Value Measurement of Financial Assets and Liabilities

46.1 Fair value hierarchy

(₹ in Lakhs)

As at March 31, 2018	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	10	-	70.80	-	70.80
Total of Financial Assets		-	70.80	-	70.80
Financial asset measured at FVTOCI					
Investments in Equity Instruments of other Entities	7	-	55.60	-	55.60
Total of Financial Assets		-	55.60	-	55.60
As at March 31, 2017					
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	10	-	193.77	-	193.77
Total of Financial Assets		-	193.77	-	193.77
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	7	-	58.10	-	58.10
Total of Financial Assets		-	58.10	-	58.10

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

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

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

The Company enters into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs include currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value using marked-to-market valuation as at March 31, 2018.

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

47. Financial Risk Management

47.1 Financial Instruments Risk management objectives and Policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade & other receivables and cash and bank balance that derive directly from its operations.

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Notes forming Part of the financial statements

47.2 Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on “sensitivity analysis” on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 100-basis points of the interest rate yield curves in all currencies. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2 %

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

47.3 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Company may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

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

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

(₹ in Lakhs)

Particulars	Currency	March 31, 2018	March 31, 2017
ECB Loans	USD	57.19	89.56
	Equivalent INR	3,720.16	5,806.66
Buyer's Credit	EURO	48.01	37.26
	Equivalent INR	3,870.67	2,580.17

47.4 Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

Notes forming Part of the financial statements

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows: (₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Variable rate borrowings in INR		
ECB Loans	3,720.16	5,806.66
Long Term Loan from Banks	-	928.75
Short Term loan from banks	1,04,474.32	1,20,863.66
	1,08,194.48	1,27,599.07

Sensitivity analysis (₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss before tax	
	March 31, 2018	March 31, 2017
Interest rate increase by 100 basis point	(1,081.94)	(1,275.99)
Interest rate decrease by 100 basis point	1,081.94	1,275.99

The effect of interest rate changes on future cash flows is excluded from this analysis.

47.5 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimized cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2018	Contractual Maturity	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	10,078.98	4,147.49	5,931.49	-	-
Foreign Currency Term Loan	3,720.16	1,552.02	722.71	1,445.42	-
Long Term Rupee Loan from Banks & Fin. Inst.	30,036.19	9,507.86	8,009.02	12,519.32	-
Other Long term Payables	831.00	-	831.00	-	-
Short Term Borrowings	1,04,632.46	1,04,632.46	-	-	-
Trade Payables	59,900.81	59,900.81	-	-	-
Other Short Term Payables	1,465.70	1,465.70	-	-	-
As at March 31, 2017					
As at March 31, 2017	Total	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	25,589.15	15,998.95	3,999.02	5,591.18	-
Foreign Currency Term Loan	5,806.66	2,098.25	1,547.12	2,161.29	-
Long Term Rupee Loan from Banks & Fin. Inst.	25,105.85	9,881.40	7,100.08	8,124.37	-
Other Long term Payables	980.16	-	980.16	-	-
Short Term Borrowings	1,21,210.84	1,21,210.84	-	-	-
Trade Payables	41,178.31	41,178.31	-	-	-
Other Short Term Payables	309.09	309.09	-	-	-

Notes forming Part of the financial statements

47.6 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade and other receivables, Loans and advances, cash and cash equivalent and other balances with banks.

Credit risk on cash and cash equivalents is limited as company deposits with the banks.

The company generally gives loans and advances to its subsidiaries and employees. Hence, the management believes that the company is not exposed to any credit risk in respect of such loans and advances.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as on March 31, 2018 - ₹ 162804.86 Lakhs, as on March 31, 2017 - ₹ 170097.77 Lakhs .

48. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows generated.

Summary of Quantitative Data is given hereunder:

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Equity	1,715.71	1,715.71
Other Equity	1,84,963.09	1,64,373.55
Total	1,86,678.80	1,66,089.26

The company does not have any externally imposed capital requirement.

49. Asset pledged as security

Carrying Value of Assets pledged as security

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Non Financial Asset		
Tangible asset-Property, Plants & Equipments	34,166.77	37,458.40
Financial Asset		
Trade Receivables	1,62,804.86	1,70,097.77
Inventory	16,425.32	12,335.81

50. Detail of Investments in Subsidiaries, Associates and Joint Ventures

(₹ in Lakhs)

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2018	As at March 31, 2017
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	68.77%	68.56%
Mysore-Bellary Highway Pvt. Ltd.	Subsidiary	Ahmedabad	74.00%	74.00%
Nagpur Seoni Expressway Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%
Maharashtra Border Check Post Pvt. Ltd.	Step down Subsidiary	Ahmedabad	2.63%	2.63%
Shreenathji Udaipur Tollway Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%
Bhilwara Rajsamand Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%

Notes forming Part of the financial statements

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2018	As at March 31, 2017
Rohtak-Hissar Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%
Rohtak-Panipat Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Dhule Palesner Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Hayderabad-Yadgiri Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Ahmedabad Ring Road Infrastructure Ltd.	Step down Subsidiary	Ahmedabad	-	-
Aurangabad Jalna Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Bijapur Hungud Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bhavnagar Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Una Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Rudrapur Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Nainital Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bangalore Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Solapur Bijapur Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Dhule Palasner Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vidarbha Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Udaipur highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Jodhpur ring road Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Tumkur highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
SEL-GKC JV	Joint Venture	Ahmedabad		
Radhanpur - Manpura Project	-		52.00%	52.00%
Vishakhapatnam Project	-		50.00%	50.00%
Omkareshwar Project	-		60.00%	60.00%
Karimnagar Project	-		52.00%	52.00%
Omkareshwar Project	-		40.00%	40.00%
Managuru Project	-		51.00%	51.00%
BSHP-II Project	-		50.00%	50.00%
Govindpur Project	-		50.00%	50.00%
SEL-Annapurna				
Basantimata Project	-		80.00%	80.00%
SEL-Vishnushiva				
Maheshpur Project	-		75.00%	75.00%
Jalipa / Kapurdi Project	-		98.00%	98.00%
SEL-Vaishnovi JV - Halon Project	Joint Venture	Ahmedabad	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV	Joint Venture	Ahmedabad		
DMRC-CC43 Project	-		40.00%	40.00%
DMRC-CC47 Project	-		40.00%	40.00%
SEL-PIPL JV	Joint Venture	Ahmedabad	51.00%	51.00%

Notes forming Part of the financial statements

- 50.1 Sadbhav Infrastructure Project Ltd.. is the holding company of all the step down subsidiary companies.
50.2 Invesements in Subsidiaries, Associates and Joint Ventures are accounted at Cost

51. Segment Reporting

The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure sector comprising of Roads, Bridges, Irrigation, Mining, Metro, Power etc. Information reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Ind AS 108 "Operating Segments" there is a single reportable segment " EPC." Hence no segment reporting is made.

52. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited and Mysore-Bellary Highway Pvt. Ltd.

Step-down Subsidiaries:

Nagpur-Seoni Express Way Limited, Ahmedabad Ring Road Infrastructure Limited, Aurnagabad-Jalna Tollway Limited, Rohtak Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd, Hyderabad Yadgiri Tollway Pvt. Ltd. Maharashtra Border Check Post Network Ltd., Shreenathji Udaipur Tollway Pvt. Ltd, Bhilwara Rajsamand Tollway Pvt. Ltd., Dhule Palesner Tollway Ltd. and Rohtak-Hissar Tollway Pvt. Ltd., Sadbhav nainital Highway Pvt. Ltd., Sadbhav Rudrapur Highway Pvt. Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Una Highway Pvt. Ltd., Sadbhav Bangalore Highway Pvt. Ltd., Sadbhav Vidarbha Highway Pvt. Ltd., Sadbhav Udaipur Highway Pvt. Ltd., Sadbhav Jodhpur Ring Road Pvt. Ltd., Sadbhav Tumkur Highway Pvt. Ltd.

Joint Ventures:

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

(b) Related Party with whom transaction during the year

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 Tushar D. Shah, Shri Atul Ruparel, Shri Arun S. Patel, Shri Sandip A. Sheth, Shri Mirat N. Bhadlawala, Shri Sandip Patel, Smt. Purvi S. Parikh

Relatives of KMP:

Smt. Shantaben V. Patel

Entities in which KMP / relatives of KMP can exercise significant influence

Sarjan Infracon Pvt. Ltd., Veer Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Realty Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Bhavna Engineering Company Pvt. Ltd.

(₹ in Lakhs)

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties						
Sub contracting Income	2017-18	1,16,613.02	22,337.80			1,38,950.82
	2016-17	(32,058.45)	(52,969.38)			(85,027.83)
Providing of services	2017-18	173.25	0.60			173.85
	2016-17	(138.77)	(0.60)			(139.37)

Notes forming Part of the financial statements

Sub contracting Expenditure	2017-18	-			4,454.17	4,454.17
	2016-17	(2,473.73)			(6,766.07)	(9,239.80)
Remuneration Expenses	2017-18			371.49		371.49
	2016-17			(749.96)		(749.96)
Director Sitting Fees	2017-18			2.40		2.40
	2016-17			(6.54)		(6.54)
Interest Expenses	2017-18			-	16.28	16.28
	2016-17			(16.41)	(15.06)	(31.47)
Trade Receivable - written off	2017-18	-	-			-
	2016-17		(202.53)			(202.53)
Interest Income	2017-18	6,311.68				6,311.68
	2016-17	(5,737.52)				(5,737.52)
Fixed Assets Purchases	2017-18	26.45		-	-	26.45
	2016-17					-
Fixed Assets sold	2017-18	-			-	-
	2016-17	(230.81)				(230.81)
Expenses incurred on behalf and recovered	2017-18	22.52	0.60			23.12
	2016-17	(1,489.68)				(1,489.68)
Sale of construction materials	2017-18	-				-
	2016-17	(821.30)				(821.30)
Interest Free Loan converted into Investment	2017-18	31,847.76				31,847.76
	2016-17	(56,341.21)				(56,341.21)
Unsecured Loan received back	2017-18	22,802.75				22,802.75
	2016-17	(65,136.55)				(65,136.55)
Unsecured Loan Received	2017-18			-	-	-
	2016-17			(1,974.07)	(15.20)	(1,989.27)
Unsecured Loan Repaid	2017-18			184.42	19.27	203.69
	2016-17			(1,804.42)	(5.62)	(1,810.04)
Mobilization/ Material/ Machinery Advance Received	2017-18	6,030.00	224.97			6,254.97
	2016-17	(286.39)	(1,425.56)			(1,711.95)
Mobilization/ Material/ Machinery Advance Given	2017-18				-	-
	2016-17	-				-
Security Deposit/ Retention Deducted by Clients	2017-18	4,003.35	3,752.41			7,755.76
	2016-17	(1,611.78)	(8,552.73)			(10,164.51)
Security Deposit/ Retention Deducted from Sub-contractors	2017-18				329.06	329.06
	2016-17				(323.65)	(323.65)
Dividend Received	2017-18	484.45			-	484.45
	2016-17	-			-	-
Dividend Paid	2017-18			101.08	500.68	601.76
	2016-17			(291.22)	(270.43)	(561.65)

Notes forming Part of the financial statements

Outstanding Balance at year end						
Trade Receivable	March 31, 2018	25,644.65	1,080.44			26,725.09
	March 31, 2017	(8,293.42)	(6,346.11)			(14,639.53)
Trade Payable	March 31, 2018	-		21.19	425.99	447.18
	March 31, 2017			(30.74)	(1,059.69)	(1,090.43)
Unsecured Loan given	March 31, 2018	67,862.84				67,862.84
	March 31, 2017	(54,699.18)				(54,699.18)
Mobilization/ Material/ Machinery Advance Received	March 31, 2018	4,905.05	46.75			4,951.80
	March 31, 2017			(100.77)		(100.77)
Mobilization/ Material/ Machinery Advance Given	March 31, 2018				-	-
	March 31, 2017				(78.12)	(78.12)
Security Deposit/ Retention Deducted by Clients	March 31, 2018	3,471.51	14,214.77			17,686.28
	March 31, 2017	(1,120.20)	(9,501.81)			(10,622.01)
Security Deposit/ Retention Deducted from Sub-contractors	March 31, 2018				496.80	496.80
	March 31, 2017				(319.86)	(319.86)
Unsecured Loan received	March 31, 2018			-	158.14	158.14
	March 31, 2017			(184.42)	(162.76)	(347.18)
Advance Received against Sale of Shares	March 31, 2018	0.02				0.02
	March 31, 2017	(0.02)				(0.02)

NOTE:

- Sub-contracting income from subsidiaries includes ₹ 24339.42 lakhs (1426.31 lakhs), ₹ 22039.49 lakhs (Nil), ₹ 24804.34 lakh (2488.66 lakhs), ₹ 17807.04 lakhs (Nil), ₹ 13076.58 lakhs (537.09 lakhs) from Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Bangalore Highway Pvt. Ltd., Sadbhav Rudrapur Highway Pvt. Ltd., Sadbhav Udaipur Highway Pvt. Ltd. and Sadbhav Una Highway Pvt. Ltd. respectively.
- Sub contracting expenditure of Relatives of Key Personnel and Enterprises over which Relatives of Key Managerial Persons have significant influence includes ₹ 2440.26 Lakhs (₹ 2278.74 lakhs), ₹ 767.14 lakhs (₹ 1627.65 lakhs), ₹ 668.03 lakhs (Nil), ₹ 578.72 lakhs (₹ 2859.67 lakhs) payable to Bhavna Engineering Co. Pvt. Ltd., Sarjan Infracon Pvt. Ltd., Veer Infracon Pvt. Ltd. and Veer Procon Pvt. Ltd. respectively.
- Remuneration expenses includes ₹ 84.00 lakhs (₹ 82.50 lakhs) paid to Nitin R. Patel, Executive Director & CFO of the company and ₹ 17.49 lakhs (₹ 16.05 lakhs) paid to Tushar D. Shah Company Secretary of the company. Income from subsidiaries includes ₹ 5375.14 lakhs (₹ 4662.74 Lakhs) receivable from SIPL.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Terms and conditions of the balance outstanding.
Outstanding balances at the year end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of agreement Short term loans (unsecured) in INR given to Sadbhav Infrastructure Projects Ltd (SIPL) carries interest rate @ 11% p.a. (March 31, 2017 : 11%) The company has not provided any commitment to the related party as at March 31, 2018 except mentioned at Note No. 43. Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement. There is no guarantee given or received except mentioned at Note No. 58.

Notes forming Part of the financial statements

53. AS per Ind AS - 17 - "Leases", the disclosure of Operating Leases as defined in the accounting standard are as follows:

The total of future minimum lease payments under non-cancellable operating leases are for each of the following periods:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Not later than one year	1,110.93	557.49
Later than one year and not later than five years	2,820.20	1,939.92
Later than five years	-	-

(b) The Company has recognised lease payment of ₹ 657.68 Lakhs (March 31, 2017: ₹ 492.89 Lakhs) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general discrimination of significant leasing arrangements:

At the conclusion of the Term, Lessee has right to exercise one or more of the following options.

(i) Request Lessor to agree to a renewal of Term or

(ii) Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.

(iii) Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

54. There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets"

55. 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	2,88,15,273	97	216.11	2017-18
	3,00,38,490	96	210.27	2016-17
Non Resident Indians	1,30,908	252	0.98	2017-18
	1,26,906	240	0.89	2016-17
Total	2,89,46,181	349	217.09	2017-18
	3,01,65,396	336	211.16	2016-17

56. Borrowing Cost:

During the Year, Company has capitalized borrowing cost of ₹ 18.77 Lakhs (March 31, 2017 : ₹ 10.57 lakhs) according to Ind AS-23 "Borrowing Cost" The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interest rate applicable to the company's borrowing which 10% p.a.

57. Payment to Auditors:

(₹ in Lakhs)

Particulars	2017-18	2016-17
(i) For Audit	24.49	32.22
(ii) For Taxation matters	8.85	23.00
(iii) For Certification Works	3.54	6.88
(iv) Reimbursement of Expenses	0.00	0.06
Total	36.88	62.16

Notes forming Part of the financial statements

58. DETAILS OF LOAN GIVEN, INVESTMENT MADE & GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIES ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2018:-

(₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2018	As at March 31, 2017
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	2265.00	3652.50
2	Sadbhav Infrastructure Project Ltd.	80000.00	80000.00
	Total	82265.00	83652.50

59. No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries

60. 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.

61. Pursuant to Share Purchase Agreement dated 16.01.2017 entered by the company with D. Thakkar Construction Pvt. Ltd. and DTC Toll Projects Pvt. Ltd. (collectively referred as DTC), Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has Sold 3125 shares of Maharashtra Border Check post Network Ltd (MBCPNL) to DTC. However the said shares are pledged with the lenders of MBCPNL, hence Transfer formalities are pending.

In terms of Memorandum of understanding (MOU) dated 17/01/2017 between the company and Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has sold 6,590 shares of Maharashtra Border Check Post Network Ltd. (MBCPNL) to SIPL. MBCPNL has received approval from Government Maharashtra for transfer of shares from the company to SIPL. As at reporting date transfer formalities of 6,590 shares are in the process as shares held by the company are being pledged with lenders of MBCPNL.

62. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date: 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director
DIN: 00048328

Vasistha C. Patel

Executive Director
DIN: 00048324

Nitin R. Patel

Executive Director & CFO
DIN: 00466330

Tushar D. Shah

Company Secretary

Independent Auditor's Report on the Consolidated Financial Statements

To, The Members of
Sadbhav Engineering Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its step-down subsidiaries (the Holding Company, its subsidiaries and its step-down subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Cash Flow Statement, the consolidated statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and the consolidated statement of Change in Equity of the Group in accordance with 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated loss including other comprehensive income and their consolidated cash flows and the consolidated statement of change in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 61 of the consolidated Ind AS financial statement in respect of accounting of Intangible Asset / Intangible Assets under Development of INR 22,123.00 Lakhs (31 March 2017: INR 18,830.90 Lakhs) under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no further cost adjustments are considered necessary in these consolidated Ind AS financial statement. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 subsidiaries and 19 step-down subsidiaries whose Ind AS financial statements includes total assets of ₹ 1214678.30 lakhs and Net Assets of (₹ 17,355.20 Lakhs), as at march 31, 2018, and total revenue of ₹ 2,43,694.70 Lakhs and Net cash inflow of ₹ 5,923.50 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income) the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated Ind AS financial statement;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and step-down subsidiaries incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its step-down subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 52 to the consolidated Ind AS financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its step-down subsidiary companies incorporated in India during the year ended March 31, 2018.

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm's Reg. No. 102511W

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date: May29, 2018

Annexure 1 to the Independent Auditor's Report on the consolidated Financial Statements

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sadbhav Engineering Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its step-down subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these two subsidiary companies and nineteen step-down subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm's Reg. No. 102511W

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date: May29, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	5	51234.68	53545.25
(b) Capital Work-In-Progress	5	234.99	694.87
(c) Investment Property	7	219.10	208.30
(d) Goodwill	6	20437.40	20437.40
(e) Intangible Assets under Development	6	28899.90	18308.50
(f) Other Intangible Assets	6	907352.78	931475.75
(g) Financial Assets			
(i) Investments	8	598.15	400.68
(ii) Trade Receivables	9	3587.28	3587.28
(iv) Receivable Under Service Concession Arrangement	10	18004.30	20120.30
(h) Other Financial Assets	11	38053.60	64565.95
(i) Deferred Tax Assets/(Liability) (Net)	12	9943.22	2957.49
(j) Other Non Current Assets	13	5286.20	6661.04
Total Non-current Assets		1083851.60	1122962.81
(2) Current Assets			
(a) Inventories	14	16425.32	12335.81
(b) Financial Assets			
(i) Investments	15	4245.70	5582.60
(ii) Trade Receivables	16	139252.58	159117.84
(iii) Cash and cash Equivalents	17	11664.93	6335.50
(iv) Bank balance other than (ii) above	18	804.61	1238.96
(v) Loans	19	1707.10	1703.80
(vi) Receivable Under Service Concession Arrangement	20	100892.60	17871.30
(vii) Other Current Financial Assets	21	64547.21	32871.86
(c) Current Tax Assets	22	9529.87	6041.54
(d) Other Current Assets	23	59789.73	15925.50
Total Current Assets		408859.65	259024.71
Total Assets		1492711.25	1381987.52
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity & Share Capital	24	1715.71	1715.71
(b) Other Equity	25	87415.72	88916.96
Equity attributable to equity holders of the parent		89131.43	90632.67
Non Controlling Interest		23045.15	34807.25
Total Equity		112176.58	125439.92
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	843567.57	825946.54
(ii) Other Financial Liabilities	27	156195.20	142249.26
(b) Deferred Tax Liabilities (Net)	28	6750.40	5883.30
(c) Provisions	29	17691.80	16161.10
Total Non-current Liabilities		1024204.97	990240.20
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	30	108519.46	124466.84
(ii) Trade Payables	31	70567.96	56054.10
(iii) Other Financial Liabilities	32	75801.42	65522.08
(b) Other Current Liabilities	33	83751.11	9571.35
(c) Provisions	34	16154.15	10210.62
(d) Liabilities for Current Tax (net)	35	1535.60	482.40
Total Current Liabilities		356329.70	266307.39
Total Equity & Liabilities		1492711.25	1381987.52

Summary of Significant Accounting Policies

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

Partner
Membership No. 014427

Place: Ahmedabad

Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel

Executive Director
DIN : 00048324

Nitin R. Patel

Executive Director & CFO
DIN : 00466330

Tushar D. Shah

Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	2017-18	2016-17
I Revenue from Operations	36	497473.75	449768.72
II Other Income	37	11864.04	15649.42
III Total Revenue (I+II)		509337.79	465418.14
IV Expenses :			
Cost of Material Consumed	38	109372.12	84245.24
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	39	0.00	0.00
Construction Expenses	40	203912.36	205864.11
Employee Benefits Expense	41	20367.74	17811.00
Finance Cost	42	131291.50	118744.87
Depreciation and Amortization Expense		35841.69	32112.67
Other Expenses	43	16156.26	22861.70
Total Expenses		516941.67	481639.59
V Profit Before Exceptional Items and Tax (III-IV)		(7603.88)	(16221.35)
VI Exceptional Item (Net of Income)		0.00	0.00
VII Profit Before Tax (V+VI)		(7603.88)	(16221.35)
VIII Tax Expense			
(1) Current Tax		8103.55	5385.94
(2) Deferred Tax		(4309.71)	(4444.61)
(3) Short/(Excess) Provision for taxation for earlier years		4.70	2.30
IX Profit for the period from continuing Operations (VII-VIII)		(11402.42)	(17164.98)
Loss for the year attributable to:			
Owners of the Company		(308.76)	(5403.16)
Non-controlling Interest		(11093.66)	(11761.82)
X Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (refer note 49)		84.98	(267.97)
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		84.98	(267.97)
Other Comprehensive Income for the year attributable to			
Owners of the company		71.62	(267.97)
Non-controlling Interest		13.36	0.00
Total Comprehensive Income for the period		(11317.44)	(17432.95)
Total Comprehensive Income for the year attributable to:			
Owners of the company		(237.14)	(5671.13)
Non-controlling Interest		(11080.30)	(11761.82)
XI Earning per Equity Share (in Rupees)			
(1) Basic		(0.18)	(3.15)
(2) Diluted		(0.18)	(3.15)

Summary of Significant Accounting Policies

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel

Partner
Membership No. 014427

Place: Ahmedabad

Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel

Executive Director
DIN : 00048324

Nitin R. Patel

Executive Director & CFO
DIN : 00466330

Tushar D. Shah

Company Secretary

Consolidated Statement of Change in Equity for the Year Ended March 31, 2018

A Equity Share Capital

(₹ in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2018	1715.71	0	1715.71
As on March 31, 2017	1715.34	0.37	1715.71

B Other Equity

(₹ in Lakhs)

Particulars	Equity Component of Compound Financial Instruments (refer note 25)	Reserves and Surplus						Non Controlling Interest (refer note 25)	Total
		Capital Reserve (refer note 25)	Security Premium Reserve (refer note 25)	Debenture Redemption Reserve (refer note 25)	Share Stock Option Account (refer note 25)	General Reserve (refer note 25)	Retained Earning (refer note 25)		
As at April 01, 2016	1,796.60	31,982.85	56,564.51	10,092.10	26.30	11,160.18	(12,434.48)	43,016.17	142,204.23
Profit/(Loss) for the year							(5,404.00)	(11,763.82)	(17,167.82)
Other Comprehensive Income (OCI)									-
Remeasures gain on defined benefit plan							(267.97)		(267.97)
Total Comprehensive Income for the year	1796.60	31982.85	56564.51	10092.10	26.30	11160.18	(18106.45)	31252.36	124768.44
Dividends (including tax on dividend)							(1,445.80)		(1,445.80)
Transfer to General Reserves						1,000.00	(1,000.00)		-
Transfer to debenture redemption reserve				2,243.40			(2,243.40)		
Transfer to Security premium account	(1796.60)		569.64		(26.30)				(1,253.26)
Acquisition of non-controlling interest							(1,900.07)	3,554.90	1,654.83
As at March 31, 2017	-	31,982.85	57,134.15	12,335.50	(0.00)	12,160.18	(24,695.72)	34,807.26	123,724.21
As at April 01, 2017	-	31,982.85	57,134.15	12,335.50	(0.00)	12,160.18	(24,695.72)	34,807.26	123,724.21
Profit/(Loss) for the year							(308.42)	(11,093.66)	(11,402.08)
Other Comprehensive Income (OCI)									-
Remeasures gain on defined benefit plan							86.08		86.08
Total Comprehensive Income for the year	0.00	31982.85	57134.15	12335.50	0.00	12160.18	(24918.06)	23713.60	112,408.22
Addition during the year		1,121.62							1,121.62
Dividends (including tax on dividend)							(2,400.63)		(2,400.63)
Transfer to debenture redemption reserve				4,621.90			(4,621.90)		-
Subdebt							-	(667.00)	(667.00)
As at March 31, 2018	-	33,104.47	57,134.15	16,957.40	(0.00)	12,160.18	(31,940.59)	23,046.60	110,462.21

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Consolidated Cash Flow Statement for the Year Ended March 31, 2018

(₹ in Lakhs)

Particulars	31.03.2018		31.03.2017	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		(11402.42)		(17164.98)
Adjustments For :				
Interest Income	(9673.10)		(8417.62)	
Interest Expenses	111698.23		102786.67	
Depreciation & Amortisation	35841.69		32112.67	
Profit on sale of Property, Plant & Equipments	(122.90)		(187.59)	
Loss on sale of Property, Plant & Equipments	137.88		257.74	
Periodic Major Maintenance expenses	11843.50		13010.50	
Income Tax Provision	8108.25		5388.24	
Other comprehensive income	84.98		0.00	
Deferred Tax Liabilities/(Assets)	(4309.71)	153608.82	(4444.61)	140506.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		142206.40		123341.02
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	2116.00		185.97	
(Increase)/Decrease of Trade Receivables	(63156.04)		(92294.18)	
(Increase)/Decrease of Other Current Assets	(43867.24)		3154.85	
(Increase)/Decrease of Other Current Financial Assets	(31675.50)		(9806.74)	
(Increase)/Decrease of Other Non Current Assets	1374.84		(1893.80)	
(Increase)/Decrease of Other Non Current Financial Assets	26512.35		(20190.56)	
(Increase)/Decrease of Inventories	(4089.51)		1768.88	
(Increase)/Decrease of Loans given	0.00		(0.10)	
(Increase)/Decrease of Other Bank Balances	434.35		0.00	
Increase/(Decrease) of Other Long Term Financial Liabilities	13945.94		23023.18	
Increase/(Decrease) of Trade Payables	14513.86		16982.27	
Increase/(Decrease) of Other Current Liabilities	74179.76		(7409.75)	
Increase/(Decrease) of Other Current Financial Liabilities	11577.40		2056.72	
Increase/(Decrease) of Provision	(4369.27)		(4484.08)	
Increase/(Decrease) in Deferred Tax (net)	(1808.92)		242.80	
		(4311.99)		(88664.54)
Cash generated from Operations		137894.41		34676.48
Tax Paid	(10543.38)	(10543.38)	1884.26	1884.26
Net Cash From Operating Activities		127351.03		36560.74
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	(21618.94)		(26392.82)	
Sales of Property, Plant & Equipments	2053.49		608.96	
Other Current Investments	1336.90		(2907.00)	
Other Non Current Investments	(197.50)		(1.09)	
Repayment towards compounded financial instrument - Non Controlling Interest	(667.00)		(1712.00)	
Interest Received	9673.10	(9419.95)	8417.62	(21986.33)
Net Cash From Investing Activities		(9419.95)		(21986.33)

Consolidated Cash Flow Statement for the Year Ended March 31, 2018

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	0.00	543.71
Proceeds From Long Term Borrowings (Net)	16322.97	44901.65
Proceeds/(Repayment) of Short Term Borrowings (Net)	(11395.96)	24764.40
Net Increase in Working Capital Loan	(4551.42)	39607.40
Capital reserve	1121.62	0.00
Repayment of Advances	0.00	(24225.00)
Interest Paid	(111698.23)	(102786.67)
Dividend Paid (including dividend distribution tax)	(2400.63)	(1445.52)
	(112601.65)	(18640.03)
Net Cash From Financing Activities	(112601.65)	(18640.03)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	5329.43	(4065.62)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	6335.50	10401.12
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	11664.93	6335.50
COMPONENTS OF CASH & CASH EQUIVALENTS (refer note 17)		
CASH ON HAND	523.19	477.68
BALANCE IN CURRENT ACCOUNT WITH BANKS	10659.75	4831.40
BALANCE IN FIXED DEPOSITS	481.99	1026.42

Notes:

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities

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

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants
Firm Regn. No. 102511W

Harish B. Patel
Partner
Membership No. 014427

Place: Ahmedabad
Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel
Executive Director
DIN : 00048324

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Tushar D. Shah
Company Secretary

Notes on Accounts forming part of Consolidated Financial Statements

1. Corporate information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridges, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. Company also establish, maintain, operate, lease or transfer the above infrastructure facilities on BOT, BOLT and BOOT basis. Company is also engaged in business of energy generation through Wind Power Project.

Sadbhav Infrastructure Project Limited (SIPL), subsidiary company, is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

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

The Consolidated Financial Statements comprise of financial statements of Sadbhav Engineering Limited ('the Company' or 'SEL'), its subsidiaries and step-down subsidiaries (collectively, 'the Group') for the year ended March 31, 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.

The Group undertakes road and other infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements..

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2018.

2. Basis of preparation

2.1 The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued as amended thereafter.

The Consolidated financial statements have been prepared on accrual and historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments): and
- Derivative financial instruments measured at fair value
- Defined benefit plans – Plan Assets measured at fair value

The Consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2018. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
 - Exposure, or rights to variable returns from its involvement with the investee; and
 - The ability to use its power over the investee to affect its returns
- Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The Contractual arrangement with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights
 - The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Notes on Accounts forming part of Consolidated Financial Statements

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

Consolidation Procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate & Transfer (BOT)/ Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognized the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at the fair value at the date of the control is lost. Any resulting gain or loss is recognized in statement of profit & loss account.

- v. The following entities are considered in the Consolidated Financial Statements as well as the Company's voting power in entities listed below:

Notes on Accounts forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries			
Sr. No.	Name of subsidiaries	Proportion of Ownership Interest (%)	
		As at March 31, 2018	As at March 31, 2017
1	Sadbhav Infrastructure Projects Limited (SIPL)	68.77%	68.64%
2	Mysore Bellary Highway Pvt. Ltd. (MBHPL)	74.00%	74.00%

Sr. No	Name of step-down subsidiaries (subsidiaries of SIPL)	Proportion of Ownership Interest (%)	
		As at March 31, 2018	As at March 31, 2017
1	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2	Aurangabad Jalna Tollway Limited (AJTWL)	100%	100%
3	Bijapur Hungund Tollway Pvt. Ltd. (BHTPL)	77%	77%
4	Hyderabad Yadgiri Tollway Pvt. Ltd. (HYTPL)	100%	100%
5	Maharashtra Border Check Post Network Limited(MBCPNL)	91%	91%
6	Rohtak Panipat Tollway Pvt. Ltd. (RPTPL)	100%	100%
7	Shreenathji-Udaipur Tollway Pvt. Ltd. (SUTPL)	100%	100%
8	Bhilwara Rajsamand Tollway Pvt. Ltd. (BRTPL)	100%	100%
9	Rohtak Hissar Tollway Pvt. Ltd. (RHTPL)	100%	100%
10	Nagpur Seoni Expressway Limited (NSEL)	100%	100%
11	Dhule Palesner Tollway Limited (DPTL)(refer note 2 below)	100%	100%
12	Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	100%	100%
13	Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	100%	100%
14	Sadbhav Una Highway Pvt. Ltd. (SUHPL)	100%	100%
15	Sadbhav Nainital Highway Pvt. Ltd.d (SNHPL)	100%	100%
16	Sadbhav Bangalore Highway Pvt. Ltd. (SBGHPL)	100%	100%
17	Sadbhav Udaipur Highway Pvt. Ltd. (SUDHPL)	100%	N.A.
18	Sadbhav Vidarbha Highway Pvt. Ltd. (SVHPL)	100%	N.A.
19	Sadbhav Jodhpur Ring Road Pvt. Ltd. (SJRRPL)	100%	N.A.
20	Sadbhav Tumkur Highway Pvt. Ltd. (STHPL)	100%	N.A.

All the above entities has principal nature of activity is Infrastructure and are incorporated in India.

Notes:

During the year, four new subsidiaries i.e. Sadbhav Udaipur Highway Pvt. Ltd. (w.e.f. May 23, 2017), Sadbhav Vidarbha Highway Pvt. Ltd. (w.e.f. April 24, 2017), Sadbhav Jodhpur Ring Road Pvt. Ltd. (w.e.f. January 01, 2018) and Sadbhav Tumkur Highway Pvt. Ltd. (w.e.f. March 20, 2018) have been incorporated.

