



Roads make a Nation



***Contributing
towards
Nation Building***

25th
ANNUAL REPORT
2013-2014





Contents

01	Chairman's Message
04	Development of roads and highways in India
08	Irrigation in India – Scope
10	Mining – A New Vista
12	Corporate Information
13	Notice
28	Directors' Report
35	Report on Corporate Governance
43	Management Discussion & Analysis
46	Independent Auditor's Report
50	Financial Statements
76	Consolidated Financial Statements
110	Financial Information of Subsidiary Companies
111	Attendance Slip & Proxy form
	Financial Highlights



Chairman's Message

Dear Stakeholders,

It gives me a great pleasure in presenting the financial report of your company for the year 2013 – 2014. On the outset, your company has done extremely well, given the present economic scenario. Backed by the success of our engineering, construction, and infrastructure development activities across transport, mining, and irrigation sectors in India we have made rapid progress in these multifarious directions.

Indian Infrastructure has shown tremendous promise and given the vast expanse of our country, the need of the hour to provide corridors of trade and travel has become imperative. The thrust of such opportunities, which have emerged in the present circumstances, has had a great impact in the order book of your company, raising the bar of superlative performance. This enabled the EPC business of your company, to foray into some of the most lucrative and growing segments of the infrastructure space. As you are aware Sadbhav is involved in infrastructure development contracts across the spectrum for both external customers as well as for captive consumption.

Sadbhav Engineering's dealings have, over the years extended across major sectors of infrastructural growth, encompassing sectors which have been witnessing an upswing over the years and the results of our accomplishments have been extremely promising. Sadbhav has proudly reached a net worth of ₹ 957.22 crores which accounts for a circumstantial growth. The order book stands at ₹ 8940.71 crores as on 31st March, 2014. This year we have achieved a turnover of ₹ 2358.12 crores and our Profit after Tax stands at ₹ 106.16 crores. Your company has added machineries of approx. ₹ 200 crores during the Financial Year 2013-14.

Close to 73% of Sadbhav's revenues, this year, has derived from the Transport segment. The operations include upgrading, widening and strengthening of roads and highways as well as undertaking build operate and transfer (BOT) road projects. The Company through its subsidiary Sadbhav Infrastructure Project Limited, currently has 13 BOT projects with 11 being toll roads and 2 being annuity road projects. Out of these, 8 are



**Excavated 250+ mn cubic meters
of Overburden & Minerals**



**Constructed 260+ kms
of Canals**



**Constructed
4,500+ lane kms of
Roads & Highways**


Sadbhav
TODAY FOR TOMORROW

operational, 1 is partially operational and remaining 4 are under various stages of construction. These projects are expected to be operational over the next two years. Sadbhav is also doing EPC contracts for most of these BOT projects, which contributes 36% of the total outstanding order book. Your Company has won 7 projects of value of ₹ 716.3 crores during Financial Year 2013-14 in transport sector.

The irrigation projects contributed 12% to company's overall revenues last fiscal. The story doesn't end there,. your Company has won 4 projects of value of ₹ 862.00 crores during Financial Year 2013-14 in irrigation sector. Approximate quantity of major item of work done during the year in irrigation sector i.e. earthwork 1.60 lcm, lining 6.00 lsm and structure concrete 80000 cum.

This year Sadbhav derived 15% revenues from mining amounting to ₹ 356.45 crores which is highest turnover in any single year for the Company since Incorporation. With this your company has reached at total mining capacity at over 485 lakh cubic meters of overburden removal and over 35 lakh metric tonnes of coal and lignite mining for the year. Your Company has won 3 projects of value of ₹ 739.10 crores during Financial Year 2013-14 in mining sector.

I feel privileged today to say that all the above would not have been feasible if we, at Sadbhav, did not have a strong Team of Engineering and Management staff. Our search for young talent has resulted in gathering of excellent team of professionals who have brought to the table their comprehensive expertise to benefit our company. People Power has been the main stay in

any industry and will always remain the cornerstone of the organization. We have ensured that our young employees gain ample opportunities for personal and professional growth.

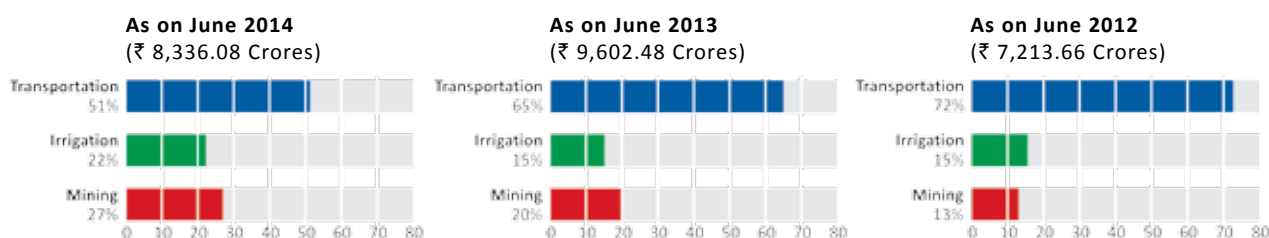
I also take this opportunity to thank every stakeholder of Sadbhav Engineering who plays a vital role in our success. We also place on record our appreciation for the unstinted trust and support of our customers, shareholders, lenders and vendors.

As in the past, our performance during FY14 was driven by the dedication and commitment of our employees. On your behalf as well as on behalf of the Board of Directors, I whole heartedly admire the employees of Sadbhav Engineering on another impressive performance during the year FY14.

Before I conclude, I would like to thank all of you for your presence and interest in the Company.

Thank you.

Vishnubhai Patel

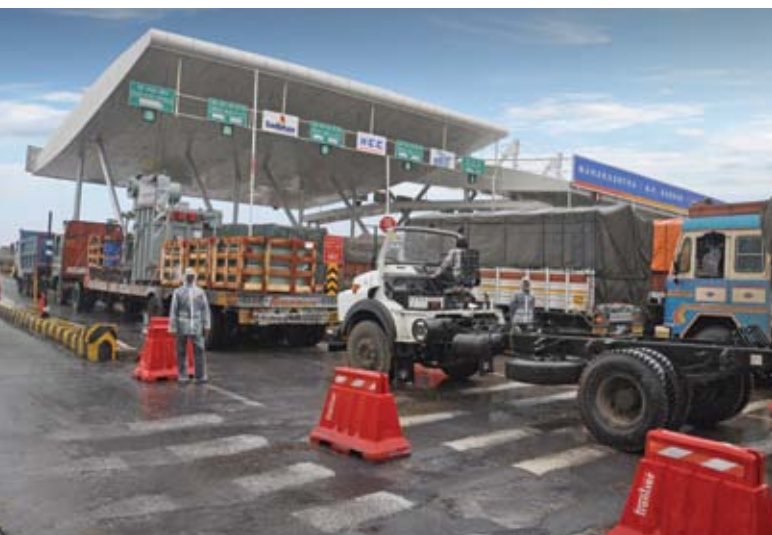




Client / Employer



Sadbhav
TODAY FOR TOMORROW



Development of roads and highways in India

Road network provides the arterial network to facilitate trade, transport, social integration and economic development. It facilitates specialization, extension of markets and exploitation of economies of scale. It is used for the smooth conveyance of both, people and goods. Transportation by road has an advantage over other means of transport because of its easy accessibility, flexibility of operations, door-to-door service and reliability. Consequently, passenger and freight movement in India over the years has increasingly shifted towards roads as compared to other means of transport. The total road length in India has increased more than 11 times during the last 60 years, between 1951 and 2011 (National Highways Development Project: Lok Sabha Secretariat Members Reference Note No. 23 /RN/Ref./August/2013).

India has the world's second largest road network, aggregating to over 33 lakh kilometres and accounts for 65% of freight and 80% of passenger traffic, according to the National Highway Authority of India (NHAI). Plans have been announced by the Government to increase investments for the development of road infrastructure in the country. Such programs are being funded via a mix of public and private initiatives. At present, the onus of financing road projects is mainly on commercial banks. However, insurance

and pension funds, Infrastructure Investment Trusts, External Commercial Borrowings and Infrastructure Development Funds (IDFs) may be increasingly tapped to meet the financing requirements of road projects.

The company is currently executing 24 EPC projects under transport sector with an outstanding work orders of ₹ 4,195.70 crores as on 30th June, 2014. Of these Major ongoing projects are:

- Multai-Chindwara-Narsinghpur-Saoner cash contract, Maharashtra
- Jodhpur-Barmer Section of NH-112, Rajasthan
- Border checkpost at 22 locations in Maharashtra
- Gomati Chauraha - Udaipur Section, Rajasthan
- Rajsamand - Bhilwara, Rajasthan
- Rohtak to Hissar section, Haryana
- Mallavali to Pavagadha, Karnataka

The Company through its subsidiary Sadbhav Infrastructure Project Limited (SIPL), currently has 13 BOT projects with 11 of them being toll roads, and 2 being annuity road projects, with total project cost of ₹ 11,664.3 crores. Out of these, 8 are operational, 1 is partially operational and remaining 4 are under various stages of construction. These projects are expected to be operational over the next 2 years. SIPL





is also engaged in non civil EPC work of Maharashtra Border Check Post Project. The company plans to foray into routine & major maintenance services of its SPVs and providing consultancy services related to border check posts projects. The company retains the right to widen the existing road which is a huge potential of EPC income for the company in future.

BOT Project Operational :

- Aurangabad Jalna Tollway Ltd. (AJTL)
- Ahmedabad Ring Road Infrastructure Limited (ARRIL)
- Mumbai Nasik Expressway Limited (MNEL)
- Nagpur Seoni Expressway Ltd. (NSEL)
- Bijapur-Hungund Tollway Private Limited (BHTPL)
- Rohtak Panipat Tollway Private Limited (RPTL)
- Hyderabad Yadgiri Tollway Private Limited (HYTPL)
- Dhule Palesner Tollway Limited (DPTL)

BOT Project Partially Operational :

- Maharashtra Border Check Post Network Ltd. (MBCPNL)

BOT Projects Ongoing:

- Shreenathji-Udaipur Tollway Private Limited (SUTPL)
- Rajsamanad Bhilwara Tollway Private Limited (RBTPPL)
- Rohtak Hisar Tollway Private Limited (RHTPL)
- Mysore Bellary Highway Private Limited (MBHPL)





Client / Employer



Sadbhav
TODAY FOR TOMORROW



Irrigation in India – Scope

India's ultimate irrigation development potential till recently was estimated at 113.5 M ha. This has recently been upgraded to 139.9 M ha, comprising of 58.46 M ha through M&M irrigation and 81.43 M ha from minor irrigation. With creation of irrigation potential of 89.56 M ha, India has the largest irrigated area among all the countries in the world. The major increase has been made possible due to groundwater irrigation development and also due to minor surface water potential.

The water resource potential of the country, which occurs as a natural runoff in the rivers is 1869 BCM as per the latest CWC estimates. Of this, only 1122 km is utilisable. The largest increase in Irrigated area across the world in next few years is expected in India, with 17.3 M Ha, as public investment in irrigation has remained relatively strong and private investment in groundwater has been rapid. However, even in India, the projected 1995 to 2020 rate of growth in irrigated area of 1.2% per year is well below the rate of 2.0% per year during the past years. In India, the per annum increase in canal irrigated areas has to be rapidly developed.

Sadbhav Engineering has bagged a contract worth Rs 245.61 crores from the Executive Engineer, Narmada Development Halon Division, Bichhiya Dist. Mandla (Madhya Pradesh). Alongside the above mentioned

project, Sadbhav Engineering is currently executing 20 irrigation projects with an outstanding work order of Rs 1871.88 crores as on 30th June, 2014. Of this following are ongoing projects :

- HNSS Main Canal Anantapur district, Andhra Pradesh
- Gouravelly Right side canal, Andhra Pradesh
- Omkareshwar Right Bank Lift Canal, M.P
- Radhanpur Sub Branch Canal, Gujarat
- Kachchh Branch Canal Adipur, Gujarat
- Bhauti High Level Canal, M.P.

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





Client / Employer



Sadbhav
TODAY FOR TOMORROW



Mining – A New Vista

Speaking only about identified reserves, India has the fourth-largest coal reserve in the world and significant reserves of bauxite, titanium ore, chromite, diamonds and limestone. Gold, copper, zinc and uranium reserves have also been identified, though in a more limited volume.

“India has, till date, explored only 7-9% of the mineral resources as against almost 100% geophysical and geochemical surveys in countries such as Australia”. This was revealed in September 2011 in a report titled, “Exploring India: Mining the Opportunities” launched by Ernst & Young at a conference organized by the Federation of Indian Mineral Industries in Bangalore.

There is a requirement of approx 300 mn tonnes of coal per annum in India which translates into removal of six to eight times of materials called overburden that overlies a coal deposit. Commercial coal mining is widely seen as an answer to the increasing demand-supply gap of coal in the country and by allowing private commercial mining. Competition is expected to increase, leading to infusion of new technology and thereby, leading a market-based price discovery.

SEL derives 15% revenues from mining wherein it undertakes excavation of overburden, rock, coal, lignite, and Uranium ore for PSUs like Gujarat Industries Power Corporation (GIPCL), GHCL Limited, Bharat Coking Coal Limited, Northern Coalfield, Mahanadi Coalfield, Western Coalfield, Uranium Corporation of India Limited (UCIL) etc.

Last year, Sadbhav Engineering won a project of Bharat Coking Coal Ltd, a subsidiary of Coal India, with the contract valued at ₹ 263.64 crores. Sadbhav successfully bid for a contract with Northern Coalfields Limited to remove overburdens in the extension of open cast mining at Amlohri in Madhya Pradesh, valued at ₹ 697.36 crores. Over and above the project mentioned earlier, Sadbhav is currently, executing 14 Mining projects with an outstanding work order of ₹ 2,268.51 crores as on 30th June, 2014.

Following are the major projects under which company is currently engaged for mining activities.

- Overburden removal and Lignite excavation at GHCL Ltd. Bhavnagar, Gujarat
- Overburden removal and Lignite excavation at GIPCL, Gujarat
- Overburden removal and Coal excavation at Navinkunada OCP, WCL, Maharashtra
- Overburden removal and Coal excavation at Basantimata OCP, BCCL, Jharkhand
- Overburden removal and Coal excavation at Dhansar OCP, BCCL, Jharkhand
- Overburden removal and Coal excavation at Katras OCP, BCCL, Jharkhand
- Overburden removal at Amlohri OCP, NCL, M.P.
- Overburden removal and Coal extraction of ore at Banduhurang mines, UCIL, Jharkhand
- Overburden removal at Lakhanpur OCP, MCL, M.P.
- Overburden removal and lignite excavation at Kapurdi mines, Rajasthan



Board of Directors



Corporate Information

BOARD OF DIRECTORS

1. **Shri Vishnubhai M. Patel**
Chairman & Managing Director
2. **Shri Shashin V. Patel**
Joint Managing Director
3. **Shri Vasistha C. Patel**
Executive Director
4. **Shri Vikram R. Patel**
Executive Director
5. **Shri Nitin R. Patel**
Executive Director & CFO
6. **Shri Sandip V. Patel**
Independent Director
7. **Shri Atul N. Ruparel**
Independent Director
8. **Shri Arun S. Patel**
Independent Director
9. **Shri Sandip A. Sheth**
Independent Director
10. **Shri Mirat N. Bhadlawala**
Independent Director

BOARD COMMITTEES

Audit Committee

- Shri Sandip V. Patel**
Chairman
- Shri Nitin R. Patel**
Member
- Shri Atul N. Ruparel**
Member
- Shri Arun S. Patel**
Member

Nomination and Remuneration Committee

- Shri Atul N. Ruparel**
Chairman
- Shri Sandip V. Patel**
Member
- Shri Arun S. Patel**
Member
- Shri Sandip A. Sheth**
Member

Stakeholders Relationship Committee

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

Finance and Investment Committee

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

Corporate Social Responsibility Committee

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

BANKERS

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

COMPANY SECRETARY

Shri Vijay Kalyani

STATUTORY AUDITORS

Surana Maloo & Co.

WORKSHOP

Village Ognaj, Tal. Daskroi,
Dist. Ahmedabad.

REGISTERED OFFICE

Sadbhav House,
Opp. Law Garden Police Chowki
Ellisbridge, Ahmedabad - 380 006.
Website : www.sadbhaveng.com

CORPORATE OFFICE

1st Floor, "Sadbhav",
Nr. Havmor Restaurant,
B/H. Navrangpura Bus Stand,
Navrangpura,
Ahmedabad - 380 009.

MUMBAI OFFICE

602/702, "C" Wing,
Godrej Coliseum, Nr. Lokmanya,
Behind Everard Nagar,
Sion (East) Mumbai - 400 022.

Corporate Identity Number (CIN) :
L45400GJ1988PLC011322

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.
(formerly Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.

Notice

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on, Friday September 26, 2014 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 at 03.00 P.M. to transact the following business –

ORDINARY BUSINESS

1. To consider and adopt :
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2014, 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, 2014.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Vasistha C. Patel (DIN : 00048324) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Vikramkumar R. Patel (DIN : 00048318) who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, that M/s Surana Maloo & Co., Chartered Accountants - Ahmedabad having Firm Registration No. 112171W, be and is hereby re-appointed as Auditors of the Company for period of 3 (three) years and to hold office as such from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-eighth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), and that their remuneration be determined by the Board of Directors of the Company on recommendation of Audit Committee.”

SPECIAL BUSINESS

6. To appoint Mr. Sandip A. Sheth as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sandip A. Sheth (DIN : 01287413), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.”

7. To appoint Mr. Mirat N. Bhadlawala as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mirat N. Bhadlawala (DIN : 01027984), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and

holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.”

8. To appoint Mr. Atul N. Ruparel as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul N. Ruparel (DIN : 00485470), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.”

9. Appointment of Mr. Sandip V. Patel as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sandip V. Patel (DIN : 00449028), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.”

10. Appointment of Mr. Arun. S. Patel as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Arun. S. Patel (DIN : 06365699), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 28th September, 2017 to complete the first term of five consecutive years.”

11. To re-appoint Mr. Vishnubhai M. Patel as a Managing Director and Chief Executive Officer of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) subject to such approvals as may be necessary, consent of the Company be and is hereby given for the reappointment of Mr. Vishnubhai M. Patel (DIN : 00048287) as Managing Director and Chief Executive Officer of the Company for further period of three years from July 01, 2014 on the terms and conditions including remuneration as mentioned below:-

(a) He shall not be liable for retirement by rotation

(b) Salary:

Up to maximum of ₹ 30,00,000 per month, with authority to Board or a committee thereof, to fix the salary within the said maximum amount from time to time. The annual increments will be decided by the Board or a Committee thereof and will take in to account the Company's performance.

(c) Commission

The appointee shall be entitled to receive commission on profit as may be determined by the Board for such appointee over and above the maximum salary fixed herein above.

(d) Perquisites:

Perquisites shall be allowed in addition to salary and they shall be restricted to the following:-

Category “A”

(1) Medical Reimbursement:

Reimbursement of medical expenses of the Managing Director and Chief Executive Officer and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.

(2) Leave Travel Concession:

Expenses incurred for self and family in accordance with the rules of the Company.

Explanation

"Family" means the spouse, the dependent children and dependent parents of Managing Director and Chief Executive Officer.

Category "B"

Other statutory benefits not included in the computation of the minimum permissible remuneration of the Managing director and Chief Executive Officer of the Company:-

(1) Earned Privilege Leave:

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(2) Contribution to Provident Fund and Family Benefit Funds:

Contribution to Provident Fund and superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(3) Gratuity:

As per rules of the Company, subject to a maximum ceiling as may prescribed under the Payment of Gratuity Act from time to time.

(e) General :

(i) The Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Vishnubhai M. Patel as Managing Director and Chief Executive Officer of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section 110 of Part II of Schedule V of the Companies Act, 2013.

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

12. To re-appoint Mr. Shashin V. Patel as a Joint Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby given for the reappointment of Mr. Shashin V. Patel (DIN : 00048328) as the Joint Managing Director of the Company for further period of three years from July 01, 2014 on the terms and conditions including remuneration as mentioned below:-

(a) Salary:

Up to maximum of ₹ 15,00,000 per month, with authority to Board or a committee thereof, to fix the salary within the said maximum amount from time to time. The annual increments will be decided by the Board or a Committee thereof and will take in to account the Company's performance.

(b) Commission

The appointee shall be entitled to receive commission on profit as may be determined by the Board for such appointee over and above the maximum salary fixed herein above.

(c) Perquisites:

Perquisites shall be allowed in addition to salary and they shall be restricted to the following:-

Category "A"

(1) Medical Reimbursement:

Reimbursement of medical expenses of the Joint Managing Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.

(2) Leave Travel Concession:

Expenses incurred for self and family in accordance with the rules of the Company.

Explanation

"Family" means the spouse, the dependent children and dependent parents of Joint Managing Director.

Category "B"

Other statutory benefits not included in the computation of the minimum permissible remuneration of the Joint Managing Director of the Company:-

(1) Earned Privilege Leave:

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(2) Contribution to Provident Fund and Family Benefit Funds:

Contribution to Provident Fund and superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(3) Gratuity:

As per rules of the Company, subject to a maximum ceiling as may prescribed under the Payment of Gratuity Act from time to time.

(d) General:

(i) The Joint Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Joint Managing Director will be under the overall authority of the Managing Director.

(ii) The Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Joint Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Joint Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Shashin V. Patel as Joint Managing Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies Act, 2013.

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

13. To re-appoint Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby given for the reappointment of Mr. Nitin R. Patel (DIN : 00466330) as the Whole-time Director designated as Executive Director and Chief Financial Officer of the Company for further period of three years from July 01, 2014 on the terms and conditions including remuneration as mentioned below :-

(a) Salary:

Up to maximum of ₹ 8,00,000 per month, with authority to Board or a committee thereof, to fix the salary within the said

maximum amount from time to time. The annual increments will be decided by the Board or a Committee thereof and will take in to account the Company's performance.

(b) Commission:

The appointee shall be entitled to receive commission on profit as may be determined by the Board for such appointee over and above the maximum salary fixed herein above.

(c) Perquisites:

Perquisites shall be allowed in addition to salary and they shall be restricted to the following:-

Category "A"

(1) Medical Reimbursement:

Reimbursement of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.

(2) Leave Travel Concession:

Expenses incurred for self and family in accordance with the rules of the Company.

Explanation

"Family" means the spouse, the dependent children and dependent parents of Whole-time Director.

Category "B"

Other statutory benefits not included in the computation of the minimum permissible remuneration of the Whole-time director of the Company:-

(1) Earned Privilege Leave:

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(2) Contribution to Provident Fund and Family Benefit Funds:

Contribution to Provident Fund and superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(3) Gratuity:

As per rules of the Company, subject to a maximum ceiling as may prescribed under the Payment of Gratuity Act from time to time.

(d) General:

(i) The Whole-time Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.

(ii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv) The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

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

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

14. To increase in borrowing Limit of the Company

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

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the members of the Company held on September 08, 2010, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include

any committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 180(1)(c) of the Companies Act 2013 (including any statutory modifications thereof and circulars, notifications, clarifications, rules passed thereunder from time to time) and the Articles of Association of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of ₹ 2000.00 Crores (Rupees Two Thousand crores only) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think it.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

15. To Create mortgage/Charge on the assets of the Company

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

"RESOLVED THAT consent of the Company be and is hereby granted in terms of Section 180(1)(a) of the Companies Act 2013 (including any statutory modifications thereof and circulars, notifications, clarifications, rules passed thereunder from time to time), to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute for this purpose) to mortgage hypothecate, pledge and/or charge, in addition to the mortgage/hypothecate, pledge/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of defaults, in favour of the Lender(s), Agent(s), and Trustee(s), for securing the borrowings availed/to be availed by the Company and/or any of the Company's holding/subsidiary/affiliate/associate Company, by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1) (c) of the Act (including any statutory modification or re-enactment thereof) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges premia on pre-payment, remuneration of the Agent(s), Trustees(s) premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchanges and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deeds(s) or any other document, entered into/to be entered in to between the Company and the Lender(s)/Agents(s) and Trustee(s)/Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agree to between the Board of Directors or Committee thereof and the Lender(s), Agent(s) and Trustee(s)/Trustee(s).

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and are hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as a aforesaid."

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

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

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

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

17. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association (“AOA”) submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place : Ahmedabad
Date : August 11, 2014

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

By Order of the Board of Directors
For Sadbhav Engineering Limited

Vijay Kalyani
Company Secretary

NOTES:

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

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.
3. The explanatory statements pursuant to Section 102 of Companies Act, 2013 relating to special business are annexed.
4. The information required under clause 49 of the Listing Agreement on Directors reappointment/appointment are given below and form part of the Notice.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the web site of Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.
7. The Register of Members and Share Transfer Books will be closed from Monday September 01, 2014 to Saturday September 06, 2014, both days inclusive, for ascertaining the Shareholders entitled to receive dividend, if approved at the meeting.
8. 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.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended as on 31st March, 2007 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government, pursuant to Section 205C of the Companies Act, 1956.

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

Financial Year Ended	Date of declaration of Dividend	Last Date for Claiming Dividend
31-03-2007	29-09-2007	04-11-2014
31-03-2008	27-09-2008	02-11-2015
31-03-2009	29-09-2009	04-11-2016
31-03-2010	08-09-2010	14-10-2017
31-03-2011	27-09-2011	02-11-2018
31-03-2012	29-09-2012	04-11-2019
31-03-2013	30-09-2013	05-11-2020

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

10. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “Sadbhav Engineering Limited” from the drop down menu and click on “SUBMIT.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vii) Now, fill up the following details in the appropriate boxes:
- (viii)

PAN	<p>Enter your PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field. In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Shrikant Dave and Folio No. is 1 then enter SH00000001 in the PAN field.
DOB OR Dividend Bank Details	<p>Enter your Date of Birth in dd/mm/yyyy format.</p> <p>OR</p> <p>Enter the Bank Account Number as recorded in your demat account or in the Company’s records for the said demat account or Folio No.</p> <p>Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held on cut off date i.e. August 22, 2014 in the Bank Account Number field.</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. Members holding shares in physical form will then reach directly the EVSN selection screen.
- (xi) Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) Click on the EVSN for Sadbhav Engineering Limited.

