Sadbhav
TODAY FOR TOMORROW

REF:SEL:BSE: 2017-18/ 03
28.09.2017

To,
The Dy. Gen. Manager,
Corporate Relationship Dept.,
BSE Limited
PJ Tower, Dalal Street,
Mumbai – 400 001
Fax : 022-22722037-39
Equity Scrip Code:532710

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

Sub. : Submission of Annual Report for the Year 2016-17 under Regulation 34 of SEBI **(LODR) Regulations, 2015.**

Dear Sir,

Pursuant to the Regulation 34 of SEBI (LODR) Regulations, 2015, we are enclosing herewith the copy of Annual Report for the Year 2016-17.

Kindly take on the same on your record.

Thanking you

For Sadbhav Engineering Limited

Tushar Shah
Company Secretary
Mem. No. F7216

Encl: As above

Sadbhav
TODAY FOR TOMORROW

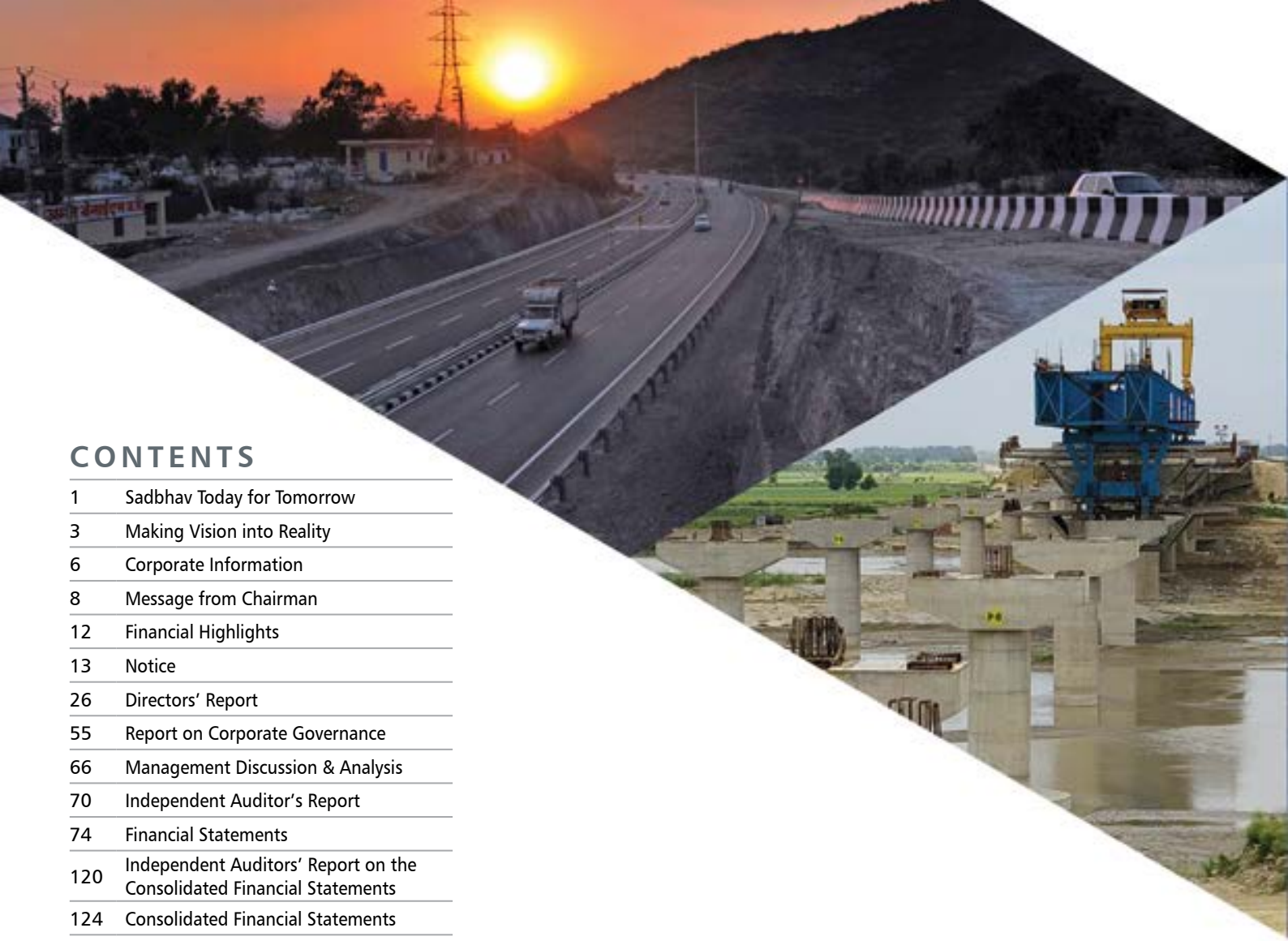
28th ANNUAL REPORT 2016-2017





SADBHAV STANDING ON STRONG FOUNDATION

SADBHAV ENGINEERING LIMITED



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Channelising growth

through diverse business ventures for a successful future



SADBHAV has built its success on a firm foundation of a value system that sustains integrity, trust and respect. These timeless principles have honed the Company's core competence of Constructing Infrastructure through Roads, Mining and Irrigation Projects.

Performing & Progressing through Professionalism

Sadbhav
TODAY FOR TOMORROW

Sadbhav Today for Tomorrow



Shri Vishnubhai M. Patel
Chairman Emeritus (From 03-03-2017)

Our motto reflects our spirit. We believe what we build today will last beyond our lifetime and benefit tomorrow. We strive today, for a better future.

Our true success does not lie in the profits we make today, but in the green legacy we create for the generations to come.



Striving to Excel...

By setting the benchmarks like being the 'best in class', in our chosen fields.

By creating – Value for our customers Wealth for our stakeholders and Future for our employees.

By giving back to Society, what we have gained from it.

Sadbhav
TODAY FOR TOMORROW

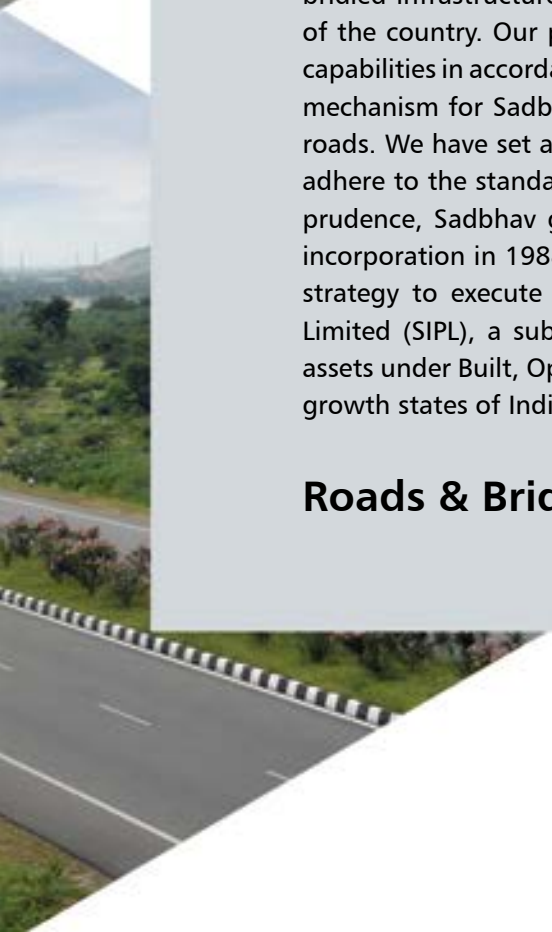


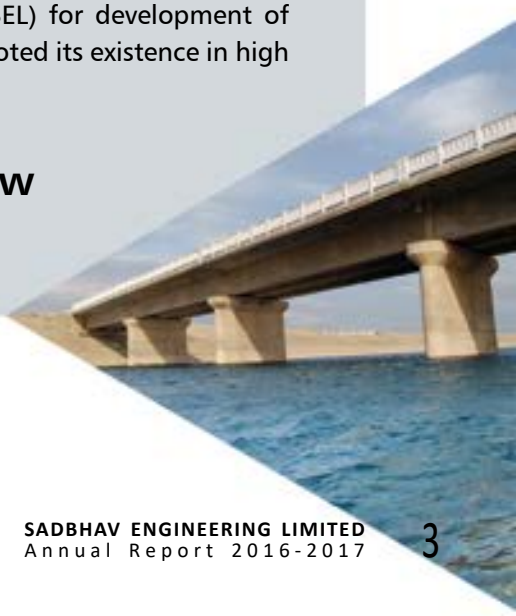
> **“Constructing takes acumen, but a strong foundation takes experience. With a combination of these two, Sadbhav is now making its vision into reality.”**

Making Vision **into Reality**

Our reputation of being a construction company with a well-diversified portfolio, Sadbhav has a large accumulation of currently operation and underway projects in EPC under the roads and highways segment, irrigation supporting infrastructure, and the excavation of ores under the mining segment. Sadbhav has sustained its steady growth with net revenue, net profit and order book CAGR of ~25%, ~27% and ~17%, respectively, in the last decade. The Company has done work for/with clients of high reputation such as NHAI, MSRDC, Coal India, GIDC, GHCL Ltd., KSHIP, Northern Coalfields Limited, NVDA, UCIL, to name a few along with many more. The current Government has also bridled infrastructure as the means to attain connectivity even in the remotest corners of the country. Our progress is correlational with strong in-house integrated execution capabilities in accordance with technological advancement and cutting edge-innovational mechanism for Sadbhav's state-of the-art equipment facility for Bitumen and Concrete roads. We have set a bar high for ourselves to ensure the safety of our staff and strictly adhere to the standards. A continuously strengthened development of technology with prudence, Sadbhav guides itself through a unified and structured approach. Since its incorporation in 1988, Sadbhav has a much focused approach towards its systematised strategy to execute projects in these three segments. Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited (SEL) for development of assets under Built, Operate and Transfer (BOT) model has also rooted its existence in high growth states of India.

Roads & Bridges that lead to tomorrow





ROADS AND HIGHWAYS: Corridors of a Networked Nation !

As an ambitious target has been set to increase the length of national highways, development of roads and highways is one of the priority areas for the Government of India. With constant focus of current government to build nationwide network of roads and highways, tunnels and economic corridors, our vision to build an exceptional road infrastructure for the nation is already bearing fruit with our institutional presence with major ongoing EPC projects. Six lane EPE (Package I and II), Ambala - Kaithal section (NH-65), and four laning of Yamunanagar -Saha Barwala-Panchkula section (Package I and II) in the state of Haryana; Delhi Metro Project, Delhi; Malavalli - Pavagada section in Karnataka; four laning of Rampur-Kathgodam section (Package I and II) in Uttar Pradesh; along with widening and strengthening of NH 15, constructing the stretch of Lalsotto Kota road project in Rajasthan and early completion of ARRIL, BHTPL and DPTL. Apart from these, SEL has executed series of prestigious projects such the Chindwada road of the stretch 422 kilometers, largest and longest project by NHAI. These corridors are spread across India, with strategic focus on inclusive development and the protection of environment. SEL emphasises on abundant plantations in and around the area used for various constructions.

MINING: Opportunities in the Burrows of Earth !

Being mineral rich with a favourable geological milieu has led to a robust development in the mining sector as a major economic activity in India. According to Ministry of Mines and Ministry of Coal, Government of India, the sector contributed to about 2.6% of GDP in the last financial year, commercial primary energy consumption in India has grown by about 700% in the last four decades. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise. India produces as many as 87 minerals, which includes 4 fuel, 10 metallic, 47 non-metallic, 3 atomic and 23 minor minerals (including building and other materials). During the year 2011-12, the bulk of value of mineral production of about 91.41% was confined to 11 states of Andhra Pradesh, Gujarat, Rajasthan, Madhya Pradesh, Karnataka, Tamil Nadu, Odisha, Jharkhand, Chhattisgarh, Maharashtra, and Goa (including offshore areas) only. Presently, the offshore areas are in leading position, in terms of value of mineral production in the country and had the share of 25.79% in the national output.SEL under this segment is, thereby, focused on excavation projects site at Kapurdi, Barmer with Jindal Steel Works. We now have removal of over burden at Bharat Coking Coal, Dhanabad along with overburden and extraction of Uranium Ore in Banduhurang mine, Jharkhand and removal of overburden in Amlohri OCP of NCL, Madhya Pradesh in our pockets. One of our major ongoing projects is Basantimata – Dahibari colliery of C.V. area in Jharkhand. We are proud to successfully complete removal of overburden and all types of material at Khadia OCP and Junad OCM, Wani area, respectively. Under important schemes of Government of India for this sector, the primary objective will be to implement a range of welfare projects in mining areas. With the Government's consistent efforts in the promotion and development of the sector as well as the untapped potential the industry offers, the mining sector is poised to make significant strides and reach its pinnacle in the years to come.

IRRIGATION: Sustainable Development for a Green Legacy !

Steps taken by the Government of India for economic reforms have ensured a focus macro-economic stability and prudent fiscal management. One such important step was towards irrigation. Government of India is

> "The derivative of our pan India growth with an aspiration towards a best engineering company is the result of efficient teamwork to create the building blocks of success."

committed to accord high priority to water conservation and its management. To this effect Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) was formulated with the vision of extending the coverage of irrigation and improving water use efficiency in a focused manner with end to end solution on source creation, distribution, management, field application and extension activities. PMKSY has been formulated amalgamating ongoing schemes viz. Accelerated Irrigation Benefit Programme (AIBP), Ministry of Water Resources (MoWR), River Development & Ganga Rejuvenation along with other departments, which focuses on faster completion of ongoing major and medium irrigation including national projects. PMKSY has been approved for implementation across the country with an outlay of ₹ 50,000 crore in five years. For 2015-16, an outlay of ₹ 5300 crore has been made which includes ₹ 2000 crore for MoWR (₹ 1000 crore for AIBP; ₹ 1000 crore for PMKSY). In SEL, considering the best interest of a nation's development in a sustainable manner, we have largely involved ourselves in the Irrigation sector. We are in the ongoing process of developing Bhauti high level canal along with Omkareshwar right bank lift canal in Madhya Pradesh. We have prestigious projects such as the Harlon Project and Omkareshwar (Package I, II, and III) in Madhya Pradesh; and in Gujarat, namely, Kutch branch canal, Adipur (canal earthwork, structures, lining and service road to it already completed) and Radhanpur sub branch canal. We have displayed SEL's scope to work in all the high growth states by constructing NMC from 108 to 127 kilometers and canal syphon across river Watrak for SSNNL. Achieving the goal of efficient management of the already built infrastructure in harmony with development of technologies to sustain the same is the pathway to an "ever-green revolution" in this sector.

Projects Completed
Till Date

Roads & Highways Over
7,551
Lane kms

Mining Over
501
mn cubic mt

Irrigation - Canal Work Over
656
kms



Corporate Information

BOARD OF DIRECTORS

Shri Vishnubhai M. Patel
(Chairman Emeritus)

1. **Shri Shashin V. Patel**
   Chairman & Managing Director
2. **Shri Vasistha C. Patel**
   Executive Director
3. **Shri Vikram R. Patel**
   Executive Director
4. **Shri Nitin R. Patel**
   Executive Director & CFO
5. **Shri Vipul H. Patel**
   Executive Director
6. **Shri Sandip V. Patel**
   Independent Director
7. **Shri Atul N. Ruparel**
   Independent Director
8. **Shri Arun S. Patel**
   Independent Director
9. **Shri Mirat N. Bhadlawala**
   Independent Director
10. **Smt. Purvi S. Parikh**
    Independent Director

BOARD COMMITTEES

Audit Committee

Shri Sandip V. Patel
Chairman

Shri Nitin R. Patel
Member

Shri Atul N. Ruparel
Member

Shri Arun S. Patel
Member

Nomination and Remuneration Committee

Shri Atul N. Ruparel
Chairman

Shri Sandip V. Patel
Member

Shri Arun S. Patel
Member

Stakeholders Relationship Committee

Shri Mirat N. Bhadlawala
Chairman

Shri Sandip V. Patel
Member

Shri Nitin R. Patel
Member

Shri Vasistha C. Patel
Member

Finance and Investment Committee

Shri Shashin V. Patel
Chairman

Shri Nitin R. Patel
Member

Shri Vasistha C. Patel
Member

Shri Vikram R. Patel
Member

Shri Atul N. Ruparel
Member

Corporate Social Responsibility Committee

Shri Shasin V. Patel
Chairman

Shri Vasistha C. Patel
Member

Shri Mirat N. Bhadlawala
Member

COMPANY SECRETARY

Shri Tushar D. Shah

STATUTORY AUDITORS

Surana Maloo & Co.

BANKERS

Oriental Bank of Commerce
The Karur Vysya Bank Limited
ICICI Bank Limited
IDBI Bank Ltd.
Yes Bank Ltd.
Standard Chartered Bank
Punjab National Bank
State Bank of India
Axis Bank
Bank of India

WORKSHOP

Village Ognaj, Tal. Daskroi,
Dist. Ahmedabad.

REGISTERED OFFICE

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

CORPORATE OFFICE

1st Floor, "Sadbhav",
Nr. Havmor Restaurant,
B/H. Navrangpura Bus Stand,
Navrangpura, Ahmedabad - 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.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.



Sadbhav
TODAY FOR TOMORROW



Today's Team for tomorrow's dream

The dedication and enthusiasm of Sadbhav's leaders is revealed in its people who form the spinal chord of the company. This team of dedicated people consists of a treasure trove of talent and skills. It totals to about 5650 professionals, which includes engineers and workers.

Our people play a key role in the company's growth, which also steers the nation's ascends. We strive to provide the most favorable environment to facilitate our teams all round growth. We recognize talent and guide it to develop specialized skills to enable them to give the best. We encourage a healthy inter and intra-site relationship.

Such conducive work environment enables our team to realize Today's dreams into tomorrow's realities.