Notes on Accounts forming part of Consolidated Financial Statements

Name of the Joint Ventures	Ownership interest held by the company	
	As at March 31, 2018	As at March 31, 2017
SEL-GKC JV		
Radhanpur - Manpura Project	52.00%	52.00%
Vishakhapatnam Project	50.00%	50.00%
Omkareshwar Project	60.00%	60.00%
Karimnagar Project	52.00%	52.00%
Omkareshwar Project	40.00%	40.00%
Managuru Project	51.00%	51.00%
BSHP-II Project	50.00%	50.00%
Govindpur Project	50.00%	50.00%
Basantimata Project	80.00%	80.00%
Maheshpur Project	75.00%	75.00%
Jalipa / Kapurdi Project	98.00%	98.00%
SEL-Vaishnovi JV - Halon Project	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV		
DMRC-CC43 Project	40.00%	40.00%
DMRC-CC47 Project	40.00%	40.00%
SEL-PIPL JV	51.00%	51.00%

Investments in Subsidiaries and Joint ventures are accounted at Cost.

3. Summary of significant accounting policies

3.1 Business Combination and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind AS accounting for business combinations retrospectively.

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle

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

3.3 Foreign currency transactions:

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

Notes on Accounts forming part of Consolidated Financial Statements

Transaction and balances

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of the following:

- Long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.4 Service concession arrangement

Toll Collection Right:

The Group builds infrastructure assets viz roads / check posts under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognized and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement. In case of MBCPNL (entity operating multiple border check posts in the state of Maharashtra), each check post is capitalized when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group companies.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognized and classified as "Receivable under service concession arrangement" under financial assets.

Premium capitalization in toll collection rights

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

Amortization of toll collection rights

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected traffic or revenue are reviewed by the management at the end of the each financial year and accordingly, the total projected traffic or revenue is adjusted to reflect any changes in the estimates which lead to the actual number of traffic or revenue at the end of the concession period.

3.5 Revenue Recognition

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

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

Toll collection and user fee income

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll – plazas.

Notes on Accounts forming part of Consolidated Financial Statements

Annuity income

Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

Contractual Income:

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

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

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

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

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

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

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

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

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

Income from sale of services:

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

Revenue from wind mill power generation

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

Interest

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

Dividend

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

Notes on Accounts forming part of Consolidated Financial Statements

3.6 Property, Plant and Equipments:

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

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

De-recognition

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

Depreciation

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

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

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

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

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

In case of AJTWL, ARRIL, RPTPL, DPTL depreciation on Property, Plant and Equipment is amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.

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

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

3.7 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Notes on Accounts forming part of Consolidated Financial Statements

Amortisation

Software is amortized over management estimate of its useful life of 3-6 years.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.8 Impairment – Non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to statement of profit and loss accounts.

3.9 Investment Property

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

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

3.10 Inventory

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

3.11 Borrowing costs

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

3.12 Leases

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

Group as lessee

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

Notes on Accounts forming part of Consolidated Financial Statements

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

3.13 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- **Financial assets at amortized cost :**
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- **Debt instruments at amortised cost**
A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in "Financial assets at amortised cost" are met. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
- **Financial assets at fair value through profit or loss:**
FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

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

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

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

Notes on Accounts forming part of Consolidated Financial Statements

ii. Subsequent measurement of financial liabilities

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

• Financial liabilities at fair value through profit or loss

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

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

• Loans and Borrowings

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

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

• Financial guarantee contracts

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

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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

c) Offsetting of financial instruments

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

d) Derivative financial instruments

The Group uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts do not qualify for hedge accounting under Ind AS 109, financial instrument and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.14 Fair Value Measurement

The Group measures financial instruments such as derivatives and Investment in Mutual Fund at fair value at each balance sheet date.

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

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

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

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

Notes on Accounts forming part of Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

3.15 Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund. The Group recognize contribution paid/payable under the provident fund is charged to statement of profit & loss account during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(ii) Defined benefit plan

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

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

In respect of employee stock options, the excess of fair price on the date of grant over the exercise price is recognized as deferred compensation cost amortised over the vesting period.

Notes on Accounts forming part of Consolidated Financial Statements

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

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

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

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

c) Other employment benefits:

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date.

3.16 Government grants

Government grants are recognized where there is reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an assets, it is recognised as income in equal amounts over the expected useful life of the related assets.

3.17 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

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

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

Deferred Tax

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

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

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

As per provision of Income tax Act 1961, the Company's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognised in the year in which the timing difference originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

Notes on Accounts forming part of Consolidated Financial Statements

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

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

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

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

MAT CREDIT

The Group recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent The Group does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

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

3.18 Provisions

General

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

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

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

3.19 Contingent liabilities

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

Notes on Accounts forming part of Consolidated Financial Statements

3.20 Premium deferment

Premium deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

3.21 Cash and cash equivalents

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

3.22 Cash dividend to equity holders of the Company

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

3.23 Earnings per share

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

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

3.24 Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

4. Significant accounting judgements, estimates and assumption

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

Estimates and assumptions

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

Revenue and expenses of construction contracts

As described in Note 3.5, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

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

Taxes

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

Notes on Accounts forming part of Consolidated Financial Statements

Impairment of non-financial assets

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

Property, plant and equipment

Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Service concession arrangement

The Cash flow model indicates the cash flow to be generated over the project life cycle. The key inputs of the model comprise of revenue inflows (Toll / annuity), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

Amortization of Intangible Assets

The intangible assets which are recognized in the form of Right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

Provision for periodical Major Maintenance

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

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

Notes on Accounts forming part of Consolidated Financial Statements

Note No. 5 - Property, Plant and Equipments

(₹ in Lakhs)

Particulars	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Total Tangible Assets	Capital Work In Progress
Cost									
As at 01/04/2016	1633.61	8081.70	1525.82	346.80	51973.11	690.30	5323.06	69574.40	92.95
Addition	0.00	733.07	123.72	122.31	2405.45	146.81	0.00	3531.36	694.87
Disposal	45.70	0.00	0.00	0.00	3387.60	42.79	0.00	3476.09	92.95
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	-40.76	0.00	-120.58	-161.35	0.00
As at 31/03/2017	1587.91	8814.77	1649.54	469.12	50950.20	794.32	5202.47	69468.33	694.87
Addition	0.00	9.15	85.96	247.95	9358.22	186.64	0.00	9887.92	84.41
Disposal	102.38	297.95	0.00	0.00	4107.67	24.62	0.00	4532.62	544.29
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(6.59)	0.00	9.04	2.45	0.00
As at 31/03/2018	1485.53	8525.97	1735.50	717.07	56194.16	956.34	5211.51	74826.08	234.99
Accumulated Depreciation									
As at 01/04/2016	0.00	1141.00	170.72	114.67	6494.20	150.43	268.57	8339.59	0.00
Addition on acquisition of subsidiary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition	0.00	1280.38	176.21	107.58	8333.88	167.20	270.51	10335.77	0.00
Disposal	0.00	0.00	0.00	0.00	2714.82	37.46	0.00	2752.28	0.00
As at 31/03/2017	0.00	2421.39	346.93	222.25	12113.26	280.17	539.08	15923.08	0.00
Charge for the Year	0.00	1170.66	188.50	144.16	8087.24	176.13	261.05	10027.74	0.00
Disposal	0.00	276.32	0.00	0.00	2060.32	22.79	0.00	2359.43	0.00
As at 31/03/2018	0.00	3315.73	535.43	366.41	18140.18	433.51	800.13	23591.39	0.00
Net Book Value									
As at 31/03/2017	1587.91	6393.38	1302.61	246.87	38836.94	514.15	4663.39	53545.25	694.87
As at 31/03/2018	1485.53	5210.24	1200.07	350.66	38053.98	522.83	4411.38	51234.68	234.99

- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard'. Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year company has added ₹ -2.44 Lakh (₹ 148.49 Lakhs) to the capital asset towards such exchange differences. The unamortized amount of such exchange difference included into the carrying amount of asset is ₹ 1247.51 Lakhs (₹ 1687.82 Lakhs).
- The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. This changes result in a higher depreciation of ₹ 1206.21 lakhs (₹ 845.71 lakhs) charged to profit and loss account.
- Refer Note No 26 for information on property, plant and equipment pledged as security
- There are no restriction on title of property, plant and equipments and Intangible Assets
- Capital Work in progress balance is relating to Plant & Machinery of ₹ 1.11 lakhs and Office Building of ₹ 233.88 lakhs
- There is no contractual commitment on acquisition of property, plant and equipment and intangible assets

Note No. 6 - Intangible Assets and Intangible asset under development

(₹ in Lakhs)

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Cost						
As at April 1, 2016	707,004.20	121,791.82	226.58	829,022.60	20,437.40	157,897.91
Additions	149,717.76	7,395.77	24.81	157,138.35	-	17,524.10
Effect of foreign currency exchange differences (refer note (ii) below)	(2,553.29)	-	-	(2,553.29)	-	-
Deletion / Adjustments	7,470.15	-	-	7,470.15	-	(157,113.51)
As at March 31, 2017	861,638.82	129,187.60	251.39	991,077.81	20,437.40	18,308.50
Additions	22.82	623.96	732.89	1,379.67	-	11,238.22
Effect of foreign currency exchange differences (refer note (ii) below)	311.26	-	-	311.26	-	-
Deletion / Adjustments	-	-	-	-	-	(646.82)
As at March 31, 2018	861,972.91	129,811.56	984.28	992,768.75	20,437.40	28,899.90

Notes on Accounts forming part of Consolidated Financial Statements

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Accumulated Amortisation						
As at April 1, 2016	34,859.45	2,878.11	87.46	37,825.02	-	-
Charge for the year	19,748.81	1,943.40	84.73	21,776.93	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2017	54,608.25	4,821.51	172.19	59,601.95	-	-
Charge for the year	23,090.88	2,565.86	157.27	25,814.01	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2018	77,699.13	7,387.37	329.46	85,415.97	-	-
Net Block						
As at March 31, 2017	807,030.57	124,366.09	79.20	931,475.85	20,437.40	18,308.50
As at March 31, 2018	784,273.77	122,424.19	654.82	907,352.78	20,437.40	28,899.90

- (i) Toll collection rights also include premium paid / payable to Concessioning authorities under the concession agreement over the concession period. The fair value of premium INR 1,01,594.50 Lakhs payable under the concession agreement at the time of receipt of completion certificate from the authority has been included in the Toll collection rights.
- (ii) The Group had adopted an option under Para 46A of AS 11 under previous GAAP which the group has elected to continue as per para D13AA of Ind AS 101 "First time adoption". Accordingly, the exchange difference arising on reporting of long-term foreign currency monetary items, taken before transition period i.e. April 01, 2015, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.
- (iii) Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note 26).
- (iv) Refer note 58 for additional disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA').
- (v) The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. As at March 31, 2018, it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. As at March 31, 2018, the recoverable value of its investment in subsidiaries to which goodwill relates is higher than the carrying amount of such investment, hence, above Goodwill is not considered to be impaired.
- (vi) In terms of the Concession agreement, deposits for electricity supply is considered as a part of the project cost, accordingly, the same had been capitalized under User fee rights.

Note No. 7 - Investment Property

(₹ in Lakhs)

Particulars	Land	Total
At Cost		
As at April 1, 2016	208.30	208.30
Addition	-	-
Disposal	-	-
As at March 31, 2017	208.30	208.30
Addition	10.80	10.80
Disposals	-	-
As at March 31, 2018	219.10	219.10
Accumulated Depreciation		
As at April 1, 2016	-	-
Charge for the year	-	-
Disposals/ Adjustments	-	-
As at March 31, 2017	-	-
Charge for the year	-	-
Disposals/ Adjustments	-	-
As at March 31, 2018	-	-
Net Amount:		
As at March 31, 2017	208.30	208.30
As at March 31, 2018	219.10	219.10

- (i) There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
- (ii) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iii) The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of property.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
8. Investments		
8.1 Investments in Equity Instruments of Other Companies		
(a) 25,000 (25,0000 Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	0.00	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 (5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of ₹ 10/- each	55.54	55.54
	55.60	58.10
8.2 Investments in Bonds and Debentures		
(a) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57
(c) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each.	100.00	100.00
(d) 9.25% 20000 (0) Debentures of Srei Equipment Finance Ltd of ₹ 1,000/- each.	200.00	0.00
	527.57	327.57
8.3 Other Investments		
Investment in NSC	14.98	14.98
	14.98	14.98
Total	598.15	400.65

Aggregate Value of Un-Quoted Investment ₹ 598.15 Lakhs (₹ 400.65 Lakhs)

Notes:

(i) For Fair value disclosures of financial assets refer note 46

9. Trade Receivables

Unsecured considered good	3587.28	3587.28
Total	3587.28	3587.28

(i) No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. For terms and conditions relating to related party receivables, refer Note 51

(ii) For terms and conditions relating to related party receivable, refer note 51

(iii) The estimated realization date of the receivables, has been taken by considering the cash flow model of the respective project SPVs which in the view of the management is the most realistic and appropriate way for estimating the realization date of the receivables, with respect to the project SPVs. In respect of other than project SPVs, the management has carried out its internal assessment procedures and accordingly the realization date has been estimated.

10. Receivable under Service Concession Arrangement (Unsecured considered good)

Receivable under Service concession arrangements	18004.30	20120.30
Total	18004.30	20120.30

(i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".

Refer note 58 for additional disclosure pursuant to Appendix - A to Ind AS 11 - Service Concession Arrangements ('SCA').

(ii) For Fair value disclosures of financial assets refer note 46.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
11. Other Financial Assets		
(i) Swap and Option Account	1443.10	6067.07
(ii) Security & Other Deposits	40.20	44.90
(iii) Bank Deposits with more than 12 months Maturity	736.75	2.13
(iv) Advance Recoverable in Cash or kind	0.00	0.00
(v) Annuity Receivable	35819.60	58437.90
(vi) In earmarked Accounts For Margin Money	13.95	13.95
Total	38053.60	64565.95
12. Deferred Tax Assets (Net)		
Deferred tax assets (Refer note 44)	9943.22	2957.49
Closing Balance of Deferred Tax Assets	9943.22	2957.49
13. Other Non Current Assets		
13.1 Capital Advance		
Advance to Suppliers for Fixed Assets	336.37	819.93
13.2 Advance other than capital		
(a) Security & Other Deposits	951.54	1498.52
(b) Advances for Goods and Services	195.69	195.69
(c) Tax Credit and Receivables	565.00	2447.60
(d) Deferred GST (refer note below)	936.30	0.00
(e) Advance Income Tax (net of provision)	2002.50	716.80
(f) Tax paid under Protest (refer note 52)	53.20	0.00
(g) Prepaid Expenses	245.60	838.40
(h) Unamortized Option Premium/discount on debenture	0.00	144.10
Total	5286.20	6661.04
Note:		
The credit of Goods and Service tax (GST) on works contract for construction of building and civil infrastructure have been accounted as Deferred GST credit account. The utilization of deferred GST credit is subject to assessment made by the statutory authority.		
14. Inventories		
(a) Construction Materials	12453.03	10297.55
(b) Work in Progress	511.39	511.39
(c) Stores & Spares	3460.90	1526.87
Total	16425.32	12335.81

Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rates.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
15. Current Investments		
Unquoted		
(a) Investment in Units of Mutual Fund	4245.70	5582.60
Total	4245.70	5582.60

Notes:

(i) For Fair value disclosures of financial assets refer note 46

(ii) Details of investments in unquoted units of mutual funds :

(INR in Lakhs other than figures in bracket)

ICICI Prudential Ultra Short Term Plan - Growth	50.08	(-)
	(281,037.82)	(-)
ICICI Prudential Flexible Income plan	879.53	30.10
	(263,870.29)	(9,650.77)
Aditya Birla Sunlife Cash Manager - Growth	125.47	(-)
	(30,048.42)	(-)
HDFC Mutual Fund Cash Management Growth Option	1,788.45	1,679.56
	(4,888,254.59)	(4,888,254.59)
Reliance Liquid Fund- Cash Plan-Growth Option	464.22	1,042.27
	(17,225.86)	(40,966.68)
Reliance Liquid Fund- Cash Plan- Direct Growth Option	118.88	(-)
	(4,234.76)	(-)
Reliance Short Term Fund-Growth Plan Growth Option	(-)	1,410.09
	(-)	(4,575,731.70)
L & T Ultra Short Term fund - Growth	280.07	75.86
	(987,841.97)	(285,625.02)
UTI Floating rate Fund - Direct Growth	319.56	300.39
	(11,313.86)	(11,313.86)
Axis Liquid Fund - Direct Growth	204.43	850.55
	(10,643.25)	(47,168.33)
SBI Savings Fund - Regular Plan - Growth	(-)	193.75
	(-)	(764,740.90)
Total	4230.70	5582.57

The figures mentioned in bracket represent absolute number of investment units.

