

SADBHAV ENGINEERING LIMITED
CIN NO.: L45400GJ1988PLC011322

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AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2017

(Rs. in Lakhs, Except for Share Data)

Sr. No.	Particulars	STAND ALONE				CONSOLIDATED		
		Quarter ended 31/03/2017 (Audited)	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 31/03/2016 (Audited)	Year ended 31/03/2017 (Audited)	Year ended 31/03/2016 (Audited)	Year ended 31/03/2017 (Audited)	Year ended 31/03/2016 (Audited)
1	Revenue From operations	103287.08	86482.76	85796.09	332030.52	318625.12	457000.52	406579.83
2	Other income	2175.16	601.98	2245.00	3329.80	3178.50	8417.72	6512.56
3	Total Income (1+2)	105462.24	87084.74	88041.09	335360.32	321803.62	465418.24	413092.39
4	Expenses							
	Construction Expenses	81058.75	69863.56	69004.81	265516.53	258045.06	290109.15	270767.78
	Changes in inventories of Finished Goods, stock in trade and work in progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Employee benefits expense	3788.76	3192.35	3154.04	13663.30	12284.45	17828.40	15372.15
	Finance costs (Refer Note No.7)	3552.53	2431.26	2932.14	9919.47	8550.20	118744.85	107516.90
	Depreciation and amortization expense	2426.45	2499.29	3354.73	10003.67	9706.78	32112.67	23261.38
	Other expenses	7479.77	4045.32	4556.98	17289.49	14816.46	22844.10	20256.41
	Total Expenses	98306.26	82031.78	83002.70	316392.46	303402.95	481639.17	437174.62
5	Profit before exceptional Items and tax (3-4)	7155.98	5052.96	5038.39	18967.86	18400.67	-16220.93	-24082.23
6	Exceptional Items	0.00	0.00	(906.42)	0.00	(1,944.62)	0.00	4215.38
7	Profit before tax (5-6)	7155.98	5052.96	4131.97	18967.86	16456.05	-16220.93	-19866.85
8	(1) Tax Expense (Refer Note No. 6)	720.55	0.00	268.59	720.55	2,757.61	2060.75	1812.01
	(2) Deferred Tax	(385.91)	(189.46)	371.63	(537.22)	496.90	(1117.12)	375.40
9	Profit for the period from continuing operations (7-8)	6821.34	5242.42	3491.75	18784.53	13201.54	-17164.56	-22054.26
10	Share of profit/ (loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Share of profit/ (loss) of Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Minority Interest	0.00	0.00	0.00	0.00	0.00	11,761.82	11,726.10
13	Net Profit for the period after taxes, Minority Interest and share of profit/ (loss) of associates (9-10+11+12)	6821.34	5242.42	3491.75	18784.53	13201.54	(5402.74)	(10328.16)
14	Other Comprehensive Income (OCI)	0.00	0.00	59.70	-181.47	59.70	-267.97	72.00
15	Total Income (Including other comprehensive Income (13+14))	6821.34	5242.42	3551.45	18603.06	13261.24	-5670.71	-10256.16
16	Paid up Equity share Capital (face value of Re. 1 each)	1715.71	1715.34	1715.34	1715.71	1715.34	1715.71	1715.34
17	other Equity excluding Revaluation Reserves as at 31st March				164373.55	147205.51	92843.76	111323.14
18	Basic EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (not annualized)	3.98	3.06	2.07	10.84	7.73	-3.31	-5.98
19	Diluted EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (not annualized)	3.98	3.06	2.07	10.84	7.73	-3.31	-5.98
20	Paid up Debt Capital				25589.15	28568.78		
21	Debenture Redemption Reserve				9000.00	9000.00		
22	Networth				166089.26	148920.85		
23	Debt Equity Ratio (refer Note No.21)				0.36	0.47		
24	Debt Service Coverage Ratio (refer Note No.21)				0.95	1.01		
25	Interest Service Coverage Ratio (refer Note No.21)				2.24	2.06		