Message from **Chairman**



Dear Stakeholders,

Sadbhav Engineering Limited (SEL) is not just an organisation but a process, by which dreams became realities and experienced visions became dynamic achievements. True to Gordon Hinckley's wise words, Sadbhav believes in hard labour to prosper as one of the most trusted names in infrastructure. With a presence in 14 different states and multitude of aspects in Engineering, Procurement and Construction (EPC) business for Transport, Mining, and Irrigation sectors in India; over past 29 years, SEL has widespread its reach and also expertise itself with the complexity of engineering work. In last year, your Company has also received an appreciation letter from National Highway Authority of India (NHAI) for its pace of work in India's first smart expressway project i.e. Eastern Peripheral Expressway project. We are proud to be associated with this landmark project of India. These achievements have formed a part of a holistic combination of dynamic growth structure and active responsibility towards our commitment to the society and environment. Your company, since its inception has maintained an honest principle of sharing its success with all its contributors.

> "A project is complete when it starts working for you, rather than you working for it."
>
> – Scott Allen

It, therefore, gives me an immense pleasure to present to you the financial report of Sadbhav, for the year 2016-2017. Infrastructure has been garnered as one of the key focus areas with augmentation of policies such as 'Swadeshi' or Make in India. This has furthered the developmental revolution with massive indulgence of global markets in engineered constructions. Therefore, such opportunities have propelled our presence and reflected on the order book of your company Spread as a network, channelized into accentuating each and every stem, Your Company has created new opportunities for itself while retaining its quality in work and delivering an outstanding result.

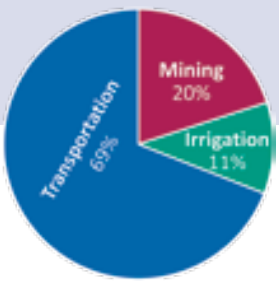
The dedication and focus towards reaching greater heights has profited your company since its inception to satiate every contributor by paying regular dividends over the last 15 years. Your Company has come a long way from its initial listing of equity shares on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in 2006 with a market capital of ₹ 201.60 crores to a market capital of ₹ 5236.34 crores as on March 31, 2017. Between 2006 and 2017, Net revenue of your company has increased at a CAGR of 25% p.a., Net profit has increased at a CAGR of 27% p.a., Project Costs of BOT assets have increased at a CAGR of 32% p.a. and market cap has increased at a CAGR of 34% p.a. during the same period. With focus of Government of India on infrastructure projects, your company is poised to achieve far greater success than already achieved in past.

With a well diversified and healthy balance order book of ₹ 7683.42 crores (excluding L1 of ₹ 1575.00 crores) as on March 31, 2017 which translates to order book to sales ratio of 2.37x; your Company is poised to grow it further with having prequalification for project costs of upto ₹ 2374.4 crores in NHAI EPC projects.

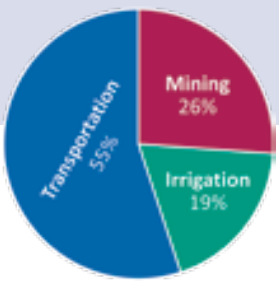
During 2016-17, Transport segment contributed 76% of revenues, which includes the construction; upgradation of roads and highways; construction of metro projects; and much more. Your Company, till date, has constructed over 7,551 lane kilometres. With a captivating balance order book status of ₹ 4996.89 crores (excluding L1 of ₹ 1575.00 crores), I am confident that growth for next few years shall be driven by the roads

Total Order Book

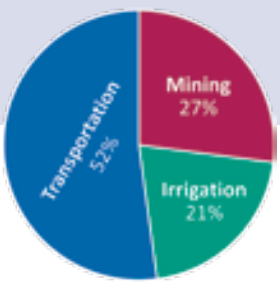
As on June 2017
(₹ 8,377.49 Crores)

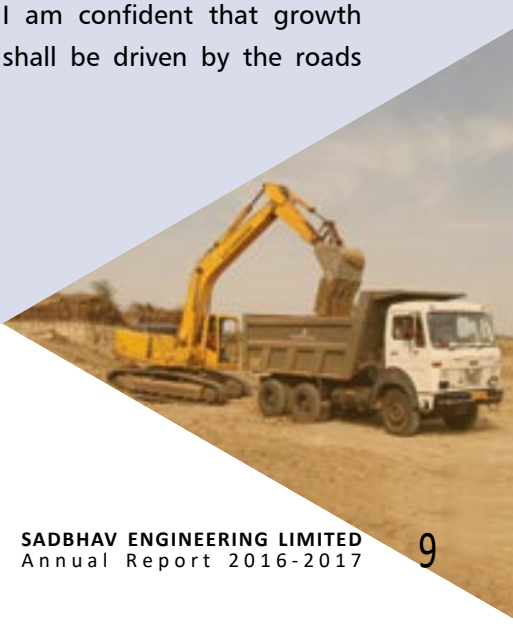


As on March 2016
(₹ 7,487.32 Crores)



As on June 2015
(₹ 8,465.05 Crores)





and highways segment. Irrigation segment has a balance order book of ₹ 989.94 crores as on 31st March, 2017, translating to 2.2x of FY17's irrigation revenue with the projects under canal construction work it reached over 656 kilometers. Projects pertaining to excavation of over 501 mn cubic meters and balance work order for mining segment of Sadbhav stands at ₹ 1696.60 crores, translating to 5.3x of the revenue.

Strong in-house integrated execution capabilities with highly qualified human resource and state-of-the art equipments made gross block of fixed assets stand at ₹ 675.85 crores as on March 31, 2017. A diversified and dynamic approach towards all our contracts and projects has created value addition to important portfolios along with the enhancement in returns of the previously held projects.

With all these, I am proud to say that despite various challenges in the sector over last 10 years, your company has successfully completed construction of all 11 BOT assets in first set of the portfolio. For 12th BOT assets, MBHPL has already applied for CoD certificate. With this experience, we are confident to achieve completion of the 7 under-construction HAM projects also within the schedule timelines. SIPL, our subsidiary has won highest number of HAM projects till date from NHAI. Also, SIPL has been able to achieve financial closure of 5 projects and financial closure for balance 2 projects is in progress and shall be achieved before the scheduled date. Cashflow position of SIPL has improved substantially in 2016-17 as compared to 2015-16 due to completion of refinancing of debt in various SPVs although the impact of demonetisation was felt on the traffic volumes from December-16 to March-17.

Travailing to obtain success, as an unmitigated result, is achieved when passions and skills are engaged with excellence in managerial abilities. This conflation of our Engineering and Management staff has brought us to the stature a perpetual stream of achievements which flow in tranquillity of satisfaction from advocating highest levels of transparency, accountability and equity, in all facets of its operations. A great synchronization between the organization and individuals, in terms of interaction, realized into attainment of growth in heaps and bounds.

CAGR
(Compounding Annual Growth Return)
2006-17



> While technology is important, it's what we do with it that truly matters.
>
> – Muhammad Yunus

Sadbhav
TODAY FOR TOMORROW

Essential element of conviction, commitment, and credibility present in our organizational structure form an integral for delivering better outcomes: mapping those uncharted routes where many ventured, but Sadbhav attained. Thereby, I take this opportunity to thank each and every stakeholder of Sadbhav Engineering Limited who plays an important role in spreading our roots to shape the nation of tomorrow and by tomorrow. We also uphold our appreciation for our customers, shareholders, lenders and vendors for joining us in this continuous effort to diversify and succeed. Hence, on your as well as on behalf of the Board of Directors, I congratulate a congenial support extended by the employees of Sadbhav Engineering to unveil yet another copious display of spectacular performance. I encourage them to keep building trust in the capabilities of one-self and the team. I would like to thank you all for your constant and esteemed presence and congregated interest in the Company.

Regards,

S V Patel

Shashin V. Patel



2016-2017 Key Figures

Sales Rose **4.21%** to ₹ **3320.31** crores

Net Profit Rose **42.29%** to ₹ **187.85** crores

Operating Profit before Tax and Non-recurring items ₹ **189.68** crores

Revenue by business **76%** Roads & Highway, **14%** Irrigation, **10%** Mining

Order Book by business Transport Sector ₹ **4996.89** crores, Irrigation ₹ **989.94** crores, Mining ₹ **1696.60** crores

Dividend **75%**

Financial Highlights

(₹ in crores)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover	3320.31	3186.25	2969.85	2358.12	1871.94
Total Income	3407.84	3283.26	3035.39	2394.55	1882.29
Earning Before Depreciation, Interest and Tax (EBDIT)	355.61	315.35	300.24	249.40	216.69
Exceptional Items	0.00	(19.45)	0.00	(38.35)	0.00
Depreciation	100.04	97.07	81.71	47.40	31.82
Interest	153.44	150.73	138.22	118.11	84.37
Profit After Tax	186.03	132.61	113.73	106.16	74.07
Equity Dividend %	75%	70%	70%	70%	60%
Dividend Payout	15.49	14.45	14.45	12.52	10.53
Equity Share Capital	17.16	17.15	17.15	15.17	15.09
Warrant Application Money	0.00	0.00	0.00	23.15	0.00
Stock Option Premium Outstanding	0.00	0.26	0.51	1.54	2.30
Reserve & Surplus	1643.74	1471.79	1353.24	917.37	815.13
Net Worth	1660.89	1489.21	1370.90	957.22	832.52
Gross Fixed Assets	675.85	673.51	560.38	726.35	514.78
Net Fixed Assets	522.88	593.05	560.38	498.19	330.26
Total Assets	4020.31	3495.06	3525.01	3027.94	2490.83
Total Debt (Loan Fund)	1780.17	1227.57	1113.54	1028.03	765.17
Earning Per Share (in ₹)	10.95	7.70	7.25	7.01	4.91
Book Value Per Share (in ₹)	96.81	86.82	79.94	63.12	55.15
Weighted No. of Shares	171566644	171531988	156919684	151384261	150824388

Note:
1. Turnover Includes Performance Bonus (Net) received during 2012-13.
2. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares.
3. Total Income means credit site of P&L statement.
4. EBDIT means PBT+Depreciation+Finance Cost-Other Income
5. Total Debt includes interest accrued but not due.
6. Figures of 2014-15 and 2015-16 has been restated as per per Ind AS.

Sadbhav
TODAY FOR TOMORROW

SADBHAV ENGINEERING LIMITED
CIN : L45400GJ1988PLC011322
Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : selinfo@sadbhav.co.in • Web : www.sadbhaveng.com

Notice

NOTICE is hereby given that the Twenty- Eighth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Tuesday September 26, 2017 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006 at 12.00 Noon 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, 2017, 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, 2017.

2. To declare a dividend on Equity Shares.

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

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

5. To appoint statutory auditors and fix their remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. Surana Maloo & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 112171W), to hold office from the conclusion of this 28th Annual General Meeting (AGM until the conclusion of the 29th AGM to be held in the calendar year 2018, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

6. To approve and ratify Related Party Transactions

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

"RESOLVED THAT pursuant to provisions of Section 188 of Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014 and such other rules as may be applicable and amended from time to time and Securities and Exchange Board of India (LODR) Regulations, 2015, **("Regulations")** , consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to approve and enter into Related Party Transactions as mentioned in explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to determine and finalize the terms & conditions related thereto from time to time and all other matters arising out of the incidental to the transactions and generally to do all acts, deeds, matters and things including variation in amount that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

7. Reappointment 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 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, SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") and on the recommendation of the Nomination and Remuneration Committee Mr. Arun S. Patel (DIN : 06365699), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and 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 second term from September 26, 2017 to September 25, 2022."

8. To appoint Mr. Shashin V. Patel as a Chairman & Managing Director of the Company for a period of three years

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

RESOLVED THAT 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 appointment of Mr. Shashin V. Patel [DIN: 00048328] as a Chairman & Managing Director of the Company for the period of three years from July 01, 2017 on the terms and conditions including remuneration as mentioned below:-

- **He shall not be liable for retirement by rotation**

Remuneration: 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.

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 a Chairman & 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.

9. To reappoint Mr. Nitin R. Patel as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years

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

RESOLVED THAT pursuant to the provisions of sections 196 and 197 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. Nitin R. Patel [DIN: 00048328] as a Whole-time Director Designated as an Executive Director of the Company for further period of three years from July 01, 2017 on the terms and conditions including remuneration as mentioned below:-

Remuneration: 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.

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 a Whole-time Director Designated as an Executive 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.

10. To reappoint Mr. Vasistha C. Patel as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years

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

RESOLVED THAT pursuant to the provisions of sections 196 and 197 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. Vasistha C. Patel [DIN: 00048324] as a Whole-time Director Designated as an Executive Director of the Company for further period of three years from October 01, 2017 on the terms and conditions including remuneration as mentioned below:-

Remuneration: 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.

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. Vasistha C. Patel as a Whole-time Director Designated as an Executive 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.

11. To reappoint Mr. Vikram R. Patel as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years

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

RESOLVED THAT pursuant to the provisions of sections 196 and 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) subject to such approvals as may be necessary, consent of the Company be and is hereby given for the re-appointment of Mr. Vikram R. Patel [DIN: 00048318] as a Whole-time Director Designated as an Executive Director of the Company for further period of three years from October 01, 2017 on the terms and conditions including remuneration as mentioned below:-

Remuneration: 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.

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. Vikram R. Patel as a Whole-time Director Designated as an Executive 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.

12. To approve the place of keeping and inspection of Registers, Returns etc.

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 section 94 of the Companies Act, 2013 read with Rule 15 of the Companies (Management and Administration) Rules,2014 (including any statutory modification((s) or re enactment thereof, for the time being in force), the consent be and is hereby accorded for keeping the registers, returns, records and any other documents required to be annexed therewith at the registered office of the Company or at any other place in India where more than one tenth of the total number of members entered in the register of members resides as may be decided by the Board from time to time as mentioned in explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to the resolution."

13. Alteration of Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 33 of the Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and in order to comply with the provisions of clause (a) of Regulation 20A of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, existing Clause No. 84 (ii) of Articles of Association of the Company be and is hereby altered and substituted with following clause:

"Clause No. 84 (ii) :

Subject to the provisions of the Act, the Director may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue and carry out consolidation and re-issue of debt securities, bonds, perpetual or redeemable, debenture or debenture-stock or any mortgage or charge or other security on the undertaking of the whole of any part of the property of the Company (both present and future) including its uncalled capital for the time being."

RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

14. Ratification of Remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel & Associates, Ahmedabad , Cost Accountant in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to ₹ 1,50,000/- (Rupees One lac fifty thousand only) per annum respectively plus service tax applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board
For Sadbhav Engineering Limited

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

Tushar Shah
Company Secretary
Membership No. F7216

Place : Ahmedabad
Date : August 14, 2017

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/Corporate Office of the Company not less than forty-eight hours before the commencement of the meeting.

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

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

3. The explanatory statements pursuant to Section 102 of Companies Act, 2013 relating to special business are annexed.

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

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

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

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

8. The Register of Members and Share Transfer Books will be closed from Saturday September 16, 2017 to the Tuesday September 26, 2017 (both days inclusive) for ascertaining the shareholders entitled to receive dividend, if approved at the meeting.

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

10. Pursuant to the erstwhile provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended as on 31st March, 2010 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.

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2010	08-09-2010	14-10-2017
31-03-2011	27-09-2011	02-11-2018
31-03-2012	29-09-2012	04-11-2019
31-03-2013	30-09-2013	05-11-2020
31-03-2014	26-09-2014	01-11-2021
31-03-2015	29-09-2015	04-11-2022
31-03-2016	28-09-2016	03-11-2023

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

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

The instructions for shareholders voting electronically are as under:

(i) The shareholders should log on to the e-voting website www.evotingindia.com

(ii) Click on Shareholders.

(iii) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Sadbhav Engineering Ltd. on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on Apple , Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xviii) **Note for Non – Individual Shareholders and Custodians**

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

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

Other Instructions:

I. The e-voting period commences on September 23, 2017 @ 9.00 a.m. and ends on September 25, 2017 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 19, 2017, may cast their vote through e-voting . The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 19, 2017.

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 Postal Ballot and e-voting process in a fair and transparent manner.

IV. The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote-e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company.

V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sadbhaveng.com and on the website of CDSL www.evoting.cdsl.com within three days of the passing of the resolutions at the 28th AGM of the Company to be held on September 26, 2017 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Details of Directors Seeking Appointment/Reappointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015)

Director	Vipul H. Patel	Nitin R. Patel	Arun S. Patel	Shashin V. Patel
Date of Birth	October 13, 1976	August 04, 1968	July 15, 1946	April 02, 1981
Date of Appointment	August 20, 2016	August 01, 1999	September 30, 2013	July 01, 2009
Functional Expertise	More than 12 years' experience in the field of Road sector, Metro Rail, Irrigation, Building and Mining sector	In the field of finance, accounts, audit, taxation, project bidding, execution and cost analysis.	More than 24 years' experience in the field of audit, taxation, accounts and finance	Making strategic management decisions. In field of Management Information System, Project Bidding and Execution
Qualifications	B. E. Civil	B. Com. A.C.A.	B. Com. F.C.A.	MBA
Directorship in other listed Companies	None	1. Sadbhav Infrastructure Project Limited 2. Nagpur-Seoni Expressway Limited	1. Sadbhav Infrastructure Project Limited 2. Nagpur-Seoni Express Way Limited	1. Sadbhav Infrastructure Project Limited 2. Nagpur-Seoni Expressway Limited
Chairman / Member of Committee in other listed Companies	None	1. Sadbhav Infrastructure Project Limited- Audit Committee, Finance and Investment Committee, CSR Committee, Risk Management Committee –Member and Stakeholder Committee-Chairman	1. Sadbhav Infrastructure Project Limited- Audit Committee, Finance and Investment Committee- Member and Stakeholder Committee-Chairman 2. Nagpur - Seoni Express Way Limited- Audit Committee, Nomination and Remuneration Committee-Member and Stakeholder Committee-Chairman	1. Sadbhav Infrastructure Project Limited Nomination and Remuneration Committee- Member and Finance and Investment Committee-Chairman 2. Nagpur - Seoni Expressway Limited- Audit Committee, Nomination and Remuneration Committee-Member and Stakeholder Committee-Member
No. of Equity Shares held in the Company	166850	101	Nil	5499720

Director	Vasistha C. Patel	Vikram R. Patel
Date of Birth	July 25, 1973	April 02, 1968
Date of Appointment	October 01, 2012	October 01, 2012
Functional Expertise	19 years' experience in the Construction Industry	25 years' experience in construction industry, powered with entrepreneurship skill and motivation
Qualifications	Civil Engineer	Commerce Graduate
Directorship in other listed Companies	1. Sadbhav Infrastructure Project Limited	None
Chairman/ Member of Committee in other listed Companies	1. Sadbhav Infrastructure Project Limited- Audit Committee, Finance and Investment Committee -Member and CSR Committee, Risk Management Committee-Chairman	None
No. of Equity Shares held in the Company	3202150	4608750

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 5

M/s. Surana Maloo & Co., Chartered Accountants, Ahmedabad has completed more than 10 years as Statutory Auditors of your Company.