16. Trade Receivables

(Unsecured considered)

(a) Other Debts

(i) Receivable from Related Parties

5419.69

37261.66

(ii) Receivable from Others

133832.89

121856.18

Total

139252.58

159117.84

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

(ii) For Fair value disclosures of financial assets refer note 46

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
17. Cash and Cash Equivalents		
17.1 Balance with Banks		
(a) In Current Accounts (refer note (i) below)	10659.75	4831.40
(b) In Fixed Deposit Accounts	481.99	1026.42
	11141.74	5857.82
17.2 Cash On Hand (refer note (ii) below)	523.19	477.68
Total	11664.93	6335.50
Notes:		
(i) Balances with banks includes balances of INR 3771 Lakhs (March 31, 2017: INR 3614.4 Lakhs) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.		
(ii) Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.		
(iii) Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of ₹ 11243.20 Lakhs (March 31, 2017 ₹ 14,054.10 Lakhs.)		
18. Bank balance other than Cash and Cash Equivalents		
In earmarked Accounts		
(i) Unclaimed Dividend	4.62	4.75
(ii) Maturity more than 3 months but not more than 12 months	799.69	1233.00
(iii) Unpaid Right Issue Money	0.00	0.01
(iv) Unpaid Share Application Refund Money	0.30	1.20
Total	804.61	1238.96
19. Loans		
Unsecured, considered good		
Loans to related parties		
Inter-Corporate Loans	1707.10	1703.80
Total	1707.10	1703.80
20. Receivable under Service Concession Arrangement (Unsecured considered		
Receivable under Service concession arrangements (refer note 10)	100892.60	17871.30
Total	100892.60	17871.30
21. Other Current Financial Assets		
(i) Interest Accrued But Not Due on Investments	150.99	29.29
(ii) Interest Receivable	1036.70	7.00
(iii) Grant Receivable from concessionaire authorities (refer note (i) below)	642.40	643.40
(iv) Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope (refer note (ii),(iii) & (iv) below)		
(v) Receivable from Toll Suspension (refer note (v) below)	3320.30	3811.10
(vi) Security & Other Deposits	28584.25	20839.35
(vii) Annuity Receivable	14301.10	0.00
(viii) Receivable Against Sale of Assets and Services	64.30	50.70
(ix) Recoverable in Cash		
Due from others	5060.37	2770.12
Total	64547.21	32871.86

Notes on Accounts forming part of Consolidated Financial Statements

Notes :

- (i) As per the Concession agreement between Ahmedabad Ring Road Infrastructure Limited (ARRIL), step down subsidiary and Ahmedabad Urban Development Authority (AUDA), ARRIL is entitled to receive grant of INR 3600 Lakhs for meeting the part project cost subject to the conditions laid down in the Concession agreement. Upto March 31, 2018, the said company have received grant of INR 2957.6 lakhs. As at March 31, 2018, ARRIL has grant receivable of INR 642.4 Lakhs from AUDA as the conditions of the Concession Agreement related to grant have been met.
- (ii) In case of Aurangabad Jalna Tollway Limited ('AJTL'), step down subsidiaries, Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles and Buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f June 01, 2015. However the government has not prepared any policy or modalities by which the Company will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the said subsidiary has recognised revenue of toll collection of INR 3752.8 Lakhs for the period June 01, 2015 to March 31, 2018, which includes INR 1468.3 Lakhs for the year ended March 31, 2018, in respect of exempted vehicles based on the projections submitted to Maharashtra Government under the concession agreement, in line with the policy issued by the Government of Maharashtra. The Government of Maharashtra has paid amount of INR 2267.5 Lakhs till March 31, 2018 to the aforesaid subsidiary company in this respect and AJTL expects to receive the balance amount in due course.
- (iii) "During the year, Rohtak Panipat Tollway Pvt. Ltd. (RPTPL), step down subsidiary entity, has received favourable arbitration award dated October 6, 2017 under the Arbitration & Conciliation Act, 1996 towards additional cost on transportation of material due to ban on the quarrying of stone and loss of revenue due to delay in granting Provisional Completion Certificate by NHAI during the year. Total award received along with interest amounted to INR 8853.8 Lakhs. The management has accounted the aforesaid claim receivable in the books amounting to INR 7569.8 Lakhs and interest income amounting to INR 1284 Lakhs. The company has also accounted for interest income upto March'2018"
- (iv) In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), step down subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017 the AUDA has not prepared any policy or modalities by which the company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the said subsidiary has recognised revenue of toll collection of INR 300.5 Lakhs for the period ended October 10, 2017 to March 31, 2018 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during April 2017 to September 2017.
- (v) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the group has claimed and recognised revenue of INR 5978.8 Lakhs during the previous year ended March 31, 2017, out of which INR 3320.3 Lakhs is yet to be realized as at March 31, 2018.

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
22. Current Tax Assets (Net)		
Advance Income Tax	22091.51	13866.83
Deduct Provision for Income Tax	12561.64	7825.29
Total	9529.87	6041.54
23. Other Current Assets		
23.1 Advances other than capital advances		
(a) Advances for goods and Services	43275.07	10172.86
(b) Advances to Others	210.92	158.43
Total	43485.99	10331.29
23.2 Others		
(a) Advance Sales Tax, GST & Service Tax	13304.83	3272.73
(b) Prepaid Expenses	2407.50	1817.74
(c) Group Gratuity Fund	64.42	46.24
(d) Unamortised option Premium/discount on debenture/processing fees	0.00	201.10
(e) Unbilled Revenue (refer note 50)	473.90	222.10
(f) Others	52.90	34.40
	16303.55	5594.31
Total	59789.54	15925.60

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
24. Equity & Share Capital		
(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each		
(b) Issued, Subscribed and fully paid 171570800 (171533800) Equity Shares of ₹ 1/- each with voting rights	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights:		
Outstanding at the beginning of the Period (Nos.)	171570800	171533800
Addition during the period towards ESOP (Nos.)	0	37000
Outstanding at the end of the Period (Nos.)	171570800	171570800

(d) Rights of Shareholders and Repayment of Capital:

(i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-.

(ii) Each holder of equity shares is entitled to one vote per share.

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

(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:

Name of Share Holder(s)	As at 31.03.2018		As at 31.03.2017	
	No. of shares	% age	No. of shares	% age
Vishnubhai M. Patel	28124920	16.39%	28124920	16.39%
Sadbhav Finstock Pvt. Ltd.	16545275	9.64%	16545275	9.64%
Shantaben V. Patel	14715375	8.58%	14715375	8.58%
ICICI Life Insurance Company Limited	13649098	7.96%	9206830	5.37%
HDFC Trustee Company Limited. Midcap Opportunities Fund	9657214	5.63%	9152444	5.33%

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

The activity in the ESOP-2008 during the year ended at March 31, 2018 is set out below:

Particulars	31.03.2018		31.03.2017	
	Average exercise price per option	Number of option	Average exercise price per option	Number of option
Option outstanding in the beginning of the Year	0	0	50.00	37,000.00
Option granted during the Year end				
Less: Exercised	0	0	50.00	37,000.00
Less: Forfeited/Lapsed	0	0		
Option outstanding at the Year end	0	0		-
Option exercisable at the Year end	0	0		-

As at March 31, 2018 No equity shares have been kept reserved for issue against the outstanding options. All shares have been exercised prior to the balance sheet date.

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

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
25. Other Equity		
(a) Capital reserve		
As per Last Balance Sheet	31982.85	31982.85
Less : Add/(Deduction) during the year	1121.62	0
Closing Balance	33104.47	31982.85
(b) Security Premium Reserve		
As per Last Balance Sheet	57134.15	92557.62
Addition during the year	0.00	(37804.16)
Less : QIP Expenses	0.00	(2380.70)
Closing Balance	57134.15	57134.16
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	12335.50	10092.10
Addition/(Deduction) during the year	(1858.10)	2243.40
Closing Balance	10477.40	12335.50
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	0.00	26.30
Addition during the year	0.00	0.00
Less transferred to Security Premium Account	0.00	26.30
Closing Balance	0.00	0.00
(e) General Reserves		
As per Last Balance Sheet	12160.18	11160.18
Addition during the year	6480.00	1000.00
Closing Balance	18640.18	12160.18
(f) Other Comprehensive Income		
As per Last Balance Sheet	(199.57)	68.40
Addition During the Year	86.08	(267.97)
Closing Balance	(113.49)	(199.57)
(g) Equity Component of Compound Financial Instruments		
As per Last Balance Sheet	0.00	1796.60
Addition During the Year	0.00	(1796.60)
Closing Balance	0.00	0.00
(h) Profit and Loss account		
As per last Balance Sheet	(24496.04)	(12502.88)
Net loss (Profit) for the year	(308.42)	(5404.00)
Appropriations:-		
Transfer to general reserves	0.00	1000.00
Dividend Paid	2138.68	1201.25
Tax on Dividend Paid	261.95	244.55
Add adjustment on account of acquisition of non-controlling interest	0.00	1708.50
Adjustment Relating to Fixed Assets/others	0.00	7.37
Equity Transactions	0.00	184.20
Transfer to Debenture Redemption Reserves	4621.90	2243.40
Closing Balance	(31826.99)	(24496.15)
Total	87415.72	88916.97

- (i) The Subsidiary and step down subsidiaries has issued redeemable non-convertible debentures (refer note 18). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create Debenture Redemption Reserve ('DRR') out of profits of the group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. DRR is required to be created over the life of debentures. DRR is required to be created over the life of debentures, and accordingly, the group has transferred INR 4621.9 Lakhs to DRR out of surplus available. Further, the Group has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve during the year.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
26. Long Term Borrowings		
(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures		
(a) HDFC Asset Management Co.Ltd. 840 (1200) debentures of 10 Lakh each	5931.49	9590.20
(b) 2,000 (31 March 2017: 2,000) Redeemable, Non Convertible Debentures of ₹ 10,00,000/- each	20000.00	20000.00
(c) 1,600 (31 March 2017: 1,600) Redeemable, Non Convertible Debentures of ₹ 10,00,000/- each	16000.00	16000.00
(d) 11,24,324 (31 March 2017: 1,405,405) Non Convertible Debentures of ₹ 1,000/- each	11243.20	14054.10
(e) 1,17,380(31 March 2017: 55,883) Non Convertible Debentures of ₹ 100,000/- each	115042.20	55388.10
(f) 4,77,500 (31 March 2017: 4,87,500) Non Convertible Debentures of ₹ 10,000/- each	48699.30	48699.30
(g) Non Convertible debenture		
2000 (31 March 2017: 2000) Redeemable, Non Convertible Debentures of ₹ 10,00,000 each	20000.00	20000.00
1000 (31 March 2017: 1000) Redeemable, Non Convertible Debentures of ₹ 10,00,000 each	10000.00	10000.00
	246916.19	193731.70
Less Current maturity of NCDs	15849.00	4737.80
	231067.2	188993.9

Detail of Security for Loan taken by the Company

(a) HDFC Asset Management Co. Ltd. 840 (1200) debentures of ₹ 10 Lakhs each

Debentures are secured by :

- Pledge of 62,58,060 (62,58,060) shares of Sadbhav engineering Ltd by Sadbhav Finstock Pvt. Ltd.
- NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.
- Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel

Rate of Interest : Coupon rate of 9 % plus Redemption Premium resulting Effective rate of Interest (IRR) of 12.15 % , 12.15% & 14.19% p.a. at maturity.

Repayable during the year	No. of Installments	Maturity Amount
2018-19	1	4147.49
2019-20	1	5931.49

Debentures redeemable during the year 2018-19 are shown under 'Current Maturity of Long Term Debts' (Note No 32 'Other Financial Liabilities')

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
(b) Term Loans		
Secured		
(i) From Banks:-		
(a) Foreign Currency Term Loan (ECB)	26474.94	68886.91
(b) Rupee Term Loan	585075.62	568752.08
(c) Overdraft Facility from Bank	0.00	0.00
	611550.56	637638.99
Less Current maturity	15074.10	17171.50
	596476.46	620467.49

Detail of Security

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

(ii) From Financial Institutions	16023.92	16485.15
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Detail of Security

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

843567.57 **825946.54**

Payable During Years	No. of Instalments	Payable Amount	
		To Banks	To Financial Institutions
2018-19	1177	7324.44	3735.43
2019-20	913	6580.49	2151.24
2020-21	524	6360.92	1785.23
2021-22	357	4342.45	1204.39
2022-23	114	83.91	187.85

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

Loan repayable during the year 2018-19 are shown under 'Current Maturity of Long Term Debts' (Note No 32 'Other Financial Liabilities')

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

(i) Redeemable Non-Convertible Debentures (NCDs) issued by SIPL

(a) 2,000 Redeemable Non-Convertible Debentures (NCDs)

1. NCDs are secured by (i) first ranking charge created on 10,71,198 equity shares of the SIPL in the Rohtak Panipat Tollway Pvt. Ltd.; (ii) the Corporate Guarantee by the Company (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

2. Terms of repayments are as under

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

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

Notes on Accounts forming part of Consolidated Financial Statements

(b) 1,600 Redeemable, Non Convertible debentures (NCD):

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

2. Terms of repayments are as under

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

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

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

1. NCDs are secured by (i) pledge of 19.46% shareholding of SIPL representing 46,846,725 equity share held by the Company (ii) pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by SIPL and The Company (iii) unconditional and irrevocable corporate guarantee from The Company and personal guarantee of the promoters i.e. Vishnu Bhai M. Patel. (iv) second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of SIPL (v) all bank account & assignment of all contract, documents, insurance, clearances and interest of SIPL.

2. Terms of repayments are as under

NCD is having a floating interest rate carrying from 12.74% to 11.96 % which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020. SIPL shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the minimum yield on the entire facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(d) 3,000 Redeemable, Non Convertible debentures (NCD):

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

2. Terms of repayments are as under

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

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

Notes on Accounts forming part of Consolidated Financial Statements

(ii) Redeemable Non-Convertible Debentures (NCDs) issued by the Subsidiaries:

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower
- The Security created under The Debenture Trust Deed shall rank pari passu inter se, amongst The trustees.

(a) NSEL

18,100 (31 March 2017: 18,900) Redeemable, Non Convertible Debentures (NCD):

Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	10,000	8.72%	Partial Repayment	1-Aug-18
Series B	9,500	8.91%	Partial Repayment	1-Aug-18

At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant debenture holders the unpaid Interest on such debentures, accrued upto such redemption date.

The redemption of debenture for SERIES A (8.72%) shall be made in 18 semi annually installments while for SERIES B (8.91%) shall be made in 15 Semi annually installments on the first day of each half year i.e. 1st February and 1st August of the year ,commencing from 1st August 2016.

Interest on such Debentures shall be paid along with the Redemption of Debentures on the same day i.e. 1st February and 1st August of each year.

(b) DPTL

4,77,500 (31 March 2017: 4,87,500) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

Non convertible debentures are repayable in 40 consecutive quarterly installment commencing from 5th Apr 2016 to 5th Dec 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10th Mar 2016. The NCD carry floating interest rate of at 9.4 % per annum as on March 31, 2018, which is reset after every 3 years.

(c) BHTPL

24,983 Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

The redemption of debenture shall be made in 148 monthly installments on the last day of each month, commencing from 31 May, 2016. The T1 NCD carry interest of 9.40 % per annum as on March 31, 2018.

(d) HYTPL

19,797 (31 March 2017: 11,937) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

(i) The redemption of debenture [Trench I] shall be made in 59 quarterly installments on the 15th of each quarter end, commencing from 15 September, 2016 and last date of Instalment is March 15, 2031. The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 9.5 % per annum as on March 31, 2018.

(ii) The redemption of debenture [Trench II] shall be made in 55 quarterly instalments on the last day of each quarter, commencing from 15 September, 2017 and last date of Instalment is March 15, 2031. The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 8.75 per cent per annum as on March 31, 2018.

(e) SUTPL

54,500 (31 March 2017: Nil) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

The redemption of debenture shall be made in 77 quarterly installments on the last day of each month, commencing from 31 March, 2018. The NCD carry interest of 8.60 % percent as on March 31, 2018.

Notes on Accounts forming part of Consolidated Financial Statements

(iii) Rupee Term Loans availed by MBHPL, a subsidiary company.

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

- (a) first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
- (b) first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (c) first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Facilities Agreement and the Supplementary Escrow Agreement, or any other Project Documents and all funds from time to time deposited therein, the Receivables and all Authorised Investments or securities;
- (d) first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings, intellectual property and uncalled capital present and future excluding the Project Assets
- (e) assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - the right, title and interest of the Company in, to and under all the Governmental Approvals;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- (f) pledge of 51% (fifty one percent) of the issued and paid up equity shares of MBHPL held by the Company and GKC Projects Limited till Final Settlement Date, provided if as on the COD, in the opinion of the Facility Providers, no event of default is subsisting, shares representing 25% (twenty five percent) of the issued and paid up equity shares of MBHPL may stand released and accordingly, pledge of 26% (twenty six percent) shall continue till the Final Settlement Date.
- (g) Corporate Guarantee from the Company guaranteeing the repayment of the Secured Obligations.
- (h) -the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares shall in all respects rank pari-passu inter-se amongst the Senior Lenders in accordance with the Loan Agreement, without any preference or priority to one over the other or others;
 - the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares stipulated in para (a) to (g) above other than the assignment as stipulated in para 5 shall be shared by the Senior Lenders on pari-passu basis with the WC lenders in accordance with the Concession Agreement, without any preference or priority to one over the other or others; Provided further that the charge over the receivables stipulated in para (c) above for the benefit of the WC lenders would not include the Termination Payment, and
 - the Security Interest stipulated in para (a) to (f) above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) Terms of Repayment of Loans:

- (a) The Principal amounts of the Loan is repayable to the Lenders in 14 half yearly structured installments, commencing from the First Repayment date (February 2018) on the last day of each Half Year in the amounts equivalent to the percentage of the total amount of loan, which is stated against the corresponding half year expiry in the Amortisation Schedule. The Company has the option to prepay the loan after the payment of Prepayment Premium.