26 Details of Secured Non-Convertible Debentures are as follows:

Sr. No.	ISIN No.	Previous due dates from 1st October 2016 to 31st March 2017		Next due dates From 1st April 2017 to September 2017	
		Principal	Interest	Principal	Interest
1	INE226H07023	26-12-2016	30 th of every month	26/06/2017, 26/09/2017	30 th of every month
2	INE226H07031	-	30 th of every month	-	30 th of every month
3	INE226H07049	-	27-11-2016	-	-
4	INE226H07056	-	27-11-2016	-	-
5	INE226H07064	-	27-11-2016	-	-



Notes :

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their meetings held on May 29, 2017.
- 2 Consolidated Financial Results includes result of Company and its subsidiaries including step-down subsidiaries.
- 3 The Board of Directors have recommended a dividend of Re. 0.75 (seventy five paise) per equity share of Re 1 each for the financial year 2016-17, subject to approval of members in the ensuing Annual
- 4 The Company and its subsidiaries (collectively the "Group") have adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with effect from April 01, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results has been restated accordingly.
- 5 Reconciliation of financial results and equity between previously reported (Referred to as "Previous GAAP") and Ind AS for the quarter and year ended March 31, 2016 is presented as under:-

Particulars	STANDALONE	
	Quarter ended 31/03/2016 (Audited) (Refer Note 16)	Year Ended 31/03/2016 (Audited)
Profit for the period - As per IGAAP	4068.11	13370.56
Adjustments:-		
Recognition of Finance Cost on account of amortized cost of financial liability	59.17	75.50
Net Gain/(Loss) on Financial Assets fair valued through statement of Profit & Loss	0.00	367.56
Recognition of Interest Income on account of amortization of Financial Assets	4.87	282.33
Actuarial Gain of Defined Benefit plan being Transferred to other comprehensive Income	-59.70	-59.70
Other Comprehensive Income	59.70	59.70
Depreciation	-212.74	-212.74
Deferred Tax impact on Ind AS adjustmenst	-367.96	-621.97
Total Income (Including other comprehensive Income)	3551.45	13261.24

Particulars	CONSOLI-DATED
	Year Ended 31/03/2016 (Audited)
Profit for the period - As per IGAAP	-4675.41
Adjustments:-	
Recognition of Finance Cost on account of amortized cost of financial liability	
Recognition of Construction Revenue including Government Grant	18828.22
Impact of Annuity assets considered as Financial assets	1605.53
Other income	444.06
Recognition of Construction Expense	-2210.52
Recognition of Employee benefit Expense	105.80
Recognition of Finance cost on account of amortised cost of financial liability	34915.60
Depreciation and Amortization Expense	-5480.20
Recognition of other Expenses	1096.58
Re-measurement gains/(losses) on defined benefit plans	-72.00
Change in share of Minority Interest	49733.54
Deferred Tax impact on Ind AS adjustmenst	500.47
Total Income (Including other comprehensive Income)	-10256.16

ii) Reconciliation of Standalone equity from Indian GAAP to Ind AS March 31, 2016

Particulars	As at 31/03/2016
EQUITY AS PER IGAAP	147,145.94
Adjustments:	
Recognition of Finance cost on account of amortised cost of financial liability	509.62
Net gain / (loss) on financial assets fair valued through statement of profit & loss	515.77
Actuarial Gain of Defined Benefit plan	(59.70)
Depreciation	(212.74)
Gain on Fair value of Investment	375.50
Proposed Dividend	1,200.74
Tax on proposed dividend	244.44
Actuarial gain/(Loss)	59.70
Deferred Tax impact on Ind AS adjustmenst	(858.42)
EQUITY AS PER IND AS	148920.85



iii) Reconciliation of Standalone equity from Indian GAAP to Ind AS March 31, 2016