Considering the requirements of Section 139 (2) of the Companies Act, 2013, M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W) is proposed to be appointed as a statutory auditors of the Company to hold office from the conclusion of this 28th Annual General Meeting (AGM) until the conclusion of the 29th AGM to be held in the calendar year 2018.

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

None of the Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the ordinary resolution set out at item No. 5 of the notice.

The Board commends this resolution for your approval.

Item No.6

Pursuant to provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

SEBI (LODR) Regulations, 2015, also requires that all material related party transactions shall require approval of the shareholders through ordinary resolution.

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on August 14, 2017 approved related party transactions and now seek approval of the shareholders by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related Party Transactions in one or more tranches. The transactions under consideration, is proposed to be enter is in the ordinary course of business and at arm length basis. However considering the nature of agreements which are peculiar in nature in respect of each working site, Company as an abundant caution is taking necessary approval of the shareholders under Section 188 also.

Sr. No.	Name of the Related Party	Nature of relationship	Estimated Amount (₹ in Crores)	Nature of transactions
1	Sadbhav Udaipur Highway Pvt. Ltd.	Step Down Subsidiary	646.47	EPC contract & other related services
2	Sadbhav Vidharbh Highway Pvt. Ltd.	Step Down Subsidiary	1059.73	EPC contract & other related services

One of the main business activities of your Company is to carry out EPC work for the Road Projects. These projects are bid by Sadbhav Infrastructure Project Limited (SIPL) which is subsidiary of the Company and asset holding company for our BOT Projects. On successful bid Special Purpose Vehicle (SPV's) are incorporated with SIPL being the holding Company and Company enters into EPC contract with these SPV's (step down subsidiaries) on ongoing basis.

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in Item No.6 to the accompanying Notice as an ordinary resolution.

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

Item No. 7
Mr. Arun S. Patel, Independent Director of the Company was appointed as Independent Director of the Company to hold office for a term upto 28th September, 2017 to complete the first term under Section 149 of Companies Act, 2013 and Clause 49 of the Listing Agreement.

On expiring of his first term as Independent Director, the Board of Directors on recommendation of Nomination and Remuneration Committee of the Company and subject to approval of Shareholders, has reappointed Mr. Arun S. Patel as Independent Director to hold office for further 5 (five) consecutive years for a second term up to the conclusion of the 33th Annual General Meeting of the Company in the calendar year 2022 under the Companies Act, 2013 and SEBI (LODR) 2015 stipulating conditions for the appointment of Independent Director by a listed Company.

Hence, it is proposed to reappoint Mr. Arun S. Patel as Independent Director under Section 149 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 to hold office for further 5 (five) consecutive years for a term up to the conclusion of the 33th Annual General Meeting of the Company in the calendar year 2022.

Mr. Arun S. Patel has provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and is 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 reappointment of Mr. Arun S. Patel as Independent Director setting out the terms and conditions are available for inspection by member at the Registered Office/Corporate Office of the Company.

The Board commends the Special Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Except, Mr. Arun S. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Item No. 8
It was informed that Mr. Shashin V. Patel was appointed as Joint Managing Director of the Company for period of three years from July 01, 2014 till 30.06.2017 on such terms and conditions vide resolutions passed at the meeting of shareholders of the Company held on 26.09.2014.

Thereafter, he has been appointed unanimously as Chairman and Managing Director of the Company at Board meeting held on 3rd March, 2017, subject to approval of the members at general meeting on same terms and conditions as already mentioned in resolutions passed at the meeting of shareholders of the Company held on 26.09.2014.

It was further stated that Mr. Shashin V. Patel holds Master Degree in Business Administration. He is associated with Company since May 23, 2000. His scope of work includes overview of the day to day affairs of our company and making strategic Management decisions. He is also instrumental in MIS, participating in bidding process and execution of various Mining and Irrigation Projects of the Company. Taking in to consideration his involvement, responsibility and contribution, his appointment would be immensely benefited for the operations of Company.

Hence, looking at the contribution and on recommendation of Nomination & Remuneration Committee, it is proposed to appoint Mr. Shashin V. Patel as Chairman and Managing Director of the Company for period of 3 years w.e.f. 01.07.2017.

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

Except, Mr. Shashin V. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Item No. 9
It was informed that the Shareholders of the Company at its meeting held on 26.09.2014 approved the appointment of Mr. Nitin R. Patel as Whole-time Director designated as an Executive Director of the Company for period of three years from 01.07.2014 till 30.06.2017 on terms and conditions including remuneration set out in the resolution passed.

It was further stated that 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 liasioning 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.

Hence, looking at the contribution and on recommendation of Nomination & Remuneration Committee, it is proposed to reappoint Mr. Nitin R. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f. 01.07.2017.

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

Except, Mr. Nitin R. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Item No. 10
It was informed that the Shareholders of the Company at its meeting held on 30.09.2013 approved the appointment of Mr. Vasistha C. Patel as an Executive Director of the Company for period of five years from 01.10.2012 till 30.09.2017 on terms and conditions including remuneration set out in the resolution passed.

Hence, taking account his qualifications and 19 years' of experience in Construction Industry as well as the responsibilities to be shouldered by him and his past performance and on recommendation of Nomination & Remuneration Committee, it is proposed to reappoint Mr. Vasistha C. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f 01.10.2017.

The Board commends the Special Resolution set out at Item No.10 of the Notice for approval by the shareholders.

Except, Mr. Vasistha C. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Item No. 11
It was informed that the Shareholders of the Company at its meeting held on 30.09.2013 approved the appointment of Mr. Vikram R. Patel as an Executive Director of the Company for period of five years from 01.10.2012 till 30.09.2017 on terms and conditions including remuneration set out in the resolution passed.

Hence, taking account his qualifications and 25 years' experience in construction industry, powered with entrepreneurship skill and motivation as well as the responsibilities to be shouldered by him and his past performance and on recommendation of Nomination & Remuneration Committee, it is proposed to reappoint Mr. Vikram R. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f. 01.10.2017.

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

Except, Mr. VIkram R. Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

I. General Information:

Sr. No.	Nature of Industry	Infrastructure development and construction Company primarily focusing on roads, irrigation and mining operations.			
1.	Date or expected date of commencement of commercial production	The Company is already in existence and it started its activities since 1988.			
2.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.			
3.	Financial Performance based on given indicators	Financial Parameters	Financial Year (₹ in Cores)		
			2016-17	**2015-16**	**2014-15**
		Total Revenue	3407.84	3283.26	3035.39
		Net Profit/(Loss)	187.85	132.01	113.73
		Amount of Equity Dividend	12.01	12.01	12.00
		Rate of Equity Dividend	75%	70%	70%
4.	Foreign Investments or collaborations, if any.	• The Company has no foreign collaborations as on 31st March, 2017. • Foreign Investment in the term of shareholding in the Company of the following as on 31/03/2017 are as under :			
		Particular	**No. of Equity Shares**	**% of share capital**	
		FII	3103810	1.80	
		FPI (Corporate)	26328576	15.35	
		NRI	117312	0.07	
		NRI (Non Repartiable)	386485	0.22	

II. Information about the appointees:

Sr. No.	Particulars	Mr. Shashin V. Patel	Mr. Nitin R. Patel
1.	Background details	Mr. Shashin V. Patel holds Master Degree in Business Administration. He is associated with Company since 2000. His scope of work includes overview of the day to day affairs of the Company.	Mr. Nitin R. Patel is Chartered Accountant. He is associated with Company since 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/- p.m. against Maximum ₹ 15,00,000/- p.m. and such other term approved in AGM held on September 26, 2014.	At present the actual drawing is ₹ 7,00,000/- p.m. against Maximum ₹ 8,00,000/- p.m. and such other term approved in AGM held on September 26, 2014.
3.	Recognition or awards	None	None
4.	Job profile and his suitability	He is having more than 16 years' experience and making the strategic management decisions. He is also in charge of Management Information System and day to day affairs of the Company. He is actively participating in bidding process and execution of various Mining and Irrigation Projects.	He is having more than 19 years' experience and looking after in the field of finance, accounts, audit, taxation, project bidding and execution and cost analysis.
5.	Remuneration Proposed	Salary up to Maximum ₹ 30,00,000/- p.m. and such other terms as proposed to be approved in ensuing AGM.	Salary up to Maximum ₹ 15,00,000/- p.m. and such other terms as proposed to be approved in ensuing AGM.
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 consideration his involvement, responsibility and contribution being made by Mr. Shashin V. Patel 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 consideration his involvement, responsibility and contribution being made by Mr. Nitin R. Patel, 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.	None	None

Sr. No.	Particulars	Mr. Vasistha C. Patel	Mr. Vikram R. Patel
1.	Background details	Mr. Vasistha C. Patel is a Civil Engineer. He is associated with Company since 1999. He is having 19 years' of experience in Construction Industry.	Mr. Vikram R. Patel is Commerce Graduate. He is associated with Company since 1994 He is having 25 years' experience in construction industry, powered with entrepreneurship skill and motivation.
2.	Past Remuneration	At present the actual drawing is ₹ 2,50,000/- p.m. against Maximum ₹ 8,00,000/- p.m. and such other term approved in AGM held on September 30, 2013.	At present the actual drawing is ₹ 2,50,000/- p.m. against Maximum ₹ 8,00,000/- p.m. and such other term approved in AGM held on September 30, 2013.
3.	Recognition or awards	None	None
4.	Job profile and his suitability	19 years' of experience in Construction Industry	25 years' experience in construction industry, powered with entrepreneurship skill
5.	Remuneration Proposed	Salary up to Maximum ₹ 15,00,000/- p.m. and such other terms as proposed to be approved in ensuing AGM.	Salary up to Maximum ₹ 15,00,000/- p.m. and such other terms as proposed to be approved in ensuing AGM.
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 account his qualifications and experience in Construction Industry as well as the responsibilities to be shouldered by him and his past performance being made by Mr. Vasistha C. Patel, 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 account his qualifications and experience in construction industry, powered with entrepreneurship skill and motivation as well as the responsibilities to be shouldered by him and his past performance being made by Mr. Vikram R. Patel, 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.	None	None

III. Other Information:

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

Item No. 12

Pursuant to the proviso to Section 94 of the Companies Act, 2013, the Companies are permitted to keep such register return, certificate and documents at a place other than its registered office where more than 1/10th of the total numbers of members entered in its register of member reside.

For administrative convenience and also for facilitating the inspect of such register, returns, certificate and documents by the members of the Company it is proposed to seek the approval of the members by way of special resolution for keeping the above mentioned register, returns, certificate and documents in Mumbai (where more than 1/10th of the members reside) at the office of M/s. Link Intime India Pvt. Ltd. at C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai : 400 083 or its branche offices across country.

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in item No. 12 to the accompanying Notice as a special resolution.

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

Item No. 13
Pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 33 of the Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and in order to comply with the provisions of clause (a) of Regulation 20A of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Board proposes to alter and substitute Clause 84(ii) of Articles of Association (AOA) of the Company towards terms of issue of Debentures.

In continuation of same, pursuant to SEBI Circular ref. no. CIR/IMD/DF-1/ 67 /2017 dated 30.06.2017, an AOA of Company should have an enabling provision for carrying out consolidation and re-issuance of debt securities.

Accordingly, the Company is required to alter a clause to include enabling provision in respect of re-issue and consolidate the debt securities in AOA for the said reason and approval of the members of the Company is required.

The proposed draft of the AOA is uploaded on the Company's website for perusal by the shareholders.

The Board recommends the resolution mentioned in Item no. 13 for approval of members of the Company as a Special Resolution.

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

Item No. 14
The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice (Firm Reg. No. 101163), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2017-18 as set out in the resolution for the aforesaid services to be rendered by them.

The Board recommends the Ordinary Resolution set out at Item No. 14 of the Notice for approval by the Members.

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

By Order of the Board
For Sadbhav Engineering Limited

Tushar Shah
Company Secretary
Membership No. F7216

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

Place : Ahmedabad
Date : August 14, 2017

Directors' Report

To
The Members,

The Directors have the pleasure in presenting the Twenty Eighth Annual Report together with the audited financial statement for the year ended March 31, 2017

Financial Results

The Company's financial performance for the Year ended on March 31, 2017 is summarized below: (₹ in crores)

Particulars	Standalone		Consolidated	
	Current Year 2016-2017	Previous Year 2015-2016	Current Year 2016-2017	Previous Year 2015-2016
Total Revenue	3407.84	3283.26	4654.18	4132.46
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	443.16	431.80	1346.37	1066.96
Less : Finance Cost	153.44	150.73	1187.45	1075.17
Depreciation and amortization Expense	100.04	97.06	321.13	232.61
Profit /(Loss) before Exceptional Item and Tax	189.68	184.01	(162.21)	(240.82)
Exceptional Item (Net of Income)	-	(19.45)	-	42.15
Profit /(Loss) Before Tax	189.68	164.56	(162.21)	(198.67)
Less : Tax Expenses	40.48	37.77	20.61	18.12
(Less:-Deferred tax liability /(asset)	(38.65)	(5.23)	(11.17)	3.75
Profit /(Loss) for the period from continuing Operations	187.85	132.01	(171.65)	(220.54)
Add:- Share of Loss Transferred to Minority Interest	-	-	117.62	117.26
Net Profit for the period after tax	187.85	132.01	(54.03)	(103.28)
Balance brought forward from last year	636.64	529.08	(125.03)	(6.51)
Loss of Subsidiary for earlier year transferred (net)	0.00	0.00	0.00	9.21
Other Comprehensive Income (OCI)	(1.82)	0.60	(2.68)	0.72
Amount available for Appropriations	824.49	661.09	(179.06)	(100.58)
Appropriations				
Transfer to General Reserve	10.00	10.00	10.00	10.00
Proposed Dividend & Tax	14.46	14.45	14.46	14.45
Adjustment Relating to Fixed Assets/Others	0.07	0.00	0.07	0.00
Adjustment on account of acquisition of non controlling interest	0.00	0.00	17.08	0.00
Equity Transactions	0.00	0.00	1.93	0.00
Transfer to Debenture Redemption Reserves	0.00	0.00	22.43	0.00
Closing Balance in Retain earnings	799.56	636.64	(244.94)	(125.03)

Dividend

Directors are pleased to recommend dividend of 75% (Re 0.75 per equity share of Re 1 each) for the financial year ended March 31, 2017 (P.Y. 70%) for approval of the shareholders. The final dividend, if approved, will result in cash payout of ₹ 12.01 Crores and dividend tax of Rs 2.45 Crores.

Dividend Distribution Policy

Securities and Exchange Board of India ('SEBI'), by its notification dated 8th July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company at the link: http://sadbhaveng.com/wp-content/uploads/2016/01/Dividend_Distribution_Policy_SEL.pdf

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 0.29 lacs to the Investor Education and Protection fund established by the Central Government during the financial year 2016-17, in compliance with Section 205A(5) of the Companies Act, 1956. The said amount represents unclaimed dividend amount for the financial year 2008-2009 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2008-2009.

Reserves

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

Business Overview

Standalone Basis

The total revenue during the year under review was ₹ 3407.84 Crores against ₹ 3283.26 Crores for the previous year resulting the Increase of 3.79%. Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is Rs 443.16 Crores (₹ 431.80 Crores in previous year) thereby resulting the increase of 2.63%. Net Profit after tax amounted to ₹ 187.85 Crores (₹ 132.01 Crores in previous year) thereby resulting increase of 42.30%. There has been no change in the nature of business of the Company during the applicable financial year.

Consolidated Basis

As per the Consolidated Financial Statements, the Total Revenue of the company, operating profit (PBDIT), and net loss for the year were ₹ 4654.18, ₹ 1346.37 and ₹ 54.03 Crores respectively.

Change in the Nature of Business, if any

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

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

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

Operations

Ongoing Works

The following major works are under execution and the same are progressing satisfactorily. (₹ in crores)

Sector	No. of projects	Work order	Work done	Work on hand
Transportation	29	9127.08	4130.19	4996.89
Irrigation	20	2501.34	1511.40	989.94
Mining Operation	11	3248.90	1552.31	1696.59
Total	**60**	**14877.32**	**7193.90**	**7683.42**

The Company's order book (pending execution) shows work on hand amounting to ₹ 7683.42 crores as on the March 31, 2017.