(iv) Rupee term loans and Foreign currency Loans from banks and other parties availed by subsidiaries are secured by:

- 1 a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the respective subsidiary's tangible moveable assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the company including the escrow account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to Debt service reserve ('DSR') and Major maintenance reserve ('MMR') and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- 4 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.

Notes on Accounts forming part of Consolidated Financial Statements

- 5 a first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
 - charge/ assignment on all the intangible assets of the respective subsidiary (Other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by SIPL and other promoters of the respective Subsidiary as stipulated in the Loan Agreements.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

Terms of Repayment of borrowings availed by step-down Subsidiaries :

(a) ARRIL

Term loan include loans amounting to INR 25663.7 lakhs as on March 31, 2018 (March 31, 2017: INR 26431.4 lakhs) taken from a consortium consisting of bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

As at March 31, 2018, the loans carries average interest rate of 8.60 % to 8.90 % per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

As at March 31, 2018, the loan carries average interest rate of 11.60 per cent per annum.

(b) AJTL

Term loans include loan amounting to ₹ 21915.60 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 22135.50 Lakhs) taken from a consortium consisting of a bank and finance institutions.

Indian Rupee Term Loans from Banks & Other Party:

The principal amounts of the Loan to each of the Lenders are repayable in 53 equal quarterly installments commencing from September 30, 2016 . As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by March 31, 2030. Similar, the company also has the option to prepay the loans.

As at March 31, 2018, term loans carry interest rate of 9.35 per cent to 10.25 per cent per annum.

(c) BHTPL

Term loans include loan amounting to ₹ 55441.3 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 58180.80 Lakhs) taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks:

T1 facility:

The principal amount of the loan to each of the lenders is repayable in unequal 161 monthly installments on the last day of each month , commencing from 31 May, 2016. Further, the company has taken overdraft which is repayable in unequal 149 monthly installments on the last day of each month, commencing from 31st May, 2016.

T2 facility:

During the year ended March 31, 2018, the company has entered into T2 Facility and Subordinate Facility agreement dated September 28, 2017 and has refinanced the entire foreign currency loan. The principal amounts of the loan to lenders is repayable in unequal 150 monthly installments on the last day of each month, commencing from 31 October, 2017.

The loan carries interest of 9.00% to 9.25% as on March 31, 2018.

Notes on Accounts forming part of Consolidated Financial Statements

(d) HYTPL

Term loans include loan amounting to ₹ 17507.2 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 25982.20 Lakhs) taken from bank.

Indian Rupee Term Loans from Banks:

The Principal amounts of the loan to each of the lenders shall be repayable in 180 structured monthly instalments on the last day of each month, commencing from the April 15, 2017 and last date of instalment is March 15, 2031. Rupee term loans carry interest at bank base rate plus 700 basis point as spread i.e. 10.20 % per annum as on March 31, 2018.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29, 2013). The Loan carried interest at LIBOR plus 470 basis points i.e. 6.13 % per annum as on March 31, 2017. Such loan has been replaced by rupee term loan and NCD's during the year.

(e) MBCPNL

Term loans include loan amounting to ₹ 101432.2 Lakhs as on March 31, 2018 (March 31, 2017: 105707.50 Lakhs) taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:

The Principal amounts of the loan to each of the lenders shall be repayable in 49 structured quarterly instalments on the last day of each quarter, commencing from March 31, 2018. Term loans carry interest of 9.30 per cent per annum.

The subsidiary entity has entered into common loan agreement dated March 23, 2018 with consortium lenders to refinance the existing Indian Rupee loan. During the year i.e. March 26, 2018, the existing rupee loan has been replaced by the new term loan.

(f) RPTPL

Term loans include loan amounting to ₹ 99426.4 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 100350.20 Lakhs) taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly installments on the last day of each quarter, commencing from the expiry of monetarism period (22 quarters from initial drawdown date i.e. March 30th, 2011). The last date of installment is March 31, 2027. Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60% to 12.10 % per annum as on March 31, 2018.

Foreign Currency loan from Bank:

Foreign currency loan from bank shall be repayable in 6 unequal semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual installments, the company propose to convert balance loan amounting to USD 378.3 Lakhs into a new Rupee Term Loan. The Company pays interest at LIBOR plus 4.70 basis points per annum on the foreign currency loan.

(g) SUTPL

Term loans include loan amounting to ₹ 28287.7 lakhs as on March 31, 2018 (March 31, 2017: ₹ 81783.60 Lakhs) taken from consortium of a banks.

Indian Rupee Term Loans from Banks:

The Principal amounts of the Loan to each of the Lenders is repayable in unequal 231 monthly installments on the last day of each month, commencing from 30th September, 2017.

As at March 31, 2018, term loans carries average interest rate of 9.20% to 9.30 % per annum.

Notes on Accounts forming part of Consolidated Financial Statements

(h) BRTPL

Term loans include loan amounting to ₹ 27248.7 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 27420.40 Lakhs) taken from consortium of banks.

Indian Rupee Term Loans from Banks:

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

As at March 31, 2018, term loans carries average interest rate of 9.55 % per annum.

(i) RHTPL

Term loans include loan amounting to ₹ 94103.3 Lakhs as on March 31, 2017 (March 31, 2017: ₹ 94423.70 Lakhs) taken from a consortium consisting of banks.

Indian rupee term loans from banks:

The Principal amounts of the loan is repayable to the lenders in 174 structured monthly installments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs i.e. July 31, 2017.

As at March 31, 2018, term loans carry interest rate of 11.50 percent per annum except term loan from Canara Bank which carries interest rate of 11.75 percent per annum.

(j) DPTL

Term loans include loan amounting to ₹ 57578.8 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 52742.00 Lakhs) taken from consortium of banks.

Indian rupee term loans from banks:

"The Principal amount of the loan is repayable in 43 consecutive quarterly installment commencing from 5th Jan 2016 to 5th July 2026 on the repayment dates and in percentage as mentioned in amortization schedule as set forth in schedule XIII of the Common Loan Agreement executed on 28th Sep 2015. Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.55% to 9.90% per cent per annum as on March 31, 2018."

(k) SBHPL

"The Principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 per cent to 9.40 per cent per annum."

(l) SUHPL

Term loan include loans amounting to INR 6961.5 Lakhs as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

"The principal amounts of the Loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 per cent to 9.40 per cent per annum."

(m) SRHPL

Term loan include loans amounting to INR 14490.7 Lakhs as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is October 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.20 per cent per annum as on March 31, 2018.

(n) SNHPL

Term loan include loans amounting to INR 1295.9 Lakhs as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

Notes on Accounts forming part of Consolidated Financial Statements

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is September 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.25 per cent per annum as on March 31, 2018.

(o) SBGHPL

Term loan include loans amounting to INR 1730.6 million as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The Principal amounts of the loan is repayable to the lenders in 28 half yearly structured installments, commencing from the First Repayment date (January 31, 2020) on the last day of each Half year in the amounts equivalent to the percentage of the total amount of loan, which is stated against the corresponding half year expiry in the Amortisation schedule. The company has the option to prepay the loan after the payment of prepayment premium.

Term loans carry interest at bank base rate plus spread i.e. 9.25 to 9.40 per cent per annum as on March 31, 2018.

(p) SUDHPL

Term loan include loans amounting to INR 6730.00 Lakhs as on March 31, 2018 (March 31, 2017: NIL) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 28 equal half yearly installments commencing from September 30, 2020.

Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% per cent per annum as on March 31, 2018.

(v) Debt covenants:

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. Group has satisfied all the debts covenants prescribed in the terms of respective loan agreements as at reporting date, except in step down subsidiary i.e. RPTPL, has not been able to meet one of the covenants viz debt service coverage ratio as at the end of the year. As per the management, this does not have any financial or other implication as regards these financial statement.

	(₹ in Lakhs)	
	As at 31-03-2018	As at 31-03-2017
27. Other Financial Liabilities		
(i) Advance Received for sale of Shares	0.02	0.02
(ii) Security & Other Deposits from Sub-contractors	748.35	788.44
(iii) Advance Received from Debtors	88.93	211.60
(iv) Interest accrued on premium obligation (refer note (i) below)	4119.10	2260.60
(v) Interest accrued but not due on NCD	7910.50	6525.70
(vi) Premium Obligation under Concession Agreement	116579.10	113742.10
(vii) Deferred Premium Obligation (refer note (i) below)	26749.20	18720.80
	156195.20	142249.26

Note:

(i) In case of stepdown subsidiaries, HYTPL, SUTPL and RPTPL, premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter, the group shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. Accordingly, the deferred obligation has been classified as non current liabilities.

As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the group is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
28. Deferred Tax Assets (Net)		
Deferred Tax Assets (net) (refer note 44)	6750.40	5883.30
Total	6750.40	5883.30
29. Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (refer note 49)	237.90	157.10
Periodic Major Maintenance (refer note 53)	17453.90	16004.00
Total	17691.80	16161.10
30. Short-Term Borrowings		
30.1 Loans repayable on demand		
<u>Secured</u>		
Short Term Loans From Banks (refer note 26)	62942.64	53600.80
Overdraft due to Issuance of Cheques	4438.68	18331.94
Detail of Security		
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables.		
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immoveable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.		
(c) Personal Guarantee of Shri Vishnubhai M. Patel, Shri Vasisthakumar Patel, Shri Vikramkumar Patel and Smt. Shantaben V. Patel.		
<u>Unsecured</u>		
Interest free Loan from Others	1205.00	1206.00
From Banks	39775.00	50980.92
Total	108361.32	124119.66
Notes:		
(i) Unsecured loan from Banks which includes Working Capital Demand Loan facilities of ₹ 1000.00 Lakhs which are secured against Corporate guarantee of the company. The Working Capital Demand Loans are repayable within 90 days of borrowing and carry interest from 10.50% to 9.10% p.a.		
(ii) Interest free loan from others is repayable on demand.		
30.2 Loan from Related Parties - Unsecured		
From Directors	0.00	184.42
From Others (From Company in which Directors are Directors)	158.14	162.76
Total	158.14	347.18
31. Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	70567.96	56054.10
Total	70567.96	56054.10
(a) Refer to Note No. 51 for Related party transactions and outstanding balances		
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	0.00	0.00
B Interest due thereon	0.00	0.00
C Amount of interest paid by the Company in terms of section 16 of the	0.00	0.00
D Amount of interest due and payable for the year of delay in making	0.00	0.00
E Amount of interest accrued and remaining unpaid at the end of the	0.00	0.00
F Amount of further interest remaining due and payable in succeeding	0.00	0.00
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
32. Other Financial Liabilities		
(a) Current Maturities of Long term debts (refer note 26)		
<u>Secured</u>		
Non Convertible Debentures	19996.49	20736.75
Foreign Currency Term Loan	1552.02	2098.25
Loan from Banks	27107.02	26999.16
Loan from Financial Institutions	4013.83	4133.26
	52669.36	53967.42
(b) Capital creditors including retention money	0.00	1470.88
(c) Current maturities of premium obligation to NHAI (refer note 27)	815.70	3625.50
	53485.06	59063.80
(d) Interest Accrued but not due on Loans	5233.38	2403.03
(e) Interest Accrued and due	2456.77	2729.39
(f) Interest accrued and due on NHAI premium obligation / Mobilization advance	1148.60	0.00
(g) Unclaimed Dividend	4.62	4.75
(h) Security Deposit and Retention Money	778.40	0.01
(i) Employee Emoluments	361.90	285.20
(j) Payable to Authorities (AUDA, NHAI)	367.80	367.80
(k) Payable towards capital expenditure	11472.20	0.00
(l) Share application money refundable	0.30	0.30
(m) Other Financial Liability	492.39	667.80
	75801.42	65522.08
33. Other Current Liabilities		
(a) Sundry Creditors for Capital Goods	4229.30	1147.93
(b) Statutory Dues	5785.66	3047.06
(c) Advances Received from Clients *	48141.29	4748.27
(d) Miscellaneous Liabilities	17.96	7.50
(e) Other Deposits	22917.60	0.00
(f) Unearned Revenue (refer note 50)	2659.30	620.59
Total	83751.11	9571.35
Note:- There was no amount outstanding as on 31.03.2018, which is required to be transferred to Investor Education and Protection Fund (IEPF).		
34. Short-Term Provisions		
(a) Provision for Employee Benefits (refer note 49)	336.69	276.56
(b) Provision for Wealth Tax	5.36	5.36
(c) Periodic Major Maintenance (refer Note 53)	14648.70	9449.00
(d) Provision for Prepayment Charges	0.00	127.80
(e) Provision for incomplete Work	1163.40	351.90
Total	16154.15	10210.62
35. Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Advance tax)	1535.60	482.40
	1535.60	482.40

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
36. Revenue from Operations		
EPC & Other Contract Income (refer note 50 & (i) below)	385530.10	350452.47
Grant - Consideration from govt authority	0.00	3714.20
Revenue from Toll Collection, User fees and Annuity Income (refer note 21(ii),(iii),(iv) & (v))	110842.20	94609.20
Other Operating Income	1101.45	992.85
Total	497473.75	449768.72
Note:		
(i) The construction income includes cost escalation claim of INR 1307.5 Lakhs (31 March 2017: INR 431.2 Lakhs) from Maharashtra Border Check Post Network Limited, a subsidiary, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.		
37. Other Income		
(a) Net Gain or Loss on financial assets measured at FVTPL		
Gain on Derivative Contracts (Net)	-13.01	2617.82
Profit on sale of Investments/ units of Mutual Funds (Net)	539.40	411.20
(b) Interest revenue for financial assets that are measured at amortised cost		
Deposits with banks	30.30	76.30
Receivable under service concession arrangement	7049.20	8695.30
From Current Investments	174.58	109.08
From Non -Current Investments	40.62	32.69
Interest on Arbitration claim (refer note 21(iii))	1284.00	0.00
Mobilization Advance	1094.40	0.00
(c) Other Income		
Interest on Income tax refund & MVAT Refund	173.45	831.96
Profit on Sale of Assets	122.90	187.59
Sundry balances written back	109.70	116.60
Interest income on royalty	0.00	761.40
Others	582.07	1586.89
(d) Miscellaneous Income	676.43	222.59
Total	11864.04	15649.42
38. Cost of Material Consumed		
Opening Stock	10297.55	12628.54
Add Purchase	111527.60	81914.25
	121825.15	94542.79
Less Transfer to unbilled revenue	0.00	0.00
Less Closing Stock of Material	12453.03	10297.55
Total	109372.12	84245.24
39. Changes in Inventory of finished goods, Work-in-Progress and Stock-		
Opening Work-in-Progress	511.39	511.39
Less :Closing Work-in-Progress	511.39	511.39
Total	0.00	0.00

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
40. Construction , Toll Plaza & Road Maintenance Expenses		
Labour Expenses	126420.34	133083.57
Construction Expenses	14062.56	8065.75
Power & Fuel	29627.04	33102.08
Stores Consumed	3108.31	1833.02
Repairs & Maintenances-Construction Machineries	5594.56	7371.83
Transportation Expenses	804.24	671.18
Machinery Rent	6936.98	4679.92
Periodic Major Maintenance (refer note 53)	11843.50	12680.50
Security Expenses	1716.40	1510.00
Land & Godown Rent	348.67	429.58
Site Establishment Expenses	1225.94	735.27
Mess Expenses	1157.92	1009.71
Other Expenses	1065.90	691.70
Total	203912.36	205864.11
41. Employee Benefits Expense		
Salary & Wages (refer note 49 & 51)	17934.99	15309.76
Contribution to PF and Other Funds (refer note 49)	1295.72	923.89
Group Gratuity Fund Expenses	104.40	182.10
Directors' Remuneration	354.00	751.41
Staff Welfare Expenses	678.63	643.84
Total	20367.74	17811.00
42. Finance Cost		
(a) Interest Expenses on Financial liabilities measured at Amortised Cost		
Long Term loans from Banks and others	75992.66	82065.10
Short Term loans from Banks and others (refer note 50)	6313.40	247.46
Deferred premium obligation	2133.80	1392.60
NHAI Premium	0.00	162.20
Mobilization Advance	1313.10	0.00
Statutory dues & other interest	0.00	10.30
Others	1010.30	9.40
(b) Unwinding of Discount on		
Provision of major maintenance	2733.50	1558.10
NHAI premium obligation	11289.20	11084.50
Non convertible debentures	5496.90	3315.60
(c) Interest Expenses		
(i) On Borrowings	17004.84	14076.17
(ii) On Taxes	73.67	86.67
(d) Other Borrowing Costs	7930.13	4736.77
Total	131291.50	118744.87

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
43. Other Expenses		
Rent Expenses	73.62	145.35
Rates & Taxes (refer note(i) below)	4539.57	12020.01
Other Assets	325.40	646.00
Insurance	1358.61	957.53
Legal & Consultation Fees & Expenses	5225.18	4709.88
Corporate Social Responsibility Expenses	342.28	577.02
Donation Expenses-Others	55.77	27.42
Bank Charges	50.20	320.82
Auditors Remuneration	104.05	127.08
Loss on Sales of Assets	137.88	257.74
Miscellaneous Expenses	3943.70	3072.85
Total	16156.26	22861.70

Notes:

(i) Pursuant to the Maharashtra Government's notification no. BCP-0715/C. R.205/Transport-4, dated October 18, 2016, MBCPNL started collecting service tax / GST on user fees at applicable rates with effect from October 19, 2016.