(xiii) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xix) Notes for Institutional Shareholders :

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

I. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- I. The e-voting period commences on September 20, 2014 @ 9.00 a.m. and ends on September 22, 2014 @ 6.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he 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 August 22, 2014.
- III. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sadbhaveng.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 25th AGM of the Company held on September 26, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

Director	Shri Vasistha C. Patel	Shri Vikramkumar R. Patel	Shri Atul N. Ruparel	Shri Sandip V. Patel	Shri Arun S. Patel	Shri Sandip A. Sheth	Shri Mirat N. Bhadlawala
Date of Birth	July 25, 1973	April 02, 1968	November 22, 1967	August 2, 1977	July 15, 1946	June 23, 1975	March 07, 1974
Date of Appointment	September 29, 2012	September 29, 2012	October 23, 2008	June 27, 2006	August 27, 2012	July 07, 2014	July 07, 2014
Functional Expertise	More than 15 years' experience in the Construction Industry	More than 22 years' experience in construction industry, powered with entrepreneurship skill and motivation	Finance and Accounts, Audit, Taxation, Management Consulting, Tax Planning, Project Financing	Taxation, Corporate Laws, Finance & Accounts	More than 22 years' experience in the field of audit, taxation, accounts and finance	Vast experiences in the field of Corporate Law, Finance and other related areas	More than 23 years experience in areas of boast of Procurement, Negotiation, Contract Management, Marketing and Business Strategy
Qualifications	Civil Engineer	Commerce Graduate	B. Com. F.C.A.	B. Com., A.C.A., DISA (ICA)	B. Com. F.C.A.	B. Com., L.L.B., F.C.S.	B. Com.
Directorship in other Companies	1. Sadbhav Infrastructure Project Limited 2. Maharashtra Border Check Post Network Limited 3. Hyderabad-Yadgiri Tollway Private Limited 4. Rohtak-Panipat Tollway Private Limited 5. Bijapur-Hungund Tollway Private Limited 6. Dhule Palesner Tollway Limited 7. Shreenathji-Udaipur Tollway Private Limited 8. Solapur-Bijapur Tollway Private Limited 9. Bhilwara-Rajsamand Tollway Pvt. Ltd. 10. Rohtak-Hissar Tollway Pvt. Ltd.	1. Ahmedabad Ring Road Infrastructure Ltd. 2. Mysore-Ballary Highway Pvt. Ltd.	1. Kutchh Gujarat Finstock Ltd. 2. STEPS Corporate Services Pvt. Ltd.	Sadbhav Infrastructure Project Ltd.	None	inTrust Corporate Services Pvt. Ltd.	1. Ramkrishna Petro Services Pvt. Ltd. 2. Amzone Lifting Equipment Pvt. Ltd.
Chairman/Member of Committee in other Companies	Sadbhav Infrastructure Project Limited	None	None	None	None	None	None
No. of Equity Shares held in the Company	2002150	3408750	10000	10000	Nil	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 6 & 7

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala on July 07, 2014 as Additional Director(s) of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions including the terms for the appointment of independent directors by a listed Company.

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

Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala have consented to act as Directors and provided a declaration that they meet the criteria for independence as provided in section 149(6) of the Act. The said directors are not disqualified from being appointed as Directors in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from members alongwith the deposits of requisite amount under Section 160 of Companies Act, 2013 proposing the candidatures of Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala for the offices of Directors of the Company.

Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala are independent of the management. The details and brief resumes of Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala have been given as part of the Notice.

Copy of the draft letters for respective appointments of Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala as Independent Directors setting out the terms and conditions are available for inspection by member at the Registered Office of the Company.

Except Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala, being the appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 & 7.

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

The Board commends the Ordinary Resolutions set out at Item Nos. 6 & 7 of the Notice for approval by the shareholders.

Item No. 8 & 9

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

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed Company.

It is proposed to appoint Mr. Atul N. Ruparel and Mr. Sandip V. Patel as Independent Director under Section 149 of Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.

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

Mr. Atul N. Ruparel and Mr. Sandip V. Patel are independent of the management. The details and brief resume of Mr. Atul N. Ruparel and Mr. Sandip V. Patel have been given as part of the Notice.

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

Except Mr. Atul N. Ruparel and Mr. Sandip V. Patel, being an appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 & 9.

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

The Board commends the Special Resolutions set out at Item Nos. 8 & 9 of the Notice for approval by the shareholders.

Item No. 10

Mr. Arun. S. Patel is Independent Director of the Company. Mr. Arun S. Patel has joined the Board of Directors of the Company on 29th September, 2012.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent director by a listed Company.

It is proposed to appoint Mr. Arun. S. Patel as Independent Director under Section 149 of Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a term upto 28th September, 2017 to complete the first term of five consecutive years.

Mr. Arun S. Patel have provided a declaration that they meet the criteria for independence as provided in section 149(6) of the Act and not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

Mr. Arun. S. Patel is independent of the management. The details and brief resume of Mr. Arun S. Patel has been given as part of the Notice.

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

Except Mr. Arun S. Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

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

The Board commends the Ordinary Resolution set out at Item Nos. 10 of the Notice for approval by the shareholders.

Item No. 11

Present term of office of Mr. Vishnubhai M. Patel as Managing Director and Chief Executive Officer has been expired on 30th June, 2014. The Board of Directors at their meeting held on 30th May, 2014, have subject to shareholders' approval in the ensuing Annual General Meeting, reappointed Mr. Vishnubhai M. Patel as Managing Director and Chief Executive officer of the Company for further period of three years from 1st July, 2014 on terms and conditions including remuneration as set out in the proposed resolution. The said terms and conditions including remuneration has been recommended by the Nomination and Remuneration Committee of Board of Directors.

Mr. Vishnubhai M. Patel has decades of experience in Construction Industry and he is promoter and founder of Company. Mr. Vishnubhai M. Patel is looking after the day to day management and the operation of the Company. Under the stewardship of Mr. Vishnubhai M. Patel, the Company has achieved the sustained growth over the years. His re-appointment would be immensely benefited for the operation of Company. As Mr. Vishnubhai M. Patel has already attained the age of 70 years, this explanations may be treated as justification to be given under Section 196(3)(a) of Companies Act 2013.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

None of Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ Indirectly interested in the above resolution except Mr. Vishnubhai M. Patel, Mr. Shashin V. Patel, Mr. Vasistha C. Patel and Mr. Vikram R. Patel being the relatives of Mr. Vishnubhai M. Patel are interested in the resolution.

Item No. 12

Present term of office of Mr. Shashin V. Patel as Joint Managing Director has been expired on 30th June, 2014. Subject to shareholders' approval, the Board of Directors at their meeting held on 30th May, 2014, have subject to shareholders' approval in the ensuing Annual General Meeting, reappointed Mr. Shashin V. Patel as Joint Managing Director for further period of three years from 1st July, 2014 on terms and conditions including remuneration as set out in the proposed resolution. The said terms and conditions including remuneration has been recommended by the Nomination and Remuneration Committee of Board of Directors. The Nomination and Remuneration Committee, while approving the appointment and remuneration of Mr. Shashin V. Patel, took in to accounts his qualification, experience and responsibilities to be shouldered by him and his past performance.

Mr. Shashin V. Patel holds Master Degree in Business Administration. His scope of work includes overview of the day to day affairs of the Company in consultation with the Managing Director and Chief Executive Officer and making strategic management decisions. He is also in- charge of the Management Information system in our Company. Taking in to consideration his involvement, responsibility and contribution, his appointment would be immensely benefited for the operations of Company.

The Board commends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

None of Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ Indirectly interested in the above resolution except Mr. Shashin V. Patel and Mr. Vishnubhai M. Patel being the relatives of Mr. Shashin V. Patel are interested in the resolution.

Item No. 13

Present term of office of Mr. Nitin R. Patel as the Whole-time Director designated as Executive Director of the Company has been expired on 30th June, 2014. The Board of Directors at their meeting held on 30th May, 2014 have subject to shareholders' approval in the ensuing Annual General Meeting, reappointed Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director and Chief Financial Officer of the Company for further period of three years from 1st July, 2014 on terms and conditions including remuneration as set out in the proposed resolution. The said terms and conditions including remuneration has been recommended by the Nomination and Remuneration Committee of Board of Directors. The Nomination and Remuneration Committee, while approving the appointment and remuneration of Mr. Nitin R. Patel, took in to accounts his qualification, experience and responsibilities to be shouldered by him and his past performance.

Mr. Nitin R. Patel is Chartered Accountant and has experience in the field of finance, accounts, audit, taxation, project bidding and execution and cost analysis. He is looking after the entire corporate affairs of the Company. He also plays an important role in policy implementation and liaising with banks and financial institutions for obtaining funds. Taking in to consideration his involvement, responsibility and contribution, his appointment would be immensely benefited for the operation of Company.

The Board commends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

None of Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ Indirectly interested in the above resolution except Mr. Nitin Patel is interested in the resolution.

Item No. 11, 12 & 13

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

I. General Information:

1.	Nature of Industry	Infrastructure development and construction Company primarily focusing on roads, irrigation and mining operations.			
2.	Date or expected date of commencement of commercial production	The Company is already in existence and it started its activities since 1988.			
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.			
4.	Financial Performance based on given indicators	Financial Parameters	Financial Year (₹ in Cores)		
			2013-14	2012-13	2011-12
		Total Revenue	2394.54	1821.34	2686.36
		Net Profit/(Loss)	106.16	74.07	140.56
		Amount of Equity Dividend	10.64	9.05	9.02
5.	Foreign Investments or collaborations, if any.	Rate of Equity Dividend	70%	60%	60%
		<ul style="list-style-type: none"> The Company has no foreign collaborations as on 31st March, 2014. Foreign Investment in the term of shareholding in the Company of the following as on 31/03/2014 are as under : <ul style="list-style-type: none"> (a) FII : 24288302 Equity shares of Re. 1-each constituting 16.01% paid up equity capital. (b) NRI : 80342 Equity shares of Re. 1-each constituting 0.05% paid up equity capital. (c) NRI (Non Repatriable) : 49388 Equity shares of Re. 1-each , constituting 0.03% paid up equity capital. 			

II. Information about the appointee:

Sr. No.	Particulars	Vishnubhai M. Patel	Shashin V. Patel	Nitin R. Patel
1.	Background details	Mr. Vishnubhai M. Patel has decades of experience in Construction Industry and he is promoter and founder of Company. Under the stewardship of Mr. Vishnubhai M. Patel the Company has achieved the sustained growth over the years.	Mr. Shashin V. Patel holds Master Degree in Business Administration. He is associated with Company since 23rd May, 2005. His scope of work includes overview of the day to day affairs of the Company in consultation with the Managing Director.	Mr. Nitin R. Patel is Chartered Accountant. He is associated with Company since 1st August, 1999. He has experience in the field of finance, accounts, audit, taxation, project bidding and execution and cost analysis.
2	Past Remuneration	At present the actual drawing is ₹ 15,00,000/- against Maximum ₹ 20,00,000 P.M and such other term as to commission and perquisites approved in AGM held on September 29, 2009.	At present the actual drawing is ₹ 5,00,000/- against Maximum ₹ 10,00,000 P.M. and such other term as to commission and perquisites approved in AGM held on September 29, 2009.	At present the actual drawing is ₹ 3,00,000/- against Maximum ₹ 4,00,000 P.M. and such other term as to commission and perquisites approved in AGM held on September 29, 2009 .

3	Recognition or awards	He has been conferred the 'Udyog Ratna Award' by the Institute of Economic Studies of New Delhi for outstanding performance in the field of Industrial Development of our Country.	None.	None
4	Job profile and his suitability	He is Managing Director and looking after the day to day affairs of the Company. Under his dynamic leadership Company is executing various projects.	He is making the strategic management decisions in consultation with the Managing Director. He is also in charge of Management Information System in our Company. He is actively participating in bidding process and execution of various Mining and Irrigation Projects.	He is looking after the entire corporate affairs of the Company. He also plays an important role in policy implementation and liaisoning with banks and financial institutions for raising funds. He also participates in the bidding process and execution of Road Projects.
5	Remuneration Proposed	Salary up to Maximum ₹ 30,00,000 P.M. and such other terms as to the commission and perquisites as proposed to be approved in this meeting.	Salary up to Maximum ₹ 15,00,000 P.M. and such other terms as to the commission and perquisites as proposed to be approved in this meeting.	Salary up to Maximum ₹ 8,00,000 P.M. and such other terms as to the commission and perquisites as proposed to be approved in this meeting.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The prevalent levels of remuneration in infrastructure industry are higher. Taking into account the contribution being made by Mr. Vishubhai M. Patel in the affairs of the Company as founder of the Company, having rich experience, the increasing key role he is playing in executing various projects, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country.	The prevalent levels of remuneration in infrastructure industry are higher. Taking into account the contribution being made by Mr. Shashin V. Patel in the affairs of the Company, his academic background, the increasing key role he is playing in bidding process and execution of various Mining and Irrigation Projects, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country.	The prevalent levels of remuneration in infrastructure industry are higher. Taking into account the contribution being made by Mr. Nitin R. Patel in managing the corporate affairs of the Company his academic background, rich experience, the increasing key role he is playing in policy implementation and liaisoning with banks and financial institutions for raising funds, the proposed remuneration is reasonable and in line with the remuneration levels in the industry across the Country.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	He does not have any pecuniary relationship directly or indirectly with the Company or is its managerial personnel, other than drawing his remuneration in the capacity of CEO & Managing Director of the Company. Mr. Shashin V. Patel, Mr. Vasistha C. Patel and Mr. Vikram R. Pate are the relatives of Mr. Vishnubhai M. Patel.	He does not have any pecuniary relationship directly or indirectly with the Company or is its managerial personnel, other than drawing his remuneration in the capacity of Joint Managing Director of the Company. Mr. Vishnubhai M. Patel, is the relative of Mr. Shashin V. Patel.	None.

III. Other Information:

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

Item No. 14 & 15

The Members of the Company, at the Annual General Meeting held on September 08, 2010 had authorised the Board of Directors to borrow upto a limit of ₹ 1500.00 Crores over and above the aggregate of the paid up capital of the Company and its free reserves. Considering the funding requirements for investments in current projects awarded to the Company and for future projects as well as for working capital support, it is necessary to increase the approved borrowing limits by ₹ 500.00 Crores from the present limit of ₹ 1500.00 Crores to ₹ 2000.00 Crores over and above the aggregate of the paid up capital of the Company and its free reserves.

Prior approval of the Members of the Company is required by way of a Special Resolution, to borrow money in excess of paid-up capital and free reserves of the Company under Section 180 (1) (c) of the Companies Act, 2013 and to create security by way of mortgage, hypothecate, pledge and/or charge on movable/immovable properties of the Company and/or any other assets or properties, either tangible or intangible, of the Company and/or the whole or any part of the undertaking(s) of the Company against the borrowings, under Section 180 (1) (a) of the Companies Act, 2013. In the interest of the Company, the Board of Directors recommends the passing of these resolutions.

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

Item No. 16

Pursuant to the provisions of Sections 42, 71, 179 of Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 effective April 1, 2014, the Company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") is required to obtain the prior approval of the Members of the Company by way of a Special Resolution.

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

The Board commends the Special Resolution set out at Item No. 16 of the Notice for approval by the shareholders.

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

Item No. 17

The Articles of Association [hereinafter referred to as "AoA"] of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. The Companies Act, 1956 is no longer in force.

Consequent upon coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletion in several articles. It is expedient to replace the existing AoA by a new set of Articles.

The Company can not alter its AoA without the approval of members by passing a Special Resolution. The new set of AoA is available for inspection at the Registered Office of the Company on any working day during business hours.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the Shareholders.

The Board commends the Special Resolution set out at Item No. 17 of the Notice for approval by the shareholders.

None of the Directors of the Company and Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

Place : Ahmedabad
Date : August 11, 2014

By Order of the Board of Directors
For Sadbhav Engineering Limited

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

Vijay Kalyani
Company Secretary

Directors' Report

To
The Members,

The Directors have the pleasure in presenting the Twenty Fifth Annual Report together with the audited statement of accounts for the year ended March 31, 2014.

Financial Results

(₹ in crores)

	Stand Alone		Consolidated	
	Current Year 2013-2014	Previous Year 2012-2013	Current Year 2013-2014	Previous Year 2012-2013
Income from Operations	2358.12	1810.99	2732.52	2159.59
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	285.83	166.09	476.17	432.27
Less : Finance Cost	118.11	84.37	455.46	304.20
Depreciation and amortization Expense	47.40	31.82	130.48	170.69
Profit / (Loss) before Exceptional Item and Tax	120.31	49.90	(109.77)	(42.62)
Exceptional Items (Performance Bonus)	(38.35)	60.94	121.72	60.94
Profit / (Loss) Before Tax	81.96	110.84	11.95	18.32
Less: Current Tax	(9.44)	28.53	0.61	35.43
Deferred tax liability / (asset)	3.98	8.24	3.97	8.23
Add: Excess / (Short) provision for taxation of earlier years	(18.74)	0.00	(18.70)	0.21
Profit / (Loss) for the period from continuing Operations	106.16	74.07	26.07	(25.13)
Add:- Minority Interest	-	-	18.15	37.37
Less:- Share of Loss of Associates	-	-	0.15	(4.76)
Net Profit for the year	106.16	74.07	44.37	7.48
Balance brought forward from last year	429.78	373.74	287.99	290.96
Addition due to Increase in Stake	-	-	0	7.56
Amount available for Appropriations	535.94	447.81	332.36	3 06.00
Appropriations				
Transfer to General Reserve	10.00	7.50	10.00	7.50
Transfer to Debenture Redemption Reserve	2.00	0	2.00	0
Dividend on Preference Shares waived by Shareholders	-	-	0	(0.02)
Proposed Dividend	10.64	9.06	10.64	9.06
Tax on Proposed Dividend	1.88	1.47	1.88	1.47
Balance carried to Balance Sheet	511.42	429.78	307.84	287.99

Dividend

The Directors are pleased to recommend for approval of the shareholders dividend of 0.70% (₹ 0.70 per equity share of Re. 1 each) for the financial year ended March 31, 2014. The final dividend, if approved, will result in cash payout of ₹ 10.64 Crores and dividend tax of ₹ 1.88 Crores.

Business Overview

Standalone Basis

The total income from operations during the year under review was ₹ 2358.12 Crores against ₹ 1810.99 Crores for the previous year resulting the Increase of 30.21%. Operating profit (PBDIT) for the current year is ₹ 285.83 Crores (₹ 166.09 Crores in previous year) thereby resulting the increase of 72.09%. Net profit after Tax Expenses amounted to ₹ 106.16 Crores (₹ 74.07 Crores in previous year) thereby resulting increase of 43.32%.

Consolidated Basis

As per the Consolidated Financial Statements, the Income from operations of the company, Operating profit (PBDIT), and Net profit for the year were ₹ 2732.52, ₹ 476.17 and ₹ 44.37 Crores respectively.

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	24	10134.26	5938.56	4195.70
Irrigation	20	2651.91	780.03	1871.88
Mining Operation	14	3484.80	1216.30	2268.50
Total	58	16270.97	7934.89	8336.08

The Company's order book (pending execution) shows work on hand amounting to ₹ 8336.08 Crores as on the June 30, 2014.

BOT Projects under Implementation:

Name of the Company	Details of Project	Cost of the Project (₹ in Crores)	Status as on June 30, 2014 Cost incurred (₹ in Crores)	% Shareholding (Ownership)	
				SEL	SIPL
Maharashtra Border Check Post Network Ltd. (MBCPL)	<ul style="list-style-type: none"> Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaj e-village Limited in ratio of 90:05:05 respectively. 	1426.37	1332.13	63	27
Shreenathji-Udaipur Tollway Private Limited	Four Laning of Gomati Chauraha - Udaipur section of NH-8 (from Km 177/000 to Km 260/100) in the state of Rajasthan under NHDP Phase IV	1151.46	507.16	26	74
Mysore-Bellary Highway Pvt. Ltd.	The DBFOMT (Annuity) project is for the existing State Highway (SH33 & SH3) from Malavalli to Pavagada (Approx length of 193.344 Kms) in the State of Karnataka (WAP-1). The project is in joint venture between Company & GKC Projects Ltd. in ratio of 50:50.	811.20	0.06	50	-
Bhilwara Rajsamand Tollway Pvt. Ltd.	Four laning of Rajsamand-Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	676.10	228.31	26	74
Rohtak-Hissar Tollway Pvt. Ltd.	The project consists of "4-Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km)	1271.58	263.03	26	74

SEL: Sadbhav Engineering Limited

SIPL: Sadbhav Infrastructure Project Limited

NHAI has provided approval for the fore closure/termination of the Concession Agreement between Solapur Bijapur Tollway Private Limited (Step down subsidiary of the company) and NHAI without any claims/damages or debarring the Concessionaire for future NHAI projects.

Revenue Generating BOT Project:

Name of the Company	Details of Project	Cost of the Project (₹ in Crores)	Toll Revenue of the F.Y. 2013-14 (₹ in Crores)	% Shareholding (Ownership)	
				SEL	SIPL
Mumbai-Nasik Expressway Ltd. (MNEL)	Vadape-Gonde 4 Lane BOT project for widening the existing two-lane of 99.50 Kms to four lanes and its operation and maintenance.	794.58	94.12	20	-

Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	4-laning the present 76.21 km two-lane ring road around Ahmedabad city and its operation & maintenance.	500.80	72.42	-	80
Aurangabad-Jalna Tollway Ltd. (AJTL)	Widening the existing two-lane stretch of 65.80 kms to four lanes on Aurangabad Jalna Highway in state of Maharashtra and its operation and maintenance.	277.00	27.91	-	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.	489.70	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	111.58	26	01
Bijapur-Hungund Tollway Private Ltd. (BHTPL)	Four laning of Bijapur-Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer ("DBFOT"), Toll basis.	1257.10	94.95	-	77
Hyderabad-Yadgiri Tollway Private Ltd. (HYTPL)	Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad- Yadgiri Section from km 18.600 to km 54.000 (36.65Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/ BOT/AP/04.	480.22	38.31	-	60
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. Toll collection has been started in 9 out of 22 Check Posts.	1426.37	30.23	63	27
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.	1213.40	19.05	-	100

- In respect of NSEL expenditure to the extent of ₹ 294.88 Crore has been incurred. Due to non-availability of land possession for 28.745 kms, actual project length has been restricted to 27.73 kms. Also, NHA has issued Completion Certificate for the Project and matter of Annuity finalization is under consideration by NHA.
- As per the agreement entered into with investors in Sadbhav Infrastructure Project Limited (SIPL) the holding of Company in BOT projects is to be transferred to SIPL after obtaining necessary approvals.
- Rohtak Panipat Tollway Private Limited has achieved Commercial Operation Date on 06th January, 2014. The Toll Revenue of ₹ 19.05 Crores is for the period starting from 9th January, 2014 to 31st March, 2014.
- 6 Checkposts have started generating revenue in FY14 at various points of time while 3 more Check Posts have started generating revenue in May, 2014.
- In terms of Share Purchase Agreement dated 6th May, 2011 between Sadbhav Infrastructure Project Limited (SIPL) and Company, SIPL has acquired entire shareholding of the Company in Nagpur Seoni Expressway Limited. As at reporting date, the transfer formalities for these shares is in process.
- The National Highway Authority of India (NHA) vide Board Meeting dated May 23, 2014 has approved the proposal for Deferment of Premium for the Projects of Hyderabad Yadgiri Tollway Private Limited and Rohtak Panipat Tollway Private Limited. Deferment of Premium shall span over the period from 2014-15 till 2026-27.

Employee Stock Option Scheme:

The Company implemented the 'Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008) to enable the employees and Directors of the Company and its subsidiaries to contribute to the growth and profitability of the Company. Options granted under this scheme vest over a period of four years period, with 25% of the grants vesting in each year, commencing one year from the date of grant. Options can be exercisable within a period of three years from the date of vesting. The Remuneration Committee administers and monitors the Scheme.

The applicable disclosures as stipulated under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, is provided in Annexure-I forming part of this report.

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

Preferential allotment of warrants to promoter and promoters Group:

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

Share Capital:

During the year, under 'Sadbhav Employees' Stock Option Scheme 2008 (ESOS Scheme 2008), 7,16,500 equity shares were allotted to the directors and employees of the Company at price of ₹ 50/- per equity share. The paid-up equity share capital of the company has been increased from ₹ 15,09,45,800/- to ₹ 15,16,62,300/- after allotment.

Subsidiary Company:

Pursuant to the General Exemption granted by Central Government vide General Circular No. 2/2011 dated February 08, 2011 and the resolution passed by the Board of Directors on May 30, 2013, copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of subsidiary companies have not been attached to the Annual Accounts of the Company under Section 212 of Companies Act 1956. As required under the circular statement giving required details is given elsewhere in this Annual Report. The Company will keep these documents at the Registered Office of the Company and its subsidiaries and make them available upon the request by any shareholder of Company.

Consolidation of Accounts:

Pursuant to the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statement presented by the Company includes the financial statement of only those subsidiaries which have commenced activities.

Fixed Deposit:

The company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, as amended, during the year under review.

Directors:

Retirement by Rotation

Shri Vikramkumar R. Patel and Shri 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 re-appointment.

Appointment

Pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sandip A. Sheth and Mr. Mirat N. Bhadlawala were appointed as Additional Directors designated as an Independent Director and they shall hold office upto the date of ensuring Annual General Meeting.

The Board recommend their appointment in the ensuing Annual General Meeting.

Resignation

Shri Amarsinh J. Vaghela and Shri Hemendra C. Shah, Independent Directors of the Company have resigned from the Board of Directors. The Board places on records its deep sense of appreciation on valuable contribution made by outgoing directors during their tenure on the Board.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that -

- (i) in the preparation of the annual accounts, accounting standards have been followed along with proper explanation relating to material departure;
- (ii) such accounting policies have been selected and applied consistently and have made judgments and estimates reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2014 and the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the accounts have been prepared on a 'going concern' basis.