Particulars	As at 31/03/2016
EQUITY AS PER I-GAAP	230385.02
Ind AS Adjustments:	
Impact on Property plant and equipment	3784.55
Net gain / (loss) on financial assets fair valued through statement of	3742.57
Impact of Annuity assets considered as Financial assets	58682.40
Discounting/unwinding of liability / provision	209846.90
Recognition of Finance cost on account of amortised cost of financial liability	1370.68
Reversal of Goodwill	(12284.30)
Impact on intangible asset	(376909.47)
Impact of Deferred Tax	(5579.86)
EQUITY AS PER IND AS	113038.48

- (a) **Finance Cost Recognition of account of amortised cost of Financial Liability:** The financial liability has been recognised at effective interest rate method under Ind AS. Under previous GAAP, the same is disclosed at transaction value.
- (b) **MTM on derivative financial instruments :** Under previous GAAP, net mark to market losses on derivative financial instruments as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the statement of Profit & Loss.
- (c) **Deferred Tax:** The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.
- (d) **Recognition of Construction Revenue including Government Grant under Service Concession Arrangement :** In consolidated financial results, the construction revenue and related construction cost of assets developed under concession arrangements with government are recognised as income and expenditure and concession rights capitalised as intangible assets as per the Appendix A of Ind AS 11 'Service Concession Arrangement' on specific conditions being met in terms of accounting standard. Under Indian GAAP, construction costs are recognised as Intangible rights under concession arrangement.
- (e) **Discounting / unwinding of liability / provision:** In consolidated financial results, under the previous GAAP, the provision of Major Maintenance expenses and the premium obligation payable to government authorities were recognised on undiscounted basis. As required under Ind AS, the same have been recognised on discounted basis.
- (f) **Annuity assets considered as financial assets:** In consolidated financial results, financial income on the Annuity based BOT project recognised as financial assets considering the time value of total receivables as per the Appendix A of Ind AS 11 'Service Concession Arrangement' under Ind AS. Under Previous GAAP, the fixed amount receivable from authorities was recognised as Income on gross basis.
- (g) **Reversal of Goodwill on Consolidation:** In consolidated financial results, the goodwill on consolidation was amortised under previous GAAP over the concession period. Under Ind AS, the goodwill value is not amortised and is carried as previous GAAP carrying value in accordance with Ind AS 101 and tested for impairment.
6. Provision for Tax has been made as per Income Tax Act, 1961. Tax Expense includes provision for current tax, and MAT Credit Entitlement and short/(Excess) provisions for taxation of earlier year.
7. In Standalone Financial Results, total interest paid amounting to Rs.15343.61 Lakhs (Rs.15072.79 Lakhs) has been net off by Rs. 5424.14 Lakhs (Rs.6522.59 Lakhs) towards the interest received on the loans given to subsidiaries.
8. In consolidated financial statements, 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 Rs.5978.80 Lakhs during the year, except in case of one of its step-down subsidiary MBCPNL where claim of Rs.2082.70 Lakhs is not recognised as revenue, pending conclusion of modalities of compensation.
9. In consolidated financial results, Aurangabad Jalna Tollway Limited ('AJTL'), one of the step-down subsidiaries, Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. However the government has not prepared any policy or modalities by which the AJTL 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 Rs. 2284.50 Lakhs for the period 01-06-2015 to 31-03-2017, which includes Rs.361.90 Lakhs and Rs. 1379.90 Lakhs for the quarter and year ended March 31, 2017 respectively, in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of Rs.529.50 Lakhs till March 31, 2017 to the aforesaid subsidiary company in this respect and AJTL expects to receive the balance amount.
10. In consolidated financial results, pursuant to the Maharashtra Government's notification no. BCP-0715/C. R.205/Transport-4, dated October 18, 2016, Maharashtra Border Check Post Network Limited (MBCPNL), a step-down subsidiary, has started collecting service tax on service fees at applicable rates with effect from October 19, 2016. Service tax amounting to Rs.1016.10 Lakhs has accordingly been reduced from service fee for the period. 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 it is eligible for getting reimbursed by MSRDC, an amount of Rs.1200.40 Lakhs for the year ended March 31, 2017 such amount paid upto 18 October 2016 has been claimed with the relevant authorities. However, the same has been expensed off in books of account.
11. In consolidated financial results, during the year ended March 31, 2017, two step-down subsidiaries, Bhiwara Rajsamand Tollway Private Limited (BRTPL) and Rohtak Hissar Tollway Private Limited (RHTPL), have received Provisional Commercial Operation Date (PCOD) on June 04, 2016 and July 30, 2016 respectively and toll collection was started from June 09, 2016 and August 03, 2016 respectively. The results of the quarter and year ended March 31, 2017 also include financial results of BRTPL and RHTPL w.e.f. PCOD and to that extent, results are not comparable with previous quarter and year ended March 31, 2016.
12. In consolidated financial results, Maharashtra Border Check Post Network Limited ('MBCPNL') a step-down subsidiary entity, has accepted and accounted certain project related costs variation amounting towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project ('BCP Project'). Such costs variations are incurred due to various reasons not attributable to MBCPNL in terms of service concession agreement, up to March 31, 2017 is Rs.18,830.90 Lakhs (March 31, 2016 Rs.17,405.70 Lakhs). The costs have been accounted as intangible assets. Further, such costs variations is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer has in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variations claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
13. In consolidated financial results, operating expenses include provision for Periodic Major Maintenance of Rs.11106.60 Lakhs and Rs. 8898.10 lakhs for year ended March 31, 2017 and March 31, 2016 respectively.
14. Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by taking lower useful life compared to useful life prescribed under schedule II of the Companies Act, 2013, hence depreciation charged for the year ended on 31/03/2017 is increased by Rs. 845.71 Lakhs (Rs.784.99 Lakhs)