BOT Projects under Implementation

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2017 Cost incurred (Including Mobilisation and Material Advances)	% Shareholding (Ownership)	
				SEL	SIPL
Mysore-Bellary Highway Pvt. Ltd. (MBHPL)	The DBFOMT (Annuity) project is for the existing State Highway (SH33 & SH3) from Malavalli to Pavagada (Approx length of 193.344 Kms) in the State of Karnataka (WAP-1).	811.20	703.98	74	-
Bhilwara-Rajsamand Tollway Pvt. Ltd. (BRTPL)	Four laning of Rajsamand - Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	676.10	677.86	-	100

Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL)	The project consists of "4 - Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km).	1271.58	1270.96	-	100
Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9) from km 0.000 (km190.000 of NH-24) to km 42.791 (design chainage 43.446) [Package-I] in the State of Uttar Pradesh under NHDP-III on Hybrid Annuity Mode.	738.00	48.42	-	100
Sadbhav Nainital Highway Pvt. Ltd. (SNHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9, 109) from km 42.791 (design chainage 43.446) to km 88.000 (design chainage 93.226) [Package-II] in the State of Uttarakhand under NHDP-III on Hybrid Annuity Mode.	657.00	29.31	-	100
Sadbhav UNA Highway Pvt. Ltd. (SUHPL)	Four Laning of Una to Kodinar of NH-8E from Km. 180.478 to Km. 221.610 (Design Chainage from Km. 181.450 to Km. 222.400) (Package-V) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase IV.	623.00	23.43	-	100
Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	Four Laning of Bhavnagar-Talaja Section of NH-8E from km. 7.090 to km. 53.585 (Design Ch from km. 6.945 to km. 54.990) (Package-I) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase-IV.	819.00	39.08	-	100
Sadbhav Banglore Highway Pvt. Ltd. (SBHPL)	Two/Four Laning of BRT Tiger Reserve Boundary to Bangalore Section of NH-209 (Existing Chainage from 287.520 to 461.550) in the State of Karnataka to be executed on BOT (Hybrid Annuity) basis under NHDP Phase-IV.	1008.00	0.73	-	100

BOT Projects Partial Implementation

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2017 Cost incurred (Including Mobilisation and Material Advances)	% Shareholding (Ownership)	
				SEL	SIPL
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. • The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaj e-village Limited	1426.37	1474.96	^2.63	91

SEL: Sadbhav Engineeing Limited

SIPL: Sadbhav Infrastructure Project Limited

Revenue Generating BOT Project

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Toll Revenue of the F.Y. 2016-17 (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	Improvement & Widening to Four Laning of the then 2 Lane Sardar Patel Ring Road Around Ahmedabad City on BOT basis.	500.80	91.92	-	100
Aurangabad-Jalna Tollway Ltd. (AJTL)	Providing four laning to Aurangabad Jalna road (Km. 10/400 to 60/200) & Zalta Bypass Km. 0/00 to 2/850 & Beed Bypass Km. 292/500 to 305/650.	278.49	50.85	-	100
Nagpur-Seoni Expressway Ltd. (NSEL)	Rehabilitation and upgrading to four lane from km. 596/750 to km. 653/225 on NH-7 in the state of Madhya Pradesh under North-South Corridor (NHDP Phase II) on BOT-Annuity basis.	303.83	38.40	-	100

Dhule-Palesner Tollway Ltd. (DPTL)	Design, Engineering, Finance, Procurement, Construction, Operation and Maintenance of 4/6 laning of MP/ Maharashtra Border-Dhule section of NH-3 from km 168.500 to km 265.000 (89 Kms) in the State of Maharashtra under NHDP Phase IIIA on BOT (Toll) Basis.	1420.00	169.03	-	100
Bijapur-Hungund Tollway Private Ltd. (BHTPL)	Four laning of Bijapur-Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer ("DBFOT"), Toll basis.	1322.61	115.85	-	77
Hyderabad-Yadgiri Tollway Private Ltd. (HYTPL)	Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad- Yadgiri Section from km 18.600 to km 54.000 (36.65Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/ BOT/AP/04.	506.40	56.91	-	100
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. Toll collection has been started in 13 out of 22 Check Posts.	1426.37	157.24	^2.63	91
Rohtak-Panipat Tollway Pvt. Ltd. (RPTPL)	Four laning of Rohtak to Panipat Section of NH-71A from k.m. 0.000 km 63.30 of NH-10 to km 80.858 km 83.50 of NH-1 in the state of Haryana (80.85 Kms) on BOT basis under NHDP phase-III.	1240.10	90.84	-	100
Shreenathji-Udaipur Tollway Private Limited (SUTPL)	Four Laning of Gomati Chauraha - Udaipur section of NH-8 (from Km 177/000 to Km 260/100) in the state of Rajasthan under NHDP Phase IV.	1151.46	103.15	-	100
Bhilwara-Rajsamand Tollway Pvt. Ltd. (BRTPL)	Four laning of Rajsamand - Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	677.86	32.92	-	100
Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL)	The project consists of "4 - Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km).	1270.96	38.97	-	100

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

** In terms of Memorandum of Understanding (MOU) dated January 17, 2017 between the Company and Sadbhav Infrastructure Project Limited (SIPL), SEL reduced its commitment, to sell investment in MBCPNL to third party, from 22% to 9% and resultantly, transferred such 13% ownership/beneficial ownership in MBCPNL to the SIPL, raising SIPL holding to 91%. SEL reaffirms that consideration received by it aggregating to INR 280.13 Million, is towards transfer of entire ownership of 91% in MBCPNL, and hence, no further payment is required to be made by SIPL to SEL. The procedural formalities for transfer of equity shares were in progress as on the date of balance sheet.

^ By virtue MOU pending transfer from Sadbhav Engineering Limited to Sadbhav Infrastructure Project Limited.

Employee Stock Option Scheme

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

The applicable disclosures as stipulated under applicable Rules and Regulations as on March 31, 2017 with regard to Employee Stock Option Plan are provided in **'Annexure 1'** forming part of this report.

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

Share Capital

During the year, the total paid-up equity share capital of the company has been increased from ₹ 17,15,33,800 - to ₹ 17,15,70,800/- on account of allotment of 37,000 equity shares of Re. 1/- each at a premium of ₹ 49 per share to the employees of the Company under Sadbhav Employee Stock Option Scheme 2008 (ESOS Scheme 2008).

Debentures

The Company raised an amount of ₹ 320 Crores by way of issue of Non-Convertible Debentures on private placement basis. The said Non-Convertible Debentures are listed on the BSE Ltd. The aggregate Non-Convertible Debentures Outstanding amounts to 255.89 crores as on 31st March, 2017.

Credit Rating

Rating agency Credit Analysis & Research Ltd. (CARE) assigned CARE A1+ (A One plus) to additional Short-term Bank facilities of ₹ 20 Crores and reaffirmed CARE A+; stable (Single A plus; Outlook: Stable) to additional Long-term Bank facilities of ₹ 110 Crores.

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

Subsidiaries, Joint Ventures and Associates Companies

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

Sr. No.	Name of the Subsidiary/ Joint ventures/associate Company	Period of becoming company's subsidiaries, joint ventures or associate company.	Period of ceasing to company's subsidiaries, joint ventures or associate company.	Remarks, if any
1	Sadbhav Rudrapur Highway Pvt. Ltd.	01/05/2016	N.A.	Step-down Subsidiary by virtue of incorporation
2	Sadbhav Nainital Highway Pvt. Ltd.	01/05/2016	N.A.	Step-down Subsidiary by virtue of incorporation
3	Sadbhav UNA Highway Pvt. Ltd.	22/06/2016	N.A.	Step-down Subsidiary by virtue of incorporation
4	Sadbhav Bhavnagar Highway Pvt. Ltd.	20/06/2016	N.A.	Step-down Subsidiary by virtue of incorporation
5	Sadbhav Banglore Highway Pvt. Ltd.	29/10/2016	N.A.	Step-down Subsidiary by virtue of incorporation

Note: Between the end of the financial year 2016-17 and the date of this report, two new wholly owned subsidiary companies i.e. Sadbhav Vidarbha Highway Private Limited and Sadbhav Udaipur Highway Private Limited, were incorporated with an object to execute highway projects as per the concessions agreements signed with NHAI.

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

The Company will keep the separate audited financial statements in respect of each of subsidiaries at the Corporate Office of the Company and its subsidiaries and make them available upon the request by any shareholder of Company. The said financial statements are also available on the website of your Company at http://www.sadbhaveng.com/investors. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.sadbhaveng.com/wp-content/uploads/2016/01/MATERIAL_SUBSIDIARY.pdf.

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS)-33 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2016-17.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

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

Appointments

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

1. Reappointed Mr. Arun S. Patel as Independent Director of the Company, on expiring of his first term as Independent Director, to hold office for further 5 (five) consecutive years for a second term from 26/09/2017 to 25/09/2022 under the Companies Act, 2013 and SEBI (LODR) 2015.
2. Appointed Mr. Shashin V. Patel as Chairman and Managing Director of the Company and Key Managerial Personnel for period of 3 years w.e.f. 01.07.2017.
3. Reappointed Mr. Nitin R. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f. 01.07.2017.
4. Reappointed Mr. Vasistha C. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f. 01.10.2017.
5. Reappointed Mr. Vikram R. Patel as Whole-time Director designated as an Executive Director of the Company for further period of 3 years w.e.f. 01.10.2017.

Resignation

Pursuant to section 168 of the Companies Act, 2013 Mr. Vishnubhai M. Patel Chairman and Managing Director of the Company resigned due to Health Condition w.e.f. 03-03-2017. The Board at its meeting held on 03-03-2017 had Conferred the honorary title of "Chairman Emeritus" to Mr. Vishnubhai M. Patel for his valuable service to the company since its incorporation.

Mr. Sandip A. Sheth, Independent Director resigned from the company w.e.f .01-06-2017 due to pre-occupancy of his professional. The Board places on record its deep sense of appreciation on valuable contribution made by outgoing director during his tenure on the Board.

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

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

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

Evaluation of Board Performance

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

Audit Committee

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

Committees of Board

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules and no complaint has been received on sexual harassment during the financial year 2016-17.

Nomination and Remuneration Policy

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

Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The details of the said Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

Development and implementation of Risk Management Policy

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

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

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

Meetings of Board

During the year, Seven Board Meetings were held and the details of which are given in the Corporate Governance Report.

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and of the profit and loss of the Company for the year ended on that date;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) that the directors have laid down internal financial controls to be followed by the company and that the financial controls are adequate and are operating effectively; and

(f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

As per Section 139 and Section 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Surana Maloo & Co., Chartered Accountants, Ahmedabad having Firm Registration No. 112171W as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting (AGM) of the Company. The Board of Directors of the Company at its meeting held on August 14, 2017, on the recommendation of the Audit Committee and subject to approval of the members, has appointed M/s. Dhirubhai Shah & Doshi, Chartered Accountants (Firm Registration No 102511W) as the Statutory Auditors of the Company from the conclusion of 28th AGM of the Company till the conclusion of 29th AGM to be held in the Calendar year 2018.

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

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended March 31, 2017.

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Ravi Kapoor and Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report is annexed herewith as **'Annexure 2'** to this Report. The Board is of the opinion that the Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

The Board had, on the recommendation of the Audit Committee, appointed M/s Rajendra Patel & Associates, Cost Accountants, Ahmedabad to audit the cost records of the Company for the financial year 2017-18 on a remuneration of ₹ 1,50,000/-p.a. The Cost Audit Report for the year 2015-2016 was filed before the due date with the Ministry of Corporate Affairs. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Rajendra Patel & Associates is included at Item No. 14 of the Notice convening 28th Annual General Meeting.

Corporate Governance

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

Management Discussion and Analysis (MDA)

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

Corporate Social Responsibility

The Annual Report on CSR activities is annexed to this Report. The CSR policy is available on the http://sadbhaveng.com/wp-content/uploads/2016/01/CORPORATE_SOCIAL_RESPONSIBILITY.pdf of the Company. The CSR activities is annexed herewith as **'Annexure 3'**.

Particulars of Employees and related disclosures

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. There was no earning and outgo in the foreign currency, while expenditure the particulars of the dividend in foreign currency are given in the notes no. 55 to the Standalone Financial Statements.

Particulars of Loans, Guarantees or Investments

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

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contract / arrangement / transaction entered into by the Company with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions forms integral part of this report in form AOC-2 as per **'Annexure 6'**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://sadbhaveng.com/wp-content/uploads/2016/01/RELATED_PARTY_TRANSACTIONS1.pdf. Your Directors draw attention of the members to notes no. 52 to the Standalone Financial Statements which sets out related party disclosures.

Extract of Annual Return

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

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134[5][e] of the Act. For the year ended on March 31, 2017, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

Business Responsibility Reporting

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

General

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

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

Industrial Relations

The Company 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.

Acknowledgments

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 14, 2017

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Annexure - 1 forming part of Directors Report

Information required to be disclosed under applicable Rules and Regulations as at March 31, 2017 are given below:

A.

Sr. No.	Particulars	ESOS-2008
1	Option Granted	2,50,000 adjusted to 25,00,000 (on account of split of the face value of Equity Shares from ₹ 10 each to Re 1 per share)
2	The Pricing Formula / Exercise Price	Pursuant to the power granted to Remuneration Committee, it in its meeting held on October 04, 2010, has determined the Exercise Price ₹ 500/- per equity share which was subsequently adjusted to ₹ 50 per equity share due to split of equity share.
3	Option Vested	22,19,500
4	Option exercised	21,21,000
5	Total number of Shares arising as a results of exercise of Options	21,21,000
6	Options Lapsed	3,79,000
7	Variation in the terms of Options	NIL
8	Money realized by exercise of options	₹ 10,60,50,000
9	Total number of options in force	NIL

B. Employee wise details of options granted:

i) During the year, no options were granted to any Key Managerial Personnel.

ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None

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 Indian Accounting Standard (Ind AS)-33 Earning per share ₹ 10.95

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

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

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

Weighted average fair value of Options granted during the year whose

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

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

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

Annexure - 2

Form No. MR-3
Secretarial Audit Report for the Financial Year Ended 31st March, 2017

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

To,
The Members,
Sadbhav Engineering Limited

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

Based on our verification of the Sadbhav Engineering Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Engineering Limited ("the Company") for the financial year ended on 31st March, 2017 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following
1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

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

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

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

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in Practice
FCS No.: 2587 • CP No.: 5974

Place : Ahmedabad
Date : 14-08-2017

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure - A

To,
The Members,
Sadbhav Engineering Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in Practice
FCS No.: 2587 • CP No.: 5974

Place : Ahmedabad
Date : 14-08-2017

Annexure - 3 CSR Report

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://sadbhaveng.com/wp-content/uploads/2016/01/CORPORATE_SOCIAL_RESPONSIBILITY.pdf The details of the CSR activities undertaken during the year can be accessed at http://sadbhaveng.com/csr/#activities
2	The Composition of the CSR Committee	1. Mr. Vishnubhai M. Patel (Chairman & MD) - Upto 03-03-2017 2. Mr. Shashin V. Patel (Chairman & MD) - From 03-03-2017 3. Mr. Vasistha C. Patel (Executive Director) 4. Mr. Mirat N. Bhadlawala (Independent Director) 5. Mr. Sandip A. Sheth (Independent Director) - Upto 31-05-2017
3	Average net profit of the company for the last three financial years	₹ 129.27 crores
4	Prescribed CSR Expenditure (two per cent) of the amount as in item 3 above)	₹ 2.59 crores
5	Details of CSR spent during the financial year: 1. Total amount spent for the financial year: 2. Amount unspent, if any: 3. Manner in which the amount spent during the financial year	 ₹ 5.65 crores Nil As mentioned below

Manner in which the amount spent during the financial year

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specified city of the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Following Activities at Isanpur Village						
Renovation of Anganwadi, Kumarshala & Kanyashala	Slum area development	Isanpur Village, Mota Chiloda, Dist. Gandhinagar, Gujarat	₹ 5.65 crores	• Direct expenditure ₹ 5.60 crores • Indirect Expenditure ₹ 0.05 crores	₹ 5.65 crores	Direct by Sadbhav Engineering Ltd.
Renovation of Ashram	Slum area development					
Construction of Toilet	Sanitation					
Development of Roads in Village	Slum area development					
Construction of Quarter in Hospital	Slum area development					

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

Mr. Shashin V. Patel
Chairman of CSR Committee
DIN : 00048328

Mr. Vasistha C. Patel
Executive Director
DIN : 00048324

Annexure - 4

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2017.

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

Name & Qualification	Age in Years	Designation	Date of Emplo-yment	Gross Remuneration p.a. (₹ in Lakhs)	Experience (No. of years)	Last Emplo-yment	% age of equity shares held by employee
Mr. Vishnubhai Mafatlal Patel Qualification : S.S.C. (Upto 03/03/2017)	76 Yrs.	Chairman & Managing Director	03-10-1988	393.12	49 Years	None	16.39
Mr. Shashin Vishnubhai Patel Qualification : MBA	36 Yrs.	Chairman & Managing Director	23-05-2000	180.22	17 years	None	3.21

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

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.
3. Mr. Vishnubhai M. Patel & Mr. Shashin V. Patel, Managing Directors who are related to each other.

Annexure - 5

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17;

Name of the Directors	Designation	Remuneration of the directors (₹ in Lakhs)	Median remuneration of the employees (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Vishnubhai M. Patel (Upto 03.03.2017)	Managing Director & Chief Executive Officer	393.12	3.03	130:1
Shashin V. Patel	Chairman & Managing Director	180.22	3.03	59:1
Vasistha C. Patel	Executive Director	30.00	3.03	10:1
Vikram R. Patel	Executive Director	30.00	3.03	10:1
Nitin R. Patel	Executive Director	82.72	3.03	27:1
Vipul H. Patel (From 20.08.2016)	Executive Director	18.60	3.03	6:1
Sandip V. Patel^	Independent Director	1.05	3.03	0.35:1
Atul N. Ruparel^	Independent Director	0.90	3.03	0.30:1
Arun S. Patel^	Independent Director	1.05	3.03	0.35:1
Sandip A. Sheth^	Independent Director	1.05	3.03	0.35:1
Mirat N. Bhadlawala^	Independent Director	0.75	3.03	0.25:1
Purvi S. Parikh^	Independent Director	0.90	3.03	0.30:1

^ Reflects sitting fees.