Auditors:

M/s. Surana Maloo & Co., Chartered Accountants, the Statutory Auditors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors have recommended the re-appointment of M/s. Surana Maloo & Co., Chartered Accountants, as an auditor of the Company for a term of three consecutive years to audit the books of accounts for the Financial Year 2014-15 to Financial Year 2016-17.

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

Auditors' Report:

The Auditors' have not made any adverse comments / remarks which requires clarification from the Directors of Company and accordingly no further explanation has been provided by the directors in term of section 217 of the Companies Act, 1956.

Transfer To Investor Education and Protection Fund:

The Company has transferred a sum of ₹ 1.25 lacs during the financial year 2013-14 to the Investor Education and Protection fund established by the Central Government, in compliance with Section 205A(5) of the Companies Act, 1956. The said amount represents unclaimed dividend amount for the financial year 2005-2006 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has send reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2005-2006.

Corporate Governance:

The Company has been proactive in following the principles and practices of good corporate governance. The Company has ensured that the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are duly complied with. A report on Corporate Governance along with a certificate from the Auditors regarding compliance of Clause 49 of Listing Agreement is annexed.

Industrial Relations:

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

Particulars of Employees:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in the Annexure-II and forms part of this Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo:

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. The particulars of the expenditure and earning in Foreign Currency are given in Notes to Accounts (Note No. 2.40 to 2.42).

Acknowledgements:

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

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : August 11, 2014

Vishnubhai M. Patel
Chairman

Annexure - I forming part of Directors Report

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 as at March 31, 2014 are given below :

A.

Sr. No.	Particulars	ESOS-2008
1	Option Granted	2,50,000 adjusted to 25,00,000 (on account of split of the face value of Equity Shares from ₹ 10 each to Re 1 per share)
2	The Pricing Formula	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	17,86,500
5	Total number of Shares arising as a results of exercise of Options	17,86,500
6	Options Lapsed	3,31,000
7	Variation in the terms of Options	NIL
8	Fund raised by the exercise of Option	₹ 8,93,25,000
9	Total number of options in force	3,82,500

B. Employee wise details of options granted :

No Stock Options were granted to Directors and Senior Management Personnel during the year. The details of Options granted during the year 2010-11 and outstanding as at March 31, 2014 are as under :

i) To Senior Managerial Personnel :

Sr. No.	Name of Employees / Directors	Designation	No. options Outstanding
1	Nitin R. Patel	Executive Director	45000

ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: 1,80,000 options granted to Mr. Nitin R. Patel, the Executive Director during year 2010-11 out of which 45000 options are outstanding as at 31/03/2014.

iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : None

C. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard AS-20 Earning per share ₹ 7.01)

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

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

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

Weighted average fair value of Options granted during the year whose

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

- F. Method and Assumptions used to estimate the fair value of options granted during the year : The fair value has been calculated using the Binomial Option Pricing Model
The Assumptions used in the model are as follows :

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

Annexue - II Forming Part of Directors' Report

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Employees who are employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- or more per annum.

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration (₹)	Experience (No. of years)	Last Employment	% age of equity shares held by employee
Mr. Vishnubhai Mafatlal Patel Qualification: S.S.C.	73 Yrs.	Chairman & Managing Director	03-10-1988	1,80,00,000/- p.a.	46 Years	None	11.76
Mr. Shashin Vishnubhai Patel Qualification: MBA	33 Yrs.	Joint Managing Director	23-05-2000	60,00,000/- p.a.	14 years	None	3.63
Mr. P. K. Doshi* Qualification: Civil Engineer (ME)	48 Yrs.	Director (Tech.)	01-08-2010	88,34,796/- p.a.	22 Years	PWD-Rajasthan	0.06
Mr. Subodh V. Kamat* Qualification: B.E. Civil	62 Yrs.	Chief Executive Officer	22-11-2011	60,00,000/- p.a.	37 Years	Lanco-Infratech	-

Notes :

1. Remuneration includes Salary, Contribution to Provident and other funds and perquisites (including medical, leave travel and leave encashment on payment basis and monetary value of taxable perquisites) etc.
2. All the above said appointment are in the nature of contractual employment except marked* and are terminated by notice of either side.
3. None of the employee is related to any Director of the company except Mr. Vishnubhai M. Patel & Mr. Shashin V. Patel, Joint Managing Director who are related to each other.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at a true Corporate Governance. In so far as compliance with the requirement of clause 49 of the Listing Agreement with the Stock Exchange, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

Board of Directors

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

COMPOSITION

Name	Designation	Category	No. of other Directorship held in other public Company	No. of committee membership of other Companies	No. of committee chairmanship of other Companies
Mr. Vishnubhai M. Patel	Chairman & Managing Director	Promoter, Executive Director	12	2	2
Mr. Shashin V. Patel	Joint Managing Director	Executive Director	9	2	Nil
Mr. Nitin R. Patel	Executive Director	Executive Director	14	2	Nil
Mr. Vikram R. Patel	Executive Director	Executive Director	2	Nil	Nil
Mr. Vasistha C. Patel	Executive Director	Executive Director	10	Nil	1
Mr. Amarsinh Vaghela	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Sandip V. Patel	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Atul N. Ruparel	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Arun S. Patel	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Hemendra C. Shah (From 02/05/2013)	Director	Independent, Non-Executive Director	1	Nil	Nil

Board Meeting and Attendance

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

During the year 2013-2014, 5 (Five) Board Meetings were held on May 30, 2013, July 04, 2013, August 13, 2013, November 14, 2013 and February 14, 2014.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel	5	Yes
Mr. Nitin R. Patel	5	-
Mr. Shashin V. Patel	5	Yes
Mr. Vikram R. Patel	2	Yes
Mr. Vasistha C. Patel	5	Yes
Mr. Amarsinh Vaghela	3	Yes
Mr. Sandip V. Patel	5	Yes
Mr. Atul N. Ruparel	5	Yes
Mr. Arun S. Patel	5	Yes
Mr. Hemendra C. Shah	5	Yes

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2014 was as under -

Mr. Sandip V. Patel	Chairman
Mr. Amarsinh J. Vaghela	Member
Mr. Atul N. Ruparel	Member
Mr. Arun S. Patel	Member (From 30/05/2013)

The terms of reference stipulated by the Board to the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreements.

During the year 2013-2014, Four meetings of the Audit Committee were held on May 30, 2013, August 13, 2013, November 14, 2013 and February 14, 2014.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	4
Mr. Amarsinh J. Vaghela	4
Mr. Atul N. Ruparel	4
Mr. Arun S. Patel (From 30/05/2013)	3

Remuneration Committee

The Remuneration Committee which comprises of four Independent Non-Executive Directors has been constituted for performing, inter-alia, various functions as set out under clause 49 of the Listing Agreements with the Stock Exchanges, comprises of the following directors.

Mr. Atul N. Ruparel	Chairman
Mr. Sandip V. Patel	Member
Mr. Arun S. Patel	Member
Mr. Hemendra C. Shah	Member (From 30/05/2013)

During the year 2013-2014, Five meetings of Committee were held on May 27, 2013, July 04, 2013, August 07, 2013, January 01, 2014 and March 13, 2014 to review and revised the remuneration of Key Personnel in which following members were present.

Name of Director	Meetings attended
Mr. Atul N. Ruparel	4
Mr. Sandip V. Patel	4
Mr. Arun S. Patel	4
Mr. Hemendra C. Shah	4

Remuneration Policy

The remuneration committee reviews and recommends remuneration of Managing Director and Whole Time Directors and determines the detail terms and conditions of the Employees Stock Option Scheme in accordance with SEBI guidelines as and when required. The Non-Executive Directors are paid sitting fees of ₹ 10,000/- for attending Board meetings.

The components of the total remuneration to management staff vary for different grades and are governed by qualifications, experience, responsibilities handled, individual performance, etc.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

Details of the remuneration paid during the year 2013-14 and other terms of appointment of Directors

Name of Directors	Salary (₹ in Lakhs)	Sitting Fees ₹	Terms of Appointment	No. of equity shares held as on 31st March, 2014	No. of outstanding Stock options*
Mr. Vishnubhai M. Patel	180.00	Nil	5 years from July 1, 2009	17829220	Nil
Mr. Nitin R. Patel	54.00	Nil	5 years from July 1, 2009	10800	45000
Mr. Shashin V. Patel	60.00	Nil	5 years from July 1, 2009	5499720	Nil
Mr. Vikramkumar R. Patel	30.00	Nil	5 years from October 01, 2012	3408750	Nil
Mr. Vasistha C. Patel	30.00	Nil	5 years from October 01, 2012	2002150	Nil
Mr. Amarsinh J. Vaghela	Nil	30000		6402	Nil
Mr. Sandip V. Patel	Nil	50000		10000	Nil
Mr. Atul N. Ruparel	Nil	50000		10000	Nil
Mr. Arun S. Patel	Nil	50000		Nil	Nil
Mr. Hemendra C. Shah	Nil	50000		Nil	Nil

The Directors were not paid any allowance or perquisites in the year 2013-14, except in case of Mr. Nitin R. Patel salary includes the monetary value of taxable perquisites towards the stock options exercised under the ESOS Scheme.

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

* As on March 31, 2014, 45000, Stock Options (comprising vested and unvested after adjustment for exercised options) in aggregate are outstanding to the account of the Directors, which can be exercised at an exercise price of ₹ 50.00 per stock option as per the exercise schedule.

Shareholders'/ Investors' Grievance Committee

Company has constituted the Shareholders'/ Investors' Grievances Committee comprising of –

Mr. Amarsinh J. Vaghela	Chairman
Mr. Sandip V. Patel	Member
Mr. Nitin R. Patel	Member
Mr. Vikram R. Patel	Member

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

The Board has designated Mr. Vijay J. Kalyani - Company Secretary as compliance officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirement under the Listing Agreement.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 2. No complaints were pending as on March 31, 2014.

During the year 2013-2014, four meetings of Committee were held on May 30, 2013, August 13, 2013, November 14, 2013 and February 14, 2014 in which following members were present.

Name of Director	Meetings attended
Mr. Amarsinh J. Vaghela	3
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Vikramkumar R. Patel	1

Other Committees

Finance and Investment Committee

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

General Body Meetings

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

Financial Year	Date	Time	Venue
2010-11	September 27, 2011	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2011-12	September 29, 2012	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2012-13	September 30, 2013	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

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

Date of AGM	Special Resolution Passed
September 27, 2011	Nil
September 29, 2012	<ul style="list-style-type: none"> Increase the remuneration of Mrs. Rajeshri R. Patel, holding place of profit under section 314 of the Companies Act, 1956.
September 30, 2013	Nil

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

Date of EGM	Ordinary Resolution Passed
July 29, 2013	<ul style="list-style-type: none"> Issue fully convertible warrants aggregating upto ₹ 92.60 crores on a preferential basis to one or more persons belonging to promoter and/or promoters group of the Company. Raising of funds by way of equity shares and detachable warrants convertible into equity shares for cash for a sum not exceeding ₹ 125 crores on a right basis.

No resolution was passed through postal ballot during 2013-14 and there is no any proposal to pass the resolution through postal ballot.

Unclaimed Shares lying in Demat Suspense Account

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in demat form:

Sr. No.	Particulars	Number of Shareholders	Number of Equity Shares
i	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3	1050
ii	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	Nil	Nil
iii	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
iv	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	3	1050
v	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

Disclosures

There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large. The transactions with related parties are disclosed in Notes to the accounts (Note No. 2.35).

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.

Compliance with Other Mandatory Requirements

Management Discussion and Analysis

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

Subsidiary Companies

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

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

Disclosure of Related Party Transactions

The details of transactions, if any, with related parties are placed before the audit committee on a quarterly basis and necessary approval of the authorities is taken wherever required.

Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Disclosure on Risk Management

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

Code of Conduct

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

CEO/CFO Certificate

The Managing Director and Executive Director (Finance) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and Executive Director (Finance) also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2013-14, Company has published its quarterly results as under

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

- Company has its own website www.sadbhaveng.com and results on approval of the Board are simultaneously hosted on website.
- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.
- Annual Report containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to the members and other entitled thereto.
- Pursuant to Clause 52 of Listing Agreement Company is awaiting the instruction from the participating stock exchanges, to file such data on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in

- The Company also submits electronically various compliances reports, public statements etc. periodically in accordance with the Listing Agreement on NSE and BSE.

General Shareholders Information

1. Annual General Meeting

Date and Time : September 26, 2014 at 03.00 p.m.
Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

2. Financial calendar : April 1 to March 31

3. Book Closure date : September 01, 2014 to September 06, 2014 (both days inclusive) for payment of dividend.

4. Dividend payment date : Between September 27, 2014 and September 30, 2014.

5. Stock Code

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

6. Listing on Stock Exchanges :

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

B: Debt Securities (Debentures)

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

INE226H07023 - NCDS of ₹ 100 Lakh each
INE226H07031 - NCDS of ₹ 100 Lakh each

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

Note: Annual listing fees for the year 2014-15 has been paid to the BSE and NSE

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

Month	The Bombay Stock Exchange Limited, Mumbai (BSE)		The National Stock Exchange, Mumbai (NSE)	
	High Price	Low Price	High Price	Low Price
April 2013	122.00	110.00	122.75	111.15
May 2013	129.00	98.55	119.00	98.70
June 2013	111.25	91.15	109.90	91.50
July 2013	102.00	69.00	102.80	69.00
August 2013	74.95	53.00	74.80	51.25
September 2013	63.90	52.00	63.50	52.60
October 2013	71.65	60.00	71.90	59.10
November 2013	89.00	63.50	88.35	63.40
December 2013	95.00	75.60	94.00	78.60
January 2014	98.65	74.20	98.70	83.15
February 2014	93.70	81.50	93.90	81.10
March 2014	99.90	73.15	100.00	73.40

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

9. Share Transfer System

Presently, the requests for transfer of shares which are in physical form are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated the powers of approving transfer of securities to the Company's Registrars and Transfer Agents under the supervision and control of the Company Secretary, subject to placing of summary statement of transfer/transmission of securities, etc. at the shareholders'/investors' grievance committee meetings. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges.

10. Shareholding as on March 31, 2014**a. Distribution of shareholding as on March 31, 2014**

No. of shares	No. of shareholders	% to total	No of shares held	% to total
1 - 500	6591	84.12	1167196	0.7696
501 - 1000	497	6.34	385919	0.2545
1001 - 2000	272	3.48	392993	0.2591
2001 - 3000	100	1.28	257457	0.1698
3001 - 4000	46	0.59	164156	0.1082
4001 - 5000	52	0.66	241599	0.1593
5001 - 10000	104	1.33	765675	0.5049
Above 10000	172	2.20	148287305	97.778
Total	7835	100.00	151662300	100.000

b. Categories of shareholders as on March 31, 2014

Category	No. of shares	% to total
Promoters	73835880	48.68
Mutual Fund	39779159	26.23
Banks, Financial institutions, Insurance companies	16062	0.01
FII	24288302	16.01
Other private corporate bodies	9358075	6.17
Indian Public	4255092	2.81
NRI / OCB	129730	0.09
Total	151662300	100.00

11. Dematerialization of shares and liquidity

99.99% of the Company's paid-up equity share capital has been dematerialized up to July, 2014. 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 2005-2006 to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 1.25 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205A(5) of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

13. SEBI Complaints Redress System (SCORES)

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

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

As at March 31, 2014, 3,82,500 stock options, granted under Sadbhav Employee Stock Option Scheme 2008 ("ESOS Scheme 2008") are outstanding.

80,00,000 fully convertible warrants allotted on August 13, 2013 on preferential basis to persons belonging to promoter and promoter group of the company, entitling them to apply for one equity share against each such warrant at an exercise price of ₹ 115.75 per warrants, are outstanding on the date of this annual report.

Company has no other outstanding GDRs / ADRs as on 31st March, 2014.

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

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

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

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

For Sadbhav Engineering Limited

Place : Ahmedabad,
Date : May 30, 2014

Vishnubhai M. Patel
Chairman & Managing Director

Auditors' Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited

We have examined the compliance conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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

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

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

Place : Ahmedabad
Date : May 30, 2014

S. D. Patel
PARTNER
Membership No. 37671

Management Discussion & Analysis

The company presents its annual report for the year 2013 - 14 and a perspective for the future on the foundation of the existing scenario, given the variants of economic standing, political situation and all other global developments.

1. ECONOMIC

The Indian economy recovered in the second quarter (Q2) of 2013-14 recording a growth of 4.8 per cent. This follows a growth rate of 4.4 per cent in the first quarter (Q1) of the current financial year - the lowest in 16 quarters. Particularly encouraging is the fact that the recovery in Q2 is noticed on the face of significant fiscal consolidation by the Government and tighter liquidity conditions to moderate aggregate demand. The economy went through challenging times since the crisis in the Euro area in 2011-12 with a cyclical down turn with growth slowdown, elevated current account deficit, persistent inflation, and the need to restore fiscal policy to a sustainable path. While the Government delivered on the announced fiscal targets in 2012-13, current account deficit (CAD) continued to remain elevated in Q1 of 2013-14 and in tandem with market misperception of an imminence of the rollback of quantitative easing in US, assumed a serious dimension with the sharp depreciation of the rupee. The Government put in place a series of measures and there has been a significant let-up in the challenges on the trade and balance of payments front, particularly in the Q2 2013-14. Domestic impediments like elevated levels of food and retail inflation, high input costs and pressure on profit margins and infrastructural bottlenecks continued, with the Government addressing them through appropriate calibration of fiscal policy, administrative measures and institutional mechanisms like Cabinet Committee on Investment to fast track projects. The recovery in growth, although weak, is expected to gather pace in the coming quarters. Broadly summarized, the indications to this effect are a sharp moderation in CAD composed of both a moderation in imports and pickup in exports; a moderation on year-on-year WPI inflation in the first half over that in the previous year; fiscal consolidation that is broadly on track; and accelerated growth in agriculture and a mild recovery in manufacturing.

2. INDUSTRY SYNOPSIS

According to Moody's Investor Services, inflation will be key as we go ahead and supply will remain a concern.

The government has announced a slew of proposals, including raising the limit on foreign direct investment in defence and insurance ventures to 49 per cent from 26 per cent, which is expected to help the rupee in the medium - to longer - term. The Budget includes measures to support faster economic growth, such as allowing greater foreign direct investment in insurance and defence, increasing spending on infrastructure, and introducing tax incentives for savings and investment.

According to statements made by Moody's representative, these policies are credit positive for the corporate and infrastructure sectors. However, their effect on overall gross domestic product growth will be muted without a decline in inflation, interest rates and regulatory constraints on private investment.

The tight fiscal deficit targets are expected to help keep a lid on prices, a critical factor in a country where consumer price inflation was 8.28.

3. OPPORTUNITIES & STRENGTHS

Roads and Highways

Road network provides the arterial network to facilitate trade, transport, social integration and economic development. It facilitates specialization, extension of markets and exploitation of economies of scale.

The total road length in India increased more than 11 times during the 60 years between 1951 and 2011. India has the world's third largest road network, aggregating over 33 lakh kilometres and account for 65 per cent of freight and 80 per cent of passenger traffic, according to the National Highway Authority of India (NHAI). The Government of India estimated approximately that US\$ 90 billion investment would be required during FY07-FY12 to improve the country's road infrastructure. Plans have been announced by the Government to increase investments for the development of road infrastructure in the country. The Government would increase funds from around US\$ 15 billion per year to over US\$ 23 billion in 2011-12 for the same. The amount of funds invested as part of these programs will considerably exceed that invested in the past. Such programs are being funded via a mix of public and private initiatives. At present, the onus of financing road projects is mainly on commercial banks. However, insurance and pension funds, External Commercial Borrowings and Infrastructure Development Funds (IDFs) may be increasingly tapped to meet the financing requirements of road projects.

Irrigation

The water resource potential of the country, which occurs as a natural runoff in the rivers is 1869 BCM as per the latest CWC estimates. Of this, only 1122 cubic Km is utilisable. Over 90 % of annual runoff in peninsular rivers and over 80% of the annual runoff in Himalayan rivers occur during four monsoon months of June to September. The largest increase in irrigated area across the world in next few years is expected in India, with 17.3 M Ha, as public investment in irrigation has remained relatively strong and private investment in groundwater has been rapid. However, even in India, the projected 1995 to 2020 rate of growth in irrigated area of

1.2% per year is well below the rate of 2.0% per year during the past years. Even India, as we will see, the per annum increase in canal irrigated areas has to be rapidly developed.

Mining

There is a requirement of 300 million tonnes of coal per annum in India which translates into removal of six to eight times of consolidated or unconsolidated materials called overburden that overlies a coal deposit. Currently, Sadbhav is executing 14 Mining projects with a balance work order of ₹ 2268.51 crores.

Major ongoing projects

- Overburden removal and Lignite excavation at GHCL Ltd. Bhavnagar, Gujarat
- Overburden removal and Lignite excavation at GIPCL, Gujarat
- Overburden removal and Coal excavation at Navinkunada OCP, WCL, Maharashtra
- Overburden removal and Coal excavation at Basantimata OCP, BCCL, Jharkhand
- Overburden removal and Coal excavation at Dhansar OCP, BCCL, Jharkhand
- Overburden removal and Coal excavation at Katras OCP, BCCL, Jharkhand
- Overburden removal at Amlohri OCP, NCL, M.P.
- Overburden removal and Coal extraction of ore at Banduhurang mines, UCIL, Jharkhand
- Overburden removal at Lakhanpur OCP, MCL, M.P.
- Overburden removal and lignite excavation at Kapurdi mines, Rajasthan

Therefore the market for such projects is huge in the country and abroad in any coal project.

4. OUTLOOK

So far infrastructure development in India was lagging. With new government in place and its PPP initiative, we foresee opportunity for considerable growth. Our past experience in the infrastructure industry has enriched us tremendously and with our skills as well as organizational set up, we have set our sights on other growth centric projects like development of ports, laying of pipelines and airports.

5. RISKS & CHALLENGES

The biggest challenge for sadbhav is the slowdown in global economy. The risks involved in contractual obligations, low profit margin high instability in prices of major raw materials such as steel, cement etc, labour shortage are other major areas of concern. The building of roads & highways are prone to time and cost overrun due to problems land acquisition and removal of encroachments.

6. MINIMIZING RISK

Our reporting systems ensure precise monitoring for quick decisions to favor a smooth running of the operations at all points in time. Attention is drawn to any risk related functions and they are closely monitored to take timely decisions to avoid problems/ regain stability within the shortest possible time.

With considerable years of experience in this industry Sadbhav endeavours to plan the supply of materials effectively and keep the cost escalation risk to a minimum. Long term arrangement with suppliers for requisite raw materials for the tenure of the project, guarantees an unhindered flow for project execution.

An optimistic and conducive work environment synergised with positive relationship with all its employees further adds to the company's growth. Our extensive employee welfare scheme takes care of their health and safety. This has paved way for unhindered work without stoppages or significant labour disruptions during its operational history.

The Company's ability to foresee and manage business risks plays a crucial role in achieving positive results and gives us the confidence in coming out safely from the brewing economic storm.

7. SEGMENT WISE PERFORMANCE

As on March 31, 2014 the Company has two reportable segments i.e. "Construction & Engineering" & "Power Generation" on Stand Alone basis.

(a) Segment Revenue

The revenue of "Construction & Engineering" Segment for the year ended March 31st, 2014 amounted to ₹ 2352.40 crores whereas revenue of "Power Generation" Segment amounted to ₹ 5.72 crores.

(b) Segment Results

Profit before interest and tax of "Construction & Engineering" Segment for the year ended March 31st, 2014 amounted to ₹ 243.85 crores whereas of "Power Generation" Segment amounted to ₹ 5.55 crores.

(c) Capital Employed

The capital employed of “Construction & Engineering” Segment for the year ended March 31st, 2014 amounted to ₹ 957.22 crores.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company has adequate internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records. The Company has already implemented a comprehensive customized ERP system. This system will connect all sites with the corporate office, and by providing real time information to the top brass of the Company it will enable better management and control of all the processes.

9. FINANCIAL OVERVIEW

(a) Income Analysis

The Company’s revenues for the current year stood at ₹ 2358.12 crores as against ₹ 1810.99 crores in the previous year, thereby registering a decline of 30.21%.

(b) Expense Analysis

Manufacturing and Construction expenses

Material consumed for the year ended March 31st, 2014 amounted to ₹ 377.88 crores, construction expenses increased from ₹ 1251.29 crores incurred during 2012-13 to ₹ 1567.08 crores.

Depreciation, Interest and Finance cost

Depreciation during 2013-14 amounted to ₹47.40 crores as against ₹ 31.82 crores recorded in 2012-13. Finance cost increased from ₹ 84.37 crores in 2012-13 to ₹ 118.11 crores in 2013-14.

(c) Profit Analysis

EBDITA during 2013-14 stood at ₹ 285.83 crores as against ₹ 166.09 crores recorded during 2012-13. Profit after tax for 2013-14 stood at ₹ 106.16 crores as compared to ₹ 74.07 crores during 2012-13.

(d) Net Worth

The company also saw a rise in the Net worth from ₹ 832.52 crores in 2012-13 to ₹ 957.22 crores in 2013-14.

(e) Dividend

In view of the company’s remarkable performance, the Company declared a final dividend of 70%.

10. HUMAN RESOURCE DEVELOPMENT

Our responsibilities towards our people, who are instrumental to our success in the corporate world, with their devotion and relentless support covers a quantum part of the company strategy. We realize that they are responsible for our existence as well as our goodwill. A professionally managed HR team strives to attract the best possible talent and groom it to fulfil vision and look after their social amenities like Medical, PF, Gratuity, LTA etc.

Sadbhav recognizes the potential of each employee and attempts to provide them the right opportunity to grow. Regular in-house and external training which includes knowledge and skill development is provided to enhance their growth. We strive to maintain a professional, value-driven, work environment where every employee feels satisfied and appreciated. Our positive approach to competency development and retention allows us to attract, retain and build the best team.