As regards service tax for the period prior to 19 October 2016, in accordance with the concession agreement with Maharashtra State Road Development Corporation (MSRDC) since the company was eligible for getting reimbursed by MSRDC, an amount of INR 1200.4 Lakhs for the year ended March 31, 2017, upto 18 October 2016 was claimed with the relevant authorities. However, the same was expensed off in books of account.

44. Income Tax expense

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

(a) Profit and Loss Section

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Current tax		
Current tax charges	8103.55	5385.94
	8103.55	5385.94
Deferred tax		
Deferred tax charge	(167.66)	63.04
MAT Credit (taken)	(4,142.05)	(4,507.65)
Total deferred income tax expense	(4,309.71)	(4,444.61)
Adjustments in respect of current tax of earlier years	4.70	2.30
Tax Expense reported in the Statement of Profit and Loss	3798.54	943.63
Deferred tax items relating to equity		
Deferred tax related to items recognised in equity during the year		
Particulars	March 31, 2018	March 31, 2017
Expenditure allowed over the period -Share issue expenses		(525.19)
	-	(525.19)

Notes on Accounts forming part of Consolidated Financial Statements

(b) Deferred Tax

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

Particulars	Balance sheet		Profit & Loss statement/Equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax assets/(liability)				
Impact on Liability component of compound instruments	(1,483.10)	(1,603.50)	(120.50)	67.46
Impact of fair valuation of financial instruments	(4,225.10)	(5,990.57)	(1,765.60)	(1,019.68)
Accelerated depreciation for tax purpose	24.70	16.00	(8.70)	15.89
Expenditure allowed on payment basis	(28,127.20)	(31,114.27)	(2,986.90)	1,440.63
Expenditure allowed over the period	(20,454.20)	(14,468.70)	5,985.50	2,549.94
Impact of business combination		-		-
Unused tax losses available for offsetting against future taxable income	46,929.90	46,097.60	(832.30)	(3,129.69)
Tax Credit Entitlement under MAT	10,916.60	6,774.58	(4,142.05)	(2,147.36)
Non-convertible debentures				(47.44)
Investment in SIPL - Sub Debt	1,483.11	(205.52)	120.39	77.88
Provision for Gratuity	(22.29)	(16.00)	6.29	33.80
Derivative Deal - Interest Swap				27.50
ECB Loan				233.96
Derivative Deals- option & currency Swap	(24.50)	(67.06)	(42.56)	(49.18)
Interest accrued but not due				(2.68)
Property, Plant & Equipment	(1,825.10)	(2,348.37)	(523.28)	(810.64)
Total Deferred tax assets/(liability)	3,192.82	(2,925.81)	(4,309.71)	(2,759.60)

(c) Reconciliation of Deferred tax

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Deferred tax assets (net)	(973.38)	499.58
Deferred tax liabilities (net)	(6,750.40)	(9,019.83)
MAT	10,916.60	5,594.45
	3,192.82	(2,925.80)

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

Financial Year	Amount	Expiry Year
2012-13	1,033.08	2027-28
2013-14	121.47	2028-29
2015-16	412.03	2030-31
2016-17	4,613.67	2031-32
2017-18	4,736.35	2032-33
Total	10,916.60	

(e) Certain subsidiary companies has carried forward losses aggregating INR 370161.7 Lakhs (March 31, 2017: INR 301567.5 Lakhs) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of 8 years of the respective year from the date of origin.

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by INR 79,192.3 Lakhs (March 31, 2017: INR 58,923.3 Lakhs).

Notes on Accounts forming part of Consolidated Financial Statements

45. Disclosure of Financial Instruments by Category

(₹ in Lakhs)

Particulars	Note no.	March 31, 2018				March 31, 2017			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial asset									
Derivative not designated as hedges	11	1,443.10	-	-	-	6,067.07	-	-	-
Receivable under Service concession arrangements	10 & 20	-	-	118,896.90	-	-	-	37,991.60	-
Investments	8 & 15	4,245.70	55.60	542.35	0.20	5,582.60	58.10	342.38	0.20
Trade Receivables	9 & 16	-	-	142,839.86	-	-	-	162,705.12	-
Loans	19	-	-	1,707.10	-	-	-	1,703.80	-
Cash and cash equivalents	17	-	-	11,664.93	-	-	-	6,335.50	-
Other bank balances	18	-	-	804.61	-	-	-	1,238.96	-
Other financial assets	11 & 21	-	-	102,600.81	-	-	-	97,437.81	-
Total Financial Asset		5,688.80	55.60	379,056.56	0.20	11,649.67	58.10	307,755.17	0.20
Financial liability									
Non Current Borrowing	26 & 32	-	-	896,236.93	-	-	-	879,913.96	-
Current Borrowing	30	-	-	108,519.46	-	-	-	124,466.84	-
Trade Payables	31	-	-	70,567.96	-	-	-	56,054.10	-
Other Financial liabilities	27 & 32	-	-	179,327.26	-	-	-	153,803.92	-
Total Financial Liabilities				1,254,651.61				1,214,238.82	

46. Fair value disclosures for financial assets and financial liabilities

(₹ in Lakhs)

Particular	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets at fair value through profit or loss				
Investments in Mutual Fund	4,245.70	4,245.70	5,582.60	5,582.60
Derivative not designated as hedges	1,443.10	1,443.10	6,067.07	6,067.07
Total Financial Assets	5,688.80	5,688.80	11,649.67	11,649.67
Financial liability at fair value through profit or loss				
Redeemable, Non Convertible Debentures	231,067.19	230,920.69	188,993.90	191,214.75
Premium Obligation under Concession Agreement	117,394.80	125,811.30	117,727.65	124,619.66
Total Financial Liabilities	348,461.99	356,731.99	306,721.55	315,834.41

- (i) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- (ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- (iii) The Fair value of Investments in Bonds and Debentures, NSCs, Long term Loans and advances, Bank Deposits with more than 12months maturities and earmarked balances approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.
- (iv) The Group has entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2018.
- (v) The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- (vi) The caring value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

Notes on Accounts forming part of Consolidated Financial Statements

47. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018 and March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2018	March 31, 2017
Assets measured at fair value			
Fair value through profit & loss			
Investment in Mutual Fund	15	4,245.70	5,582.60
Derivatives not designated as hedges	11	1,443.10	6,067.07
Fair value through OCI			
Investments in Equity Instruments of other Entities	8	58.10	58.10
Liabilities measured at fair value			
Assets for which fair values are disclosed			
Redeemable, Non Convertible Debentures	26 & 32	230,920.69	191,214.75
Premium Obligation under Concession Agreement	27	125,811.30	124,619.66

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

There have been no transfers between level 1 and level 2 during the years.

48. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Nominal Value of Equity Share (₹ per share)	1.00	1.00
For Basic EPS:		
Number of Equity Shares at the beginning of the year	171,570,800	171,533,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	0	37000
Addition during the year on Conversion of Share Warrant into Equity	0	0
Addition during the year on allotment of shares to QIB	0	0
Number of Equity Shares at year end	171,570,800	171,570,800
Weighted Average number of Equity Shares	171,570,800	171,566,644
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	171,570,800	171,566,644
Add: Dilution in Nos. of Equity Shares on Grant of Stock Option under ESOP-2008		-
Weighted Average number of Dilutive Equity Shares	171,570,800	171,566,644

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

Basic EPS		
Net (Loss) Profit after Tax	(308.76)	(5,403.16)
Weighted Average number of Equity Shares	171,570,800	171,566,644
Basic EPS (₹)	(0.18)	(3.15)
Diluted EPS		
Net (Loss) Profit after Tax	(308.76)	(5,403.16)
Weighted Average number of Diluted Equity Shares	171,570,800	171,566,644
Diluted EPS (₹)	(0.18)	(3.15)

Notes on Accounts forming part of Consolidated Financial Statements

49. Employee Benefits Note

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

49.1 Defined Contribution Plans

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

(₹ in Lakhs)

Particulars	2017-18	2016 - 2017
Contribution to Provident Funds	1,182.12	854.23
Contribution to ESIC	232.97	43.85
Total (Ref. Note No. 36)	1,415.09	898.08

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

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

(₹ in Lakhs)

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 10,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

49.3 Reconciliation of defined benefit obligations

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligations as at beginning of the year	993.80	548.29
Current service cost	287.55	182.73
Interest cost	54.60	31.99
Actuarial Loss/(Gain) due to change in financial assumptions	25.71	10.10
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	(123.02)	255.04
Past Service Cost	42.01	-
Benefits Paid	(50.75)	(36.45)
Defined benefit obligations as at end of the year (Refer note no 23)	1,229.90	991.70

49.4 Reconciliation of Plan Asset

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Plan Asset as at beginning of the year	852.83	433.38
Expenses deducted from the fund	-	-
Interest Income	69.75	36.04
Return on plan assets excluding amounts included in interest income	(15.42)	(4.13)
Contributions by employer	169.61	409.09
Benefits paid	(45.55)	(33.15)
Plan Asset as at end of the year (Refer note no 23)	1,031.22	841.23

49.5 Reconciliation of the Effect of Asset ceiling

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

Notes on Accounts forming part of Consolidated Financial Statements

49.6 Net amount Charged to Statement of Profit and Loss for the period

(₹ in Lakhs)

Particulars	2017-18	2016-17
Current service cost	271.45	175.03
Past Service cost and Loss/(gain) on curtailments and Settlement	42.01	
Net Interest cost	4.75	7.05
Net amount recognized (Refer note no. 41)	318.21	182.08

Other Comprehensive income for the period

Particulars	2017-18	2016-17
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	25.71	10.10
Due to change in demographic assumption		-
Due to experience adjustments	(123.02)	255.04
Return on plan assets excluding amounts included in interest income	12.32	2.83
Amounts recognized in Other Comprehensive Income	(84.99)	267.97

49.7 Break up of Plan Assets

(₹ in Lakhs)

Particulars	2017-18	2016-17
Insurance Policy	100%	100%

49.8 Actuarial Assumptions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.35 % to 7.55%	7.00 % to 7.95%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	15% to 25% at younger ages reducing to 3% to 5% at older ages	15% to 25% at younger ages reducing to 3% to 5% at older ages

49.9 Sensitivity Analysis for Actuarial Assumption

(₹ in Lakhs)

As at 31.03.2018	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(31.63)	33.03
Salary Growth Rate	0.50%	0.50%	30.90	(29.87)

As at 31.03.2017	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(25.50)	27.03
Salary Growth Rate	0.50%	0.50%	25.77	(25.77)

49.10 Limitation of method used for sensitivity analysis

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

49.11 Details of Asset- Liability Matching Strategy

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

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
Expected contribution to the plan	210.78	127.37
Total	210.78	127.37

Notes on Accounts forming part of Consolidated Financial Statements

49.13 Maturity Profile of the Defined Benefit Obligation of Holding Company

As at March 31, 2018	₹ in Lakhs	%	As at March 31, 2017	₹ in Lakhs	%
2019	177.91	12.90%	2018	117.11	9.80%
2020	107.63	7.80%	2019	93.61	7.98%
2021	119.41	8.60%	2020	95.28	7.90%
2022	98.54	7.10%	2021	105.32	8.80%
2023	104.39	7.50%	2022	87.14	7.30%
2024-2028	415.56	30.00%	2023-2027	355.07	29.60%

49.14 Maturity Profile of the Defined Benefit Obligation of Holding Company

As at March 31, 2018	₹ in Lakhs	As at March 31, 2017	₹ in Lakhs
2019	23.10	2018	13.90
2020	26.50	2019	18.00
2021	28.70	2020	20.80
2022	34.70	2021	21.80
2023	35.20	2022	24.90
2024-2028	114.90	2023-2027	97.40

50. 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	As at March 31, 2018	As at March 31, 2017
(a) Amount of Contract Revenue recognised as revenue during the period	391742.90	349877.87
(b) Disclosure in respect of Contract in Progress at the reporting date	0.00	
(i) Contract cost incurred and recognised profit less recognised losses upto the reporting date	1170017.12	1014121.26
(ii) Advances Received	48074.74	4387.11
(iii) Retention Amount	24244.40	17968.88
(c) Amount due from Customers for Contract in Progress	127913.36	41943.53
(d) Amount due to Customers for Contract in Progress	0.00	Nil

51. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited and Mysore-Bellary Highway (P) Ltd.

Step-down Subsidiaries:

Nagpur-Seoni Express Way Limited, Ahmedabad Ring Road Infrastructure Limited, Auranagabad-Jalna Tollway Limited, Rohtak Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd, Hyderabad Yadgiri Tollway Pvt. Ltd. Maharashtra Border Check Post Network Ltd., Shreenathji Udaipur Tollway Pvt. Ltd, Bhilwara Rajsamand Tollway Pvt. Ltd., Dhule Palesner Tollway Ltd. and Rohtak-Hissar Tollway (P) Ltd., Sadbhav nainital Highway Pvt. Ltd., Sadbhav Rudrapur Highway Pvt. Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Una Highway Pvt. Ltd., Sadbhav Bangalore Highway Pvt. Ltd., Sadbhav Udaipur Highway Pvt. Ltd., Sadbhav Vidarbha Highway Pvt. Ltd., Sadbhav Jodhpur Ring Road Pvt. Ltd., Sadbhav Tumkur Highway Pvt. Ltd.

Joint Ventures:

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

(b) Related Party with whom transaction during the year

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 Tushar D. Shah, Shri Atul Ruparel, Shri Arun S. Patel, Shri Sandip A. Sheth, Shri Mirat N. Bhadlawal, Shri Sandip Patel, Smt. Purvi S. Parikh, Shri Vipul H. Patel.

Relatives of KMP:

Smt. Shantaben V. Patel

Entities in which KMP / relatives of KMP can exercise significant influence

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Realty Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Bhavna Engineering Company Pvt. Ltd.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

Transactions	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties				
Sub contracting Income	22,337.80	-	-	22,337.80
	(52,969.38)	-	-	(52,969.38)
Providing of services	0.60	-	-	0.60
	(0.60)	-	-	(0.60)
Sub contracting Expenditure	-	-	4,454.17	4,454.17
	-	-	(6,766.07)	(6,766.07)
Remuneration Expenses	-	444.19	-	444.19
	-	(817.06)	-	(817.06)
Director Sitting Fees	-	8.00	-	8.00
	-	(17.14)	-	(17.14)
Interest Expenses	-	-	16.28	16.28
	-	(16.41)	(15.06)	(31.47)
Trade receivable - Written off	-	-	-	-
	(202.53)	-	-	(202.53)
Expenses incurred on behalf and recovered	0.60	-	-	0.60
	-	-	-	-
Unsecured Loan Received	-	-	-	-
	-	(1,974.07)	(15.20)	(1,989.27)
Unsecured Loan Repaid	-	184.42	19.27	203.69
	-	(1,804.42)	(5.62)	(1,810.04)
Mobilization/Material/Machinery Advance Received	224.97	-	-	224.97
	(1,425.56)	-	-	(1,425.56)
Security Deposit/Retention Money Deducted by Clients	3,752.41	-	-	3,752.41
	(8,552.73)	-	-	(8,552.73)
Security Deposit/Retention Money Deducted from Sub-contractors	-	-	329.06	329.06
	-	-	(323.65)	(323.65)
Dividend Paid	-	101.08	500.68	601.76
	-	(291.22)	(270.43)	(561.65)
Outstanding Balance at year end				
Trade receivable	1,080.44	-	-	1,080.44
	(6,346.11)	-	-	(6,346.11)
Trade Payable	-	21.19	425.99	447.18
	-	(30.74)	(1,059.69)	(1,090.43)
Mobilization/Material/Machinery Advance Received	46.75	-	-	46.75
	-	(100.77)	-	(100.77)
Mobilization/Material/Machinery Advance Given	-	-	-	-
	-	-	(78.12)	(78.12)
Security Deposit/Retention Money Deducted by Clients	14,214.77	-	-	14,214.77
	(9,501.81)	-	-	(9,501.81)
Security Deposit/Retention Money Deducted from Sub-contractors	-	-	496.80	496.80
	-	-	(319.86)	(319.86)
Unsecured Loan Received	-	-	158.14	158.14
	-	(184.42)	(162.76)	(347.18)
Remuneration Payable	-	5.20	-	5.20
	-	(1.90)	-	(1.90)

Notes on Accounts forming part of Consolidated Financial Statements

- 1 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- 2 Sub contracting income from Joint Venture includes 5244.214 lakhs (7409.94 lakhs) , 6516.48 lakhs (20053.75 lakhs) , 5138.03 lakhs (1847.32 lakhs) , 3155.49 lakhs (6055.42 lakhs) , 8162.21 lakhs (5560.45 lakhs) , -5878.62 lakhs (12042.51 lakhs) , from SEL-PIPL JV, SEL-GKC JV, SEL-ANNAPURNA JV, SEL-VISHNUSHIVA JV, SEL - VAISHNOVI JV and CORSAN -SEL JV respectively.
- 3 Sub contracting Expenses relating to Enterprise in which KMP/Relatives of KMP has significant influence includes 2440.26 lakhs (2278.74 lakhs), 767.14 lakhs (1627.66 lakhs), 668.03 lakhs (NIL), 578.73 lakhs (2859.67 lakhs) from Bhavna Engineering Company Limited, Sarjan Infracon Limited, Veer Infracon Private Limited and Veer Procon Limited respectively.
- 4 The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

52 Contingent Liabilities and commitments

A Contingent Liabilities

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

- (i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakhs (March 31, 2017: ₹ 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed ₹ 46.42 Lakhs (March 31, 2017: ₹ 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid ₹ 21.020 Lakhs (March 31, 2017: ₹ 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
- (ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakhs (March 31, 2017: ₹ 199.13 Lakhs) and impose penalty of ₹ 345.92 Lakhs (March 31, 2017: 345.92 Lakhs). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (iii) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (March 31, 2017: ₹ 67.29 Lakh). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.
- (iv) The ACIT, Central Circle - 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the "CIT(A) Order") totaling to ₹ 611.03 lakhs. Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is ₹ 212.68 Lakhs . The matter is currently pending.
- (v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2008-09. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2008-09 imposing total penalty (the "Penalty Order") of ₹ 37.22 Lakhs. Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Circle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.
- (vi) The JCIT, Range 8, Ahmedabad served assessment orders to SEL in relation to the assessment years 2008-09 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act aggregating to ₹ 906.99 lakh. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions . Subsequently, the Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 308.29 Lakhs . The matter is currently pending.