- 15 Subsequent to the year end, income tax department carried out search u/s 132 and/or survey u/s 133A of the income Act, 1961 at premises of the Company, one of the subsidiaries and its couple of step-down subsidiaries, Management believes there would be no implication in this regards on these financial results.
- 16 The figure of the quarter ended March 31, 2017 and March 31, 2016 are balancing figures between the audited figures in respect of the full financial year upto March 31, 2017 and March 31, 2016 and the unaudited published year to date figure up to third quarter ended December 31, 2015 and December 31, 2016 respectively being the date of the end of the third quarter of the financial year which were subject to limited review.
- 17 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
- 18 The above Financial Results are available on company's website www.sadbhav.co.in and on the websites of the stock exchange viz. www.bseindia.com and www.nseindia.com
- 19 As permitted by paragraph 4 of Ind AS 108, "Operating Segments", notified under section 133 of the Companies Act 2013, read together with relevant rules issued there under, if a single financial report contains both consolidated financial statements and the separate financial statements of the Parent Company, segment information need to be presented on the basis of the consolidated financial statements. Thus, disclosure required by regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 on segment wise revenue results and capital employed are given in consolidated financial results. Consolidated Revenues, Results and Capital Employed for the financial year ended 31st March, 2017 are as under:

Particulars	Year ended	
	31/03/2017 (Audited)	31/03/2016 (Audited)
Segment Revenue		
Constructing & Engineering	352,647.82	325,532.92
BOT (Toll Operation, User Fees and other operating income)	104,352.70	81,046.91
Total Revenue	457,000.52	406,579.83
Segment Results		
Constructing & Engineering	52,899.64	34,250.83
BOT (Toll Operation, User Fees and other operating income)	53,449.67	56,135.34
Total Results	106,349.31	90,386.17
Less: Interest Expense (including other Finance Costs)	118,744.85	107,516.90
Add: Other unallocable Expenditure net off	3,825.39	2,736.12
Net Profit/(Loss) for the period before Taxes and before Minority Interest	(16,220.93)	(19,866.85)
Segment Assets		
Constructing & Engineering	275,186.97	204,959.55
BOT (Toll Operation, User Fees and other operating income)	1,071,486.94	1,032,391.48
Unallocated	5,276.15	5,829.20
Total (A)	1,351,950.06	1,243,180.23
Segment Liabilities		
Constructing & Engineering	58,229.48	66,899.80
BOT (Toll Operation, User Fees and other operating income)	2,48,760.14	1,99,336.93
Unallocated	9,50,413.28	8,63,905.02
Total (B)	12,57,402.90	11,30,141.75
Total (A-B)	94,547.16	1,13,038.48