11. CAUTIONARY STATEMENT

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

Independent Auditor's Report

To,
The Members of,
Sadbhav Engineering Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sadbhav Engineering Limited ("the company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1) (g) of the Act.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

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

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- a) The Company has given loan to one subsidiary and four step down subsidiaries. In respect of the said loan, the maximum amount outstanding at any time during the year is ₹ 47052.72 Lacs and the year-end balance is ₹ 44805.33 Lacs.
- b) In our opinion and according to the information and explanations given to us, interest has been charged on loan given to subsidiary however no interest has been charged on loan given to step down subsidiaries and other terms and conditions, are not prima facie prejudicial to the interest of the company.
- c) The loan given to subsidiary are repayable on demand and there is no repayment schedule however loans given to step down subsidiaries are repayable on demand after consortium loans and other dues thereon have paid in full.
- d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e) During the year Company has taken loan from one company covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved was ₹ 56.99 Lacs and the balance at the year end was ₹ 56.99 Lacs.
- f) The rate of interest and other terms and conditions of loan taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- g) The principal amount is repayable on demand and therefore the question of overdue amounts does not arise.

4. In respect of Internal Control:

In our opinion and according to the information and explanations given to us, there is formal internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets. As the company is Construction Company the question of internal control over sale of goods does not arise. During the course of our audit, we have not observed any major weaknesses in absence of formal internal control system.

5. In respect of transactions need to be entered into the register maintained under section 301 of the companies Act, 1956:

- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, having regard to the fact that the transactions of works contract made in pursuance of contracts or arrangements entered in to the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices for such works contract at the relevant time or the prices at which the transactions for similar works contract have been made with other parties.

6. In respect of deposits from public:

The Company has not accepted any deposits during the year from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Act and rules framed thereunder.

7. In respect of internal audit system:

In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.

8. In respect of maintenance of cost records:

We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956 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.

9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
- b) 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, 2014 for a period of more than six months from the date of becoming payable.
- c) The disputed statutory dues aggregating to ₹ 788.45 Lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (₹ in Lakhs)
01.	The Custom Act, 1962	Custom duty	2001-2002	Commissioner (Appeal)	104.95
02.	Service Tax Act, 1994	Service Tax	2005-2006	CESTAT, Ahmedabad	67.29
03.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
04.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	Commissioner, Bangalore	19.84
05.	Rajasthan Minor Mineral Concession Rules, 1986	Royalty	2013-14	The High Court, Rajasthan (Net of deposit)	51.32
				TOTAL	788.45

10. In respect of accumulated losses and cash losses:

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

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

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

12. In respect of loans and advances granted on the basis of security:

In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provision applicable to chit fund /nidhi / mutual benefit fund / society:

In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. In respect of dealing or trading in share, securities, debentures and other investments:

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of the paragraph 4 of the Order are not applicable to the Company.

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

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

16. In respect of application of term loans:

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

17. In respect of fund used:

According to the information and explanations given to us, and an overall examination of the Cash flow statement and Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.

18. In respect of preferential allotment of shares:

The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Act, during the year.

19. In respect of securities created for debentures:

According to the information and explanation given to us, the Company has created securities/Charges in respect of secured debenture issued during the year.

20. In respect of end use of money raised by public issues:

The Company has not raised any money by way of public issue during the year.

21. In respect of fraud:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2014

Balance Sheet as at March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1516.62	1509.46
(b) Reserve and Surplus	2.2	91890.53	81742.41
(c) Money Received against Share Warrants		2315.00	0.00
		95722.15	83251.87
(2) Non-current Liabilities			
(a) Long Term Borrowings	2.3	42152.71	31215.94
(b) Deferred Tax Liabilities	2.4	3566.81	3169.17
(c) Other Long Term Liabilities	2.5	4917.14	7819.19
(d) Long Term Provisions	2.6	251.11	226.85
		50887.77	42431.15
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	44178.24	36095.69
(b) Trade Payables	2.8	37631.45	32906.60
(c) Other Current Liabilities	2.9	62479.29	33003.86
(d) Short Term Provisions	2.10	11895.23	21393.90
		156184.21	123400.05
TOTAL		302794.13	249083.07
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	49756.69	32943.07
(ii) Intangible Assets	2.12	61.88	83.39
		49818.57	33026.46
(b) Non-current Investments	2.13	52100.41	53845.28
(c) Long Term Trade Receivables	2.14	1987.52	4167.79
(d) Long Term Loans, Advances and Deposits	2.15	48168.09	15196.31
		102256.02	73209.38
(2) Current Assets			
(a) Inventories	2.16	16382.10	10219.02
(b) Trade Receivables	2.17	73187.16	73649.15
(c) Cash and Cash Equivalents	2.18	7617.24	2175.51
(d) Short-Term Loans and Advances	2.19	48897.03	53463.06
(e) Other Current Assets	2.20	4636.01	3340.49
		150719.54	142847.23
TOTAL		302794.13	249083.07

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

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Profit and Loss Statement for the Year Ended March 31, 2014

(₹ in Lakhs)			
Particulars	Note No.	2013-2014	2012-2013
I Revenue from Operations	2.21	235812.36	181099.80
II Other Income	2.22	3642.22	1034.78
III Total Revenue (I+II)		239454.58	182134.58
IV Expenses :			
Cost of Material Consumed	2.23	37788.37	26838.35
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	2.24	0.00	0.00
Construction Expenses	2.25	156707.62	125128.73
Employee Benefits Expense	2.26	6021.98	4280.74
Finance Cost	2.27	11811.49	8436.97
Depreciation and Amortization Expense		4739.97	3182.25
Other Expenses	2.28	10354.02	9277.25
Total Expenses		227423.45	177144.29
V Profit Before Exceptional Items and Tax (III-IV)		12031.13	4990.29
VI Exceptional Item (Net of Income)	2.46	(3,834.76)	6093.98
VII Profit Before Tax (V+VI)		8196.37	11084.27
VIII Tax Expense			
(1) Current Tax (MAT Payable)		1718.00	2853.56
(2) MAT Credit Entitlement		(2,661.50)	0.00
(3) Deferred Tax		397.64	823.86
(4) Short/(Excess) Provision for taxation for earlier years		(1,874.11)	(0.51)
IX Profit for the period from continuing Operations (VII-VIII)		10616.34	7,407.36
X Earning per Equity Share (in Rupees)			
(1) Basic	2.29	7.01	4.91
(2) Diluted	2.29	7.01	4.89
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

For and on behalf of Board

V. M. Patel
Managing Director

Vasistha C. Patel
Executive Director

Nitin R. Patel
Executive Director

Vijay Kalyani
Company Secretary

Cash Flow Statement for the Year 2013-2014

(₹ in Lakhs)

Particulars	2013-2014		2012-2013	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		10616.34		7407.36
Adjustments For :				
Interest Income	(3464.99)		(840.22)	
Interest Expenses	11781.61		8400.22	
Depreciation & Amortisation	4739.97		3182.25	
Profit on sale of Assets	(2.44)		(82.78)	
Loss on sale of Assets	498.53		57.73	
Exceptional Item	3834.76		0.00	
Stock Option Premium	433.14		377.68	
Income Tax Provision	(2817.61)		2853.05	
Welath Tax Provision	2.51			
Foreign Exchange Loss	0.00		36.75	
Deferred Tax Liabilities/(Assets)	397.64	15403.12	823.86	14808.54
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		26019.46		22215.90
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	(265.21)		198.64	
(Increase)/Decrease of Trade Receivables	461.99		1092.54	
(Increase)/Decrease of Other Current Assets	(1059.01)		205.02	
(Increase)/Decrease of Inventories	(6163.08)		(1379.69)	
(Increase)/Decrease of Long Term Loans and Advances	1783.70		(2309.81)	
(Increase)/Decrease of Short Term Loans and Advances	2553.70		(1056.60)	
(Increase)/Decrease of Other Long Term Liabilities	17.19		(173.79)	
(Increase)/Decrease of Long Term Provisions	24.26		44.02	
Increase/(Decrease) of Trade Payables	5503.18		777.17	
Increase/(Decrease) of Other Current Liabilities	22210.17		(8060.34)	
Increase/(Decrease) of Short Term Provision	(0.04)		(23.37)	
		25066.86		(10686.21)
Cash generated from Operations		51086.32		11529.69
Tax Paid	(4860.66)	(4860.66)	(4948.38)	(4948.38)
Net Cash From Operating Activities		46225.66		6581.31
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Fixed Assets	(22217.12)		(7202.24)	
Sales of Fixed Assets	386.65		248.57	
Investments in Subsidiary Companies	(732.01)		(20541.92)	
Investments in Associate Companies	0.00		(451.10)	
Other Non Current Investments	28.90		320.24	
Advance Recd. from subsidiary against sale of shares in other subsidiaries	0.00		451.10	
Loan to Subsidiary Companies	(37394.37)		(5583.07)	
(Increase) /Decrease in Other Bank Balance & FDR's	(298.17)		(1375.83)	
Interest Received	3468.91	(56757.22)	913.92	(33220.34)
Net Cash From Investing Activities		(56757.22)		(33220.34)

Cash Flow Statement for the Year 2013-2014

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	358.25	289.00
Proceeds From Long Term Borrowings	28669.61	26778.20
Proceeds From Short Term Borrowings	10752.69	52.30
Repayment of Long Term Borrowings	(10917.39)	(4691.58)
Repayment of Short Term Borrowings	(6151.78)	(2684.68)
Received against Issue of Share Warrant	2315.00	0.00
Net Increase in Working Capital Loan	3481.64	11503.97
Interest Paid	(11768.99)	(8396.26)
Dividend Paid	(908.23)	(905.14)
Dividend Tax Paid	(154.40)	(140.65)
Transfer Investor Protection & Education Fund	(1.25)	(0.26)
Net Cash From Financing Activities	15675.15	21804.90
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	5143.58	(4834.13)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	640.29	5474.44
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	5783.87	640.29
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	20.51	32.46
BALANCE IN CURRENT ACCOUNT WITH BANKS	1187.28	607.60
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	4576.08	0.25

Notes:

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

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Corporate Information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. Company also establish, maintain, operate, lease or transfer the above infrastructure facilities on BOT, BOLT and BOOT basis. Company is also engaged in business of energy generation through Wind Power Project.

Note 1. Significant Accounting Policies:

a) Basis of Preparation

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of accounting Estimates:

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

c) Inventories:

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

Work in progress is valued at contract rates.

d) Cash and Cash Equivalent:

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

e) Cash Flow Statement:

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

f) Depreciation and Amortisation:

Depreciation is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956.

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

g) Recognition of contract revenue and expenses:

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

h) Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

i) Fixed Assets (Tangible / Intangible):

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

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

j) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. On such indication, the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

k) Foreign Currency Transactions and Translations:

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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

Non monetary foreign currency items are carried at cost.

l) Investments:

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

m) Employee Benefits:

Contribution to "Defined Contribution Schemes" such as Provident Fund is charged to the profit and loss account as incurred. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement.

Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. Company has taken Group Gratuity Policy of L.I.C. of India and Premium paid is recognized as expenses when it is incurred. Actuarial gains and loss in respect of Gratuity are charged to Profit & Loss Account.

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

In respect of employee stock options, the excess of fair price on the date of grant over the exercise price is recognized as deferred compensation cost amortised over the vesting period.

n) Employee Share Based payment:

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

o) Borrowing Costs:

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

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

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

p) Earning per share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

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

q) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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

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

r) Provisions:

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

s) Contingent Liabilities & contingent assets:

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

t) Recognition of receipt on joint venture contracts:

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

u) Derivative Contracts:

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

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

v) Insurance Claims:

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

w) Service Tax Input Credit:

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

x) Operating Cycle:

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

y) General:

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

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
Note 2. Notes on Accounts		
2.1 Share Capital		
(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 151662300 (150945800) Equity Shares of Re. 1/- each with voting rights	1516.62	1509.46
(c) Reconciliation of Nos. of Equity Shares with voting rights:		
Outstanding at the beginning of the year (Nos.)	150945800	150367800
Addition during the year towards ESOP (Nos.)	716500	578000
Outstanding at the end of the year (Nos.)	151662300	150945800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company		

Name of Share Holder(s)	As at March 31, 2014 No. of shares (%age)	As at March 31, 2013 No. of shares (%age)
Vishnubhai M. Patel	17829220 (11.76)	10763570 (7.13)
Shantaben V. Patel	14715375 (9.70)	14715375 (9.75)
Sadbhav Finstock Private Limited	16545275 (10.91)	16545275 (10.96)

(f) Shares reserved for Issue under ESOP @ ₹ 50/- per share (Face Value Re.1/-)	(Nos.)	382500	1167500
--	--------	--------	---------

The activity in the ESOP-2008 during the Year ended at March 31, 2014 and March 31, 2013 is set out below:

Particulars	As at March 31, 2014 (Figure in Nos)	As at March 31, 2013 (Figure in Nos)
Option outstanding in the beginning of the year	1167500	1820000
Option granted during the year	0	0
Less: Exercised	716500	578000
Less: Forfeited/Lapsed	68500	74500
Option outstanding at year end	382500	1167500
Option exercisable at year end	382500	75500

As at March 31, 2014 3,82,500 equity shares have been kept reserved for issue against the outstanding options.

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

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

2.2 Reserve and Surplus		
(a) Capital reserve As per Last Balance Sheet	345.00	345.00
Closing Balance	345.00	345.00
(b) Security Premium Account As per Last Balance Sheet	28214.33	27520.15
Addition during the year	860.52	694.18
Closing Balance	29074.85	28214.33
(c) Debenture Redemption Reserve As per Last Balance Sheet	1814.80	1814.80
Addition during the year	200.00	0.00
Closing Balance	2014.80	1814.80

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	229.86	263.14
Addition during the year	433.14	377.68
Less transferred to Security Premium Account	509.43	410.96
Closing Balance	153.57	229.86
(e) General Reserves		
As per Last Balance Sheet	8160.18	7410.18
Addition during the year	1000.00	750.00
Closing Balance	9160.18	8160.18
(f) Profit and Loss account		
As per Last Balance Sheet	42978.24	37373.69
Net Profit for the year	10616.34	7407.36
Appropriations:-		
Transfer to general reserves	1000.00	750.00
Transfer to Debenture Redemption reserves	200.00	0.00
Proposed Dividend (Re. 0.70 per Share)	1064.54	905.70
Tax on Proposed Dividend	187.91	147.11
Closing Balance	51142.13	42978.24
Total	91890.53	81742.41

2.3 Long Term Borrowings

(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures	18000.00	12740.00
ICICI Bank [200 (130) debentures of ₹ 1 Crore each]		

The debentures are secured by (a) a residual charge over all the movable assets of the company (b) exclusive charge over the secured Immovable Property i.e. piece of non agricultural freehold land situated at Maharajpura of Kadi Taluka, in favour of the Debenture Trustee (for the benefits of the secured parties) (c) pledged in favour of ICICI Bank Ltd. 2600717 number of equity shares of Sadbhav Infrastructure Project Ltd.

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

Repayment Schedule of Debentures is as under:

Repayable during the year	No. of Installments	Maturity Amount
2014-15	4	1600.00
2015-16	4	2000.00
2016-17	4	4000.00
2017-18	4	12000.00

Bonds redeemable during the year 2014-15 are shown under 'Current Maturity of Long Term Debts' (Note No. 2.9 'Other Current Liabilities')

(b) Term Loans		
Secured		
From Banks:-		
(a) Foreign Currency Term Loan (ECB)	11588.59	10610.60
(b) Rupee Term Loan	8578.53	7422.87
[Secured by way of hypothecation of specific machineries and equipments purchased, Sadbhav Vision House, Guest House & office in Mumbai, Non Agricultural land at Sheikhpur (Ahmedabad), Guest House in Delhi]		
From Financial Institutions	3985.59	442.47
(Secured by way of hypothecation of specific machineries and equipments purchased)		
Total	42152.71	31215.94

Notes forming Part of the financial statements

(₹ in Lakhs)

As at 31-03-2014

As at 31-03-2013

Repayable during the years	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2014-15	692	13166.40	1473.94
2015-16	675	7519.34	1623.32
2016-17	632	5856.50	1765.06
2017-18	151	3637.83	597.21
2018-19	4	1363.07	0.00
2019-20	2	596.79	0.00
2020-21	2	596.79	0.00
2021-22	2	596.79	0.00

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 8.47% to 12.00%. Interest payable on ECB are Linked to LIBOR which are 215 basis point and 250 basis point over LIBOR. The Repayment Schedule of ECB are included in above Maturity Profile of Term Loans.

Loan repayable during the year 2014-15 are shown under 'Current Maturity of Long Term Debts' (Note No. 2.9 'Other Current Liabilities')

2.4 Deferred Tax Liabilities (Net)

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

Opening Balance of deferred Tax Liability	3169.17	2345.31
Add : Deferred Tax Liability on depreciation	392.07	834.00
Add : Provision/(Excess provision) of Gratuity	5.57	(10.14)
Closing Balance of Deferred Tax Liability	3566.81	3169.17

2.5 Other Long Term Liabilities

(a) Advance Received From Clients	56.28	571.01
(b) Security & Other Deposits from Sub-contractors	351.50	290.84
(c) Advance Received for sale of Shares	4509.36	6957.34
Total	4917.14	7819.19

Advance towards sale of shares ₹ 4509.36 Lakhs (6957.34 Lakhs) disclosed under "Other long term liabilities" represents payment received from subsidiary (SIPL) and consequential economic interest / ownership rights thereunder in respect of some of the SPVs. The Company is in the process of obtaining regulatory approvals to get such shares transferred in its subsidiary (SIPL)'s name.

2.6 Long-Term Provisions

Provision for Employee Benefits		
Provision for Gratuity	251.11	226.85
Total	251.11	226.85

2.7 Short-Term Borrowings

Secured		
Loans repayable on demand		
Short Term Loans From Banks	28191.18	28613.37
Overdraft due to Issuance of Cheques	5034.60	1130.77

Secured by

- Hypothecation of stock of construction materials lying at sites, books debts and other receivables
- First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and second charge on machineries owned by the company.
- Personal Guarantee of Shri Vishnubhai M Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel and Smt. Shantaben V Patel.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
Unsecured		
From Banks	10748.00	2500.00
From Related parties		
From Directors	147.47	3799.25
From Others (From Company in which Directors are Directors)	56.99	52.30
Total	44178.24	36095.69

2.8 Trade Payables

(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	37631.45	32906.60
Total	37631.45	32906.60

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

2.9 Other Current Liabilities

(a) Current Maturities of Long term debts		
Secured		
Non Convertible Debentures	1600.00	3260.00
Loan from Banks	13166.40	5188.02
Loan from Financial Institutions	1473.94	538.77
(b) Sundry Creditors for Capital Goods	1872.71	48.62
(c) Interest Accrued but not due on Loans	231.57	218.95
(d) Unclaimed Dividend *	4.59	5.50
(e) Statutory Dues	2739.39	2406.78
(f) Advances Received from Clients **	41388.73	21307.63
(g) Unpaid IPO & Right Issue Money	0.01	0.01
(h) Advance Received against sale of Assets	1.95	0.00
(i) Miscellaneous Liabilities	0.00	29.58
Total	62479.29	33003.86

* Note:- There was no amount outstanding as on 31.03.2014, which is required to be transferred to Investor Education and Protection Fund (IEPF)

** Advance Received from Clients includes ₹ 34,364.15 Lakhs (16206.57 Lakhs) from subsidiaries

2.10 Short-Term Provisions

(a) Provision for Employee Benefits	6.95	6.99
(b) Proposed Dividend	1061.64	905.67
(c) Tax on Proposed Dividend	180.43	146.92
(d) Provision for Wealth Tax	2.51	1.93
(e) Provision for Income Tax	10643.70	20332.39
Total	11895.23	21393.90

Notes forming Part of the financial statements

(₹ in Lakhs)

Fixed Assets

2.11 Tangible Assets

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.2013	Additions	Deduction	Adjstments of Foreign Exc	Up to 31.03.2014	Up to 01.04.2013	For the Current Year	Deduction/ Adjustments	Up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land-Free Hold	278.47	0.00	0.00	—	278.47	0.00	0.00	0.00	0.00	278.47	278.47
Building	1640.67	126.65	54.77	—	1712.55	153.81	28.41	33.76	148.46	1564.09	1486.84
Furniture	478.44	59.17	0.00	—	537.61	83.64	31.25	0.00	114.89	422.72	394.80
Office Equipment	497.48	54.04	0.00	—	551.52	284.72	58.67	0.00	343.39	208.13	212.75
Machineries	40628.27	20023.30	1400.74	434.07	59684.90	16551.13	4216.19	303.34	20463.98	39220.92	24077.14
Vehicles	743.52	190.18	42.43	—	891.27	472.03	100.04	37.67	534.40	356.87	271.49
Wind Mills	5085.19	0.00	0.00	4.03	5089.22	274.38	267.98	0.00	542.36	4546.86	4810.81
Assets Not put to use	1410.77	1892.91	145.05	—	3158.63	0.00	0.00	0.00	0.00	3158.63	1410.77
Total Tangible Assets	50762.81	22346.25	1642.99	438.10	71904.17	17819.71	4702.54	374.77	22147.48	49756.69	32943.07

2.12 Intangible Assets

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.2013	Additions	Deduction	Adjstments of Foreign Exc	Up to 31.03.2014	Up to 01.04.2013	For the Current Year	Deduction/ Adjustments	Up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
Computer Software	715.08	15.94	0.00	—	731.02	631.71	37.43	0.00	669.14	61.88	83.39
Total Amount ₹	51477.89	22362.19	1642.99	438.10	72635.19	18451.42	4739.97	374.77	22816.62	49818.57	33026.46
Previous Year	44350.02	9223.93	2519.07	423.00	51477.88	15543.02	3182.26	273.86	18451.42	33026.45	—

The company has adopted an option under para 46A of AS 11 - "The Effect of Changes in Foreign Exchange Rates", inserted by notification no G.S.R. 914(E) dated December 29, 2011 issued by Ministry of Corporate Affairs, and accordingly the exchange difference arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of asset. During the year company has added ₹ 438.10 Lakh (423.00 Lakh) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 637.85 Lakh (402.37 Lakh).

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.13 Non-current Investments (at cost)		
Trade Investment		
In Subsidiary companies		
(i) Investment in Equity Instruments (Unquoted) :-		
(a) Nagpur Seoni Expressway Ltd.	0.02	2448.00
200 (2,44,80,000) Fully Paid up Equity Shares of ₹ 10/-each		
NIL (1,44,00,000) Shares have been pledged out of 200 (2,44,80,800) shares held in Nagpur Seoni Expressway Ltd. with the lenders of Nagpur Seoni Expressway Ltd.		
(b) Sadbhav Infrastructure Project Ltd.	38472.99	38472.99
2,18,84,856 (2,18,84,856) Fully Paid up Equity Shares of ₹ 10/-each		
26,00,717 (26,00,717) Shares have been pledged out of 2,18,84,856 (2,18,84,856) shares held in Sadbhav Infrastructure Project Ltd. with ICICI Bank		
(c) Maharashtra Border Check Post Network Ltd.	1832.64	1832.64
31,440 (31,440) Fully Paid up Equity Shares of ₹ 10/-each		
14,997 (14,997) Shares have been pledged out of 31,440 (31,440) shares held in Maharashtra Border Check Post Network Ltd. with the lenders of Maharashtra Border Check Post Network Ltd.		
(d) Shreenathji Udaipur Tollway (P) Limited	539.32	539.32
53,93,242 (53,93,242) Fully paid up Equity Shares of ₹ 10/-each		
27,50,554 (Nil) Shares have been pledged out of 53,93,242 (53,93,242) shares held in Shreenathji Udaipur Tollway (P) Ltd.		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
(e) Solapur-Bijapur Tollway (P) Limited 13,000 (13,000) Fully paid up Equity Shares of ₹ 10/-each 6,630 (Nil) Shares have been pledged out of 13,000 (13,000) shares held in Solapur Bijapur Tollway (P) Ltd.	1.30	1.30
(f) Bhilwara Rajsamand Tollway (P) Limited 45,08,400 (13,000) Fully paid up Equity Shares of ₹ 10/-each 17,68,884 (Nil) Shares have been pledged out of 45,08,400 (13,000) shares held in Bhilwara Rajsamand Tollway (P) Ltd.	450.84	1.30
(g) Rohtak-Hissar Tollway (P) Limited 27,99,680 (Nil) Fully paid up Equity Shares of ₹ 10/-each 14,27,837 (Nil) Shares have been pledged out of 27,99,680 (Nil) shares held in Rohtak Hissar Tollway (P) Ltd.	279.97	0.00
(h) Mysore-Bellary Highway (P) Ltd. 25,000 (Nil) Fully paid up Equity Shares of ₹ 10/-each	2.50	0.00
	41579.58	43295.55
(ii) Investment in Debt Securities (Unquoted) :- Sadbhav Infrastructure Project Limited-Compulsory Convertible Debentures 1100950 (1100950) Nos. of Debentures of ₹ 681.23/- each Interest rate 0.01% per annum Each CCD shall be automatically converted upon the earlier to occur of (i) the Final Adjustment Date Or (ii) the closing of an initial public offering of the Equity Shares of SIPL, in either case without the payment of any additional consideration, into the number of Fully Paid Equity Shares determined by dividing the Initial purchase price by the Conversion price in effect at the time of conversion. There shall be no partial conversion of CCDs. The Conversion price shall initially be the Initial Purchase Price and shall be adjusted and readjusted from time to time as provided.	7500.00	7500.00
In Associate companies:- Investment in Equity Instruments (Unquoted) :-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. 1,04,00,000 (1,04,00,000) Fully Paid up Equity Shares of ₹ 10/- each Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.	1040.00	1040.00
(b) Dhule Palasner Tollway Ltd. 1,63,80,000 (1,63,80,000) Fully Paid up Equity Shares of ₹ 10/- each 1,36,05,020 (68,850) Shares has been pledged out of 1,63,80,000 (1,63,80,000) shares held in Dhule Palesner Tollway Ltd with lenders	1638.00	1638.00
	2678.00	2678.00
Non-current Investments		
Others		
(a) 25,000 (25,000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) Share application Money with Indian Highways Management Co. Ltd.	1.00	0.00
(d) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(e) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	58.18
(f) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd. of ₹ 10,00,000/- each.	100.00	100.00
(g) Investment in NSC	11.70	10.99
	342.83	371.73
Total	52100.41	53845.28

Aggregate Value of Un-Quoted Investment ₹ 52100.41 (53845.28) Lakhs (NSC pledged with PWD, Odisha).