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

Name of the Directors, Chief Financial Officer. Chief Executive Office, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Vishnubhai M. Patel (Upto 03.03.2017)	Managing Director & Chief Executive Officer	118.40	Profit before Tax increased by 15.26% and profit after Tax increased by 42.29% in financial year 2016-2017
Shashin V. Patel (w.e.f. 03.03.2017)	Chairman & Managing Director	200.37	
Vasistha C. Patel	Executive Director	0.00	
Vikram R. Patel	Executive Director	0.00	
Nitin R. Patel	Executive Director & Chief Financial Officer	45.12	
Vipul H. Patel	Executive Director	Details not comparable as Mr. Vipul H. Patel was appointed as Executive Director w.e.f. 20-08-2016	
Sandip V. Patel^	Independent Director	40.00	
Atul N. Ruparel^	Independent Director	20.00	
Arun S. Patel^	Independent Director	40.00	
Sandip A. Sheth^	Independent Director	133.33	
Mirat N. Bhadlawala^	Independent Director	25.00	
Purvi S. Parikh^	Independent Director	50.00	
Tushar D. Shah	Company Secretary	Details not comparable as Mr. Tushar Shah was appointed w.e.f. 28-03-2016	

^ Reflects sitting fees.

(iii) the percentage increase in the median remuneration of employees in the financial year 2016-2017;

The median remuneration of employee in the financial year 2016-17 was ₹ 3.03 Lakhs (3.03 Lakhs in FY 2015-16). So, there was no increase in median remuneration of employee.

(iv) There were 1023 employees on the rolls of company as on March 31, 2017.

(v) Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 13.08 % whereas the increased in the managerial remuneration for the same financial year was 101.43%.

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

Annexure - 6

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:-

Sr. No.	Name of the Related Party	Nature of relationship	Duration of the contracts / arrangements / transactions	Terms of the contracts or arrangements or transaction including the value (₹ in Crores)	Date(s) of approval by the Board	Amount paid/ received as advances	Nature of transactions
1	Sadbhav Infrastructure Project Limited	Subsidiary Company	Facility is repayable by borrower on demand / call notice from lenders	₹ 1000.00 Crores Facility used ₹ 467.39 crores Repayment of facilities by Sadbhav Infrastructure Project Limited of ₹ 558.09 crores	N.A.	NIL	Providing of Financial facilities as per MOU dated 20.12.2014

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

For and on behalf of the Board of Directors

Sd/-
Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Place : Ahmedabad,
Date : August 14, 2017

Annexure - 7

Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31/03/2017

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

I. REGISTRATION AND OTHER DETAILS

i	CIN	L45400GJ1988PLC011322
ii	Registration Date	03/10/1988
iii	Name of the Company	Sadbhav Engineering Limited
iv	Category / Sub-Category of the Company	Company having Share Capital
v	Address of the Registered office and contact details	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat Phone : 079-26463384
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Reg. Off.: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai - 400078

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the company
1	Construction & Maintenance Roads & Highway etc.	421	70%
2	Construction & Maintenance of Irrigation System (Cannel)	422	17%
3	Site preparation for Mining including overburden removal and other development	431	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN	Address of the Company	Holding/ Subsidiary/ Associates	% of Shares Held*	Applicable Section
1	Sadbhav Infrastructure Project Ltd.	U45202GJ2007PLC049808	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary	68.64	2(87)
2	Mysore-Bellary Highway Pvt. Ltd.	U45203GJ2014PTC078848	-----Do-----	Subsidiary	74	2(87)
3	Nagpur-Seoni Expressway Ltd.	U45203GJ2007PLC049963	-----Do-----	Step-down Subsidiary	100**	2(87)
4	Ahmedabad Ring Road Infrastructure Ltd.	U45203GJ2006PLC048981	-----Do-----	Step-down Subsidiary	100	2(87)
5	Auranagabad-Jalna Tollway Ltd.	U45203GJ2007PLC049814	-----Do-----	Step-down Subsidiary	100	2(87)
6	Rohtak-Panipat Tollway Pvt. Ltd.	U45202GJ2010PTC059322	-----Do-----	Step-down Subsidiary	100	2(87)
7	Hyderabad-Yadgiri Tollway Pvt. Ltd.	U45203GJ2010PTC059262	-----Do-----	Step-down Subsidiary	100	2(87)
8	Bijapur-Hungund Toll-way Pvt. Ltd.	U45203GJ2010PTC059669	-----Do-----	Step-down Subsidiary	77	2(87)
9	Maharashtra Border Check Post Network Ltd.	U45201GJ2009PLC056327	-----Do-----	Step-down Subsidiary	91^	2(87)
10	Shreenathji-Udaipur Tollway Pvt. Ltd.	U45201GJ2012PTC069676	-----Do-----	Step-down Subsidiary	100	2(87)
11	Bhilwara-Rajsamand Tollway Pvt. Ltd.	U45203GJ2012PTC072902	-----Do-----	Step-down Subsidiary	100	2(87)
12	Rohtak-Hissar Tollway Pvt. Ltd.	U45203GJ2013PTC074446	-----Do-----	Step-down Subsidiary	100	2(87)

13	Dhule-Palesner Tollway Ltd.	U45203MH2009PLC191222	Hincon House, 11th Floor, 247 park, Lal Bahadur Shastri Marg, Vikhroli (west), Mumbai,	Step-down Subsidiary	100	2(87)
14	Sadbhav Rudrapur Highway Pvt. Ltd.	U45203GJ2016PTC091774	"Sadbhav House" Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Step-down Subsidiary	100	2(87)
15	Sadbhav Nainital Highway Pvt. Ltd.	U45309GJ2016PTC091777	-----Do-----	Step-down Subsidiary	100	2(87)
16	Sadbhav UNA Highway Pvt. Ltd.	U45500GJ2016PTC092589	-----Do-----	Step-down Subsidiary	100	2(87)
17	Sadbhav Bhavnagar Highway Pvt. Ltd.	U45309GJ2016PTC092557	-----Do-----	Step-down Subsidiary	100	2(87)
18	Sadbhav Banglore Highway Pvt. Ltd.	U45202GJ2016PTC094257	-----Do-----	Step-down Subsidiary	100	2(87)

* Representing aggregate % of shares held by the company and/or its subsidiaries.
** Subject to the approval by NHAI / Government.
^ 2.63% stake pending for transfer from Sadbhav Engineering Limited to Sabhav Infrastructure Project Limited

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian Individual / HUF	60370765	-	60370765	35.19	59695765	-	59695765	34.79	0.4
Central Govt State Govt (s) Bodies Corp.	16545275	-	16545275	9.65	16545275	-	16545275	9.65	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other (Trust)	3993840	-	3993840	2.33	3993840	-	3993840	2.33	-
Sub-total (A) (1):-	80795880	-	80795880	47.171	80909880	-	80909880	46.77	0.4
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	46184589		46184589	24.30	45097554	-	45097554	26.29	-1.99
b) Banks / FI	32266		32266	0.04	41438	-	41438	0.02	0.02
c) Central Govt / State Govt (s)	-	-	-	-	-	-	-	-	
d) Venture Capital Funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) Foreign Institutional Investors	25665457		25665457	14.96	29432386	-	29432386	17.15	-2.19
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified foreign Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	71882312	-	71882312	41.91	74571318	-	74571318	43.46	-1.55

2. Non-Institutions									
a) Bodies Corp. i) Indian ii) Overseas	14361887	-	14361887	-1.11	12801302	-	12801302	7.46	-1.11
b) Individuals i) Individual shareholders holding nominal share capital upto ₹ 1 lakh ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3314922 170000	645 -	3315567 170000	1.93 0.10	3025059 4653650	550 -	3025609 4653650	1.76 2.71	-0.17 2.61
c) Others (specify Clearing Members NRI NRI (Non Repatariable) Trust HUF Independent Directors and their Relatives	127794 120472 368664 3000 253384 20840	- - - - - -	127794 120472 368664 3000 253384 20840	0.07 0.07 0.21 - 0.15 0.01	80179 117312 386485 - 162815 20840	- - - - - -	80179 117312 386485 - 162815 20840	0.05 0.06 0.23 - 0.09 0.01	0.02 0.01 -0.02 - 0.06 -
Sub-total (B) (2):-	18740963	645	18741608	10.91	21247642	550	21248192	12.39	1.46
Total Public Shareholding (B)=(B)(1)+ (B)(2)	90623275	645	90623920	52.83	95819020	550	95819570	55.86	3.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	171533155	645	171533800	100	171570250	550	171570800	100	-

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vishnubhai M. Patel	23543220	13.72	4.47	28124920	16.39	3.90	2.67
2	Shantaben V. Patel	14715375	8.58	-	14715375	8.58	-	-
3	Girish N. Patel	675500	0.39	-	500	0.03	-	(0.36)
4	Shashin V. Patel	5499720	3.21	-	5499720	3.21	0.60	-
5	Vikram R. Patel	4608750	2.69	0.78	4608750	2.69	0.92	-
6	Vasistha C. Patel	3202150	1.87	0.96	3202150	1.87	1.16	-
7	Vishnubhai M. Patel HUF	4581700	2.67	-	-	-	-	(2.67)
8	Santokba Trust	3993840	2.33	-	3993840	2.33	-	-
9	Sadbhav Finstock Pvt. Ltd.	16545275	9.64	9.64	16545275	9.64	9.64	-
10	Vipul H. Patel	166850	0.10	-	166850	0.10	-	-
11	Rekhaben Vishnubhai Patel	675500	0.39	-	675500	0.39	-	-
12	Truptiben Vishnubhai Patel	675500	0.39	-	675500	0.39	-	-
13	Bhavna Vikramkumar Patel	675500	0.39	-	675500	0.39	-	-
14	Alpa Dharmin Patel	675500	0.39	-	675500	0.39	-	-
15	Rajeshreeben Vishnubhai Patel	675500	0.39	-	675500	0.39	-	-
	Total	80795880	47.11	15.85	802348800	46.76	16.23	(0.35)

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

Sr. No.	Name of the Promoters / Promoters Group	Shareholding at the beginning of the year		increase / decrease during the year	Date wise increase / decrease	Reason for increase / decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Vishnubhai M. Patel	23543220	13.73	4581700	09.07.2016	Off Market Transfer (Due to HUF Dissolution)	28124920	16.39
2	Girishbhai N. Patel	675500	0.39	(675000)	29.07.2016	On market sale	500	-
	At the End of the year	24218720	-	3906700	-	-	28125420	-

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	ICICI Prudential value Discovery Fund	9206830	5.37	249148	-	9455978	5.51
2	ICICI Prudential Life Insurance Company Ltd.	7973525	4.65	636428	-	8609953	5.02
3	Nomura India Investment Fund Mother Fund	5450822	3.18	292050	-	5742872	3.35
4	HDFC Trustee Company Limited MID - CAPOPPORTUNITIES FUND	4472434	2.61	6170430	-	10642864	6.20
5	HDFC Trustee Company Limited-HDFC Tax Saver Fund	3764010	2.19	-	3764010	-	-
6	TATA Balanced Fund	2500000	1.46	4841002	-	7341002	4.28
7	Abu dhabi Investment Authority-Behave	2229038	1.30	723146	-	2952184	1.72
8	Eastspring Investments India Infrastructure Equity Open Limited	2167911	1.26	1800	-	2169711	1.26
9	HDFC Trustee Company Limited HDFC Equity Fund	2003000	1.17	-	2003000	-	-
10	Kotak Mahindra (UK) Ltd a/c India Midcap (Mauritius) Ltd	1996829	1.16	-	1996829	-	-
11	SBI Blue Chip Fund	-	-	9049056	-	9049056	5.27
12	DSP Blackrock small and MID Cap Fund	-	-	4989504	-	4989504	2.91
13	Government Pension Fund Global	-	-	2610651	-	2610651	1.52
14	India MID Cap (Mauritius) Ltd.	-	-	1895188	-	1895188	1.10
15	Kuwait Investment Authority Fund 225	-	-	1728017	-	1728017	1.01
16	Government of Singapore - E	-	-	1401104	-	1401104	0.82

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	Name of the Director / KMP	No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	Vishnubhai M. Patel (Upto 03-03-2017)	23543220	13.72	4581700	-	28124920	16.39
2	Shashin V. Patel	5499720	3.21	-	-	5499720	3.21
3	Vikram R. Patel	4608750	2.69	-	-	4608750	2.69
4	Vasistha C. Patel	3202150	1.87	-	-	3202150	1.87
5	Nitin R. Patel	101	-	-	-	101	-

6	Vipul H. Patel	166850	0.10	-	-	166850	0.10
7	Sandip V. Patel	10000	0.006	-	-	10000	0.006
8	Atul N. Ruparel	10000	0.006	-	-	10000	0.006
9	Arun S. Patel	-	-	-	-	-	-
10	Mirat N. Bhadlawala	-	-	-	-	-	-
11	Sandip A. Sheth	-	-	-	-	-	-
12	Purvi S. Parikh	-	-	-	-	-	-
13	Tushar D. Shah	-	-	-	-	-	-

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2016				
i) Principal Amount	96,735.60	24,639.70	-	121,375.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39.04	1342.55	-	1381.59
Total (i + ii + iii)	96,774.64	25,982.25	-	122,756.89
Change in Indebtedness during the financial year				
• Addition	51,438.64	25872.00	-	77,310.64
• Reduction	20,708.15	1342.55	-	22050.70
Net Change	30,730.49)	24,529.45	-	55,259.94
Indebtedness at the end of the financial year 31-03-2017				
Principal Amount	126194.20	50328.10	-	176522.30
i) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	1310.93	183.60	-	1494.53
Total (i + ii + iii)	1,27,505.13	50,511.70	-	178016.83

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		Vishnubhai M. Patel (Upto 03-03-2017)	Shashin V. Patel	Vasistha C. Patel	Nitin R. Patel	Vikram R. Patel	Vipul H. Patel (From 20-08-2016)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	332.90	180.00	30.00	82.50	30.00	18.47	673.87
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	60.00	-	-	-	-	-	60.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit	-	-	-	-		-	-
	- others, specify…	-	-	-	-		-	-
5	Others, please specify (Provident Fund)	0.22	0.22	-	0.22	-	0.13	0.79
	Total (A)	393.12	180.22	30.00	82.72	30.00	18.60	734.66
	Ceiling as per the Act	₹ 2031.10 (being 10% of the net profit of ₹ 20311 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)						

B. Remuneration to other directors: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Sandip V. Patel	Atul N. Ruparel	Arun S. Patel	Mirat N. Bhadlawala	Sandip A. Sheth	Purvi S. Parikh	Total
1	**Independent Directors** Fee for attending board committee meeting	1.05	0.90	1.05	0.75	1.05	0.90	5.70
	Total (B)	1.05	0.90	1.05	0.75	1.05	0.90	5.70
	Total Managerial Remuneration (A+B)							740.36
	Overall Ceiling as per the Act	₹ 2234.21 (being 11% of the net profit of ₹ 20311 lakhs of the Company calculated as per Section 198 of the Companies Act, 2013)						

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

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		*CEO (Mr. Vishnubhai M. Patel)	Company Secretary (Mr. Tushar Shah)	*CFO (Mr. Nitin R. Patel)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	16.05	-	16.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	- -	- -	- -	- -
5	Others, please specify (Provident Fund)	-	0.22	-	0.22
	Total	-	16.27	-	16.27

* Mr. Vishnubhai M. Patel is Managing Director and CEO of the Company upto 03-03-2017, details of his remuneration has al ready been given under clause VI(A).

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES FOR F.Y. 2016-2017: NIL

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

Business Responsibility Report

Section A : General Information about the Company

1.	Corporate Identity Number (CIN)	L45400GJ1988PLC011322
2.	Name of the Company	Sadbhav Engineering Limited
3.	Registered Address	Sadbhav House,Opp.Law Garden Police Chowki, Ellisbridge, Ahmedabad GJ 380006
4.	Website	www.sadbhaveng.com
5.	E-mail id	investor@sadbhav.co.in
6.	Financial Year reported	1st April, 2016 to 31st March, 2017

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

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

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

The Company is involved in the development, operation and maintenance of national and state highways and roads in several states in India, We earn revenues primarily from the BOT road concessions in two ways, depending on whether it is a toll-based or an annuity-based concession. Our project portfolio for the Infrastructure Development Business consists of 29 Projects.

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

i. Number of International Locations : NIL
ii. Number of National Locations : 14 states of India

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

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 17.15 Crore
2. Total turnover (INR) : ₹ 3407.84 Crore
3. Total Profit after taxes (INR) : ₹ 187.85 Crore
4. Total Spending on CSR as percentage of profit After tax (%) : 4.37 % (₹ 5.65 Crores)
5. List of activities in which expenditure in 4 above has been incurred : Slum Area Development

Section C: Other Details

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

   Yes, the Company has 18 subsidiary companies (including step-down subsidiaries) as on March 31, 2017

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

   Yes. There are 18 subsidiaries including step-down subsidiaries. All policies/Practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws.

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

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

Section D: BR Information

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

      Directors Identification Number (DIN): 00048328

      Name: Shashin V. Patel

      Designation: Chairman & Managing Director

   b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00048328
2	Name	Shashin V. Patel
3	Designation	Chairman & Managing Director
4	Telephone Number	+91 79 26463384
5	E mail Id	investor@sadbhav.co.in

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

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

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

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

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

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

   P5 - Businesses should respect and promote human rights.

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

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

   P8 - Businesses should support inclusive growth and equitable development.

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

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

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

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

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

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

3. **Governance related to BR:**

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

The Board will review the BR performance annually.

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

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

Section E: Principle-wise Performance

Principle 1

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

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

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

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

No genuine concerns were received during financial year 2016-17.

Principle 2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3

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

Sr. No.	Category of Employees	No. of Employees
1.	Directors	5
2.	Fix Term (Contractual)	4558
3.	Regular	1068
4.	Superannuation	23
	Total	**5654**

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

Sr. No.	Category of Employees	No. of Employees
1.	Fix Term (Contractual)	4558
	Total	**4558**

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

   Number of permanent women employees: 9

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

   Number of permanent employees with disabilities: None

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

   No

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

   N.A.

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

   Nil

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

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

Principle 4

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

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

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

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

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

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

   For details of projects undertaken during the FY 2016-17, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

Principle 5

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

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

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

   No complaints were received during the year in this regard.

Principle 6

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

   Policy extends to Company as well as subsidiaries.