S.V. Patel



20 STATEMENT OF ASSETS AND LIABILITIES

Particulars	STAND ALONE		CONSOLIDATED	
	As At March 31,2017	As At March 31,2016	As At March 31,2017	As At March 31,2016
Assets				
Non-current Assets				
(a) Property, Plant and Equipments	52218.12	59182.56	54240.12	61327.76
Intangible Assets	69.75	122.87	939550.10	938861.42
(b) Investment Property				
(c) Financial Assets				
(i) Investments	56941.40	56292.04	400.68	399.56
(iii) Trade receivable	3587.28	3784.45	3587.28	23893.55
(ii) Loans	3162.31	2848.92		
(iii) Other Financial Assets	227.85	2288.59	84686.25	44375.49
(d) Defereed Tax Assets (net)	4766.51	901.80	3678.59	(907.22)
(e) Other Non Current Assets	2489.14	848.24	6661.04	4767.24
	123462.36	126269.48	1092804.06	1072717.80
Current Assets				
(a) Inventories	12335.81	14062.09	12335.81	14104.69
(b) Financial Assets				
(i) Investments	0.00	0.00	5582.60	2675.60
(ii) Trade receivables	166510.49	99940.28	159117.84	80855.36
(iii) Cash and cash equivalents	1269.30	750.34	6335.50	10401.12
(iv) Bank Balance other than (ii) above	1026.96	905.06	1238.96	216.78
(v) Loans	50646.37	55471.04	1703.80	1703.70
(vi) Other financial assets	26164.63	21852.58	50743.16	26904.63
(c) Current Tax Asset	6029.74	12434.97	6041.54	13320.97
(d) Other current assets	14585.40	17820.27	15925.69	19080.44
	278568.70	223236.63	259024.90	169263.29
Total Assets	402031.06	349506.10	1351828.96	1241981.09
Equity and Liabilities				
Equity				
(i) Equity share capital	1715.71	1715.34	1715.71	1715.34
(ii) Other Equity	164373.55	147205.51	92843.76	111323.14
Total Equity	166089.26	148920.85	94589.47	113038.48
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	30623.44	49321.07	825946.44	803809.98
(ii) Other financial liabilities	980.16	274.18	142249.26	119226.08
(ii) Deferred Tax Liability (Net)	0.00	0.00	6604.40	6988.40
(b) Provisions	0.00	45.11	16161.10	14751.61
(c) Other non-current liabilities	0.00	0.00	0.00	0.00
Total Non-current Liabilities	31603.60	49640.36	990961.20	944776.07
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	121210.84	56965.04	124466.84	60095.04
(ii) Trade Payable	49098.18	37032.39	56054.10	39071.83
(ii) Other financial liabilities	26187.31	16475.56	65522.08	40698.69
(b) Other current liabilities	7642.15	40140.25	9572.25	41207.29
(c) Provisions	199.72	331.65	10210.62	3093.70
Liabilities for Current Tax (net)	0.00	0.00	482.40	0.00
Total Current Liabilities	204338.20	150944.89	266308.29	184166.54
Total Liabilities	402031.06	349506.10	1351828.96	1241981.09

21 ISCR=Earning before interest and tax / Interest expenses. DSCR=Earning before interest and tax / (Interest + Principal Repayment of long term debt during the period). Debt Equity Ratio=Loan Fund / Share Capital & Reserves (excluding revaluation reserve)

For SADBHAV ENGINEERING LIMITED

S. V. Patel
Sashin V. Patel
Chairman and Managing Director
DIN No.: 00048328
Place : Ahmedabad
Date : 29/05/2017