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.14 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)	1987.52	4167.79
Total	1987.52	4167.79
2.15 Long Term Loans and Advances		
Unsecured, considered good		
(a) Loan to Subsidiary Companies	44805.33	7889.98
(b) Advances for Goods and Services	2111.18	4387.23
(c) Advances to Suppliers for Fixed Assets	602.26	1592.62
(d) Group Gratuity Fund	290.66	208.00
(e) Security & Other Deposits	358.66	1118.48
Total	48168.09	15196.31

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

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

Name of Subsidiaries	2013-14		2012-13	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Bhilwara-Rajsamand Tollway (P) Ltd.	1,803.36	1,803.36	-	-
Maharashtra Border Check Post Network Ltd.	247.08	-	247.08	247.08
Nagpur Seoni Expressway Ltd.	-	-	142.27	-
Rohtak Hissar Tollway (P) Ltd.	1,119.87	1,119.87	-	-
Sadbhav Infrastructure Project Limited	37,472.96	37,472.96	5441.19	5441.19
Shreenathji Udaipur Tollway Pvt. Ltd.	2,157.30	2,157.30	2157.30	2157.30
Solapur Bijapur Tollway (P) Ltd.	2,000.31	-	-	-

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

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

2.16 Inventories		
(a) Construction Materials	14193.45	8840.76
(b) Work in Progress	929.59	929.59
(c) Stores & Spares	1259.06	448.67
(All Valued at Cost or Net Realizable Value, whichever is less, as certified by the Management)		
Total	16382.10	10219.02
2.17 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months		
(i) Due from Companies in which directors of the company are directors	10232.54	0.00
(ii) Due from Others	5819.93	12973.96
(b) Other Debts		
(i) Due from Companies in which directors of the company are directors	20429.83	6392.75
(ii) Due from Others	36704.86	54282.44
Total	73187.16	73649.15

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.18 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	20.51	32.46
(b) Balance with Banks		
(i) In Current Accounts	1187.28	607.60
(ii) In Fixed Deposit - Original Maturity of 3 months or less	4576.08	0.25
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity	1825.27	1526.19
(b) In earmarked Accounts		
(i) For Margin Money	3.50	3.50
(ii) Unclaimed Dividend	4.59	5.50
(iii) Unpaid Right Issue Money	0.01	0.01
Total	7617.24	2175.51
Balance with bank includes deposits of ₹ 1531.72 Lakh (1037.12) Lakhs with remaining maturity of more than 12 months Fixed Deposit includes ₹ 2878.55 Lakh (1150.40) Lakhs Pledged with Central and various State Governments / Undertakings & Local Bodies.		
2.19 Short-term Loans and Advances		
<u>Unsecured, considered good</u>		
(a) Advances		
(i) Advances for goods and Services	9826.80	13681.11
(ii) Advances to Officers	0.00	1.53
(iii) Advances to Others	98.49	102.37
(b) Advance Income Tax	15878.46	20552.31
(c) MAT Credit Entitlement	2661.50	0.00
(d) Advance Sales Tax & Service Tax	4064.22	2225.61
(e) Prepaid Expenses	653.84	1260.71
(f) Security & Other Deposits	15713.72	15639.42
Total	48897.03	53463.06
2.20 Other Current Assets		
(a) Interest Accrued But Not Due on Investments	15.09	19.01
(b) Receivable Against Sale of Assets	1473.63	1233.20
(c) Deferred Revenue Expenditures	1826.03	1773.04
(d) Income Tax Refund Receivable	288.09	0.00
(e) Others		
Recoverable in Cash or Kind		
(i) Due from subsidiaries	1026.17	305.89
(ii) Due from others	7.00	9.35
Total	4636.01	3340.49

Notes forming Part of the financial statements

(₹ in Lakhs)

	2013-2014	2012-2013
2.21 Revenue from Operations		
Contracts Receipt	235812.36	181099.80
Total	235812.36	181099.80
2.22 Other Income		
(a) Interest Income		
(i) From Subsidiaries	2501.75	69.44
(ii) From Current Investments	271.06	236.81
(iii) From Non-Current Investments	139.51	110.08
(iv) From Others	552.67	423.89
(b) Profit on Sale of Assets	2.44	82.78
(c) Miscellaneous Income	174.79	111.78
Total	3642.22	1034.78
2.23 Cost of Material Consumed		
Opening Stock	8837.06	7477.39
Add Purchase	43144.76	28198.02
	51981.82	35675.41
Less Closing Stock of Material	14193.45	8837.06
Total	37788.37	26838.35
2.24 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Opening Work-in-Progress	929.59	929.59
Less: Closing Work-in-Progress	929.59	929.59
Total	0.00	0.00
2.25 Construction Expenses		
Labour Expenses	132560.55	108709.46
Power & Fuel	19465.28	12640.49
Stores Consumed	27.51	273.09
Repairs & Maintenances-Construction Machineries	2221.76	1732.74
Transportation Expenses	207.76	195.91
Machinery Rent	503.50	546.70
Land & Godown Rent	236.36	141.28
Site Establishment Expenses	1020.93	597.72
Mess Expenses	463.97	291.34
Total	156707.62	125128.73
2.26 Employee Benefits Expense		
Salary & Wages	4958.87	3320.20
Contribution to PF and Other Funds	149.70	115.61
Group Gratuity Fund Expenses	18.36	31.26
Expense on Employee Stock Option Scheme [Refer Note 2.1 (f)]	433.14	377.68
Directors' Remuneration	303.00	317.94
Staff Welfare Expenses	158.91	118.05
Total	6021.98	4280.74
2.27 Finance Cost		
Interest Expenses		
(i) On Borrowings	10424.30	7343.07
(ii) On Taxes	29.88	111.66
Other Borrowing Costs	1357.31	945.49
Foreign Exchange Loss	0.00	36.75
Total	11811.49	8436.97

Notes forming Part of the financial statements

(₹ in Lakhs)

	2013-2014	2012-2013
2.28 Other Expenses		
Rent Expenses	17.02	109.64
Rates & Taxes	6297.26	6273.57
Vehicle Rent	171.33	134.07
Running & Maintenance of Vehicles	64.62	63.72
Repairs & Maintenances		
Building	17.02	47.62
Other Assets	24.87	24.04
Insurance	309.37	239.50
Electricity Expense-Head Office	19.59	19.12
Postage & Telephone	85.46	78.79
Stationary & Printing	56.79	54.89
Traveling & Conveyance Expenses, incl. Foreign Travelling Expenses ₹ NIL (₹ NIL)	178.20	142.38
Directors' Traveling & Conveyance Expenses, incl. Foreign Travelling Expenses ₹ 1.56 Lakhs (₹ NIL)	33.64	28.87
Legal & Consultation Fees & Expenses	1619.45	1153.40
Donation to Bhartiya Janata Party	0.00	21.00
Donation Expenses-Others	93.01	61.18
Bank Charges	77.02	24.15
Auditors Remuneration (Refer Note No. 2.44)	48.70	24.98
Loss on Sales of Assets & Asset Written Off	498.53	57.73
Miscellaneous Expenses	750.49	697.76
Prior Period Adjustment (Refer Note No. 2.45)	(8.35)	20.84
Total	10354.02	9277.25

Notes forming Part of the financial statements

2.29 Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

Particulars	As at March 31, 2014	As at March 31, 2013
Nominal Value of Equity Share (Re per share)	1.00	1.00
For Basic EPS:		
Number of Equity Shares at the beginning of the year	15,09,45,800	15,03,67,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	7,16,500	5,78,000
Number of Equity Shares at year end	15,16,62,300	15,09,45,800
Weighted Average number of Equity Shares	15,13,84,261	15,08,24,388
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	15,13,84,261	15,08,24,388
Add: Dilution in NO of Equity Shares on Grant of Stock Option under ESOP-2008	1,59,910	7,31,573
Weighted Average number of Dilutive Equity Shares	15,15,44,171	15,15,55,961

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	10,616.34	7,407.36
Weighted Average number of Equity Shares	15,13,84,261	15,08,24,388
Basic EPS (₹)	7.01	4.91
Diluted EPS		
Net Profit after Tax	10,616.34	7,407
Weighted Average number of Diluted Equity Shares	15,15,44,171	15,15,55,961
Diluted EPS (₹)	7.01	4.89

2.30 Disclosure in respect of Construction Contracts

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

Particulars	2013-2014	2012-2013
(a) Amount of Contract Revenue recognised as revenue during the period	234621.44	181099.80
(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	622229.43	506784.75
(ii) Advances Received	41051.58	21286.03
(iii) Retention Amount	12461.25	13784.78
(c) Amount due from Customers for Contract in Progress	67325.20	70416.06
(d) Amount due to Customers for Contract in Progress	Nil	Nil

2.31 Contingent Liabilities and commitments

A Contingent Liabilities

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

- The Dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries ₹ 104.95 Lakh (₹ 104.95 Lakh) & Interest of ₹ 174.05 Lakh (₹ 174.05 Lakh). The Company has filled the Appeal to Commissioner of Customs against the said order, hence no provision is made in the books of accounts.
- Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakh (₹ 46.42 Lakh) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed ₹ 46.42 Lakh (₹ 46.42 Lakh) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts

(b) Guarantees:-

Company has given corporate guarantee to banks for ₹ 29825.00 Lakh (₹ 28850.00 Lakh) against the finance facility

given by the banks to subsidiary companies.

(c) Other Money for which the company is contingently liable:-

- (i) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (₹ 67.29 Lakh)
- (ii) Company has received order of the Commissioner of service tax on 01st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakh (₹ 199.13 Lakh) and impose penalty of ₹ 345.92 Lakh (Nil). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
- (iii) The Company has received Show-Cause Notice on 13th April, 2013 for imposing penalty of ₹ 19.84 Lakh (Nil) under Rule 26 of the Central Excise Rules, 2002. Company filed appeal before appropriate authority hence no provision has been made.
- (iv) Income Tax of ₹ 3566.92 Lakhs on the claim made of the deduction u/s 80IA (4) of the Income Tax Act, 1961. 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 income tax of ₹ 858.40 Lakhs for the current year and of ₹ 2708.51 Lakhs for the earlier years since FY 2007-08 has been disclosed as contingent liability.
- (v) The Deputy Commercial Tax Commissioner, Audit Division-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakh inclusive of interest ₹ 330.18 lakh and Penalty of ₹ 74.36 lakh. In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad, hence no provision has been made.
- (vi) The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakh under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No.2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakh with the Mining Engineer, Mines and Geology Department, Udaipur as per stay order of the Honourable Court. Further proceeding is pending, hence no provision has been made.

(d) During the year, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 347 and 398 of the Companies Act, 1956 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd a holding Company and its associates/affiliates wherein the company is also defendant. The Company Law Board (CLB) passed an order in favour of the minority shareholder although company pleaded that matter should be referred for arbitration as per shareholder agreement (SHA). Against the CLB order the company filled Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be referred as per SHA. Hon'ble High Court accepted SCA of the company and granted interim relief where by further proceeding of CLB have been stayed. Currently the matter is pending before Hon'ble High Court of Gujarat. The management believes that, based on legal advice, the outcome of above contingencies will be favourable and that any loss is not probable. Accordingly, no amounts have been accrued or paid in regard to dispute.

B Capital & other Commitments

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

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Loan Commitments	0.00	0.00
(ii) Sub Ordinate Debt/Equity Shares in Subsidiaries	30774.37	83249.84

C During the year ended March 31, 2014 the amount of per share dividend recognised as distribution to equity share holders is Re 0.70 (0.60) which comes to ₹ 1061.64 Lakh (₹ 905.67 Lakh)

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

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

Particulars	As at March 31, 2014	As at March 31, 2013
Currency Option-Repayment		
- Equivalent INR	16045.53	14521.08
- Equivalent USD	294.03	288.64
Interest Swap		
- Equivalent INR	3535.07	3974.40
- Equivalent USD	58.82	73.87

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2014		As at March 31, 2013	
	USD	INR	USD	INR
Principal & Interest Payable on Loan	Nil	Nil	Nil	Nil

2.33 Employee Benefits

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

(a) Defined Contribution Plan: -

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

Particulars	2013-2014	2012-2013
Employer's Contribution to Provident Fund	171.92	96.98

(b) Defined Benefit Plan:

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

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

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

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

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(a) Present Value Funded Obligations	251.11	208.00
(b) Fair Value of Plan Assets	290.66	208.00
(c) Liability Recognized in the Balance Sheet	0.00	18.85

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

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(a) Current Service Cost	53.05	36.54
(b) Interest on obligation	17.93	15.47
(c) Expected Return on plan assets	(21.03)	(14.73)
(d) Net Actuarial Losses / (Gains) recognized in the year	(32.79)	(6.03)
(e) Past Service Cost	0.00	0.00
(f) Losses / Gain on curtailment & Settlement	0.00	0.00
NET GRATUITY COST	17.16	31.25

(iii) Reconciliation of Opening & Closing balance of Gratuity is as follows:-

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(a) Opening Defined Benefit Obligation	226.84	182.83
(b) Service Cost for the year	53.05	36.54
(c) Interest Cost for the year	17.94	15.47
(d) Actuarial Losses / (Gain)	(35.95)	(6.37)
(e) Benefits Paid	(10.77)	(1.63)
Closing Defined Benefit obligation	251.11	226.84

(iv) Reconciliation of Opening & Closing Balance of Fair Value of Plan Assets:

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(a) Opening fair value of plan assets	208.00	133.66
(b) Expected Return	21.03	14.73
(c) Actuarial Gains	(3.16)	(0.34)
(d) Contribution by the employer	75.56	61.58
(e) Benefits paid	(10.77)	(1.63)
Closing fair value of the plan assets	290.66	208.00

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2014 are as under:-**

Particulars	2013-2014	2012-2013
(a) Government of India Securities	--	--
(b) High Quality Corporate Bonds	--	--
(c) Equity Shares of Listed Companies	--	--
(d) Property	--	--
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance	--	--

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

Particulars	2013-2014	2012-2013
(a) Discount Rate as on 31-03-2014	9.10%	8.10%
(b) Expected return on plan assets at 31-03-2014	8.75%	9.00%
(c) Proportion of employees opting for early retirement		
- At Younger Ages	--	--
- At Older Ages	--	--
(d) Annual increase in salary cost	6.00%	6.00%

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

2.34 Segment Reporting

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

2.35 List of Related Parties

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., Solapur Bijapur Tollway Pvt. Ltd. and Rohtak-Hissar Tollway Pvt. Ltd.

Associate Companies

Mumbai Nasik Expressway Ltd., Dhule Palesner Tollway Ltd.

Joint Ventures:

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

Key Management Personnel (KMP):

Shri Vishnubhai M. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Smt. Rajeshriben Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel.

Relatives of KMP:

Smt. Shantaben V. Patel, V. M. Patel (HUF), Alpa Dharmin Patel, Bhavna V. Patel, Tosha Patel, Rekhaben V Patel, Truptiben V. Patel, Vipulbhai H. Patel, Girishbhai N. Patel.

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

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Realty Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Sadbhav Public Charitable Trust, Bhavna Engineering Co., Saakar Infra Nirman Pvt. Ltd. (₹ in Lakhs)

Transactions	Subsidiaries & Step Down Subsidiaries	Associates	Joint Venture	Key Management Personnel (KMP)	Relative of KMPI and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Sub contracting Income	64,919.94	--	18,621.30	--	--	83,541.24
	(77,377.50)	(2,971.46)	(23,233.95)	(--)	(--)	(1,03,582.91)
Receiving of services	114.00	--	--	--	--	114.00
	(114.61)	(--)	(--)	(--)	(--)	(114.61)
Sub contracting Expenditure	--	--	--	--	14,644.05	14,644.05
	(--)	(--)	(--)	(--)	(12,095.77)	(12,095.77)

Remuneration	--	--	--	333.56	--	333.56
	(--)	(--)	(--)	(329.79)	(--)	(329.79)
Interest Expenses	-	-	-	34.73	5.22	39.95
	(--)	(--)	(--)	(296.35)	(2.56)	(298.90)
Rent & Service charges	--	--	--	--	1.69	1.69
	(--)	(--)	(--)	(--)	(6.75)	(6.75)
Fixed Assets Purchases/(sales)	21.54	--	--	--	--	21.54
	(--)	(--)	(--)	(--)	(--)	--
Other Expenses	874.34	--	--	--	--	874.34
	(254.16)	(--)	(--)	(--)	(--)	(254.16)
Sale of Share	2,447.98	--	--	--	--	2,447.98
	(--)	(--)	(--)	(--)	(--)	--
Advance received during the year for Sale of shares	--	--	--	--	--	--
	(451.10)	(--)	(--)	(--)	(--)	(451.10)
Loan given during the year	52,086.65	--	--	--	--	52,086.65
	(9,104.58)	(--)	(--)	(--)	(--)	(9,104.58)
Interest Recd. On Loan/Mob. Adv.	2,502.04	--	--	--	37.65	2,539.69
	(69.12)	(--)	(--)	(--)	(--)	(69.12)
Loan Received During the Year	--	--	--	2,067.73	--	2,067.73
	(--)	(--)	(--)	(2,289.00)	(51.00)	(2,340.00)
Mobilization Advance Received during the year	30,648.61	--	2,336.55	--	--	32,985.16
	(9,750.00)	(--)	(395.93)	(--)	(--)	(10,145.93)
Mobilization Adv. Given during the year	--	--	--	--	340.99	340.99
	(--)	(--)	(--)	(--)	(703.49)	(703.49)
Security Deposit - Retention Deducted during the year - Receivable	2,949.94	--	2,377.16	--	--	5,327.10
	(3,295.88)	(319.46)	(1,191.72)	(--)	(--)	(4,807.06)
Security Deposit - Retention Deducted from Sub Conct - Payable	--	--	--	--	528.11	528.11
	(--)	(--)	(--)	(--)	(978.94)	(978.94)
Donation Given	--	--	--	--	8.10	8.10
	(--)	(--)	(--)	(--)	(12.50)	(12.50)
Dividend Paid during the year	--	--	--	177.49	265.52	443.01
	(--)	(--)	(--)	(165.49)	(262.47)	(427.96)
Written off during the year	479.02	--	--	--	--	479.02
	(--)	(--)	(--)	(--)	(--)	(--)
Advance received during the year for Issue of Convertible Warrant	--	--	--	2,315.00	--	2,315.00
	(--)	(--)	(--)	(--)	(--)	(--)
Balance Receivable at the year end	17,788.08	1,068.14	2,452.55	--	--	21,308.77
	(6,698.64)	(4,920.86)	(3,223.74)	(--)	(--)	(14,843.24)
Balance Payable at the year end	--	--	--	--	295.17	295.17
	(--)	(--)	(--)	(--)	(494.49)	(494.49)
Closing Balance: Loan Given during year	44,805.33	--	--	--	--	44,805.33
	(7,889.98)	(--)	(--)	(--)	(--)	(7,889.98)
Closing Balance: Mobilization Advance Received	34,084.32	--	3,396.51	--	--	37,480.83
	(16,206.57)	(--)	(1,339.70)	(--)	(--)	(17,546.27)
Closing Balance: Mobilization Advance Given	--	--	--	--	174.10	174.10
	(--)	(--)	(--)	(--)	(446.84)	(446.84)

Closing Balance: Security Deposit - Receivable	941.48	908.20	3,289.69	--	--	5,139.37
	(2,203.85)	(901.15)	(1,626.98)	(--)	(--)	(4,731.98)
Closing Balance: Security Deposit - Payable	--	--	--	--	1,139.41	1,139.41
	(--)	(--)	(--)	(--)	(997.33)	(997.33)
Closing Balance: Loan Received during year	--	--	--	147.47	56.99	204.46
	(--)	(--)	(--)	(3,765.30)	(52.30)	(3,817.60)
Closing Balance: Advance Received for Issue of Convertible Warrant	--	--	--	2,315.00	--	2,315.00
	(--)	(--)	(--)	(--)	(--)	(--)
Closing Balance: Advance Received for Sale of Shares	4,509.36	--	--	--	--	4,509.36
	(6,957.34)	(--)	(--)	(--)	(--)	(6,957.34)

NOTE:-

1. Sub-contracting income from subsidiaries includes ₹ 8427.15 Lakh (₹ NIL), ₹ 11290.31 Lakh (₹ 20783.06 Lakh), ₹ 9082.30 Lakh (₹ NIL) and ₹ 28066.37 (₹ 992.21) from Bhilwada Rajsamand Tollway Pvt. Ltd., Maharashtra Border Checkpost Networks Ltd, Rohtak Hissar Tollway Pvt. Ltd. and Shreenathji Udaipur Tollway Pvt. Ltd. respectively and at the year end ₹ 2006.66 (₹ NIL), ₹ 11161.77 Lakh (₹ 2988.57 Lakh), ₹ 566.63 Lakh (₹ NIL) and ₹ NIL (₹ NIL) are receivable respectively from the above parties.
2. Sub-contracting Income from Associates included ₹ NIL Lakh (₹ 2971.46 Lakh) from Dhule Palesner Tollway Ltd and at the year end ₹ 1068.14 Lakh (₹ 4920.86 Lakh) are receivable.
3. Sub-Contract Expenditure of relatives of Key Managerial Personnel and Enterprice over which Relatives of Key Managerial Persons have Significant Influence includes ₹ 5332.59 Lakh (₹ 8830.95 Lakh) payable to Sarjan Infracon Pvt. Ltd. and ₹ 7622.56 Lakh (₹ 2225.85 Lakh) to Saakar Infra Nirman Pvt. Ltd. and at the year end ₹ 121.71 Lakh (₹ 231.82 Lakh) and ₹ -15.86 Lakh (₹ Nil) are outstanding respectively of the above parties.

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

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

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

Name of the Associates Entity	% of Holding
Dhule Palesner Tollway Ltd. (DTPL)	(26%)
Mumbai - Nasik Expressway Ltd. (MNEL)	(20%)

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

2.39 Construction material and store consumed:-

Particulars	2013-2014 Value (%)	2012-2013 Value (%)
(i) Imported	0 (0.00%)	0 (0.00%)
(ii) Indigenous	37815.88 (100.00%)	29111.44 (100.00%)
Total	37815.88	29111.44

2.40 C.I.F. Value of Imports:

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(i) Capital goods (Machineries)	273.53	417.70

2.41 Expenditure in Foreign currencies:

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(i) Traveling Expenses	1.56	0.00
(ii) Interest	568.37	601.14
(iii) Professional Fess	0.00	1.10
(iv) Dividend	164.31	154.88

2.42 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	2,73,12,794	30	163.88	2012-13
	(2,57,36,658)	(40)	(154.42)	(2011-12)
Non Resident Indians	71,523	106	0.43	2012-13
	(77,246)	(141)	(0.46)	(2011-12)
Total	2,73,84,317	136	164.31	2012-13
	(2,58,13,904)	(181)	(154.88)	(2011-12)

2.43 Borrowing Cost:

During the year, company has capitalized borrowing cost ₹ 290.22 (303.89) Lakh according to AS-16 Borrowing Cost.

2.44 Payment to Auditors:

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
(i) For Audit	24.16	20.23
(ii) For Taxation matters	16.85	0
(iii) For other services	7.30	4.49
(iv) Reimbursement of Expenses	0.39	0.26
Total	48.70	24.98

2.45 Prior Period Adjustments (Net)

The Details of Prior Period Adjustments are as under:-

(₹ in Lakhs)

	2013-2014	2012-2013
Prior Period Expenses:		
Material Consumed	7.70	0.00
Construction Expenses	0.00	64.59
Group Gratuity Contribution	0.00	(20.59)
Contribution to PF	(4.85)	0.00
Insurance	34.89	0.00
Prior Period Income		
Interest Income	46.09	23.17
Total	(8.35)	20.83

2.46 Details of Exceptional Items

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
Bonus Received / Income	0.00	10973.98
Bonus Expenses	0.00	(4880.00)
Advances Written off	(910.26)	0.00
Bad debts	(2445.48)	0.00
Loan to Subsidiary Written off	(231.94)	0.00
Interest to Subsidiary Written off	(247.08)	0.00
Net Amount	(3834.76)	6093.98

- 2.47** Some of the Balances of Advance to Contractors, Debtors & Advance received from clients are subject to confirmatin from parties.
- 2.48** No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries.
- 2.49** In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.
- 2.50** All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

For and on behalf of Board

V. M. Patel
Managing Director

Vasistha C. Patel
Executive Director

Nitin R. Patel
Executive Director

Vijay Kalyani
Company Secretary

Consolidated Balance Sheet

Independent Auditors' Report on the Consolidated Financial Statements

To,
To the Board of Directors of
Sadbhav Engineering Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying financial statements of SADBHAV ENGINEERING LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) In the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matters

6. Without qualifying our opinion, we draw attention to note no. 2.43 of the Financial statements. During the year, Solapur-Bijapur Tollway Private Limited, step down subsidiary has foreclosed concession agreement with National Highway Authority of India (NHAI) as per settlement and close out agreement dated December 23, 2013 and the management has intended to liquidate the step down subsidiary. Accordingly, the financial statements of the said step down subsidiary have been prepared on the basis that it is no longer a "going concern". The assets and liabilities are stated at their expected realizable/settlement values as determined by management and relied upon by the auditor of the stem down subsidiary.

Other Matters

7. We did not audit the financial statements / consolidated financial statements of certain subsidiaries, whose financial statements/ consolidated financial statements reflect total assets of ₹ 643658.55 lakh as at March 31, 2014, total revenues of ₹ 39674.40 lakh and net cash inflow amounting to ₹ 16.81 lakh for the year ended on that date. These financial statements / consolidated financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.
8. We have relied on the audited financial statement as on 31st Dec, 2013 of an associate wherein the Group's share of profit is ₹ 15.3 Lakh. Our report insofar as it relates to the amounts included in respect of associate is based solely on such financial statement.
9. Our opinion is not qualified in respect of this matter.