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

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

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

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

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

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

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

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

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

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

   Yes.

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

   The Company has not received any such notices from CPCB/SPCB during FY 2016-17.

Principle 7

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

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

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

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

Principle 8

Businesses should support inclusive growth and equitable development.

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

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

   For details of projects undertaken during the FY 2016-17, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

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

   The identified programmes/projects are carried out directly by the Company itself.

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

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

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

   Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

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

   During the year under review the Company had contributed ₹ 5.65 crores to various community development programmes/ projects as part of its CSR initiatives. The details of projects undertaken are mentioned elsewhere in the Business Responsibility Report.

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

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

Principle 9

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

   There are no customer complaints / consumer cases pending as of end of financial year 2016-17.

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

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

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

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

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

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

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

Board of Directors

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors & Independent Directors. As on March 31, 2017, the Board comprised of 11 Directors which include Five Executive Directors and Six Non-Executive Directors & Independent Directors.

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

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

COMPOSITION

Name	Designation	Category	No. of other Directorship held in other public Company	# No. of committee membership of other companies	#No. of committee chairmanship of other companies
Mr. Vishnubhai M. Patel (Upto 03/03/2017) DIN:00048287	* Chairman & Managing Director	Promoter, Executive Director	8	2	-
Mr. Shashin V. Patel (w.e.f. 03/03/2017) DIN:00048328	^ Chairman & Managing Director	Executive Director	8	4	-
Mr. Nitin R. Patel DIN:00466330	Executive Director	Executive Director	7	5	1
Mr. Vikram R. Patel DIN:00048318	Executive Director	Executive Director	8	6	-
Mr. Vasistha C. Patel DIN:00048324	Executive Director	Executive Director	6	5	-
Mr. Vipul H. Patel (w.e.f. 20/08/2016) DIN:06634262	Executive Director	Executive Director	5	-	-
Mr. Sandip V. Patel DIN:00449028	Director	Independent, Non-Executive Director	7	5	3
Mr. Atul N. Ruparel DIN:00485470	Director	Independent, Non-Executive Director	9	2	5
Mr. Arun S. Patel DIN:06365699	Director	Independent, Non-Executive Director	9	7	4
Mr. Sandip A. Sheth (Upto 31/05/2017) DIN:01287413	Director	Independent, Non-Executive Director	3	-	3
Mr. Mirat N. Bhadlawala DIN:01027984	Director	Independent, Non-Executive Director	9	6	3
Mrs. Purvi S. Parikh DIN:07071155	Director	Independent, Non-Executive Director	2	1	1

Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Engineering Limited) have been considered for committee position.
* Mr. Vishnubhai M. Patel resigned from the post of Chairman & Managing Director w.e.f. 03/03/2017 due to health reason and Board Conferred the honorary title of "Chairman Emeritus" to Mr. Vishnubhai M. Patel at the meeting held on 03/03/2017.
^ Appointed as Chairman & Managing Director from Joint Managing Director w.e.f. 03/03/2017.

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

Board Meeting and Attendance

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

During the year 2016-2017, 7 (Seven) Board Meetings were held on 27/04/2016, 15/07/2016, 19/08/2016, 31/08/2016, 28/11/2016, 13/02/2017 & 03/03/2017.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel (Upto 03/03/2017)	4	-
Mr. Nitin R. Patel	6	Yes
Mr. Shashin V. Patel	6	-
Mr. Vikram R. Patel	5	Yes
Mr. Vasistha C. Patel	7	Yes
Mr. Vipul H. Patel (From 20/08/2016)	3	-
Mr. Sandip V. Patel	7	Yes
Mr. Atul N. Ruparel	6	Yes
Mr. Arun S. Patel	7	Yes
Mr. Sandip A. Sheth (Upto 31/05/2017)	7	-
Mr. Mirat N. Bhadlawala	5	-
Mrs. Purvi S. Parikh	6	Yes

Evaluation of Board Performance

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

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 3rd March, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board.

Familiarisation Programmes for Independent Directors

Your company has conducted the familiarization programme for Independent Directors of the Company on 3rd March, 2017. The programme was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

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

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2017 was as under:

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

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

Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 28th September, 2016.

During the year 2016-2017, Six meetings of the Audit Committee were held on April 27, 2016, July 15, 2016, August 20, 2016, August 31, 2016, November 28, 2016 & February 13, 2017.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	6
Mr. Nitin R. Patel	4
Mr. Atul N. Ruparel	5
Mr. Arun S. Patel	6

Nomination and Remuneration Committee

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

The composition of Nomination and Remuneration Committee as on March 31, 2017 was as under:

Mr. Atul N. Ruparel	Chairman
Mr. Sandip V. Patel	Member
Mr. Arun S. Patel	Member
Mr. Sandip A. Sheth (Upto 31/05/2017)	Member

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

Mr. Atul N. Ruparel, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 28th September, 2016.

During the year 2016-2017, Four meetings of Committee were held on May 12, 2016, August 20, 2016, August 31, 2016 & March 03, 2017.

Attendance of Nomination and Remuneration Committee meetings

Name of Director	Meetings attended
Mr. Atul N. Ruparel	4
Mr. Sandip V. Patel	4
Mr. Arun S. Patel	4
Mr. Sandip A. Sheth (Upto 31/05/2017)	4

Policy for Appointment and Remuneration

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

It contains followings :

(a) Education Qualification for Director:
Person being appointed as Director should hold certain education qualification as defined by Nomination & Remuneration Committee of Company.

(b) Positive Attributes of Directors :
Person being appointed as Director should possess any of the following attribute ;
(1) Leadership quality
(2) Work knowledge, sufficient experience and achievement in execution of project
(3) Expertise in respective field
(4) Sense of Responsibility
(5) Seniority

(c) Independence of Directors

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

(d) Criteria for evaluation of Independent Directors

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

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

(e) Criteria for evaluation of Board

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

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

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

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

Details of the remuneration paid during the year 2016-17 and other terms of appointment of Directors

Name of Directors	Salary (₹ in Lacs)	Sitting Fees (₹ in Lacs)	Terms of Appointment	No. of equity shares held as on 31st March, 2017	No. of outstanding Stock options
Mr. Vishnubhai M. Patel (Upto 03/03/2017)	393.12	-	3 years from July 1, 2014	28124920	-
Mr. Nitin R. Patel	82.72	-	3 years from July 1, 2014	101	-
Mr. Shashin V. Patel	180.22	-	3 years from July 1, 2014	5499720	-
Mr. Vikramkumar R. Patel	30.00	-	5 years from October 01,2012	4608750	-
Mr. Vasistha C. Patel	30.00	-	5 years from October 01,2012	3202150	-
Mr. Vipul H. Patel (From 20/08/2016)	18.60	-	3 years from August 20, 2016	166850	-
Mr. Sandip V. Patel	-	1.05	5 Consecutive years from 26.09.2014	10000	-
Mr. Atul N. Ruparel	-	0.90	5 Consecutive years from 26.09.2014	10000	-
Mr. Arun S. Patel	-	1.05	3 Consecutive years from 26.09.2014	-	-
Mr. Sandip A. Sheth (Upto 31/05/2017)	-	1.05	5 Consecutive years from 26.09.2014	-	-
Mr. Mirat N. Bhadlawala	-	0.75	5 Consecutive years from 26.09.2014	-	-
Mrs. Purvi S. Parikh	-	0.90	5 Consecutive years from 29.09.2015	-	-

No Directors were paid any allowance, benefits, stock options or perquisites in the year 2016-17 except Mr. Vishnubhai M. Patel Chairman & Managing Director of the company (upto 03/03/2017) as Medical Reimbursement Expenses of ₹ 60.00 Lakhs. There are no performance based bonus payable to the Directors.

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

Stakeholders Relationship Committee

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

The composition of Stakeholders' Relationship Committee as on March 31, 2017 was as under:

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

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

The committee reviews all matters connected with securities transfer and redressal of investor complaints. The committee also oversees the performance of the Registrars and Transfer Agent, Link Intime India Pvt. Ltd. and recommends measures for overall improvement in the quality of the investor services. The Board of Directors of the company have delegated the powers of approving transfer of securities to Company's Registrar under the supervision and control of the Company Secretary, subject to placing of a summary statement of transfer/transmission, etc. of securities of the company at meeting of the said committee. In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the code of conduct for prevention of Insider Trading and authorized the committee to implement and monitor the various requirements as set out in the Code.

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

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was Nil. No complaints were pending as on March 31, 2017.

During the year 2016-2017, Four meetings of Committee were held on April 27, 2016, August 31,2016, November 28, 2016 and February 13, 2017 in which following members were present.

Name of Director	Meetings attended
Mr. Mirat N. Bhadlawala	1
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Vasistha C. Patel	4

Other Committees

Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Vishnubhai M. Patel (Upto 03/03/2017), Mr. Shashin V. Patel (From 03/03/2017), Mr. Nitin R. Patel, Mr. Vasistha C. Patel, Mr. Vikram R. Patel (From 03/03/2017) and Mr. Atul N. Ruparel to review banking arrangements, reviews and approves certain short terms and long term loans, investment transaction etc. as per the authority granted to the said committee. Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee comprising of Mr. Vishnubhai M. Patel (Upto 03/03/2017) as a Chairman and Shashin V. Patel (From 03/03/2017) as Chairman and Mr. Vasistha C. Patel, Mr. Mirat N. Bhadlawala and Mr. Sandip A. Sheth (Upto 31/05/2017) as a members of the Committee. During the year 2016-2017, Two meeting of Committee were held on April 27, 2016 and March 30, 2017.

General Body Meetings

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

Financial Year	Date	Time	Venue
2013-14	September 26, 2014	03.00 p.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2014-15	September 29, 2015	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2015-16	September 28, 2016	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

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

Date of AGM	Special Resolution Passed
September 26, 2014	• Appointment of Mr. Atul N. Ruparel as an Independent Director of the Company • Appointment of Mr. Sandip V. Patel as an Independent Director of the Company • Re-Appointment of Mr. Vishnubhai M. Patel as a Managing Director and Chief Executive officer of the Company • Re-Appointment of Mr. Shashin V. Patel as a Joint Managing Director of the Company • Re-Appointment of Mr. Nitin R. Patel as a Whole-time Director designated as Executive Director of the Company • Increase in borrowing limit of the company • Create mortgage/Charge on the assets of the company • Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis • Adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act,2013
September 29, 2015	• Issue of Secured/ Unsecured Non-convertible Debentures and/or other Debt Securities on private placement basis. • Authorize Board of Directors to make investment on behalf of the Company. • Approve Related Party Transactions.
September 28, 2016	• Approve Conversion of Loan into Equity

During the year 2016-2017, 2 (Two) Resolutions were passed through postal ballot on August 29, 2016 and January 12, 2017.

The details of resolutions & results of Postal Ballot are as under:

Date	Particulars of Resolutions	No.& % of Votes cast in favour	No.& % of Votes cast against
August 29, 2016	Approve and Ratify Related Party Transactions-Ordinary Resolution	50117226 (99.99%)	175 (0.00%)
January 12, 2017	Approve and Ratify Related Party Transactions-Ordinary Resolution	51652457 (99.56%)	229237 (0.44%)

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

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

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

At present, there is no further proposal to pass any resolution through postal ballot.

Unclaimed Shares lying in Demat Suspense Account

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

Sr. No.	Particulars	Number of Shareholders	Number of Equity Shares
i	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3	1050
ii	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	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.		

Other Disclosures

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

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

C. Whistle Blower Policy

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

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

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

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

By Post: Chairman of Audit Committee

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

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

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

D. 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 Regulation 34(3)(B) of SEBI (LODR) Regulations, 2015.

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

(a) Financial Statements, in particular the investment made by the subsidiary companies are reviewed quarterly by the Audit Committee of the Company.

(b) All the minutes of the meeting of unlisted subsidiary companies are placed before the Company's Board regularly.

(c) A statement containing all significant transactions and arrangements entered in to by the subsidiary companies is placed before the Company's Board.

Pursuant to provisions of Regulation 27 of SEBI (LODR) Regulations, 2015, The policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website at the web link http://sadbhaveng.com/wp-content/uploads/2016/01/MATERIAL_SUBSIDIARY.pdf

F. Disclosure of Related Party Transactions
All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. The transactions with related parties are disclosed in Notes to the accounts (Note No. 52).The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link http://sadbhaveng.com/wp-content/uploads/2016/01/RELATED_PARTY_TRANSACTIONS1.pdf

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

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

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

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

(3) Compliance Certificate from the Statutory Auditor

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

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2016-17, Company has published its quarterly results as under

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

- The Company has its own website www.sadbhaveng.com. Financial results on approval of the Board, presentations made to institutional investors or to the analysts, concall etc. are simultaneously hosted on website of the Company.
- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.
- Annual Reports containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information are circulated to the members and other entitled thereto.
- The Company also submits electronically various compliances reports, announcements etc. from time to time in accordance with the SEBI (LODR) Regulations, 2015 with NSE & BSE on www.nseindia.com and www.bseindia.com through NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre respectively and also on the website of the Company www.sadbhaveng.com.

General Shareholders Information

1. **Annual General Meeting**
   Date and Time : September 26, 2017 at 12:00 Noon
   Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006
2. **Financial calendar** : April 01,2016 to March 31,2017.
3. **Book Closure date** : September 16, 2017 to September 26, 2017 (both days inclusive) for payment of dividend.
4. **Dividend payment date** : On and after 26th September, 2017 but within the statutory time of 30 days from the date of declaration by shareholders.
5. **Stock Code**
   Script Code at BSE : 532710
   Trading Symbol at NSE : SADBHAV
   ISIN No. : INE226H01026
6. **Listing on Stock Exchanges :**
   A:- Equity Shares :

Name of the Stock Exchange	Address
BSE Limited	Floor 25, P. J. Towers, Dalal Street, Mumbai - 400 001.
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051.

B:- Debt Securities (Debentures)

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

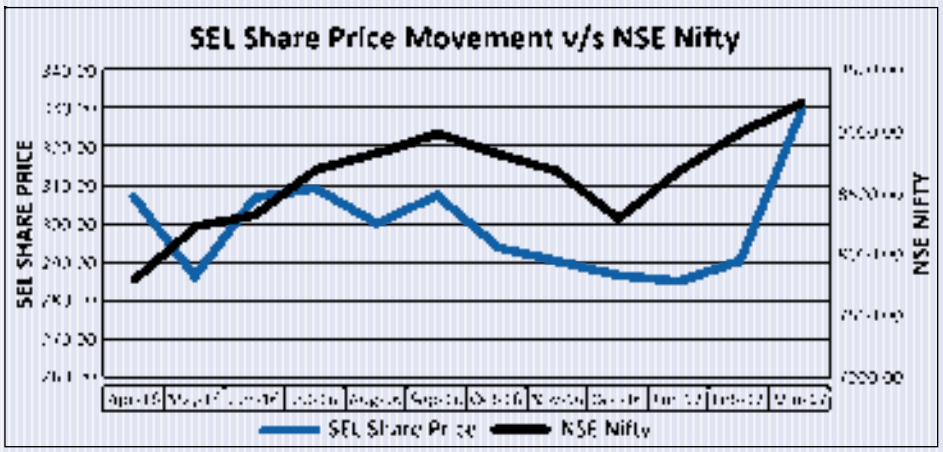
INE226H07023- NCDS of ₹ 100 Lakh each
INE226H07031- NCDS of ₹ 100 Lakh each
INE226H07049- NCDS of ₹ 10 Lakh each
INE226H07056- NCDS of ₹ 10 Lakh each
INE226H07064- NCDS of ₹ 10 Lakh each

Debenture Trustees : **IDBI Trusteeship Services Limited**
Asian Bldg., Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001.
Tel: 022-40807000, Fax: 022-66311776
Email : itsl@idbitrustee.com, Website : http://www.idbitrustee.com

Note: Annual listing fees for the year 2016-17 have been paid to the BSE and NSE.

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

Month	Share price at BSE amount in ₹		BSE Sensex		Share price at NSE amount in ₹		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-16	305.75	253.00	26100.54	24523.20	306.70	256.95	7992.00	7516.85
May-16	286.00	248.85	26837.20	25057.93	286.00	248.20	8213.60	7678.35
Jun-16	301.20	270.00	27105.41	25911.33	302.00	268.50	8308.15	7927.05
Jul-16	309.00	281.40	28240.20	27034.14	309.00	281.00	8674.70	8287.55
Aug-16	299.50	274.10	28532.25	27627.97	300.00	273.10	8819.20	8518.15
Sep-16	306.00	235.00	29077.28	27716.78	307.00	272.05	8968.70	8555.20
Oct-16	294.95	263.00	28477.65	27488.30	293.80	260.75	8806.95	8506.15
Nov-16	290.00	220.00	28029.80	25717.93	290.00	237.95	8669.60	7916.40
Dec-16	282.00	256.00	26803.76	25753.74	288.40	256.50	8274.95	7893.80
Jan-17	286.40	267.00	27980.39	26447.06	284.90	270.00	8672.70	8133.80
Feb-17	290.70	270.05	29065.31	27590.10	290.40	271.80	8982.15	8537.50
Mar-17	325.00	270.10	29824.62	28716.21	329.00	270.00	9218.10	8860.10



8. Registrar & Transfer Agents : Link Intime India Private Limited
C-101,247 Park, L.B.S. Marg Vikhroli (West), Mumbai- 400 083
Phone : 022 49168660, Fax : 022-49186060
Email : rnt.helpdesk@linkintime.co.in, Website : www.linkintime.co.in

9. Share Transfer System

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

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

10. Shareholding as on March 31, 2017

a. Distribution of shareholding as on March 31, 2017

No. of shares	No. of shareholders	% to total	No of shares held	% to total
1-500	10169	88.79	1289606	0.75
501-1000	577	5.03	438989	0.26
1001-2000	263	2.30	388947	0.23
2001-3000	90	0.79	229659	0.13
3001-4000	41	0.36	144628	0.08
4001-5000	38	0.33	179058	0.10
5001-10000	67	0.58	496598	0.29
10001 to 9999999999	208	1.82	168403315	98.14
Total	**11453**	**100.00**	**171570800**	**100.00**

b. Categories of shareholders as on March 31, 2017

Category	No. of shares	% to total
Promoters	80234880	46.76
Mutual Fund	45097554	26.29
Banks, Financial institutions, Insurance companies	41438	0.02
FII	3103810	1.80
Other private corporate bodies	12801302	7.46
Indian Public	3438603	2.00
NRI / OCB	503797	0.29
Foreign Portfolio Investor (Corporate)	26328576	15.35
Independent Directors & their Relatives	20840	0.12
Total	**171570800**	**100.00**

11. Dematerialization of shares and liquidity

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

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

During the year under review, the Company has credited ₹ 0.29 lakhs amount being unclaimed dividend for the year 2008-2009 to the Investor Education and Protection Fund (IEPF) pursuant to erstwhile 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 sailent features of the systems are Centralised Database of all Complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of action taken on the complaints and their current status.