Notes on Accounts forming part of Consolidated Financial Statements

- (vii) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 1277.00 Lakhs (March 31,2017: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 5746.80 Lakhs (March 31, 2017: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad & the company has preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1953.30 Lakhs (March 31, 2017: 1953.30 lakhs). The matter is currently pending.
- (viii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of ₹ 378.99 Lakhs (March 31, 2017: 378.99). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. Subsequently, the DCIT, Central Circle -4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 244.64 Lakhs (March 31, 2017: 244.64 lakhs). The matter is currently pending.
- (ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 450.73 Lakhs (March 31, 2017: ₹ 450.73 Lakhs) and disallow SEL's claim for deduction for a sum of ₹ 379.47 Lakhs (March 31, 2017: ₹ 379.47 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with Gol and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle- 1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 269.36 Lakhs (March 31, 2017: ₹ 269.36 Lakhs). The matter is currently pending.
- (x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 377.87 Lakhs (March 31, 2017: ₹ 377.87 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 7716.78 Lakhs (March 31, 2017: ₹ 7716.78 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2013-14 . SEL has preferred an appeal before the CIT(A),Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 836.74 Lakhs (March 31, 2017: ₹ 377.87 Lakhs). The matter is currently pending.
- (xi) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 448.85 Lakhs (March 31, 2017: ₹ 448.85 Lakhs) disallow SEL's claim for deduction for a sum of ₹ 2993.28 Lakhs (March 31, 2017: ₹ 2993.28 Lakhs) under Section 80IA(4) of the IT Act for assessment years 2014-15 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 1048.50 Lakhs (March 31, 2017: ₹ 1048.50 Lakhs). The matter is currently pending.
- (xii) During the year, there was a search u/s 132 of income tax on the company. The company has received notice u/s 153A to file the income tax return for the FY 2011-12 to 2016-17 & notice u/s 148 for the AY 2010-11. The company has filled the return in response to notice u/s 153A & u/s 148. The proceedings are pending.
- (xiii) 1. The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakhs (March 31, 2017: ₹ 702.00 Lakhs inclusive of interest ₹ 330.18 Lakhs (March 31, 2017: ₹ 330.18 Lakhs) and Penalty of ₹ 74.36 Lakhs (March 31, 2017: ₹ 74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 15 Lakhs (March 31, 2017: ₹ 15.00 Lakhs). As the company has paid ₹ 15.00 Lakhs, no provision has been made.
- (xiv) 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 Lakhs (March 31, 2016: ₹ 81.32 Lakhs and April 1, 2015: ₹ 81.32 Lakhs) 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 ₹ 81.32 Lakhs (March 31, 2017: ₹ 30.00 Lakhs) with the Mining Engineer, Mines and Geology Department, Udaipur. Further proceeding is pending and amount is fully paid, hence no provision has been made.
- (xv) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of ₹ 77.40 lakhs (March 31, 2017: ₹ 77.40 Lakhs) and also has passed order for FY 2011-12 with demand of ₹ 152.83 lakhs (March 31, 2017: ₹ 152.83 Lakhs). The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts.

Notes on Accounts forming part of Consolidated Financial Statements

- (xvi) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of ₹ 13991.08 lakhs (March 31, 2017: ₹ 13991.08 lakhs) which includes Interest of ₹ 4593.08 Lakhs (March 31, 2017: ₹ 4593.08 Lakhs) and Penalty of ₹ 4699.00 Lakhs (March 31, 2017: ₹ 4699.00 Lakhs). The company has filled Appeal against this order and also asked for stay on this demand.
- (xvii) (i) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of ₹ 11.69 Lakhs (March 31, 2017: ₹ 11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.
(ii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of ₹ 3.63 Lakhs (March 31, 2017: Nil). The company is going to filled appeal before the High court of Gujarat. The matter is currently pending.
(iii) An employee has filed case before Labour court at Balaghat for compensation of ₹ 13.20 Lakhs (March 31, 2017: ₹ 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.
- (xviii) SEL has moved to Nagpur High Court for release of penalty amount ₹ 1,13,45,265/- against the services provided at Junad Mines of WCL. The judge handling the case has retired and new appointed judge currently handling the case, stated that new hearing date will be issued after re-opening of Court. New hearing date awaited.
- (xix) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. Reply against the legal notices have already been sent. SEL is waiting for next hearing date from Ranchi Court.
- (xx) Ex-party order passed on 18/05/2017 by the Labour Commissioner (Central), Kanpur (U.P) in the matter of an application filed by the Applicant Mohanlal Patel and 4 Others through Shri Arjun Prasad Gupta. In this regard in relation to the Khadiya: project of NCL. SEL had received two legal notices from Regional commissioner dated 21.06.2017 and 03.06.2017. The amount ₹ 3,65,112,11/- was withheld by NCL.
- (xxi) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding 1,87,88,756/- with respect to the customs duty on importing Electronic Sensor paver Finisher , which was valued at ₹ 7,26,76,802 by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12/ 2012, pertaining to exemption from payment of custom duty. The Additional Director General DRI, Zonal unit, Lucknow through its show cause notice. Subsequently, SEL preferred an appeal before the Commissioner of Customs Customs Comminnsinate-II, Customs House, No. 60, Rajaji Salai, Chennai-600001. SEL submitted its detailed reply on 23/03/2018 to justify nil custom duty against Import of paver. Thereafter not got any further date in the matter

(b) Claims against the Subsidiaries & step-down subsidiaries not acknowledged as debt:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Service Tax:		
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	434.80	434.80
VAT:		
Demand from authorities for recovery of Sales tax in MBCPNL (refer note (ii) below)	247.60	0.00
Income Tax:		
Income tax demand pertaining to various subsidiaries (refer note (iii) below)	313.00	313.00
Claims against the Group not acknowledged as debts (refer note (iv) below)	0.00	83.80
	995.40	831.60

Notes:

- (i) Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Group has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposited ₹ 25 Lakhs. Further the matter is pending with Tribunal as at reporting date.
- (ii) Toward demand raised from authorities for the year 2009-10 to 2013-14. In respect of said matter, the Company has preferred appeal with Joint Commissioner of Sales tax (Appeal) and deposited INR 10.00 Lakhs under protest. The matter is pending with the said authorities as at the reporting date.

Notes on Accounts forming part of Consolidated Financial Statements

- (iii) The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act. The entities are contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.
- (iv) In case of ARRIL, interest has been charged by India Infrastructure Finance Company Limited (IIFCL) at higher than agreed rate and the same is not accepted by the subsidiary company.

(c) Other Money for which the company is contingently liable:

- (i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of legal opinion and decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of Total income tax of ₹ 20320.70 Lakhs (March 31, 2017: ₹ 11563.41 Lakhs) on claim of deduction/s 80IA for the AY 2015-16 to AY 2018-19 has been consider as contingent liability for which assessment is not completed.
- (ii) Siddharth Infraprojects Pvt. Ltd. (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 8160.00 Lakhs (March 31, 2017: ₹ 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakhs (March 31, 2017: ₹ 8160.00 Lakhs). The matter is currently pending

(d) Guarantees:

Company has given corporate guarantee to banks for 82265.00Lakhs (March 31, 2017: ₹ 83652.50 Lakhs) against the finance facility given by the banks to subsidiary companies.

(e) Other Litigations:

Bijapur Hungud Tollway Pvt. Ltd. :

The minority Shareholder of Bijapur Hungund Tollway Pvt. Ltd. ('BHTPL') (step down subsidiary of the Company) has filed Company Petition under sections 397 and 398 of the Companies Act,1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders of SIPL, the company (Sadbhav Group) and the past and present Directors of the BHTPL appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). The SIPL had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the SIPL Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, BHTPL and SIPL. The said Application was dismissed by the CLB by Order dated January 8, 2014. The SIPL then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the January 8, 2014 CLB Order. The Writ Petition was dismissed by single judge of Honourable High Court of Gujarat by Order dated August 14, 2014. The SIPLY has filed Letters Patent Appeal No.1070 of 2014 before the Division Bench of the Hon'ble Gujarat High Court against the August 14, 2014 Hon'ble Gujarat High Court Order. The Hon'ble Gujarat High Court has passed order dated November 24, 2014 continued the interim orders passed during the pendency of the Writ Petition and further directed to stay proceedings before CLB till disposal of LPA. The LPA is, pending hearing before the Hon'ble Gujarat High Court. The Management represents that no liability is likely to devolve in the matter on the SIPL.

B Capital & other Commitments

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

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	0.00	2193.20
(ii) Other Commitment	3418.57	3185.23

The BOT projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:

Notes on Accounts forming part of Consolidated Financial Statements

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	March 31, 2018	March 31, 2017
ARRIL	70.00%	45.00%*	99.99%	6.00%
AJTL	21.00%	21.00%	79.00%	30.00%
BRTPL	51.00%	51.00%	51.00%	51.00%
BHTPL	51.00%	51.00%	66.23%	92.23%
HYTPL	51.00%	51.00%	69.99%	81.01%
MBCPNL	70.00%	51.00%	80.12%	29.57%
NSEL	30.00%	30.00%	99.00%	99.00%
RHTPL	51.00%	51.00%	51.00%	51.00%
RPTPL	51.00%	51.00%	99.99%	51.00%
SUTPL	51.00%	51.00%	75.00%	51.00%
DPTL	51.00%	33.00%	33.00%	33.00%
SUHPL	51.00%	51.00%	51.00%	30.00%
SBHPL	51.00%	51.00%	51.00%	30.00%
SRHPL	51.00%	51.00%	51.00%	30.00%
SNHPL	51.00%	51.00%	51.00%	30.00%
SBGHPL	51.00%	51.00%	51.00%	-
SUDHPL	51.00%	51.00%	30.00%	-
SVHPL	51.00%	51.00%	30.00%	-
SJRRPL	51.00%	51.00%	-	-

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

The Group has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt. Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

53. Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

(₹ in Lakhs)

Particulars	As at March 31, 2018
Carrying amount as at April 1, 2017	25,450.70
Add: Additional provision made during the year	11,843.50
Add: increase during the Year in the discounted amount due to passage of time	2,733.50
Less: Amounts used (i.e. incurred and charged against the provision) during the year	7,925.10
Carrying amount as at March 31, 2018	32,102.60
Current	14,648.70
Non-Current	17,453.90
Total	32,102.60
Year of expected cash outflow	2019-2023

54. Segment information

The segment reporting is in accordance with the internal financial reports derived from ERP system implemented from April 01, 2017 which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the group has considered BOT and related EPC work as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

Notes on Accounts forming part of Consolidated Financial Statements

55. Financial Risk Management

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, other receivables and cash and bank balances.

The Group's business activities are exposed to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Board of Directors oversee compliance with the Group's risk management policies and procedures, and reviews the risk management framework.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the ₹ appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Group either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Notes on Accounts forming part of Consolidated Financial Statements

	Effect on loss before tax	
	March 31, 2018	March 31, 2017
Increase in 25 basis point	(2121.10)	(2458.19)
Decrease in 25 basis point	2121.10	2479.09

The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Group may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no. 57

Foreign currency sensitivity

As per the Group's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2018 and March 31, 2017 and accordingly sensitivity analysis of change in USD rate has not been presented.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily trade receivables and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any Short term cash generated, over and above its working capital management and other operational requirement, is retained as cash and cash equivalents (to the extent required) and any excess is invested in short term mutual fund to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2018						
Non-current borrowings#	896,236.93		52,715.47	103,406.92	184,413.74	555,700.80
Loans Repayable on Demand	108,519.46	108,519.46				
Trade Payables	70,567.96		70,567.96			
Other financial liabilities *	286,396.70		47,708.10	8506.90	18,194.60	211,987.10
Total	1,361,721.05	108,519.46	170,991.53	111,913.82	202,608.34	767,687.90
As at March 31, 2017						
Non-current borrowings#	879,913.96		53,967.42	70,591.76	221,523.88	533,830.90
Loans Repayable on Demand	124,466.84	124,466.84				
Trade Payables	56,054.10		56,054.10			
Other financial liabilities*	153,803.92		65,522.08	4492.20	26,273.80	57,515.84
Total	1,214,238.82	124,466.84	175,543.60	75,083.96	247,797.68	591,346.74

Current maturities of Non-current borrowings is included and transaction cost paid to lender on upfront basis excluded from above Non Current borrowing .

* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis.

56. Derivative instruments:

Derivative outstanding as at the reporting date

(₹ in Lakhs)

Nature of instrument	As at March 31, 2018	As at March 31, 2017
Swap contract - Interest Swap		
Notional amount of USD Lakhs	36.40	152.10
Option contracts to buy		
Notional amount of USD Lakhs	469.49	1216.30

The Group has entered into Option contract over the borrowing terms for hedging foreign currency exchange risk against external Commercial borrowings. The group has also entered into Swap contract to hedge interest rate fluctuation over a borrowing terms.

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

57. Capital Management

For the purpose of the Group's capital management, Capital consist of share capital, Securities Premium, Other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares.

Summary of Quantitative Data is given hereunder :-

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Equity Share Capital	1,715.71	1,715.71
Other Equity	119,242.71	113,413.11
Add: Retained Earnings	(31,826.99)	(24,496.15)
Total Equity	89,131.43	90,632.67

Notes on Accounts forming part of Consolidated Financial Statements

58. Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection rights (Intangible Assets)

(₹ in Lakhs)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	9.76 years
2	Aurangabad Jalna Tollway Limited	February 01, 2007	July 31, 2030	23 years 6 months	July 24, 2009	12.34 years
3	Bhilwara Rajsamand Tollway Pvt. Ltd.	October 9, 2013	October 8, 2043	30 years	June 4, 2016	26.54 years
4	Bijapur Hungund Tollway Pvt. Ltd.	September 05, 2010	September 04, 2030	20 years	June 20, 2012	12.43 years
5	Hyderabad Yadgiri Tollway Pvt. Ltd.	July 30, 2010	July 29, 2033	23 Years	December 10, 2012	15.34 years
6	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years & 6 months	November 16, 2011	15.51 years
7	Rohtak Hissar Tollway Pvt. Ltd.	December 26, 2013	December 26, 2035	22 years	July 29, 2016	16.74 years
8	Rohtak Panipat Tollway Pvt. Ltd.	April 18, 2011	April 17, 2036	25 years	January 6, 2014	18.06 years
9	Shreenathji Udaipur Tollway Pvt. Ltd.	April 18, 2013	April 17, 1990	27 years	October 16, 2015	22.60 years
10	Dhule Palesner Tollway Limited	December 21, 2009	December 20, 2027	18 years	January 23, 2012	9.73 years

Notes:

- (i) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:-
 - a. Rights to use the Specified assets
 - b. Obligations to provide or rights to expect provision of services
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.