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

S. D. PATEL
PARTNER

Membership No. 37671

Place : Ahmedabad
Date : May 30, 2014

Consolidated Balance Sheet as at March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1516.62	1509.46
(b) Reserve and Surplus	2.2	123479.18	119509.92
(c) Money Received against Share Warrants		2315.00	0.00
		127310.80	121019.38
(2) Minority Interest		15321.61	15567.40
(3) Non-current Liabilities			
(a) Long Term Borrowings	2.3	498971.82	405412.29
(b) Deferred Tax Liabilities	2.4	3566.81	3169.17
(c) Other Long Term Liabilities	2.5	421.07	1123.67
(d) Long Term Provisions	2.6	4368.75	241.27
		507328.45	409946.40
(4) Current Liabilities			
(a) Short Term Borrowings	2.7	46779.49	37318.48
(b) Trade Payables	2.8	38395.20	35377.93
(c) Other Current Liabilities	2.9	46120.67	23796.37
(d) Short Term Provisions	2.10	12776.63	21588.14
		144071.99	118080.92
TOTAL		794032.85	664614.11
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	52238.75	35424.19
(ii) Intangible Assets	2.12	479233.71	284953.90
(iii) Capital Work-in-Progress	2.11	71.74	87.70
(iv) Intangible Assets under Development	2.12	75219.50	163462.42
		606763.70	483928.21
(b) Non-current Investments	2.13	2557.39	2453.93
(c) Deferred Tax Assets	2.14	2.22	1.45
(d) Long Term Trade Receivables	2.15	1987.52	4167.79
(e) Long Term Loan, Advances and Deposits	2.16	26237.11	20826.02
(f) Other Non Current Assets	2.17	2271.34	3227.13
		33055.58	30676.32
(2) Current Assets			
(a) Current Investments	2.18	10286.06	818.54
(b) Inventories	2.19	16382.10	10219.02
(c) Trade Receivables	2.20	57577.57	71005.47
(d) Cash and Cash Equivalents	2.21	12800.68	7347.16
(e) Short-Term Loans and Advances	2.22	52007.23	55008.67
(f) Other Current Assets	2.23	5159.93	5610.71
		154213.57	150009.57
TOTAL		794032.85	664614.11

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

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Consolidated Profit and Loss Statement for the Year Ended March 31, 2014

		(₹ in Lakhs)	
Particulars	Note No.	2013-2014	2012-2013
I Revenue from Operations	2.24	273252.22	215959.34
II Other Income	2.25	3062.82	3820.84
III Total Revenue (I+II)		276315.04	219780.18
IV Expenses :			
Cost of Material Consumed	2.26	37788.37	26838.35
Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade	2.27	0.00	0.00
Construction, Toll Plaza & Road Maintenance Expenses	2.28	168554.43	133544.37
Employee Benefits Expense	2.29	7657.23	5319.85
Finance Cost	2.30	45546.41	30420.39
Depreciation and amortization Expense		13048.30	17069.29
Other Expenses	2.31	14697.18	10850.07
Total Expenses		287291.92	224042.32
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		(10976.88)	(4262.14)
VI Exceptional Items (Net of Expenses) (Refer Note No. 2.40)		12172.22	6093.98
VII Profit Before Tax (V-VI)		1195.34	1831.84
VIII Tax Expense			
(1) Current Tax		2722.19	3543.25
(2) MAT Credit Entitlement		(2661.50)	
(3) Deferred Tax		396.87	823.35
(4) Short/(Excess) Provision for taxation for earlier years		(1869.61)	(21.50)
IX Profit for the period from continuing Operations (VII-VIII)		2607.39	(2513.26)
Add: Share of Loss Transferred to Minority interest		1814.79	3737.57
Add: Share of Profit/(Loss) of Associates		15.30	(476.15)
Net Profit for the year		4437.48	748.16
X Earning per Equity Share: (in Rupees)			
(1) Basic	2.32	2.93	0.50
(2) Diluted	2.32	2.93	0.49
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

For and on behalf of Board

V. M. Patel
Managing Director

Vasistha C. Patel
Executive Director

Nitin R. Patel
Executive Director

Vijay Kalyani
Company Secretary

Consolidated Cash Flow Statement for the Year 2013-2014

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	2607.39	(2513.26)
Adjustments For :		
Interest Expenses	45546.41	27161.23
Interest Income	(2520.63)	0.00
Depreciation & Amortisation	13048.30	17069.29
Dividend Income	(7.36)	(247.93)
Profit on sale of Assets	(2.70)	(82.78)
Loss on sale of Assets	498.53	140.87
Profit on sale Mutual funds & Investments	418.17	(335.55)
Stock Option Premium	433.14	377.68
Income Tax Provision	2722.19	3521.75
Bad Debts	4.82	0.00
Exceptional Item	(12172.22)	0.00
Writing off of Intangible asset under Construction	257.59	0.00
Interest receivable Written off	226.51	0.00
Transfer to Investor Protection & Education Fund	1.25	0.00
Sundry balances written back	2.91	(628.02)
Excess Provision written back	(1869.61)	(2.50)
Foreign currency Fluctuation	0.00	164.94
MAT Credit Entitlement	(2661.50)	0.00
Deferred Tax Liabilities/(Assets)	396.87	823.35
	44322.67	47962.33
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	46930.06	45449.07
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	(265.21)	198.64
(Increase)/Decrease of Trade Receivables	13425.99	(1599.14)
(Increase)/Decrease of Other Current Assets	97.69	(5260.86)
(Increase)/Decrease of Other Non Current Assets	955.79	0.00
(Increase)/Decrease in Inventories	(6163.08)	(1379.69)
(Increase)/Decrease in Work in Progress	0.00	0.00
(Increase)/Decrease of Long Term Loans and Advances	9789.91	(79.39)
(Increase)/Decrease of Short Term Loans and Advances	1420.64	(4173.62)
(Increase)/Decrease of Other Long Term Liabilities	(231.34)	(166.39)
(Increase)/Decrease of Long-Term Provisions	4127.48	45.63
Increase/(Decrease) of Trade Payables	3795.60	2102.66
Increase/(Decrease) of Other Current Liabilities	10365.70	(7830.65)
Increase/(Decrease) of Short Term Provision	(0.71)	(30.98)
	37318.46	(18173.79)
Cash generated from Operations	84248.52	27275.28
Tax Paid	(5610.56)	(6055.45)
Net Cash From Operating Activities	78637.96	21219.83
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(22500.55)	(7630.65)
Sales of Fixed Assets	730.75	350.34
Payment made for Capital work in progress	0.00	(72.24)
Increase in Intangible Assets completed/under development	(98654.25)	(101708.22)
(Increase)/Decrease in Current Investments	(9467.52)	0.00
(Increase)/Decrease in Long Term Advances	(17607.93)	(3375.57)
(Increase)/Decrease in Other Bank Balance & FD	(298.17)	(1375.83)
(Increase)/Decrease in Other Non Current Investments	(88.16)	1210.23
Profit on sale current Investments & Mutual funds	(418.17)	335.55
Sales / Purchase of Investments	0.00	(818.54)
Interest Received	2520.63	3094.22
Dividend Received	7.36	247.93
	(145776.01)	(109742.78)
Net Cash From Investing Activities	(145776.01)	(109742.78)

Consolidated Cash Flow Statement for the Year 2013-2014

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings	122963.29	107803.59
Proceeds From Short Term Borrowings (Net)	5124.24	(10460.79)
Repayment of Long Term Borrowings	(17883.26)	(6426.17)
Net Increase in Working Capital Loan	4336.78	11503.97
Proceeds / Payment to Minority Interest	1689.38	0.00
Proceeds From Share Capital	358.26	289.00
Share Issue Expenses	0.00	(12.50)
Addition in Capital Reserve	0.00	2570.93
Received against Issue of Share Warrant	2315.00	0.00
Grant Received	0.00	1339.28
Interest Paid	(45546.41)	(30255.45)
Transfer Investor Protection & Education Fund	(1.25)	(0.26)
Dividend Paid	(908.23)	(899.21)
Dividend Tax Paid	(154.40)	(146.36)
	72293.40	75306.03
Net Cash From Financing Activities	72293.40	75306.03
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	5155.35	(13216.92)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	5811.96	19028.88
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	10967.31	5811.96
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	305.48	172.63
BALANCE IN CURRENT ACCOUNT WITH BANKS	6085.50	1964.23
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	4576.33	3675.10

Notes:

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

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Notes on Accounts forming part of Consolidated Financial Statements

1.1 Corporate Information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, 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 mining activities on contract basis and business of energy generation thorough Wind Power Project.

Sadbhav Infrastructure Project Limited (SIPL), subsidiary company, is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory activities. SIPL undertakes infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) in the form of subsidiaries, joint ventures or associates.

All other subsidiaries are the Special Purpose Vehicles (SPVs) incorporated to undertake the specific project.

1.2 Principles of Consolidation:

The consolidated financial statements relate to the Company and its subsidiary companies and its associates hereinafter referred to as the 'Group Companies'. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company, its subsidiary companies and step-down subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions. The results of subsidiaries acquired during the year are included in the Statement of Profit and Loss from the effective date of acquisition. The amount shown in respect of reserves comprises the amount of relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition change in the relevant results of the subsidiaries.
- b) The Build, Operate & Transfer (BOT)/ Design, Build, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the infrastructure assets, but gets toll collection/user fee rights against the construction services rendered. Since the construction revenue earned by the company is considered as exchanged with grantor against toll collection/user fee rights, profit from such contracts is considered as realized.

Accordingly BOT/DBFOT contracts awarded to subsidiary and step-down subsidiaries (operator), where the work is sub-contracted to parent company, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated for consolidation under Accounting Standard - 21.
- c) The financial statements are based on historical cost convention and are prepared on accrual basis.
- d) The difference between the cost of investment in the subsidiaries/associates companies over the net assets at the time of acquisition of shares in subsidiaries/associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- f) Investment in Associate companies has been accounted under the equity method as per AS 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- g) The Company accounts for its share in change in net assets of the associate companies, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and associate companies to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associate company's Profit or Loss and through its reserves for the balance, based on available information.
- h) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- i) The list of subsidiaries, step-down subsidiaries and associates included in consolidation and the company's holding therein are as under:

Notes on Accounts forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2014	Proportion of Ownership Interest as at 31-03-2013
1	Sadbhav Infrastructure Projects Ltd. (SIPL)	India	84.15%	84.15%

Information pertaining to Step-down Subsidiaries (Subsidiaries of SIPL)				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2014	Proportion of Ownership Interest as at 31-03-2013
1	Nagpur-Seoni Expressway Ltd. (NSEWL)	India	100.00%	90.00%
2	Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	India	80.00%	80.00%
3	Aurangabad Jalna Tollway Ltd. (AJTWL)	India	100.00%	100.00%
4	Bijapur Hungund Tollway Private Ltd. (BHTPL)	India	77.00%	77.00%
5	Hyderabad Yadgiri Tollway Private Ltd. (HYTPL)	India	60.00%	60.00%
6	Maharashtra Border Check Post Network Ltd. (MBCPNL)	India	90.00%*	90.00%
7	Rohtak Panipat Tollway Private Ltd. (RPTPL)	India	100.00%	100.00%
8	Solapur Bijapur Tollway Private Ltd. (SBTPL)	India	100.00%**	100.00%
9	Shreenathji Udaipur Tollway Private Limited (SUTPL)	India	100.00%**	100.00%
10	Bhiwara Rajsamand Tollway Private Ltd. (BRTPL)	India	100.00%**	100.00%
11	Rohtak Hissar Tollway Private Ltd. (RHTPL)	India	100.00%**	--
12	Mysore Bellary Highway Private Ltd. (MBHPL)	India	50.00%****	--

Information pertaining to Associates				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2014	Proportion of Ownership Interest as at 31-03-2013
1	Mumbai Nasik Expressway Ltd. (MNEL)	India	20.00%	20.00%
2	Dhule Palesner Tollway Ltd. (DPTL)	India	27.00%***	27.00%

* 63% SEL and 27% SIPL ** 26% SEL and 74% SIPL *** 26% SEL and 1% SIPL **** 50% by SEL
Note: NSEWL, AJTL & RPTPL converted to 100% subsidiary of SIPL.

Note -1.3 Significant Accounting Policies

a) Basis of Preparation of Consolidated Financial Statements:

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Change in Accounting Policies:

Amortisation of Toll Collection Rights: During the year ended March 31, 2014, the SPVs/Subsidiaries has retrospectively revised the method of amortisation of its Toll Collection Rights from Straight Line Basis to amortisation based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period, in terms of notification dated April 17, 2012 of Ministry of Corporate Affairs (MCA).

The resultant excess amortisation provided in the books of account till March 31, 2013 as per the earlier basis to the extent of ₹ 15,775.04 Lakhs has been written back in Statement of Profit and Loss for the year. This change in accounting policy has resulted in decrease in amortisation expenses and corresponding decrease in loss for the year by ₹ 10,148.74 Lakhs.

c) Use of accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and

Notes on Accounts forming part of Consolidated Financial Statements

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

d) Inventories:

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

Work in progress is valued at contract rates.

e) Cash and Cash Equivalent:

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

f) Cash Flow Statement:

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

g) Recognition of contract revenue and expenses:

- (i) In case of Item rate contracts Revenue is recognized over the life of the contract using proportionate completion method, on the basis of physical measurement of work actually completed at the balance sheet date.
- (ii) In the case of lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management.
- (iii) An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iv) Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
 - Negotiation have reached at an advance stage such that it is probable that customer will accept the claim; and
 - The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.
- (vi) Site mobilization (Camp) Expenditure for site installation is written off over the period of contract in proportion to the value of work done.
- (vii) Income and expenses of previous years up to ₹ 500000/- are recognized in the current year as such. However income and expenses over and above ₹ 500000/- of previous year are accounted for as Prior Period item
- (viii) Toll collection from users has been accounted when the amount is received. Income of monthly pass is recognized as and when it is received in entirety.
- (ix) Income from sale of services: In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs.
- (x) Project Related Income: Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract costs.

An expected loss on construction contract is recognized as expenses immediately when is certain that total contract costs will exceeds the total contract revenue.

- (xi) Income from publicity rights are recorded on accrual basis.
- (xii) Profit/loss on sale of units of mutual funds and dividend income is recognized on realization basis.
- (xiii) Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amount invested and the rate applicable.
- (xiv) Income from fixed priced contract Revenue from development projects under fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contracts. Pending completion of milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue.

Notes on Accounts forming part of Consolidated Financial Statements

(xv) Annuity income for the project is recognized on accrued basis as per Concession agreement with NHAI.

h) Other Income:

Interest Income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

i) Tangible Assets:

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

j) Depreciation:

- (i) Depreciation is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956.
- (ii) In case of AJTL, ARRIL & RPTPL, Tangible Project Assets, as defined under Concession Agreement, are amortized on straight line basis, from the date on which such project asset is ready for use, till the end of concession period.
- (iii) Depreciation on Tangible Assets of remaining subsidiaries is provided using the Written down Value method at rates prescribed under schedule XIV of the Companies Act, 1956.
- (iv) In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.
- (v) Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished.

k) Intangible Assets and Amortisation:

- (i) An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangibles are stated at cost, less accumulated amortisation and impairment losses, if any.
- (ii) Toll collection rights received from the authority against construction services rendered by the subsidiary companies on BOT basis include direct and indirect expenses on construction of roads, bridges etc.
- (iii) Goodwill arising on consolidation is amortised on straight line basis, beginning from the date of acquisition of subsidiaries or commencement of commercial operations by subsidiaries, whichever is later, till the end of concession period.
- (iv) Intangible Asset (Right to operate the Project Road) is amortised based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of Ministry of Corporate Affairs (MCA) notification dated April 17, 2012. The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.
- (v) Software used at Head office and work-shop are amortised over a period of three years and software used at Project sites are amortised during the project completion period.

l) Intangible Asset under Development:

- (i) Intangible asset under development comprises of cost of road development including other capital assets till they are ready for their intended use as at the reporting date of the financial statements as well as "Expenditure during construction period, pending allocation." These shall be capitalised as an intangible asset after its Commercial Operation Date (COD).
- (ii) Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during the construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of the indirect expenditure. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to Statement of Profit and Loss.

m) Impairment of Assets:

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

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

Notes on Accounts forming part of Consolidated Financial Statements

n) Foreign Currency Transactions:

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

o) Derivative Contracts:

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

p) Investments:

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

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

q) Grant:

Grant received or receivable from government or other authorities is in the nature of promoters' contribution hence treated as capital receipt and is accounted as Capital Reserve.

r) Employee Benefits:

- (i) Contribution to "Defined Contribution Schemes" such as Provident Fund is charged to the profit and loss account as incurred. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement.
- (ii) Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. Company has taken Group Gratuity Policy of L.I.C. of India and Premium paid is recognized as expenses when it is incurred. Actuarial gains and loss in respect of Gratuity are charged to Profit & Loss Account.
- (iii) Short term employee benefits including leave are recognized as an expense in the profit and loss account of the year in which the related services are rendered.
- (iv) In respect of employee stock options, the excess of fair price on the date of grant over the exercise price is recognized as deferred compensation cost amortised over the vesting period.

s) Employee Share Based payment:

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

t) Borrowing Costs:

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

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

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

Notes on Accounts forming part of Consolidated Financial Statements

u) Segment Reporting Policies:

Identification of segments:

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

Allocation of common costs:

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

Unallocated Items:

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

Segment Policies:

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

v) Leases:

Where the Company is the lessee,

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

w) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

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

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

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

x) Provisions:

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

y) Earning per share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

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

z) Contingent Liabilities & contingent assets:

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

Notes on Accounts forming part of Consolidated Financial Statements

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

aa) Insurance Claims:

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

bb) Service Tax Input Credit:

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

cc) 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.

dd) General:

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
Note 2. Notes on Accounts		
2.1 Share Capital		
(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re.1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 151662300 (150945800) Equity shares of Re. 1/- each with voting rights	1516.62	1509.46
(c) Reconciliation of No.of Shares:		
Outstanding at the beginning of the year (Nos.)	15,09,45,800	15,03,67,800
Addition during the year (Nos.)	7,16,500	5,78,000
Outstanding at the end of the year (Nos.)	15,16,62,300	15,09,45,800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e) Shares held by each share holder holding more than 5% Equity shares of the company		
Name	No.of shares & (%)	No.of shares & (%)
Vishnubhai M. Patel	17829220 (11.76%)	10763570 (7.13%)
Shantaben V. Patel	14715375 (9.70%)	14715375 (9.75%)
Sadbhav Finstock Private Limited	16545275 (10.91%)	16545275 (10.96%)
(f) Shares reserved for Issue under ESOP @ ₹ 50/- per share (Face Value Re. 1/-) (Nos.)	382500	1167500
The activity in the ESOP-2008 during the year ended March 31, 2014 and March 31, 2013 respectively, is set out below:		
Particulars	As at March 31, 2014 (Figure in Nos)	As at March 31, 2013 (Figure in Nos)
Option outstanding in the beginning of the year	1167500	1820000
Option granted during the year	0	0
Less: Exercised	716500	578000
Less: Forfeited/Lapsed	68500	74500
Option outstanding at year end	382500	1167500
Option exercisable at year end	382500	75500
As at March 31, 2014 3,82,500 equity shares have been kept reserved for issue against the outstanding options. All shares are vested and are exercisable at any point of time within three years from the date of vesting. The exercise price of option is ₹ 50/- per option granted.		
2.2 Reserve and Surplus		
(a) Capital reserve		
As per Last Balance Sheet	52291.97	49721.04
Add/(Less) during the year	0.00	2570.93
	52291.97	52291.97
(b) Security Premium Account		
As per Last Balance Sheet	28214.33	27520.14
Addition during the year	860.52	694.18
	29074.85	28214.32
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1814.80	1814.80
Addition during the year	200.00	0.00
	2014.80	1814.80

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	229.86	263.14
Addition during the year	433.14	377.68
Less Shares issued during the year	509.43	410.96
	153.57	229.86
(e) General Reserves		
As per Last Balance Sheet	8160.18	7410.18
Addition during the year	1000.00	750.00
	9160.18	8160.18
(f) Profit and Loss account		
As per Last Balance Sheet	28798.78	29095.69
Net Profit for the year	4,437.48	748.16
Addition due to Increase in stake	0.00	755.94
Appropriations:-		
Transfer to general reserves	1,000.00	750.00
Transfer to Debenture Redemption reserves	200.00	0.00
Dividend on Preference Shares waived by Shareholders	--	(1.81)
Proposed Dividend	1064.54	905.70
Tax on Proposed Dividend	187.91	147.11
	30783.81	28798.79
Total	123479.18	119509.92

2.3 Long Term Borrowings

(a) Bonds/Debentures (Secured)

Secured redeemable non-convertible debentures
ICICI Bank [200 (130) debentures of ₹ 1 Crore each]

18000.00 12740.00

The debentures are secured by (a) a residual charge over all the movable assets of the company (b) exclusive charge over the secured immovable Property i.e. piece of non agricultural freehold land situated at Maharajpura of Kadi Taluka, in favour of the Debenture Trustee (for the benefits of the secured parties (c) pledge in favour of ICICI Bank Ltd. 2600717 number of equity shares of Sadbhav Infrastructure Project Ltd.

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

Repayment Schedule of Debentures is as under:

Repayable during the year	No. of Installments	Maturity Amount
2014-15	4	1600.00
2015-16	4	2000.00
2016-17	4	4000.00
2017-18	4	12000.00

(b) Term Loans

(i) (Secured)

From Banks:-

(a) Foreign Currency Term Loan (ECB)

86477.01 86704.21

(b) Rupee Term Loan

376294.11 299944.85

From Financial Institutions

3985.59 442.47

Secured by way of hypothecation of specific machineries and equipments purchased

(ii) Unsecured

Loans and Advances from related parties

14215.11 5580.76

(Subordinate Debt from Promoters, in terms of common Rupee Term Loan Agreement)

Total 498971.82 405412.29

Notes forming Part of the Consolidated financial statements

The details of security in respect of Indian Rupee Term Loans and Foreign Currency Loans (ECB) are as under:

- A Term Loan from Bank availed by the Company (SEL) is secured by way of hypothecation of specific machineries and equipments purchased, Sadbhav Vision House, Guest House & office in Mumbai, Non Agricultural land at Sheikhpur (Ahmedabad), Guest House in Delhi.
- B The term loan from Bank availed by SIPL is secured by:
- A first charge on all movable assets including intangible assets, book debts and other receivables of the company.
 - First charge on all bank accounts of the company
 - Corporate guarantee of Sadbhav Engineering Limited. The guarantee shall fall off in case the credit rating of the company remains AA- for two consecutive years.
- C Rupee Term Loans and Foreign Currency Loans from banks availed by Step-down Subsidiaries are secured by:
- A first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
 - A 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;
 - A 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 and all funds from time to time deposited therein, including those arising out of realisation of Receivables and all permitted Investments or other securities representing all amounts credited thereto.
 - A first charge on all intangible assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
 - A first charge on assignment by way of security in:
 - All the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - The right, title and interest of the Company in, to and under all Clearances;
 - Charge/assignment on all the intangible assets of the Company (other than project assets) including by not limited to goodwill, rights, undertakings, 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;
 - Pledge of equity shares held by SEL, SIPL and other promoters of the respective Subsidiaries as stipulated in Loan Agreements. Details of shares pledge are as under:

Particulars	Name of SPV	% of shares pledged
Pledged by SIPL	ARRIL	30.00 %
Pledged by SIPL	AJTWL	51.18 %
Pledged by SIPL	BHTPL	13.84 %
Pledged by SIPL	HYTPL	51.01 %
Pledged by SIPL	MBCPNL	0.02 %
Pledged by SEL	MBCPNL	47.70 %
Pledged by SIPL	RPTPL	51.00 %
Pledged by SIPL	SBTPL	51.00 %
Pledged by SEL	SIPL	11.88 %
Pledged by SIPL	NSEWL	30.00 %
Pledged by SIPL	BRTPL	39.24 %
Pledged by SIPL	RHTPL	51.00 %
Pledged by SIPL	SUTPL	51.00 %
Pledged by SEL	BRTPL	39.24 %
Pledged by SEL	RHTPL	51.00 %
Pledged by SEL	SUTPL	51.00 %
Pledged by SEL	SBTPL	51.00 %

Notes forming Part of the Consolidated financial statements

Notes:

- (a) 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 and the Working Capital Lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- (b) The security interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement) unless such security is consented to by the authority pursuant to the Concession Agreement.

D Terms of Repayment:

- i The Long Term Loans taken by SEL carry a floating interest rate ranging from 8.47% to 12.00%.

Interest payable on ECB is linked to LIBOR which is 215 basis points and 250 basis points over libor.

Terms of repayment of term loan taken by Sadbhav Engineering Limited is as under:

Repayable during the year	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2014-15	692	13166.40	1473.94
2015-16	675	7519.34	1623.32
2016-17	632	5856.50	1765.06
2017-18	151	3637.83	597.21
2018-19	4	1363.07	--
2019-20	2	596.79	--
2020-21	2	596.79	--
2021-22	2	596.79	--

The term loan taken by SIPL carries a floating interest rate ranging from 13.25% to 13.50% during the reporting period. This loan is repayable in 4 annual installments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

With regards to loan repayment terms of other subsidiaries, the same are as under:

ARRIL

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly installments 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. The Loans carry an average interest rate of 10.50% to 11.50% per annum.

The Second Ranking Rupee term loan is repayable to the lenders in 52 structured quarterly installments commencing from August 31, 2011. As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024. Term Loans carry an average interest rate of 12.50% to 12.75 % per annum

AJTL

The principal amount of the loan to each of the lender is payable in 48 equal quarterly installments commencing from October 1, 2011. Term loans carry average interest rate of 11.00 % to 11.50 % per annum.