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

Company has no outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity as on 31st March, 2017.

15. Foreign Exchange Risk and Hedging Activities

The details of foreign exchange exposures as on 31st March, 2017 are disclosed in Note no. 3.13 of the Significant Accounting Policies to the standalone financial statements.

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

17. Address for Correspondence : Mr. Tushar D. Shah, Company Secretary
"Sadbhav", Nr. Havmor Restaurant, B/H Navrangpura Bus Stand,
Navrangpura, Ahmedabad - 380009.
Phone : +91 79-40400400
Fax : +91 79-26400210

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 17 (5) of the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2017.

For Sadbhav Engineering Limited

Place : Ahmedabad,
Date : August 14, 2017

Shashin V. Patel
Chairman & Managing Director
DIN : 00048328

Compliance Certificate on Financial Statements of the Company

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

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that :

a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.

d. We have indicated to the auditors and the Audit committee :
   (i) significant changes, if any, in internal control over financial reporting during the year.
   (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad
Date : August 14, 2017

Shashin V. Patel
Chairman & Managing Director
(DIN : 00048328)

Nitin R. Patel
Executive Directors & CFO
(DIN : 00466330)

Auditors' Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited.

We have examined the compliance of conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2017 as stipulated regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

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

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

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

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

Place : Ahmedabad
Date : August 14, 2017

S. D. Patel
PARTNER
Membership No. 37671

Management Discussion & Analysis

CAVEAT

Under this section of the Annual Report 2016-17 for Sadbhav Engineering Limited, in adherence to the rules and regulations as mandated by the Stock Exchange Board of India, we would like to provide a statutory warning to the stakeholders and readers alike. The projections listed here along with describing the Company's objectives and approximate estimate may be forward looking in the current scenario and set in the framework meaning of applicable securities laws and regulations. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective. Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company's operations' substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward- looking statements expressed in this report, consequent to any new information, future events or otherwise.

Hereby, we at Sadbhav Engineering Limited present our report for the financial year 2016 – 17.

ABOUT SADBHAV ENGINEERING LIMITED

Founded in 1988, SEL has implemented and executed projects of national significance including construction of roads and highways, bridges, mining and irrigation supporting infrastructure. SEL has successfully constructed 7551 lane kms. (till date) of roads and highways (both state and national highways) and are among the topmost infrastructure companies in India. SEL is also listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and have had privilege to work for and with NHAI, Coal India, GIPCL, GHCL, L&T, HCC, Punj Lloyd, Sardar Sarovar Narmada Nigam among various others.

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

1. GLOBAL ECONOMIC OVERVIEW

A resultant signification towards a sluggish growth in advanced economies, weak global trade, and diminishing capital flows came out in a report by The World Bank, Global Economic Prospects: Divergence and Risks, which revised its 2016 global growth forecast down to 2.4%. This move has made the need for a structural reform more urgent than ever. Diffusion of instability, environment of weak growth and eroding policy buffers has now called for the global economic activities, both in the advanced economies and the emerging markets, to identify a broad lift in growth in many major regions.

The synchronised nature of an improvement in growth is notable with global activity expanding at an annualised rate of 4.1%, as compared to the low point of 2.2% recorded in March, 2016. Since the early 2015, the risks of a global recession have started subsiding providing early indications that a movement into the period of above trend expansion opportune for global economies. This continuation of improved situations might also suggest that the world economy is achieving an 'escape velocity', where the recovery becomes self-propelled without the need of repeated influx of monetary and fiscal policy support to prevent a renewed slowdown.

2. PANAROMA OF INDIAN ECONOMIC SITUATIONS

International agencies of repute for financial and economic monitoring such as the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) have established that India has emerged as the fastest growing major economy in the world. Its Gross Domestic Product (GDP) rose at an annual rate of 7.9% in Q1 2016 compared to 7.5% in the same quarter last year. In a report by UN ESCAP titled, 'Economic and Social Survey of Asia and the Pacific 2015', India exhibited a strong rise and is forecasted to accelerate to 8.2% in 2016, benefiting from the acceleration of infrastructure projects; strong consumer/social expenditure due to lower inflation; and monetary easing and gradual improvements in market sentiments.

The improvement in India's economic fundamentals has accelerated in the year 2015. The consolidated gains achieved in restoring macroeconomic stability from the beginning along with the combined impact of strong governmental reforms and RBI's inflation focus, the consumer price inflation (measured by the CPI-NS) declined from 5.4% in February 2015 to 5% in October 2015, even though the inflation has continued to moderate steadily. This was supported by benign global commodity prices and liquidity conditions globally. Post the launch of 'Make in India' campaign, Foreign Direct Investment (FDI) in India observed a manifold rise of 29%. These steps taken by the government in recent times have shown positive results as India's GDP, registering a growth rate of 7.6% with the factor cost of US$ 1.668 trillion in 2015-16, as against US$ 1.55 trillion in 2014-15.

Aiming at the economic predictions for the fiscal bracket from 2016 to 2020; powered by greater access to easy banking systems, adoption of technology as key to advancement, urbanisation of the rural, unified tax system with Goods and Service Tax (GST) and various other structural reforms; we at Sadbhav Engineering Limited, believe that these government policies and industry predictions will further our coordination with them to deliver results in our field of expertise: construction of roads and highways as well as irrigation and mining related infrastructure.

3. OUTLOOK OF OPPORTUNITIES AND STRENGTHS

Roads and Highways

India has surpassed its own capacities by extending its capabilities beyond the national boundaries via road connectivity. The transportation sector has been highly responsible for propelling India's overall development. The Government of India intensified its focus on this profitable sector by initiating policies that would ensure time-bound creation of world class infrastructure in the country. Therefore, US$ 376.53 billion investment in infrastructure over a period of three years as an announcement was targeted. This will include US$ 120.49 billion for developing 27 industrial clusters and an additional US$ 75.30 billion for road, railway and port connectivity projects. With a concept as innovative as building smart cities across India, significant interest from international investors was witnessed in the infrastructure space. Heralding the aggressive approach to building infrastructure which is needed to unlock faster economic growth; the Government of India plans to use the new hybrid-annuity model for allocating contracts under the Public Private Partnership (PPP) projects in highways, which will help in overcoming the challenges faced by private developers in the Build-Operate-Transfer (BOT) Toll and BOT-Annuity models. We, at Sadbhav Engineering Limited, are keeping up with the boost in the particular sector as we obtained 29 projects, from all over India, consisting of transport EPC and BOT contracts.

Irrigation

Forming a crucial input in India's agricultural development, irrigation and foraying into harnessing of water resources for the same, has been marked as an important sector in successive developmental plans by Niti Ayog. For the 12th Plan (2012-17), a growth target of 4% has been set. With net irrigated area of 65.3 million hectares, the sector also rebounded to the growth zone, although the rate of expansion was low at 1.2% in 2015-16. A slew of measures, for example, 2.85 million hectares to be brought under irrigation, have been taken to salvage the contraction. The Government of India recognised the importance of micro- irrigation development, eventually allocating a sum of US$ 777.6 million (possibility to enhance bilateral trade) and urging each state to provide special attention to this elemental sector. Several initiatives and programmes to ensure continuous growth were agreed upon by the Government of India in accordance with the correlation between improvement in irrigation and the development of the country. Therefore, we have a total of 20 on-going and new projects for this sector, wherein we have various construction of CM and CD works, hydraulic preparation, excavation, investigation, earthwork construction, canal build up, among others, structured.

Mining

In 2015, the mining industry of India broke its own record when a strong expansion of US$ 305.5 billion flowed in. A renewed thrust to further generate demand for ores such as lignite and uranium was received with indication of the Indian economy expected to grow by approximately 7% in the years to come. This segment recorded a growth of 7.4% in FY 2016, down from 10.8% in the previous fiscal. India's strategic location enables a fast-developing Asian markets by facilitating convenient exports to prosper. After, the Government of India allowed a 100% Foreign Direct Investment (FDI) in the mining sector under the automatic route, it also approved MMDR Bill (2011) to provide better legislative environment for investment and technology. Benefitting from these structural reforms undertaken by the government to revive the mining sector, Sadbhav Engineering Limited now stands 11 projects strong with activities ranging from removal of overburden by hiring HEMM (Heavy Earth Moving Machinery) as well as excavation and transportation, to the extraction of ores like lignite and uranium. It has also maintained its focus on trained manpower for the same.

4. RISKS & ITS MITIGATION

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

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

(1) The successful completion of projects undertaken partially depends on the performance of our joint-venture partners and/or sub-contractors. Therefore, before entering into any such agreement, we thoroughly analyse their credentials and maintain track records of association with us. Irrespective of the partner's and/or contractor's status of association (old as well as new), we always insist on having a performance guarantee and quality assurance from our collaborators.

(2) Various situations such as; cost overrun of projects due to problems of land acquisitions, removal of encroachment, complying with environmental standard, penalty for delay in completion of the project in time, insurance coverage, and others; may not adequately protect us against all possible risk of losses. Therefore, we elaborately plan to execute all our projects before the scheduled time. Also, we have contractor's all risk insurance policy and workmen's compensation polices as a precautionary measure at our disposal. We take Advance Loss of Profit (ALOP) Policy for each project and always appoint an Insurance Consultant / Professional to assess all at stake.

(3) The estimates of increase of raw materials for BOT projects are made at the time of bidding, since there is no provision for cost escalation. Hereby, our considerable experience in the infrastructural sector enables us to keep the associated risks to a minimum.

(4) With respect to risk of shortage in supply of raw materials, we ensure continuous supply of raw-materials by entering into long term arrangement with our suppliers before every single project.

(5) Non-maintenance or break-down of equipment cause a major hindrance in complete execution of projects. Therefore, our team of technical experts regularly overhaul and repair the machines, thereby minimising the chances of any break-downs. We also set up mechanical divisions at each project site, wherein the regular maintenance and interim repairs are undertaken.

(6) Mishandling of machines and equipment can result in being a liability. Therefore, we have training programmes for handling the sophisticated equipment and machinery used at our project sites. We have taken insurance coverage for any mishap claims that may arise under the Workman's Compensation Act.

(7) Any negligence in employees' health, safety and regulatory measures can affect our performance. We, therefore, take the required precautionary measures for the same. In case of mining projects, we are required to provide a proper medical certification under the Medical Certificate Form 'O' as prescribed by DGMS. All employees are, thereby, sufficiently covered by Workman Compensation Insurance. We also provide the employees with necessary safety gadgets such as helmets, boots, and more.

(8) Being a broad organisation with personnel in abundance, we have strong systems to ensure minimal dependence on any individual. Our operations may suffer a temporary setback if any of our key managerial personnel were to leave. Therefore, successful completion of projects is ensured by properly planning the delegation of work in a team.

(9) Sadbhav use a mix of debt and equity to finance its fund requirements as it needs substantial working capital and financing to meet the requirements of large scale operations. Over the years, we have built a healthy relationship with our lenders which consolidate the difficulty in the process of obtaining debt for our business needs.

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

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

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

5. SEGMENT WISE PERFORMANCE

As on March 31, 2017 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 55 to the consolidated financial statements.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

7. FINANCIAL OVERVIEW - STANDALONE

(a) Income Analysis

The Company's total revenues for the current year stood at ₹ 3,407.84 crores as against ₹ 3,283.26 crores in the previous year, thereby registering an increase of 3.79%.

(b) Expense Analysis

Manufacturing and Construction expenses

Material consumed for the year ended March 31st, 2017 amounted to ₹ 817.90 crores and construction expenses amounted to ₹ 1,837.26 crores.

Depreciation, Interest and Finance cost

Depreciation during 2016-17 amounted to ₹ 100.04 crores as against ₹ 97.07 crores recorded in 2015-16. Finance cost increased from ₹ 150.72 crores in 2015-16 to ₹ 153.44 crores in 2016-17.

(c) Profit Analysis

EBDITA during 2016-17 increased to ₹ 443.16 crores as against ₹ 431.80 crores during 2015-16. Profit after tax for 2016-17 increased to ₹ 187.84 crores as compared to ₹ 132.01 crores during 2015-16.

(d) Net Worth

The company also saw a rise in the Net worth from ₹ 1,489.21 crores in 2015-16 to ₹ 1,660.89 crores in 2016-17.

(e) Dividend

The Company declared a final dividend of 75% this year.

On consolidated basis, The Company's total revenues stood at ₹ 4,654.18 crores during the financial year under review as compared to ₹ 4,132.46 crores in the previous year, Loss before tax was ₹ 162.21 crores as compare to loss of ₹ 198.67 crores in the previous year and Loss after tax was ₹ 54.03 crores as compare to loss of ₹ 103.28 crores in the previous financial year.

8. DEVELOPMENT OF HUMAN RESOURCE

Sadbhav Engineering Limited constructs routes that connect the nation, but what constructs your Company is its people. Maximising their performance in service of SEL's strategic objectives, our employees have been our core strength to deepen the roots. Therefore, as recognition of their perseverance and endeavour, SEL bears the responsibility of their welfare providing them with many social amenities including Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance. A dedicated Human Resource team at Sadbhav Engineering Limited, at periodic intervals, continues to scout competitive talent and brace them in cohesion with the vision and mission of the Company. The potential of each employee is advanced and skills are honed due to the provision of right opportunities to grow. This includes regular in-house and external training along for knowledge and skill development. A value-driven work environment with satisfaction and appreciation as well as professionalism has led us build an excellent team. We are 5654 people strong organisation as on March 31, 2017.

Independent Auditor's Report

To, The Members of
Sadbhav Engineering Limited

Report on the Ind AS Standalone Financial Statements
We have audited the accompanying standalone financial statements of **Sadbhav Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Standalone Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A"

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 43 (A) to the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 62 to the standalone Ind AS financial statements.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 29, 2017

Annexure to Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

(b) As explained to us all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) Based on our audit procedures and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

2. As explained to us, inventories have been physically verified by the management at regular intervals during the year and there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. (a) The company has granted loans to two subsidiary companies covered in the register maintained u/s 189 of the Act. The terms and conditions of the loans granted are not prejudicial to the Company's interest.

(b) The borrower has been regular in the payments of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand except interest free term loan of ₹ 7795.63 lakhs which is repayable after eleven years from the date of term loan agreement dated 22nd October, 2014.

(c) There are no overdue amounts of more than ninety days in respect of the loans granted to the bodies corporate listed in the register maintained u/s 189 of the Act.

4. In our opinion and according to the information and explanations given to us, The Company has complied with the provision of Section 185 and 186 of the Act in respect of loans, investment, guarantees and securities.

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

6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central government under Section148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable except Labour cess of ₹ 137.73 lakhs.

(b) The disputed statutory dues aggregating to ₹ 24470.57 lakhs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (₹ in Lakhs)
01	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
02	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	The High Court, Gujarat	611.03
03	The Income Tax Act, 1961	Income Tax	2010-11, 2012-13 and 2013-14	ITAT, Ahmedabad	2129.88
04	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	ITAT, Ahmedabad	2222.60
05	The Income Tax Act, 1961	Income Tax	2010-11	ITAT, Ahmedabad	13.25
06	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
07	Jharkhand Value Added Tax Act, 2005	VAT	2010-11-2011-12	VAT Tribunal, Haryana	87.31
08	Rajasthan Minor Mineral Concession Rules, 1986	Royalty	2013-14	The High Court, Rajasthan	51.32
09	Maharashtra Value Added Tax Act, 2002	VAT	2010-11	Commissioner Appeal (Commercial Tax), Maharashtra	13991.08
10	Maharashtra Value Added Tax Act, 2002	VAT	2012-13	Deputy Commissioner (Commercial Tax), Maharashtra	4741.65
				TOTAL	**24470.57**

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

9. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Company were, prima facie, applied for the purposes for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

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

11. In our opinion, and according to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of the section 197, read with Schedule V to the Companies Act.