(B) Disclosures with regard to Annuity project / Hybrid annuity project

(₹ in Lakhs)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Mysore Bellary Highway Pvt. Ltd.	December 12, 2014	December 11, 2024	10 years	December 11, 2017
2	Nagpur Seoni Expressway Limited	November 26, 2007	November 25, 2027	20 years	May 25, 2010
3	Sadbhav Una Highway Pvt. Ltd.	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019
4	Sadbhav Bhavnagar Highway Pvt. Ltd.	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019
5	Sadbhav Rudrapur Highway Pvt. Ltd.	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019
6	Sadbhav Nainital Highway Pvt. Ltd.	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019
7	Sadbhav Bangalore Highway Pvt. Ltd.	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019
8	Sadbhav Udaipur Highway Pvt. Ltd.	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019

Notes on Accounts forming part of Consolidated Financial Statements

9	Sadbhav Vidarbha Highway Pvt. Ltd.	Appointed date awaited	Appointed date awaited	15 years from COD	Appointed date Awaited
10	Sadbhav Jodhpur Ring Road Pvt. Ltd.	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure
11	Sadbhav Tumkur Highway Pvt. Ltd.	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure

Notes:

In HAM projects, revenue is received / receivable as under:

- (i) 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- (ii) The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- (iii) Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

59. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

Ind AS 115, Revenue from Contract with Customers:

"Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the group. Ind AS 115 is effective for the Group from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method). The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the management has concluded its evaluation."

60. In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, the Maharashtra Border Check Post Network Limited (MBCP), a subsidiary, 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, 2018, the company has achieved provisional certificate of completion for 18 check posts out of total 22 check posts as per Concession agreement. The collection of service fees have been started in 18 BCP as per directive of MSRDC. Further, MBCP had received general resolution from government of Maharashtra for construction of additional 2 Check post on BOT basis.

As at 31st March, 2018, the project implementation is in progress and there are costs variance in development of each BCP site. The Company has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 62 below. MBCP has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. MBCP 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.

Notes on Accounts forming part of Consolidated Financial Statements

61. Maharashtra Border Check Post Network Limited ('MBCPNL'), a step down subsidiary entity has accepted and accounted project related cost compensation claim of INR 2,2123.0 Lakhs towards increase in cost of construction due to delay in execution of the Modernisation and Computerisation of 22 Border Check Post Project ('BCP Project') on account various reasons not attributable to the Company upto March 31, 2018 (March 31, 2017: INR 1,8830.9 Lakhs). The costs have been accounted as intangible assets / intangible assets under development. The amount accounted is subject to the approval of Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which monitors the project progress and the lender's independent engineer has in-principle accepted and recommended the Company's cost compensation claim. Based on the recommendations at the project steering committee, GoM will take appropriate decision in regard to cost escalation claim of the Company and it is confident that the additional costs accounted in the books will be fully accepted by the GoM.
62. In the case of the following step-down subsidiaries there are accumulated losses as at the balance sheet date, which have resulted in erosion of the respective company's net worth. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their financial obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (SIPL). Accordingly, these consolidated financial statements have been prepared assuming that such Subsidiaries will continue as a going concern. The details are as follows:

Name of the Subsidiary	Accumulated Losses as at	
	March 31, 2018	March 31, 2017
Aurangabad Jalna Tollway Limited	8,789.40	9,264.90
Hyderabad Yadgiri Tollway Pvt. Ltd.	15,869.40	-
Nagpur Seoni Expressway Limited	12,061.70	10,874.91
Rohtak Hissar Tollway Pvt. Ltd.	16,507.90	-
Rohtak-Panipat Tollway Pvt. Ltd.	62,261.60	47,779.50

63. In the previous year, the Group had transferred its rights in the 1,04,00,000 equity shares of Mumbai Nasik Expressway Limited (MNEL) at a consideration of ₹ 7200.00 Lakhs. The profit made on sale of rights in the equity shares of ₹ 6160.00 Lakhs (i.e. net of cost of ₹ 1040.00 Lakhs) has been accounted as an exceptional item in the Consolidated statement of profit and loss.
64. Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As on March 31, 2018

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit / (loss)	Amount ₹ in Lakhs	As % of consolidated OCI	Amount ₹ in Lakhs	As % of consolidated TCI	Amount ₹ in Lakhs
Parent Company								
SEL	13%	14,411.70	(1.96)	22,309.67	85.17%	72.38	(1.98)	22,382.05
Subsidiary Companies								
Indian								
SIPL	52%	58,562.33	1.99	(22,702.53)	-0.89%	(0.76)	2.01	(22,703.29)
MBHPL	14%	16,157.40	(0.01)	85.54	0.00%	-	(0.01)	85.54
Minority interest in all subsidiaries	21%	23,045.15	0.97	(11,095.10)	15.72%	13.36	0.98	(11,081.74)
Total	100%	112,176.58	100%	(11,402.42)	100%	84.98	100%	(11,317.44)

65. AS per Ind AS - 17 - "Leases", the disclosure of Operating Leases as defined in the accounting standard are as follows:

(a) The total of future minimum lease payments under non-cancellable operating leases are for each of the following periods:

Particulars	2017-18	2016-17
Not later than one year	1,110.93	557.49
Later than one year and not later than five years	2,820.20	1,939.92
Later than five years	-	-

Notes on Accounts forming part of Consolidated Financial Statements

(b) The Company has recognised lease payment of ₹ 657.68 Lakhs (March 31, 2017: ₹ 492.89 Lakhs) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general discrimination of significant leasing arrangements:

At the conclusion of the Term, Lessee has right to exercise one or more of the following options.

(i) Request Lessor to agree to a renewal of Term or

(ii) Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.

(iii) Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

66. There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets"

67. DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIS ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2018:

(₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2018	As at March 31, 2017
1	Ahmedabad Ring Road Infrastructure Ltd.	2265.00	3652.50
2	Sadbhav Infrastructure Project Ltd.	80000.00	80000.00
	Total	82265.00	83652.50

68. 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.

69. Pursuant to Share Purchase Agreement dated 16.01.2017 entered by the company with D. Thakkar Construction Pvt. Ltd. and DTC Toll Projects Pvt. Ltd. (collectively referred as DTC), Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has Sold 3125 shares of Maharashtra Border Checkpost Network Ltd. (MBCPNL) to DTC. However the said shares are pledged with the lenders of MBCPNL, hence Transfer formalities are pending.

In terms of Memorandum of understanding (MOU) dated 17/01/2017 between the company and Sadbhav Infrastructure Projects Limited (SIPL), a subsidiary company of the company, the company has sold 6,590 shares of of Maharashtra Border Checkpost Network Ltd. (MBCPNL) to SIPL. MBCPNL has received approval from Government Maharashtra for transfer of shares from the company to SIPL. As at reporting date transfer formalities of 6,590 shares are in the process as shares held by the company are being pledged with lenders of MBCPNL.

70. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

71. Previous year figures:

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our Audit Report of even date attached

For DHIRUBHAI SHAH & CO.

Chartered Accountants

Firm Regn. No. 102511W

Harish B. Patel

Partner

Membership No. 014427

Place: Ahmedabad

Date : 29/05/2018

For and on behalf of Board

Shashin V. Patel

Chairman & Managing Director

DIN : 00048328

Vasistha C. Patel

Executive Director

DIN : 00048324

Nitin R. Patel

Executive Director & CFO

DIN : 00466330

Tushar D. Shah

Company Secretary

Annexure

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures

Part "A": Subsidiaries including Step down subsidiaries

Name of the Subsidiary Company	Reporting period		Reporting currency		Share Capital		Reserves & Surplus		Total Assets		Total Liabilities (excluding Share Capital and Reserves & Surplus)		Investments		Turnover		Profit/(Loss) Before Taxation		Exceptional Items		Provision for Taxation		Profit/(Loss) After Taxation		Proposed Dividend		% of Shareholding		TOTAL			
	31-Mar-2018	31-Mar-2018	INR	INR	35222.50	104972.30	104972.30	58088.80	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 03 Jan, 2018 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00%	0.00%	0.00%	0.00%
Sadbhav Infra-structure Project Limited	31-Mar-2018	31-Mar-2018	INR	INR	35222.50	104972.30	104972.30	58088.80	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 03 Jan, 2018 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Aurangabad -Jaina Toll Way Limited*	31-Mar-2018	31-Mar-2018	INR	INR	197.10	(686.70)	23836.20	58088.80	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Mysore-Bellary Highway Private Limited	31-Mar-2018	31-Mar-2018	INR	INR	7907.00	253.70	58088.80	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%	
Bhilwara-Rajsamand Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	1734.00	9546.28	40986.50	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Bijapur-Hungund Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	10096.00	(9775.52)	92050.76	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Hyderabad-Yadgiri Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	324.70	(1484.80)	62524.10	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Maharashtra Border Check Post Network Limited*	31-Mar-2018	31-Mar-2018	INR	INR	5.00	30623.60	154085.81	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Nagpur - Seoni Expressway Limited*	31-Mar-2018	31-Mar-2018	INR	INR	4800.00	(10878.88)	22852.00	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Rohtak - Hissar Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	1076.80	(6576.71)	103291.40	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Rohtak - Panipat Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	218.60	(38212.40)	182725.70	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Shreerathji -Udaipur Tollway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	3374.30	12992.53	143196.30	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Rudrapur Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	100.00	2954.99	28329.07	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Nainital Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	100.00	4812.71	15702.69	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Bhavnagar Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	400.00	3408.36	27190.32	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Una Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	400.00	2268.63	19042.10	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Bangalore Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	1512.50	4656.07	24163.08	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Vidarbha Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	5.00	3368.37	7612.45	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Udaipur Highway Private Limited*	31-Mar-2018	31-Mar-2018	INR	INR	1105.00	3319.64	23261.77	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 24 Apr, 2017 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%
Sadbhav Jodhpur Ringroad Private Limited	From 03 Jan, 2018 to 31-Mar, 2018	From 03 Jan, 2018 to 31-Mar, 2018	INR	INR	5.00	(0.20)	5.00	40986.50	311221.70	171026.90	49928.10	242327.20	38475.00	10461.10	3687.10	6774.00	0.30	68.77%	From 03 Jan, 2018 to 31-Mar, 2018	INR	INR	5.00	5.00	1105.00	3319.64	23261.77	5.00	5.00	0.00% <td>0.00% <td>0.00% <td>0.00% </td></td></td>	0.00% <td>0.00% <td>0.00% </td></td>	0.00% <td>0.00% </td>	0.00%

Figures in bracket show negative figures.

* Subsidiary of Sadbhav Infrastructure Project Limited which is a step-down subsidiary of the Sadbhav Engineering Limited

For and on behalf of Board of Directors

Notes:

- Name of Subsidiaries which are yet to commence operations
 - Sadbhav Tumkur Highway Pvt. Ltd.
 - Sadbhav Bhimnagar Bhuj Highway Pvt. Ltd.
 - Sadbhav Kim Expressway Pvt. Ltd.
 - Sadbhav Vizag Port Road Pvt. Ltd.
- Name of Subsidiaries which have been liquidated or sold during the year: N.A

Date: 29-05-2018
Place: Ahmedabad

Shashin V. Patel

Chairman & Managing Director
DIN : 00048328

Vasistha C. Patel

Executive Director
DIN : 00048324

Nitin R. Patel

Executive Director & CFO
DIN : 00466330

Tushar D. Shah

Company Secretary

FORM AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

Part "B": Associates and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/Joint Ventures	SEL-GKC JV Radhanpur - Manpura Project	SEL-GKC JV Vishakhapatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Managuru Project	SEL-GKC JV BSH-11 Project	SEL-GKC JV Govindpur Project	SEL-Annapurna JV Basantimata Project	SEL-Vishnushiva Maheshpur Project	SEL-Vishnushiva Jalipa / Kapardi Project	SEL-Vaishnovi JV - Halon Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PPL JV
1	Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
2	Shares of Associates/Joint Ventures held by the company on the year end															
	No.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Amount of Investment in Associates/Joint Ventures (Rs. in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Extend of Holding %	52.00	50.00	60.00	52.00	40.00	51.00	50.00	50.00	80.00	75.00	98.00	72.00	40.00	40.00	51.00
3	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note
5	Networth attributable to Shareholding as per latest audited Balance Sheet	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Profit / (Loss) for the year (₹ In Lakhs)															
	i. Considered in Consolidated (₹ In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii. Not Considered in Consolidated (₹ In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*Note : Accounted as per Jointly Control Operation method. Assets, Liabilities, Income & Expenses are recognised in the respective Joint Venture partners' books of accounts.

Notes:-

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None

For and on behalf of Board of Directors

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Nitin R. Patel
Executive Director & CFO
DIN : 00466330

Vasistha C. Patel
Executive Director
DIN : 00048324

Tushar D. Shah
Company Secretary

Date: 29-05-2018
Place: Ahmedabad

ATTENDANCE SLIP

DP ID		Folio No.	
Client ID		No. of Shares	

Name and address of Shareholder/Proxy

I hereby record my presence at the **29th Annual General Meeting of the Company** held on Thursday, September 27, 2018 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad- 380006, Gujarat at 12.00 noon.

Signature of Shareholder/Proxy

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s):			
Registered address:			
E-mail Id:			
Folio No/ Client Id:		DP ID:	

I/We, being the member(s) of _____ shares of the **Sadbhav 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 _____

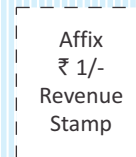
and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **29th Annual General Meeting of the Company**, to be held on the Thursday, September 27, 2018 at 12.00 noon at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

P.T.O.



1. Consider and adopt:
 - (a) Audited Financial Statement, Report of the Board of Directors and Auditors thereon for the financial year ended March 31, 2018.
 - (b) Audited Consolidated Financial Statement for the financial year ended March 31, 2018.
2. Declaration of Dividend on Equity Shares.
3. Appointment of Mr. Vikram R. Patel who retires by rotation.
4. Appointment of Mr. Vasistha C. Patel who retires by rotation.
5. Appointment of Statutory Auditors and fixing their remuneration.
6. Ratification of Remuneration to Cost Auditor.

Signed this _____ day of _____ 2018



Signature of shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

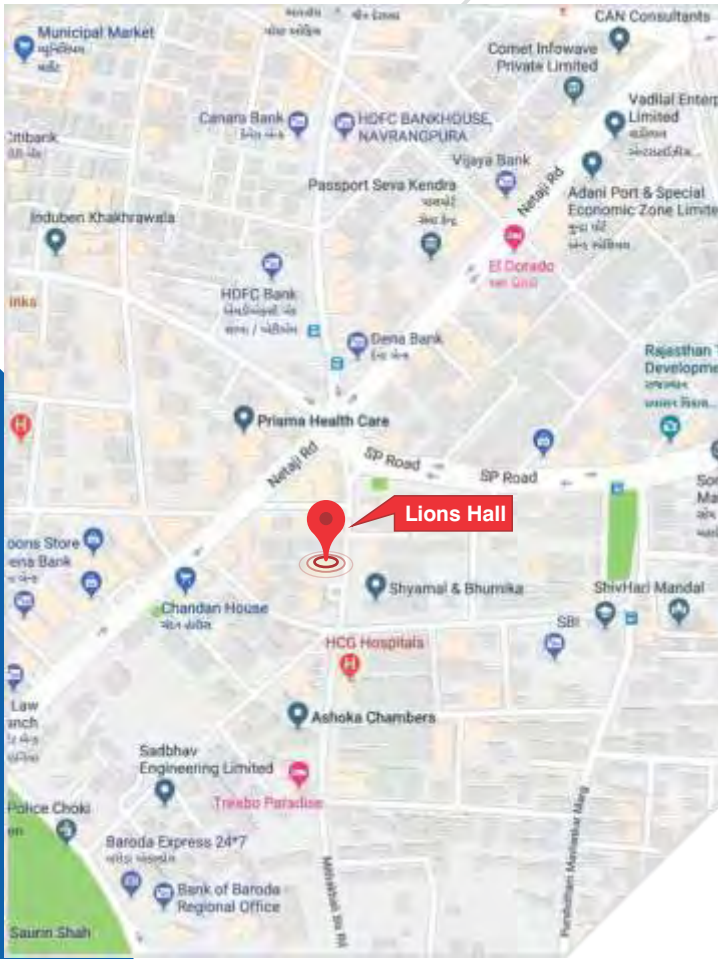
Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the share capital of the Company carrying rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all The joint holders should be stated.

Bridging the Socio-Economic Gap

We believe in giving back to the community and our CSR team actively engages with the community stakeholders. Sadbhav has been committed towards the holistic growth of the communities and has been doing CSR activities since its inception. During the year, Sadbhav has done many CSR activities in Mota Isanpur, Gujarat the village adopted by us and in the surrounding areas of our operations like Bagodara and Ognaj in Ahmedabad. Our need based social interventions included projects like construction and renovation of village schools, construction of toilets, development of village roads, construction of quarters in hospitals, promoting preventive health care and aiding the ophthalmic treatments to underprivileged people.





SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat, India.

Ph.: +91-79-2646 3384, 2640 5687 | F: +91-79-2640 0210

E-mail: selinfo@sadbhav.co.in | www.sadbhaveng.com

Disclaimer

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