NSEWL

The foreign currency loan is repayable in 15 semi annual installments commencing from December 30, 2010. Term loans carry interest @ LIBOR + 135 basis points.

MBCPNL

The loan is repayable in 50 quarterly installments commencing after 15th quarter from first disbursement i.e. March 20, 2010. The term loans carry interest rates ranging from 13.00% to 13.25 % per annum.

BHTPL

Principal of Rupee Term loan is repayable in 37 equal quarterly installments commencing from the expiry of moratorium period (i.e. 14 quarters from first drawdown date, December 12, 2010). The loans carry interest of 11.00 % to 12.00 % per annum.

Foreign currency loan shall be repayable in 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. The company is paying interest of LIBOR + 4.70 basis points per annum.

HYTPL

Principal amount of each term loan shall be repayable in 47 equal quarterly installments commencing from the expiry of moratorium period (i.e. 33 months from initial drawdown date). Term loans carry interest of 11.75 % per annum.

Notes forming Part of the Consolidated financial statements

Foreign Currency Loan from Bank shall be repayable in 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 common Rupee loan agreement. Interest at LIBOR + 470 basis points per annum is paid on the loan.

RPTPL

The principal amount of the loan shall be repayable in 43 quarterly installments commencing from 22 quarters from initial drawdown date (i.e. March 30, 2011). The term loans carry interest rate of 12.25 % to 12.75% per annum.

Foreign Currency Loan from Bank shall be repayable in accordance with the Repayment schedule which shall be in line with the repayment schedule of the Rupee Lenders under the amended common Rupee Loan Agreement. Interest at LIBOR + 470 basis points per annum.

SUTPL

The Principal amounts of the Loan under Tranche I is repayable to the Lenders in 138 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Schedule Commercial Operations Date (SCOD) occurs. Term loans carry interest of 12 to 12.75 per cent per annum.

The Principal amounts of the Loan under Tranche II 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. Term loans carry interest of 12 to 12.75 per cent per annum.

BRTPL

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 Schedule Commercial Operations Date (SCOD) occurs. Term loans carry interest of 12.25 per cent per annum.

RHTPL

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 Schedule Commercial Operations Date (SCOD) occurs. Term loans carry interest of 12.50% per annum.

Sub-ordinate debt from Holding Company/Promoters is repayable after the Term Loans from Banks and Financial Institutions availed under the Common Rupee Loan agreement and other financing documents are irrevocably and unconditionally paid and discharged. Sub-ordinate debt from promoters is interest free.

Sub-ordinate debt from Holding Company/Promoters is repayable on fulfillment of performance based terms and conditions of the Term Loans from Banks and Financial Institutions availed under the Common Rupee Loan agreement.

The sub-ordinate debts including interest is recoverable on fulfillment on financial performance based terms and conditions of Loan Agreement with Lenders of respective SPV.

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.4 Deferred Tax Liabilities (Net)		
As per accounting standard-22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Assets/Liabilities arising are as follows:-		
Opening Balance of deferred Tax Liability	3169.17	2344.37
Add : Deferred Tax Liability on depreciation	392.07	834.57
Add : Provision/(Excess provision) of Gratuity	5.57	9.77
Closing Balance of Deferred Tax Liability	3566.81	3169.17
2.5 Other Long Term Liabilities		
(a) Advance Received From Clients	60.78	571.01
(b) Security & Other Deposits from Sub-contractors/Vendors	360.29	305.93
(c) Interest Accrued but not Due	0.00	246.73
Total	421.07	1123.67

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	271.09	241.27
Periodic Major Maintenance	4097.66	0.00
Total	4368.75	241.27
2.7 Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Banks	29191.18	28613.37
Overdraft due to Issuance of Cheques	5035.86	1276.89
Secured by		
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and second charge on machineries owned by the company.		
(c) Personal Guarantee of Shri Vishnubhai M. Patel, Smt. Shantaben V. Patel, Shri Vasistha C. Patel & Shri Vikram R. Patel		
Unsecured		
From Banks	10748.00	2500.00
From Related parties	147.46	3775.92
From company in which Directors are Directors	0.00	52.30
From Others	1656.99	1100.00
Total	46779.49	37318.48
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	38395.20	35377.93
Total	38395.20	35377.93

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Non Convertible Debentures	1600.00	3260.00
Loan from Banks	22569.26	9885.83
Loan from Financial Institutions	1473.94	538.77
(b) Sundry Creditors for Capital Goods	5001.75	178.99
(c) Interest Accrued but not due on Loans	1572.91	1586.39
(d) Interest Accrued and due on Loans	259.81	23.33
(e) Unclaimed Dividend *	4.59	5.50
(f) Statutory Dues	4456.61	3185.92
(g) Advertisement income received in advance	2.08	0.00
(h) Advance received against sales of Assets	1.95	0.00
(i) Advances Received from Clients	7024.59	5102.05
(j) Unpaid IPO & Right Issue Money	0.01	0.01
(k) Contract Work in Progress	2008.74	0.00
(l) Miscellaneous Liabilities	144.43	29.58
Total	46120.67	23796.37
* Note:- There was no amount outstanding as on 31.03.2014, which is required to be transferred to Investor Education and Protection Fund (IEPF)		
2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	7.25	8.54
(b) Proposed Dividend	1061.64	905.67
(c) Tax on Proposed Dividend	180.43	146.92
(d) Provision for Wealth Tax	2.51	1.93
(e) Provision for Income Tax	11524.80	20525.08
Total	12776.63	21588.14

Notes forming Part of the Consolidated financial statements

Fixed Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01-04-2013	Additions during the year	Adjustment/ deductions during the year	Adjustment/ on Account of Foreign Exchange	As at 31-03-2014	As at 01-04-2013	For the year	Adjustment/ deductions during the year	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
2.11 Tangible Assets:											
Land Free Hold	578.19	-	-	-	578.19	-	-	-	-	578.19	578.19
Building	2,528.05	198.84	54.77	-	2,672.12	292.21	68.62	33.76	327.07	2,345.05	2,235.84
Machineries	41,918.51	20,074.94	1,409.16	434.07	61,018.36	16,823.54	4,292.93	303.34	20,813.13	40,205.23	25,094.96
Furniture	638.15	72.60	-	-	710.75	147.46	51.20	-	198.66	512.09	490.69
Vehicles	1,071.66	275.66	95.70	-	1,251.62	623.99	155.10	69.56	709.53	542.09	447.67
Computer	97.03	12.32	-	-	109.35	63.09	16.47	-	79.56	29.79	33.94
Office Equipments	515.18	60.68	-	-	575.86	289.86	61.19	-	351.05	224.81	225.32
Wind Mills	5,085.19	-	-	4.03	5,089.22	274.38	267.98	-	542.36	4,546.86	4,810.81
Assets Not put to use	1,410.77	1,892.91	145.05	-	3,158.63	-	-	-	-	3,158.63	1,410.77
**Advertisement hoarding under Disposal	96.00	-	-	-	96.00	-	-	-	-	96.00	96.00
Total (i)	53,938.73	22,587.95	1,704.68	438.10	75,260.10	18,514.53	4,913.49	406.66	23,021.36	52,238.74	35,424.19
2.12 Intangible Assets:											
Goodwill	7,177.54	26.49	-	-	7,204.03	721.41	379.20	-	1,100.61	6,103.42	6,456.13
Computer Software	715.09	15.94	-	-	731.03	631.70	37.43	-	669.13	61.90	83.39
Toll Rights	2,83,554.74	1,20,615.35	-	-	4,04,170.09	30,645.83	7,467.12	15,539.01	22,573.94	3,81,596.15	2,53,144.94
Service Fees Collection Rights	24,820.01	65,865.35	-	-	90,685.36	-	229.33	-	(6.70)	90,692.06	24,583.98
Toll Plaza Booth Work	685.60	118.45	2.10	-	801.95	0.14	21.73	0.10	21.77	780.18	685.46
Total (ii)	3,16,952.98	1,86,641.58	2.10	-	5,03,592.46	31,999.08	8,134.81	15,539.11	24,358.75	4,79,233.71	2,84,953.90
2.11 Capital Work in Progress											
Advertisement Hoardings	7.07	0.77	4.34	-	3.50	-	-	-	-	3.50	7.07
Toll Plaza Building	80.63	56.88	69.27	-	68.24	-	-	-	-	68.24	80.63
Total (iii)	87.70	57.65	73.61	-	71.74	-	-	-	-	71.74	87.70
Previous Year	-	-	-	-	-	-	-	-	-	-	-
2.12 Intangible Assets under development:											
Toll Plaza Booth Work	26.37	118.45	118.45	-	26.37	-	-	-	-	26.37	26.37
Road Development Expenditure	88,089.47	47,357.22	96,472.96	-	38,973.73	-	-	-	-	38,973.73	88,089.47
Expenditure during construction period (Pending Allocation)	26,784.33	20,358.21	36,323.36	-	10,819.18	-	-	-	-	10,819.18	26,784.34
Railway Authorities	55.31	-	55.31	-	-	-	-	-	-	-	55.31
Road and Check Post Development Work	26,058.25	14,566.17	28,054.00	-	12,570.42	-	-	-	-	12,570.42	26,058.25
Building Development Work	6,951.58	5,040.82	8,856.12	-	3,136.28	-	-	-	-	3,136.28	6,951.58
Computerisation and Check Post Integration Work	9,353.64	8,020.75	10,971.01	-	6,403.38	-	-	-	-	6,403.38	9,353.64
Other Direct Capital Expenses	359.83	471.03	680.20	-	150.66	-	-	-	-	150.66	359.83
Project Upfront Fees	5,783.63	-	2,644.15	-	3,139.48	-	-	-	-	3,139.48	5,783.63
Total (iv)	1,63,462.41	95,932.65	1,84,175.56	-	75,219.50	-	-	-	-	75,219.50	1,63,462.42
Total (i)+(ii)+(iii)+(iv)	5,34,441.82	3,05,219.83	1,85,955.95	438.10	6,54,143.80	50,513.61	13,048.30	15,945.77	47,380.11	6,06,763.69	4,83,928.21
Previous Year	4,19,999.87	3,18,417.65	2,04,398.72	423.00	5,34,441.83	33,710.58	17,117.43	314.41	50,513.61	4,83,928.21	-

1. Out of total depreciation charged for the year, NIL (48.13 lakhs) has been capitalised under the head "Expenditure during construction period (pending allocation)".

** Advertisement hoarding under disposal are stated at the lower of their book value or net realisable value.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.13 Non-current Investments		
(A) Trade Investment		
Investment in Equity Instruments (Unquoted) :-		
In Associate companies:-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. (SPV) 10400000 (10400000) Fully Paid up Equity Shares of ₹ 10/- each	2043.50	2028.20
Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.		
Total	2043.50	2028.20
Others		
(a) 25000 (25000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) Share application Money with Indian Highways Management Co. Ltd.	1.00	0.00
(d) 9.5% 20 (20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00
(e) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	58.18
(f) 12.5% 10 (10) Nos Debentures of Srei Equipment Finance Ltd. of ₹ 10,00,000/- each.	100.00	100.00
(g) Investment in NSC	12.15	10.99
(h) Land at cost	170.61	53.95
Total	513.89	425.68
(B) Non Trade Investments (Unquoted)		
Fixed Deposit (VAT)	0.00	0.05
Aggregate Value of Un-Quoted Investment ₹ 2557.39 Lakh (₹ 2453.93 Lakh)		
Total	2557.39	2453.93
2.14 Deferred Tax Asset (net)		
(a) Deferred tax assets in case of SIPL- Standalone:		
In accordance with Accounting Standard 22 "Accounting for Taxes on Income".		
The components of Deferred Tax Assets and Liability are as under:-		
Deferred Tax Assets		
Gratuity	3.06	1.56
	3.06	1.56
Deferred Tax Liability		
Difference in Book and Tax Depreciation	0.84	0.11
Deferred Tax Asset (net)	2.22	1.45
(b) Deferred tax assets and liabilities in case of Step Down Subsidiaries:		
In accordance with Accounting Standard 22 "Accounting for Taxes on Income" notified under the Companies (Accounting Standards) Rules, 2006, the Subsidiary Companies have a net deferred tax assets. Having regard to the consideration of the fact that Subsidiaries are entitled to deduction under section 80IA of the Income Tax, 1961, the deferred tax assets on timing differences, on account of unabsorbed depreciation and business losses have not been accounted for in the books since it is not virtually certain that they will be realised against forceable future.		

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.15 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)		
Due from Others	1987.52	4167.79
Total	1987.52	4167.79
2.16 Long Term Loans and Advances		
Unsecured, considered good		
(a) Loan to Related Party	1346.88	1371.55
(b) Advances for Goods and Services	2111.18	4387.23
(c) Advances to Suppliers for Fixed Assets	608.12	1613.87
(d) Group Gratuity Fund	290.66	208.00
(e) Advance against Purchase of Shares - others	0.00	146.88
(f) Sub-ordinate Debts - to related parties	18202.65	9844.00
(g) Interest Receivable - from related parties	3290.47	2116.44
(h) Security & Other Deposits	384.90	1138.05
(i) Tax Credits & Receivables	2.25	0.00
Total	26237.11	20826.02
The Company has recognised interest on sub-ordinate debt of ₹ 11,240 Lakh (March 31, 2013: ₹ 9,844 Lakh) given to Dhule Palesnar Tollway Limited. The interest accrued as at March 31, 2014 is ₹ 3,036.18 Lakh (March 31, 2013: ₹ 1,989.30 Lakh). The sub-ordinate debt including accrued interest is recoverable on fulfillment of financial performance/obligation as per terms and conditions of Loan Agreement with lenders of DPTL.		
2.17 Other Non Current Assets		
Unamortised Option Premium	721.93	914.54
Ancilliary cost of arranging the Borrowings	1549.41	2312.59
Total	2271.34	3227.13
2.18 Current Investments		
Trade : Un-quoted		
Investment in units of Mutual Fund	10285.96	818.44
Investment in NSC	0.10	0.10
Aggregate Value of Un-Quoted Investment ₹ 10286.06 Lakh (₹ 818.54 Lakh)		
Total	10286.06	818.54
2.19 Inventories		
(a) Construction Materials	14193.45	8840.76
(b) Work in Progress	929.59	929.59
(c) Stores & Spares	1259.06	448.67
(All Valued at Cost or Net Realizable Value, whichever is less, as certified by the Management)		
Total	16382.10	10219.02
2.20 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months		
Due from Others	5848.89	15135.17
(b) Other Debts		
(i) Due from Companies in which directors of the company are director	13620.63	0.00
(ii) Due from Others	38108.05	55870.30
Total	57577.57	71005.47

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
2.21 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	305.48	172.63
(b) Balance with Banks		
(i) In Current Accounts	6085.50	1964.23
(ii) In Fixed Deposit original maturities of 3 months or less	4576.33*	3675.10
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity	1825.27*	1526.19
(b) In earmarked accounts		
(i) For Margin Money	3.50	3.50
(ii) Unclaimed Dividend	4.59	5.50
(iii) Unclaimed Right Issue Money	0.01	0.01
Total	12800.68	7347.16
* Balance with bank includes deposits of ₹ 1531.72 Lakh (1037.12 Lakh) with remaining maturity of more than 12 months.		
* Fixed Deposit includes ₹ 2878.55 Lakh (1150.40 Lakh) Pledged with Central and various State Governments/Undertakings & Local Bodies.		
2.22 Short-term Loans and Advances		
Unsecured, considered good		
(a) Advances		
(i) Advances for goods and Services	10090.04	13957.69
(ii) Advances to Officers	0.00	1.53
(iii) Advances to Others	108.37	724.46
(b) MAT Credit Entitlement	2661.50	0.00
(c) Advance Income Tax	16975.49	21217.79
(d) Advance Sales Tax & Service Tax	4719.14	2519.71
(e) Prepaid Expenses	791.39	3147.82
(f) Security & Other Deposits	14801.56	13439.67
(g) Interest receivable from related parties	70.35	0.00
(h) Interest receivable from others	89.39	0.00
(i) Intere Corporate Loans	1700.00	0.00
Total	52007.23	55008.67
2.23 Other Current Assets		
(a) Interest Accrued But Not Due on Investment	15.09	25.76
(b) Receivable from Authority	7.74	7.75
(c) Receivable Against Sale of Assets	1473.63	1233.20
(d) Grant Receivable	642.40	642.40
(e) Unamortised Option Premium	192.62	192.62
(f) Deferred Revenue Expenditure	1966.89	156.77
(g) Income Tax Refund Recievable	288.09	3013.79
(h) Asset held for sale	0.00	21.15
(i) Gratuity Plan Assets	5.21	0.00
(j) Unbilled Revenue	123.64	0.00
(k) Recoverable in Cash or Kind		
Due from others	444.62	317.27
Total	5159.93	5610.71

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2013-2014	2012-2013
2.24 Revenue from Operations		
Contracts Receipt		
EPC Contract Income	238100.10	189915.00
Operation, Maintenance & Supervision Income	123.64	0.00
Revenue from Toll Collection & Annuity Income	29104.03	25899.92
User Fees	3022.55	0.00
Sale of Services		
Advisory and Project Management Fees	2762.00	12.00
Other Operating Income- Advertisement Income	139.90	132.42
Total	273252.22	215959.34
2.25 Other Income		
(a) Interest Income		
(i) From Related Parties	1163.20	1057.56
(ii) From Current Investments	312.20	450.11
(iii) From Non-Current Investments	139.51	110.08
(iv) From Others	905.72	1476.47
(b) Dividend Income on current Investments	7.36	247.93
(c) Profit on sale of Current Investment	418.17	335.55
(d) Profit on Sale of Assets	2.70	82.78
(e) Other Non-operating Income		
(i) Sundry Balances Written Back	2.91	0.00
(ii) Miscellaneous Income	111.05	60.36
Total	3062.82	3820.84
2.26 Cost of Material Consumed		
Opening Stock	8837.06	7477.39
Add Purchase	43144.76	28198.02
	51981.82	35675.41
Less Closing Stock of Material	14193.45	8837.06
Total	37788.37	26838.35
2.27 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Opening Work-in-Progress	929.59	929.59
Less : Closing Work-in-Progress	929.59	929.59
Total	0.00	0.00
2.28 Construction, Toll Plaza and Road Maintenance Expenses		
Labour Expenses	134077.12	116119.95
Power & Fuel	19978.27	12871.96
Stores Consumed	27.51	273.09
Repairs & Maintenances-Construction Machineries	2221.76	1673.63
Transportation Expenses	207.76	195.91
Machinery Rent	503.50	605.81
Vehicle hire & Maintenance charges	76.49	59.11
Land Rent	236.36	141.28
Site Establishment Expenses	1020.93	597.72
Mess Expenses	463.97	291.34
Operation & Maintenance Expenses	4731.78	273.99
Toll Plaza & Road Maintenance Expenses	4920.65	420.36
Miscellaneous Expenses	88.33	20.22
Total	168554.43	133544.37

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2013-2014	2012-2013
2.29 Employee Benefits Expense		
Salary & Wages	6728.79	4596.81
Contribution to PF and Other Funds	208.15	155.18
Group Gratuity Fund Expenses	22.28	36.32
Expense on Employee Stock Option Scheme	433.14	377.68
Staff Welfare expenses	264.87	153.86
Total	7657.23	5319.85
2.30 Finance Cost		
Interest Expenses		
On Borrowings	41284.14	28238.45
On Taxes	38.60	127.85
Others	0.00	95.48
Other Borrowing Costs	4018.13	1793.67
Foreign Currency Fluctuation	205.54	164.94
Total	45546.41	30420.39
2.31 Other Expenses		
Rent Expenses	34.75	127.97
Rates & Taxes	6302.90	6487.10
Vehicle Rent	171.33	135.27
Running & Maintenance of Vehicles	64.62	64.19
Repairs & Maintenances		
Building	17.02	47.62
Others Assets	106.59	33.44
Insurance	419.51	301.41
Electricity Charges	31.59	22.02
Postage & Telephone	121.69	95.53
Stationary & Printing	73.26	87.53
Traveling & Conveyance Expenses	251.53	170.15
Directors' Traveling & Conveyance Expenses	33.64	28.87
Legal & Consultation Fees & Expenses	2602.05	2123.79
Donation to Bhartiya Janta Party	0.00	21.00
Additional Concession Fees	2246.98	390.00
Donation Expenses	93.98	62.36
Other Bank Charges	77.02	24.15
Auditors Remuneration	75.82	44.37
Loss on Sales of Assets & Asset Written Off	498.53	140.87
Bad debts	4.82	4.13
Writing off of Intangible asset under Construction	257.59	0.00
Interest receivable Written off	226.51	0.00
Miscellaneous Expenses	984.58	417.46
Corporate Social Responsibility Expenses	9.22	0.00
Prior Period Adjustment	(8.35)	20.84
Total	14697.18	10850.07

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2013-2014	2012-2013
2.32		
Basic EPS		
Net Profit after Tax	4437.48	748.16
Weighted Average number of Equity Shares	15,13,84,261	15,08,24,388
Basic EPS (₹)	2.93	0.50
Diluted EPS		
Net Profit after Tax	4,437.48	748.16
Weighted Average number of Diluted Equity Shares	15,15,44,171	15,15,55,961
Basic EPS (₹)	2.93	0.49

2.33 Assets taken under Operating Leases

MBCPNL has incurred ₹ 9.90 Lakh (previous year ₹ 10.46 Lakh) towards lease rentals of land. Such rentals have been recognized as Expenditure during Construction Period, pending allocation. The lease terms are generally for the period of one to three years and are renewable by mutual agreement. There are no sub-leases and the leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

2.34 Contingent Liabilities and commitments

A Contingent Liabilities

Contingent liabilities of the Company is as under:

(a) Claims against the Company not acknowledged as debt:

1. The Dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries ₹ 104.95 Lakh (₹ 104.95 Lakh) & Interest of ₹ 174.05 Lakh (₹ 174.05 Lakh). The Company has filled the Appeal to Commissioner of Customs against the said order, hence no provision is made in the books of accounts.
2. Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakh (₹ 46.42 Lakh) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed ₹ 46.42 Lakh (₹ 46.42 Lakh) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.
3. Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (₹ 67.29 Lakh)
4. Company has received order of the Commissioner of service tax on 01st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakh (₹ 199.13 Lakh) and impose penalty of ₹ 345.92 Lakh (₹ 345.92 Lakh). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.
5. The Company has received Show-Cause Notice on 13th April, 2013 for imposing penalty of ₹ 19.84 Lakh (Nil) under Rule 26 of the Central Excise Rules, 2002. Company filed appeal before appropriate authority hence no provision has been made.
6. Service Tax demand of ₹ 434.80 Lakhs (₹ 434.80 Lakhs) not acknowledge as debts in regards to recovery of CENVAT credit on input services availed during the Financial Year 2009-10 and 2010-11 against the subsidiary. Subsidiary has received order from commissioner of Service tax on May 10, 2013 and the subsidiary has preferred appeal with tribunal for which subsidiary has deposited ₹ 25 Lakh and received stay order from tribunal for recoveries of demand. Further the matter is pending with tribunal as at reporting date.
7. The Deputy Commercial Tax Commissioner, Audit Division-1 Ahmedabad has passed order against "Jilin Sadbhav JV" for VAT demand of ₹ 702.00 Lakh inclusive of interest ₹ 330.18 Lakh and Penalty of ₹ 74.36 Lakh. In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad, hence no provision has been made.
8. The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakh under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No.2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakh with the Mining Engineer, Mines and Geology Department, Udaipur as per stay order of the Honourable Court. Further proceeding is pending, hence no provision has been made.

(b) Guarantees

Company has given corporate guarantee to banks for ₹ 29825.00 Lakh (₹ 28850.00 Lakh) against the finance facility given by the banks to subsidiary companies.

B Capital & other Commitments

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

	2013-2014	2012-2013
(a) The followings are the estimated amount of contractual commitments of the company:		
Sub Ordinate Debt/Equity Shares in Subsidiary Companies	30774.37	33240.47

(b) Commitment-Derivative contract

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

Particulars	Outstanding As at March 31, 2014	Outstanding As at March 31, 2013
Index Swap	750.29	6048.73
Currency Option-Repayment (Amount in Lakhs)		
- Equivalent INR	81172.47	81351.59
- Equivalent USD	1518.58	1545.47
Interest Swap (Amount in Lakhs)		
- Equivalent INR	26363.66	27380.19
- Equivalent USD	419.55	477.79

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2014		As at March 31, 2013	
	USD	INR	USD	INR
Loan Payable	337.05	20256.56	368.35	20034.49
Interest Payable on Loan	Nil	Nil	Nil	Nil

Additional Concession Fees as per Concession Agreement

As per Concession Agreement with NHAI, some of the subsidiaries shall pay to NHAI for each year of the Concession Period, additional concession fees, out of the gross revenues of the respective projects as share of the authority commencing on COD for the period remaining in that year and for each subsequent year of the concession.

2.35 Employee Benefits

(a) Defined Benefit Plan:

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

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

The following tables sets out the funded status of the gratuity plan and the amount recognised by the company's financial statements as at March 31, 2013.

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

	2013-2014	2012-2013
(a) Present Value Funded Obligations	293.34	228.55
(b) Fair Value of Plan Assets	317.80	228.55
(c) Liability Recognized in the Balance Sheet	0.00	34.82

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

(₹ in Lakhs)

	2013-2014	2012-2013
(a) Current Service Cost	68.02	49.62
(b) Interest on obligation	20.86	17.58
(c) Expected Return on plan assets	(21.03)	(19.89)
(d) Net Actuarial Losses / (Gains) recognized in the year	(44.03)	(8.52)
(e) Past Service Cost	0.00	(3.59)
(f) Adjustment	(2.04)	(1.32)
Net Gratuity Cost	21.78	33.88

(iii) **Reconciliation of Opening & Closing balance of Gratuity is as follows**

(₹ in Lakhs)

	2013-2014	2012-2013
(a) Opening Defined Benefit Obligation	263.35	208.89
(b) Service Cost for the year	68.02	49.62
(c) Past Service cost	0.00	(3.59)
(d) Interest Cost for the year	20.87	17.58
(e) Actuarial Losses / (Gain)	(47.16)	(13.64)
(f) Benefits Paid	(11.75)	(1.80)
(g) Opening Provision for Gratuity	0.00	6.29
Closing Defined Benefit obligation	293.33	263.35

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

(₹ in Lakhs)

	2013-2014	2012-2013
(a) Opening fair value of plan assets	228.55	144.04
(b) Adjustment to the opening fund	0.00	(0.01)
(c) Expected Return	23.07	16.05
(d) Actuarial Gains	(3.20)	0.03
(e) Contribution by the employer	80.37	70.24
(f) Benefits paid	(10.99)	(1.80)
Closing fair value of the plan assets	317.80	228.55

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2014 are as under**

(₹ in Lakhs)

	2013-2014	2012-2013
(a) Government of India Securities	--	--
(b) High Quality Corporate Bonds	--	--
(c) Equity Shares of Listed Companies	--	--
(d) Property	--	--
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance	--	--

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

(₹ in Lakhs)

	2013-2014	2012-2013
(a) Discount Rate as at year end		
For SEL	9.10%	8.10%
For Subsidiaries	9.10%	8.1% to 8.20%
(b) Expected return on plan assets at year end	8.75%	9.00%
(c) Proportion of employees opting for early retirement		
- At Younger Ages	5.00%	5.00%
- At Older Ages	1.00%	1.00%
(d) Annual increase in salary cost	6.00%	6% to 7%

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

2.36 List of Related Parties

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

Joint Ventures: SEL-GKC JV, SEL-Annapurna JV, SEL-Vishnushiva JV & SEL-Vaishnovi JV.

Key Management Personnel (KMP) : Shri Vishnubhai M. Patel, Shri Girish N. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Smt. Rajeshriben Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel.

Relatives of KMP : Smt. Shantaben V. Patel, V. M. Patel (HUF), Alpa Dharmin Patel, Bhavna V. Patel, Tosha Patel, Rekhaben V. Patel, Truptiben V. Patel, Vipulbhai H. Patel.

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

Details of Related Party Transactions:

(₹ in Lakhs)

Transactions	Associates	Key Managerial Persons	Relatives of KMP & Enterprises over which KMP/Relatives of KMP having significant influence	Joint Venture	Total
Sub contracting Income	--	--	--	18621.30	18621.30
	(2971.46)	(0.00)	(0.00)	(23522.55)	(26494.01)
Interest Received	--	--	1304.47	--	1304.47
	(0.00)	(0.00)	(1198.33)	(0.00)	(1198.33)
Sale of Service	--	--	12.00	--	12.00
	(0.00)	(0.00)	(12.00)	(0.00)	(12.00)
Sub contracting Expenditure	--	--	14644.05	--	14644.05
	(0.00)	(0.00)	(12095.77)	(0.00)	(12095.77)
Remuneration Paid	--	333.56	--	--	333.56
	(0.00)	(362.29)	(0.00)	(0.00)	(362.29)
Interest Paid	--	34.73	5.22	--	39.95
	(0.00)	(296.35)	(2.56)	(0.00)	(298.91)
Rent & Service charges	--	--	1.69	--	1.69
	(0.00)	(0.00)	(6.75)	(0.00)	(6.75)
Loan Received during the year	--	2067.73	--	--	2067.73
	(0.00)	(2289.00)	(51.00)	(0.00)	(2340.00)
Loan given during the year	--	--	141.27	--	141.27
	(0.00)	(0.00)	(127.41)	(0.00)	(127.41)
Security Deposit - Retention Deducted during the year- Receivable	--	--	--	2377.16	2377.16
	(319.46)	(0.00)	(0.00)	(1191.72)	(1511.18)
Security Deposit - Retention Deducted from Sub Conct - Payable	--	--	528.11	--	528.11
	(0.00)	(0.00)	(978.94)	(0.00)	(978.94)
Deposit repaid during the year	--	--	--	--	0.00
	(319.46)	(5204.25)	(376.28)	(839.33)	(6739.32)
Dividend Paid during the year	--	177.49	265.52	--	443.01
	(0.00)	(165.49)	(262.47)	(0.00)	(427.96)
Donation given during the year	--	--	8.10	--	8.10
	(0.00)	(0.00)	(12.50)	(0.00)	(12.50)
Mobilization Given during the year	--	--	340.99	0.00	340.99
	(0.00)	(0.00)	(703.49)	(0.00)	(703.49)
Mobilization Advance Received during the year	0.00	0.00	0.00	2336.55	2336.55
	(0.00)	(0.00)	(0.00)	(395.93)	(395.93)
Investment	--	--	--	--	0.00
	(0.00)	(0.00)	(17.85)	(0.00)	(17.85)
Advance Received during the Year for issue of Convertible Warrants	--	2315.00	--	--	2315.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sub-ordinate Given	--	--	1396.00	--	1396.00
	(0.00)	(0.00)	(1240.00)	(0.00)	(1240.00)
Trade Receivable Reversed	--	--	37.65	--	37.65
	(0.00)	(0.00)	(3.97)	(0.00)	(3.97)
Balance Receivable at the year end	1068.14	--	34.67	2452.55	3555.36
	(4920.36)	(0.00)	(24.05)	(3223.74)	(8168.15)
Balance Payable at the year end	--	--	295.17	--	295.17
	(0.00)	(4.34)	(494.49)	(0.00)	(498.83)
Closing Balance: Loan Received during year	--	147.47	56.99	--	204.46
	(0.00)	(3765.30)	(52.30)	(0.00)	(3817.60)
Closing Balance: Loan Given during year	--	--	1371.55	--	1371.55
	(0.00)	(0.00)	(1371.55)	(0.00)	(1371.55)

Closing Balance: Mobilization Advance Received	--	--	--	3396.51	3396.51
	(0.00)	(0.00)	(0.00)	(1339.70)	(1339.70)
Closing Balance: Mobilization Advance Given	--	--	174.10	--	174.10
	(0.00)	(0.00)	(446.84)	(0.00)	(446.84)
Closing Balance: Security Deposit - Receivable	908.20	--	--	3289.69	4197.89
	(901.15)	(0.00)	(0.00)	(1626.98)	(2528.13)
Closing Balance: Security Deposit - Payable	--	--	1139.41	--	1139.41
	(0.00)	(0.00)	(997.33)	(0.00)	(997.33)
Sub Ordinate Loan Receivable Outstanding at the year end	--	--	11240.00	--	11240.00
	(0.00)	(0.00)	(9844.00)	(0.00)	(9844.00)
Closing Balance: Advance Received during the Year for issue of Convertible Warrants	--	2315.00	--	--	2315.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Remuneration Payable at year end	--	3.85	--	--	3.85
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Interest Receivable at Year end	--	--	3290.47	--	3290.47
	(0.00)	(0.00)	(2116.44)	(0.00)	(2116.44)

(figures in bracket show previous year amount)

2.37 Segment Information:

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

Statement Showing details of Segment Reporting

(₹ in Lakhs)

	Construction & Engineering		BOT (Toll & Annuity)		Others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue								
External Revenue	237652.20	189296.10	32266.48	26032.34	3333.54	630.90	273252.22	215959.34
Inter-Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	237652.20	189296.10	32266.48	26032.34	3333.54	630.90	273252.22	215959.34
Segment Expense	212780.53	170694.97	11627.79	2823.07	16.97	29.85	224425.29	173547.89
Segment Result								
Operating Profit	24871.67	18601.13	20638.69	23209.27	3316.57	601.05	48826.93	42411.45
Less: Interest & other finance expense	11344.61	8436.97	28731.51	21983.42	466.88	0.00	40543.00	30420.39
Interest Income	963.24	840.22	0.00	0.00	0.00	0.00	963.24	840.22
Other Income	96.98	68.12	0.00	589.06	0.00	0.00	96.98	657.18
Unallocated Corporate Expense	0.00	0.00	0.00	0.00	0.00	0.00	9665.92	3004.75
Unallocated Corporate Income	0.00	0.00	0.00	0.00	0.00	0.00	2002.60	2323.44
Profit before Depreciation and Tax	14587.28	11072.50	(8092.82)	1814.91	2849.69	601.05	1680.83	12807.15
Depreciation and Amortisation	4353.66	2807.96	7917.74	13887.04	267.98	268.50	12539.38	16963.50

Unallocated Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	118.33	105.79
Profit before Tax and Exceptional Items	10233.62	8264.54	(16010.56)	(12072.13)	2581.71	332.55	(10976.88)	(4262.14)
Exceptional Items	(3602.82)	6093.98	15775.04	0.00	0.00	0.00	12172.22	6093.98
Profit Before Tax	6630.80	14358.52	(235.52)	(12072.13)	2581.71	332.55	1195.34	1831.84
Current Tax	0.00	0.00	0.00	0.00	0.00	0.00	2722.19	3543.25
MAT Credit Entitlement	0.00	0.00	0.00	0.00	0.00	0.00	(2661.50)	0.00
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	396.87	823.35
Short/(Excess) provision of Taxtion of Earlier Years	0.00	0.00	0.00	0.00	0.00	0.00	(1869.61)	(21.50)
Profit after Tax	6630.80	14358.52	(235.52)	(12072.13)	2581.71	332.55	2607.39	(2513.26)
Add: Share of Loss Transferred to Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	1814.79	3737.57
Add : Share of Profit/(Loss) of Associates	0.00	0.00	0.00	0.00	0.00	0.00	15.30	(476.15)
Net Profit for the Year	6630.80	14358.52	(235.52)	(12072.13)	2581.71	332.55	4437.48	748.16
ASSETS								
Segment Assets	277746.82	224804.89	642094.04	500967.85	4546.86	4822.72	924387.72	730595.46
Unallocated Segment Assets	0.00	0.00	0.00	0.00	0.00	0.00	2473.42	2372.86
Segment Liabilities	194485.35	142284.02	589914.84	446888.67	4546.86	4810.81	788947.05	593983.50
Capital Work in Progress	0.00	0.00	71.74	87.70	0.00	0.00	71.74	87.70
Intangible Assets Under Development	0.00	0.00	75219.50	64759.58	0.00	0.00	75219.50	64759.58
Depreciation and Amortisation	4353.66	2807.96	7917.74	13887.04	267.98	268.50	12539.38	16963.50
Unallocated Depreciation	0.00	0.00	0.00	0.00	118.33	0.00	118.33	0.00
Non Cash Expenses other than depreciation and amortisation	402.46	381.81	5511.24	320.15	0.00	0.00	5,913.70	701.96

Footnotes:

- Segment Assets Exclude the following:-
 - Advance payment of Income Tax of ₹ 19691.10 Lacs (₹ 21294.79 Lacs)
- Segment Liability Exclude the following:-
 - Provision of Income Tax of ₹ 11351.58 Lacs (₹ 20525.08 Lacs)
 - Deferred Tax Liabilities of ₹ 3564.59 Lacs (₹ 3167.72 Lacs)

2.38 Intra-group Turnover and Profits on BOT Construction Contracts

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

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

The revenue and profit in respect of these transactions during the year is ₹ 64919.94 Lakhs (Previous Year ₹ 77377.50 Lakhs) and ₹ 12018.12 Lakhs (Previous Year ₹ 10195.96 Lakhs) respectively.

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

Particulars		As at 2013-14	As at 2012-13
1	Amount of Contract Revenue Recognised as revenue during the period	237032.82	186901.21
2	Disclosure in respect of Contract in Progress at the reporting date		
	(a) Contract cost incurred and recognised profit less recognised losses upto the reporting date	635970.87	518900.63
	(b) Profits (less recognized losses) upto reporting	5174.35	4280.64
	(c) Advances Received	43130.35	24350.03
	(d) Retention Amount	12489.71	13900.18
3	Amount due from Customers for Contract in Progress	69333.94	73429.85
4	Amount due to Customers for Contract in Progress	0.00	0.00

2.40 Exceptional Items

- (i) Exceptional Items for the current year ended March 2014 pertains to the Bad debts of ₹ 2445.48 Lakhs, Advance Written off ₹ 1389.28 Lakhs (Including Loan to Subsidiaries written off ₹ 231.94 Lakhs) and for the previous year ended March 2013 it pertains to Performance Bonus (net of expenditure) received on early execution of work contracts.
- (ii) Exceptional Items for the year ended March, 2014 includes over and above shown under note no. 2.40(i), the write back of amortisation of toll collection rights of ₹ 15775.04 Lakhs due to change in amortisation method as mention in Note No. 1.3 (b).

2.41 Movement in Periodic Major Maintenance Provision:

Particulars	2013-14
Carrying amount as at Beginning of the Year	
Add: Additional provision made in the year	4,097.66
Less: Amounts used (i.e. incurred and charged against the provision) during the year Unused amounts reversed during the year	
Carrying amount as at End of the Year	4,097.66

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

- 2.43** During the year, one of the step down subsidiary company i.e. Solapur Bijapur Tollway Private Limited has entered the settlement and close out agreement with National Highway Authority of India ('NHAI') dated 23rd December, 2013 for foreclose the concession agreement due to delay in handing over the land for the road project as per Concession agreement with NHAI. Since, the subsidiary was promoted for purpose of execution of above road project under the concession agreement which is foreclosed and hence sub-ordinate debt given to the SPVs has been waived off.

- 2.44** According to the management, the intangible assets to be amortized is in the form of right to operate the project road, and hence proper amortization method should be based on use of such contractual right rather than use of underlying tangible asset. This right is consumed through passage of time and hence SLM method of amortization is more appropriate. The accumulated amount of amortization under straight line method is higher than the amortization computed in terms of Notification no. GSR 298(E) dated April 17, 2012 issued by Ministry of Corporate Affairs.

2.45 Pending Litigation:

- (a) During the year, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a step down subsidiary of the Company) has filed company petition under section 347 and 398 of the Companies Act, 1956 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd a holding Company and its associates/affiliates wherein the subsidiary is also defendant. The Company Law Board (CLB) passed an order in favour of the minority shareholder although subsidiary pleaded that matter should be referred for arbitration as per shareholder agreement (SHA). Against the CLB order the company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be referred as per SHA. Hon'ble High Court accepted SCA of the company and granted interim relief where by further proceeding of CLB have been stayed. Currently the matter is pending before Hon'ble High Court of Gujarat. The management believes that, based on legal advice, the outcome of above contingencies will be favourable and that any loss is not probable. Accordingly, no amounts have been accrued or paid in regard to dispute.
- (b) Officer of Public Works Department, Govt of Maharashtra (PWD) passed the order on November 4, 2013 to stop Toll Collection. The subsidiary had filed a writ petition in the Hon. High Court, Aurangabad Bench challenging the said order. The Hon. High Court passed an interim order on December 9, 2013 allowing restoration of Toll Collection from December 14, 2013 on the undertaking to complete balance works and road maintenance works under supervision of Maharashtra Engineering Research Institute (MERI), Nashik and PWD authorities and also directed to deposit the amount of toll collection into separate ESCROW account to be opened and operated jointly by subsidiary and PWD officer. The subsidiary has accordingly deposited the amount of toll collection into separate escrow account with Bank. The amount and account would be released once the entire work is completed and certified by PWD officers. The deadline for completion of above works is presently extended up to 31st July 2014.

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

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

2.47 Note on NBFC:

Based on the legal opinion obtained by the subsidiary in terms of Reserve Bank of India directive with regards to systematically important Core Investment Companies (Reserve Bank) Directions 2011, the subsidiary is not required to be registered with Reserve Bank of India in terms of said directives.

2.48 Share of Profit in Mumbai Nasik Express Way Limited, an associates of the company, has been taken for the period from April 1, 2013 to December 31, 2013 as the company has received the audited financial statement for that period only till the preparation for Consolidated financial statements.

2.49 All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2014

For and on behalf of Board

V. M. Patel
Managing Director

Vasistha C. Patel
Executive Director

Nitin R. Patel
Executive Director

Vijay Kalyani
Company Secretary

Summary of Financial Information of Subsidiary Companies

(Pursuant to General Circular No: 2/2011 No. 51/12/2007-CL- III dated 08th February, 2011 of Ministry of Corporate Affairs, Government of India)

(₹ in Lakhs)

Name of the Subsidiary Company	Sadbhav Infrastructure Project Ltd.	Nagpur-Seoni Expressway Ltd.*	Ahmedabad Ring Road Infrastructure Ltd.*	Aurangabad-Jalna Tollway Ltd.*	Rohtak-Panipat Tollway Pvt. Ltd.*	Hyderabad-Yadgiri Tollway Pvt. Ltd.*	Bijapur-Hungund Tollway Pvt. Ltd.*	Maharashtra Border Check Post Network Ltd.*	Shreenathji-Udaipur Tollway Pvt. Ltd.*	Solapur Bijapur Tollway Pvt. Ltd.*	Bhilwara-Rajsamand Tollway Pvt. Ltd.*	Rohtak-Hissar Tollway Pvt. Ltd.*	Total
Capital	2825.80	4800.00	1046.00	197.11	218.64	324.74	10096.00	5.00	2074.32	5.00	1734.00	1076.80	24403.41
Reserves	80360.32	(2654.31)	3616.36	1472.57	(762.08)	(3289.33)	19022.04	(5464.96)	(70.71)	(4.45)	(19.55)	(12.78)	92193.12
Total Assets	159248.35	32124.68	44829.56	26514.87	121148.83	49543.60	128753.67	131203.21	38877.42	21.15	17028.24	22685.89	771979.47
Total Liabilities	76062.23	29978.99	40167.20	24845.19	121692.27	52508.19	99635.63	136663.17	36873.81	20.60	15313.79	21621.87	655382.94
Investments (except in case of investment in the subsidiaries)	63.00	48.28	12.62	100.00	4663.65	34.28	5541.98	0.00	21.05	0.00	22.88	12.38	10520.12
Turnover	9117.72	3839.60	7375.99	2795.18	1905.31	3830.94	9495.82	3023.64	0.00	0.00	0.00	0.00	41384.20
Profit / (Loss) Before Taxation	106.91	(705.59)	4097.11	976.32	(2731.73)	(3106.87)	(746.39)	(4492.77)	(0.05)	(3.74)	(5.86)	(12.78)	(6625.44)
Provision for Taxation	45.72	0.00	836.96	127.10	0.00	(1.86)	0.00	0.00	0.00	0.00	0.00	0.00	1007.92
Profit / (Loss) After Taxation	61.19	(705.59)	3260.15	849.22	(2731.73)	(3105.01)	(746.39)	(4492.77)	(0.05)	(3.74)	(5.86)	(12.78)	(7633.36)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Subsidiary of Sadbhav Infrastructure Project Limited which is a subsidiary of the Company.
Figures in bracket show negative figures.

A T T E N D A N C E S L I P

DP ID	
Client ID	

Folio No.	
No. of Shares	

Name and address of Shareholder/ Proxy holder

I hereby record my presence at the **25th Annual General Meeting of the Company** held on Friday, September 26, 2014 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 at 03.00 P.M.

Shareholder/Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)

P R O X Y F O R M

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration Rules. 2014)

Name of the Member (s):			
Registered Address:			
E-mail ID:			
Folio No./ Client ID:		DP ID:	

I/We, being the member(s) of _____
shares of the **Sadbhav Engineering Ltd.**, hereby appoint;

- 1) _____ of _____ having e-mail id _____ or failing him / her
- 2) _____ of _____ having e-mail id _____ or failing him / her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25th Annual General Meeting of the Company**, to be held on the Friday, September 26, 2014 at 03.00 p.m. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

1. Consider and adopt:
 - (a) Audited Financial Statement, Report of the Board of Directors and Auditors
 - (b) Audited Consolidated Financial Statement
2. Declaration of Dividend on Equity Shares.
3. Re-Appointment of Mr. Vasistha C. Patel who retires by rotation.
4. Re-Appointment of Mr. Vikramkumar R. Patel who retires by rotation.
5. Appointment of Auditors.
6. Appointment of Mr. Sandip A. Sheth as an Independent Director.

7. Appointment of Mr. Mirat N. Bhadlawala as an Independent Director.
 8. Appointment of Mr. Atul N. Ruparel as an Independent Director.
 9. Appointment of Mr. Sandip V. Patel as an Independent Director.
 10. Appointment of Mr. Arun S. Patel as an Independent Director.
 11. Re-appointment of Mr. Vishnubhai M. Patel as a Managing Director and Chief Executive Officer.
 12. Re-appointment of Mr. Shashin V. Patel as a Joint Managing Director.
 13. Re-appointment of Mr. Nitin R. Patel as a Whole-time Director.
 14. Increase in Borrowing Limit of the Company.
 15. Create Mortgage / Charge on the assets of the Company.
 16. Issue of Secured / Unsecured Non-Convertible Debentures and / or other Debt Securities on private placement basis.
 17. Adoption of new Articles of Association of the Company.

Signed this _____ day of _____ 2014



Signature of shareholder

Signature of 1st proxy holder

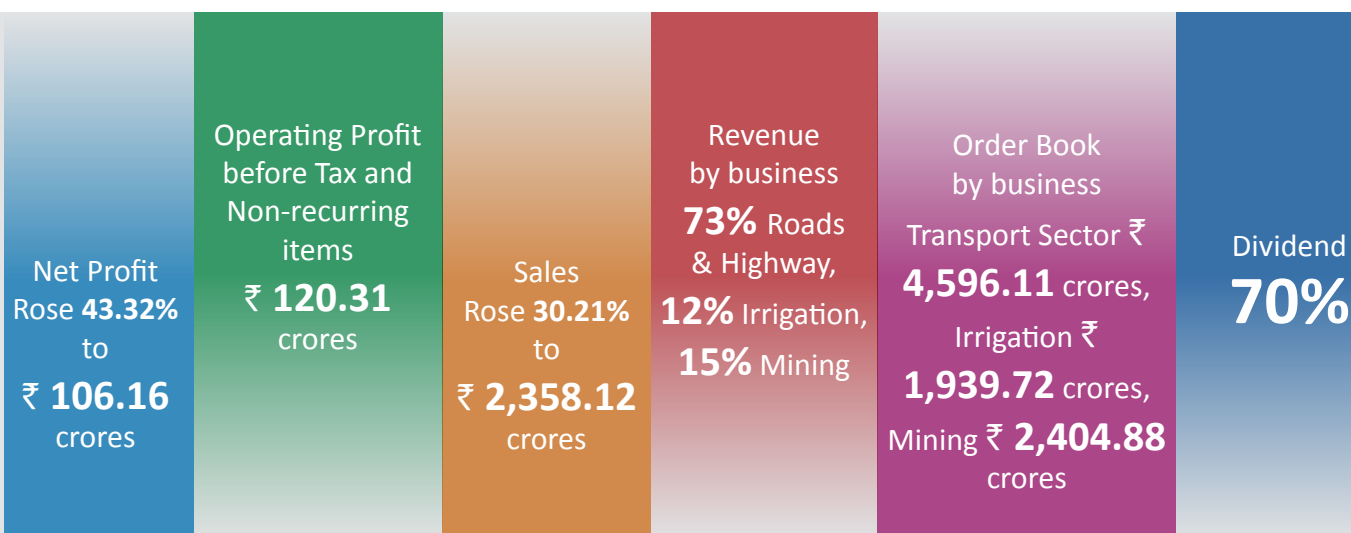
Signature of 2nd proxy holder

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.

2013-2014 Key Figures



(₹ in Crores)

Financial Highlights	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover	2358.12	1811.00	2675.55	2209.17	1256.93
Total Income	2394.55	1882.29	2686.37	2228.67	1273.58
Earning Before Depreciation, Interest & Tax (EBDIT)	249.40	216.69	290.28	225.79	137.65
Exceptional Item	(3834.76)	60.94	0.00	0.00	0.00
Depreciation	47.40	31.82	27.44	26.86	23.25
Interest	118.11	84.37	65.11	42.69	33.09
Profit After Tax	106.16	74.07	140.56	119.59	53.84
Equity Dividend %	70%	60%	60%	60%	40%
Dividend Payout	12.52	10.53	10.49	10.49	5.83
Equity Share Capital	15.17	15.09	15.04	14.99	12.50
Warrant Application Money	23.15	0.00	0.00	0.00	0.00
Stock Option Premium Outstanding	1.54	2.30	2.63	2.10	0.00
Reserve & Surplus	917.37	815.13	744.64	608.65	379.01
Net Worth	957.22	832.52	762.30	625.75	391.51
Gross Fixed Assets	726.35	514.78	443.50	371.52	332.21
Net Fixed Assets	498.19	330.26	288.07	229.76	210.09
Total Assets	3027.94	2490.83	2139.41	1990.28	1420.13
Total Debt (Loan Fund)	1028.03	765.17	460.23	396.07	423.87
Earning Per Share (In ₹)	7.01	4.91	9.36	8.50	4.21
Book Value Per Share (In ₹)	63.12	55.15	50.74	41.75	31.32
Weighted No. of Shares	151384261	150824388	150235175	140608299	127955167

Note:

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



SADBHAV ENGINEERING LIMITED

“Sadbhav House”,

Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006, India.

Phones : +91-79-2646 3384, 2640 5687

Fax : +91-79-2640 0210

E-mail : sel@sadbhaveng.com

Website : 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 cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

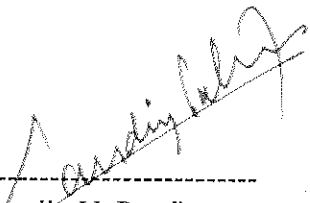
FORM A

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

1.	Name of the Company:	Sadbhav Engineering Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period N.A.


(Vishnubahi M. Patel)
Managing Director


(Nifin R. Patel)
Executive Director /CFO


(Sandip V. Patel)
Chairman-Audit Committee

DR. SURANA MALOO & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 112171W


PARTNER
MEMBERSHIP NO. 37671

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



Sadbhav Engineering Limited

Regd Office : "Sadbhav House"
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad- 380006.
T : +91 79 26463384 F : +91 79 26400210
Web : www.sadbhaveng.com
E : sel@sadbhaveng.com CIN : L45400GJ1988PLC011322