12. In our opinion, the Company is not a Nidhi Company therefore the provision of clause xii of paragraph 3 of the Order are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transaction have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standard.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 29, 2017

Annexure - A

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

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

We have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 29, 2017

Balance Sheet *as at March 31, 2017*

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
I ASSETS				
(1) Non-current Assets				
(a) Property, Plant & Equipments	6	52218.12	59182.56	55878.91
(b) Intangible Assets	6	69.75	122.87	158.93
(c) Financial Assets				
(i) Investments	7	56941.40	56292.04	56639.51
(ii) Trade Receivables	8	3587.28	3784.45	2926.68
(iii) Loans	9	3162.31	2848.92	2566.60
(iv) Other Financial Assets	10	227.85	2288.59	3084.42
d) Deferred Tax Assets	11	4766.51	901.80	1,793.24
(e) Other Non Current Assets	12	2489.14	848.24	1428.82
		123462.36	**126269.48**	**124477.10**
(2) Current Assets				
(a) Inventories	13	12335.81	14062.09	21337.16
(b) Financial Assets				
(i) Trade Receivables	14	166510.49	99940.28	90674.91
(ii) Cash and cash Equivalents	15	1269.30	750.34	633.56
(iii) Bank balance other than (ii) above	16	1026.96	905.06	320.08
(iv) Loans	17	50646.37	55471.04	46641.08
(v) Other Current Financial Assets	18	26164.63	21852.58	25828.55
(c) Current Tax Assets	19	6029.74	12434.97	7384.22
(d) Other Current Assets	20	14585.40	17820.27	19502.84
		278568.70	**223236.63**	**212322.41**
Total Assets		**402031.06**	**349506.10**	**336799.51**
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity & Share Capital	21	1715.71	1715.34	1715.01
(b) Other Equity	22	164373.55	147205.51	135374.99
		166089.26	**148920.85**	**137090.00**
(2) Liabilities				
(i) Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	30623.44	49321.07	56972.21
(ii) Other Financial Liabilities	24	980.16	274.18	3370.77
(b) Provisions	25	0.00	45.11	0.00
		31603.60	**49640.36**	**60342.98**
(ii) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	26	121210.84	56965.04	37998.98
(ii) Trade Payables	27	49098.18	37032.39	45497.97
(iii) Other Financial Liabilities	28	26187.31	16475.56	16387.81
(b) Other Current Liabilities	29	7642.15	40140.25	39358.26
(c) Provisions	30	199.72	331.65	123.51
		204338.20	**150944.89**	**139366.53**
Total Equity & Liabilities		**402031.06**	**349506.10**	**336799.51**

Summary of Significant Accounting Policies 1 to 3

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

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Profit and Loss Statement for the Year Ended March 31, 2017

(₹ in Lakhs)

Particulars		Note No.	2016-2017	2015-2016
I	Revenue from Operations	31	332030.52	318625.12
II	Other Income	32	8753.94	9701.09
III	**Total Revenue (I+II)**		**340784.46**	**328326.21**
IV	**Expenses :**			
	Cost of Material Consumed	33	81789.74	95161.17
	Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	34	0.00	0.00
	Construction Expenses	35	183726.79	162883.89
	Employee Benefits Expense	36	13663.30	12284.45
	Finance Cost	37	15343.61	15072.79
	Depreciation and Amortization Expense		10003.67	9706.78
	Other Expenses	38	17289.49	14816.46
	Total Expenses		**321816.60**	**309925.54**
V	**Profit Before Exceptional Items and Tax (III-IV)**		**18967.86**	**18400.67**
VI	Exceptional Item (Net of Income)		0.00	(1944.62)
VII	**Profit Before Tax (V+VI)**		**18967.86**	**16456.05**
VIII	Tax Expense			
	(1) Current Tax		4048.04	3777.25
	(2) Deferred Tax Expense/(Income) including MAT Credit		(3864.71)	891.45
	(3) Short/(Excess) Provision for taxation for earlier years		0.00	(1414.19)
IX	**Profit for the year (VII-VIII)**		**18784.53**	**13201.54**
X	Other Comprehensive Income			
	Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/(losses) on defined benefit plans (refer note no : 39)		(181.47)	59.70
	Income Tax effect		0.00	0.00
	Net Comprehensive Income not to be reclassified to profit or loss in subsequent periods:		**(181.47)**	**59.70**
	Total Comprehensive Income for the year		**18603.06**	**13261.24**
XI	**Earning per Equity Share (in Rupees)**			
	(1) Basic		10.95	7.70
	(2) Diluted		10.95	7.69

Summary of Significant Accounting Policies 1 to 3

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

As per our Audit Report of even date attached

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Tushar D. Shah
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2017

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2017	1715.34	0.37	1715.71
As on March 31, 2016	1715.01	0.33	1715.34

B Other Equity

Particulars	Reserves and Surplus						Total
	Capital Reserve	Security Premium Reserve	Debenture Redumption Reserve	Share Stock Option Account	General Reserve	Retained Earning	
As at April 01, 2015	345.00	62,910.47	9,000.00	51.19	10,160.18	52,908.15	1,35,374.99
Total Comprehensive Income for the year	-	-	-	-	-	13,201.54	13,201.54
Other Comprehensive Income (OCI)						59.70	59.70
Dividends (including tax on dividend)	-	-	-	-	-	(1,445.46)	(1,445.46)
Transfer to General Reserves	-	-	-	-	1,000.00	(1,000.00)	-
Transfer to Security premium account	-	-	-	(24.89)	-	-	(24.89)
Addition to the reserves	-	39.63	-	-	-	-	39.63
As at March 31, 2016	**345.00**	**62,950.10**	**9,000.00**	**26.30**	**11,160.18**	**63,723.93**	**1,47,205.51**
As at April 01, 2016	345.00	62,950.10	9,000.00	26.30	11,160.18	63,723.93	1,47,205.51
Total Comprehensive Income for the year	-	-	-	-	-	18,784.53	18,784.53
Other Comprehensive Income (OCI)						(181.47)	(181.47)
Dividends (including tax on dividend)	-	-	-	-	-	(1,445.80)	(1,445.80)
Transfer to General Reserves	-	-	-	-	1,000.00	(1,000.00)	-
Transfer to Security premium account	-	-	-	(26.30)	-	-	(26.30)
Adjustment relating to fix assets	-	-	-	-	-	(7.37)	(7.37)
Addition to the reserves	-	44.44	-	-	-	-	44.44
As at March 31, 2017	**345.00**	**62,994.54**	**9,000.00**	**-**	**12,160.18**	**79,873.82**	**1,64,373.55**

As per our Audit Report of even date attached

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

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Tushar D. Shah
Company Secretary

Cash Flow Statement for the Year 2016-2017

(₹ in Lakhs)

Particulars	2016-2017		2015-2016	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		**18784.53**		**13201.54**
Adjustments For :				
Interest Income	(7466.18)		(8395.46)	
Interest Expenses	15343.61		15072.79	
Depreciation & Amortisation	10003.67		9706.78	
Profit on sale of Property, Plant & Equipments	(186.99)		(123.39)	
Loss on sale of Property, Plant & Equipments	257.74		173.96	
Actuarial Gain/Loss	(181.47)		59.70	
Exceptional Item	0.00		3069.45	
Income Tax Provision	4048.04		2363.06	
Deferred Tax Liabilities/(Assets)	(3864.71)	17953.71	891.45	22818.34
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**36738.24**		**36019.88**
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	197.17		(857.77)	
(Increase)/Decrease of Trade Receivables	(66570.21)		(9265.37)	
(Increase)/Decrease of Other Current Assets	3234.87		(1623.45)	
(Increase)/Decrease of Other Current Financial Assets	(4312.05)		3975.97	
(Increase)/Decrease of Other Non Current Assets	(1640.90)		(2488.87)	
(Increase)/Decrease of Other Non Current Financial Assets	2060.74		795.83	
(Increase)/Decrease of Inventories	1726.28		7275.07	
(Increase)/Decrease of Other Bank Balances	(1143.32)		(584.98)	
Increase/(Decrease) of Other Long Term Financial Liabilities	705.98		(3096.59)	
Increase/(Decrease) of Trade Payables	30397.73		(8465.58)	
Increase/(Decrease) of Other Current Liabilities	(8273.10)		781.99	
Increase/(Decrease) of Other Current Financial Liabilities	(378.14)		106.35	
Increase/(Decrease) of Long Term Provision	(45.11)		45.11	
Increase/(Decrease) of Short Term Provision	(131.93)		208.14	
		(44171.98)		(13194.15)
Cash generated from Operations		**(7433.74)**		**22825.73**
Tax Paid	2349.80	2349.80	(6593.79)	(6593.79)
Net Cash From Operating Activities		**(5083.94)**		**16231.94**
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	(3825.56)		(11429.37)	
Sales of Property, Plant & Equipments	607.36		1596.09	
Investments in Subsidiary Companies	(648.27)		(2479.92)	
Investments in Associate Companies	0.00		2828.28	
Other Non Current Investments	(1.09)		(0.89)	
Loan to/recd. back from Subsidiary Companies	4511.28		(9112.28)	
Interest Received	7466.18	8109.90	8395.46	(10202.63)
Net Cash From Investing Activities		**8109.90**		**(10202.63)**

Cash Flow Statement for the Year 2016-2017

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	18.52	15.07
Proceeds From Long Term Borrowings (Net)	(8446.39)	(8375.41)
Proceeds/(Repayment) of Short Term Borrowings (Net)	25688.40	15628.21
Net Increase in Working Capital Loan	20225.46	3337.85
Repayment of Advances	(24225.00)	0.00
Interest Paid	(15343.61)	(15072.79)
Dividend Paid	(1201.25)	(1200.97)
Dividend Tax Paid	(244.55)	(244.49)
	(3528.42)	(5912.53)
Net Cash From Financing Activities	**(3528.42)**	**(5912.53)**
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(502.46)	116.78
OPENING BALANCE OF CASH & CASH EQUIVALENTS	750.34	633.56
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	247.88	750.34
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	24.98	33.59
BALANCE IN CURRENT ACCOUNT WITH BANKS	217.90	466.75
BALANCE IN FIXED DEPOSITS	5.00	250.00

Notes:

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
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For and on behalf of Board

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Executive Director
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Tushar D. Shah
Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

1. Company overview

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

2. Basis of preparation

2.1 **Statement of compliance**

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

The financial statements up to year ended March 31, 2016 were prepared in accordance with the Accounting standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP) and other relevant provisions of the Act. Previous period numbers in the financial statements have been restated to Ind AS.

In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented reconciliations and explanations of the effects from Previous GAAP to Ind AS on financial position, financial performance and cash flows in the note no. 5.

2.2 **Basis of measurement**

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

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

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

2.3 **Functional and presentation currency**

Indian rupee is the functional and presentation currency.

2.4 **Use of estimates**

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

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

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

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

3. Significant Accounting Policies

3.1 **Revenue Recognition**

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

a. **Contract revenue**

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

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

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

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

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

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

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

b. **Other income**

i. **Revenue from wind mill power generation**

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

ii. **Interest income**

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

iii. **Dividend income**

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

3.2 **Property, Plant and Equipment**

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

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

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

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

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

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

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

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

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

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

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

3.3 **Intangible assets**

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

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

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

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

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

3.4 **Financial Instruments**

3.4.1 **Initial recognition**

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

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

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

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

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

3.4.2 **Subsequent measurement**

a. **Non-derivative financial instruments**

i. Financial assets carried at amortized cost

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

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

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

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

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

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

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

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

3.4.3 **De-recognition**
The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability is de-recognized when obligation specified in the contract is discharged or cancelled or expires.

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

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

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

3.6 **Income tax**

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

Current Tax

Current tax is recognized in statement of profit or loss.

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

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

Deferred Tax

Deferred tax is recognized in statement of profit or loss.

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

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

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

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

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

MAT Credit

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

3.7 **Impairment**

3.7.1 **Financial assets other than investments in subsidiaries**

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

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

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

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

3.7.2 **Financial assets - investments in subsidiaries**

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

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

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

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

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

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

3.7.3 **Non-financial assets - Tangible and intangible assets**

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

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

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

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

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

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

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

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

3.8 **Borrowing costs**

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

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

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

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.9 **Employee Benefits**

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

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

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the statement of 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.

3.10 **Provisions**

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

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

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

3.11 **Contingent Liability**

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

3.12 **Contingent Asset**

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

3.13 **Foreign Currency**

a. **Initial recognition**

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

b. **Conversion**

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

c. **Exchange difference**

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

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

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

ii. Exchange differences on other monetary items

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

3.14 **Cash and cash equivalent**

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

3.15 **Earnings per share**

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

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

3.16 **Inventories**

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

3.17 **Lease**

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

a) **Company as lessee**

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

b) **Company as lessor**

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

3.18 **Segment Reporting**

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Chief Executive Officer and Managing Director.

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

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

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

3.19 **Share based payment**

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

4. Recent Accounting Pronouncements issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. This amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' .The amendments are applicable to the company from April 1, 2017.

"The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement."

5. Transition to Ind AS

These standalone financial statements of The Company for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First Time Adoption of Indian Accounting Standards with April 01, 2015 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

5.1 First time adoption of IND AS

An explanation of how transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:

5.1.1 Exception to the retrospective application of other Ind AS

Company's estimates in accordance with Ind AS as at the date of transition to Ind AS (April 01, 2015) are consistent with the estimates made for the same date as per previous GAAP.

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

5.1.2 Exemption from other Ind AS

Deemed cost of Property, plant and equipment and Intangible Assets
Company has elected to measure all of its Property, Plant and Equipment and Intangible Assets at their previous GAAP carrying amount on the date of transition to Ind AS

Investment in subsidiaries, Joint Ventures and Associate
Company has elected to measure its investments in subsidiaries and associates in separate financial statements at their previous GAAP carrying amount on the date of transition to Ind AS. The company does not have any investment in Joint Ventures.

Designation of previously recognised financial instruments
The Company has designated its investments in equity shares at fair value through other comprehensive income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Long-term foreign currency monetary items
Exchange difference arising from translation of long-term foreign currency monetary items, which was recognised in the financial statements as on March 31, 2016, related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

5.2 Reconciliation between Previous GAAP and IND AS

5.2.1 **Reconciliation of Total Equity** (₹ in Lakhs)

Particulars	Note No.	As at March 31, 2016	As at April 01, 2015
Equity as per previous GAAP		1,47,145.94	1,35,205.77
Adjustments as per IND AS			
Finance Cost	(i)	148.82	73.31
Gain or Loss on Derivative Deal	(ii)	876.85	509.29
Interest Income	(vi)	375.50	93.18
Proposed dividend	(iv)	1,200.51	1,200.51
Tax on Proposed dividend	(iv)	244.40	244.39
Depreciation on Tangible Assets	(vii)	(212.74)	-
Deferred Tax	(iii)	(858.42)	(236.45)
Total Ind AS Adjustments		1,774.91	1,884.23
Equity as per Ind AS		**1,48,920.85**	**1,37,090.00**

5.2.2 **Reconciliation of Total Comprehensive Income for the year ended March 31, 2016** (₹ in Lakhs)

Particulars	Note No.	2015-2016
Profit after tax as per Previous GAAP		13,370.56
Adjustments as per IND AS		
Finance Cost	(i)	75.50
Depreciation on Tangible Assets	(vii)	(212.74)
Gain / (Loss) on Derivative Deal	(ii)	515.77
Mark Market On Derivative Deal	(ii)	(148.20)
Interest Income	(vi)	282.33
Gratuity Expense	(v)	59.70
Deferred Tax	(iii)	(621.97)
Total Ind AS Adjustments		(49.62)
Profit after tax as per Ind AS		**13,320.94**
Other Comprehensive Income		
Actuarial (Gain) / Loss	(v)	(59.70)
Total Comprehensive Income as per Ind AS		**13,261.24**

5.2.3 **Impact of Ind AS adoption on statement of cash flows for the year ended March 31, 2016** (₹ in Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash Flows from Operating Activities	16389.08	-157.14	16231.94
Net Cash Flows from Investing Activities	-11079.34	876.71	-10202.63
Net Cash Flows from Financing Activities	-5192.96	-719.57	-5912.53
Net Increase / (Decrease) in cash and cash equivalents	116.78	0.00	116.78
Cash and cash equivalents as at April 01, 2015	633.56	--	633.56
Cash and cash equivalents as at March 31, 2016	**750.34**	**0.00**	**750.34**

5.3 **Notes to First time adoption of Ind AS**

(i) **Finance cost recognition on account of amortised cost of financial liability:**
The financial liability has been recognised at effective interest rate method under Ind AS. Under previous GAAP, the same is disclosed at transaction value.

(ii) **MTM on derivative financial instruments:**
Under previous GAAP, net mark to market losses on derivative financial instruments as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the statement of Profit & Loss.

(iii) **Deferred Tax:**
The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the statement of Profit and Loss account for the subsequent periods.

(iv) **Dividend:**
Under Ind AS Dividend to holder of equity instrument is recognized as a liability in the year in which the obligation to pay is established. Under previous GAAP dividend payable is recognized as liability in the year to which it relates.

(v) **Recognition of Actuarial Gain / Loss:**
Actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

(vi) **Interest Income:**
The financial asset has been recognised at effective interest rate method under Ind AS. Under previous GAAP, the same is disclosed at transaction value.

(vii) **Depreciation on Tangible Assets:**
Under previous GAAP, foreign currency loan liability shown net off risk covered under derivative deal.

Note No. 6
Property, Plant and Equipments and Intangible Assets

Particulars	Property, Plant and Equipments									Intangible Assets	Total
	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Assets Not put to use	Total Tangible Assets	Computer Software	
Cost											
As at 01/04/2015	**396.00**	**5537.71**	**1523.49**	**148.46**	**42970.39**	**273.85**	**5029.01**	**0.00**	**55878.91**	**158.93**	**56037.84**
Addition	715.62	2691.00	0.00	60.44	10191.30	116.77	0.00	92.95	13868.08	47.29	13915.37
Disposal	0.00	744.71	59.17	0.00	2444.10	59.62	0.00	0.00	3307.60	0.00	3307.60
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	411.62	0.00	294.05	0.00	705.67	0.00	705.67
As at 31/03/2016	**1111.61**	**7484.00**	**1464.32**	**208.90**	**51129.21**	**331.00**	**5323.06**	**92.95**	**67145.05**	**206.22**	**67351.27**
Addition	0.00	727.07	117.42	68.41	2177.65	112.21	0.00	694.87	3897.63	20.88	3918.51
Disposal	0.00	0.00	0.00	0.00	3387.60	42.79	0.00	92.95	3523.34	0.00	3523.34
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(40.76)	0.00	(120.58)	0.00	(161.35)	0.00	(161.35)
As at 31/03/2017	**1111.61**	**8211.07**	**1581.74**	**277.32**	**49878.50**	**400.42**	**5202.47**	**694.87**	**67358.00**	**227.10**	**67585.10**
Accumulated Depreciation											
As at 01/04/2015	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Addition	0.00	1115.73	166.21	62.07	7905.31	105.54	268.57	0.00	9623.43	83.36	9706.79
Disposal	0.00	4.53	12.29	0.00	1602.01	42.11	0.00	0.00	1660.94	0.00	1660.94
As at 31/03/2016	**0.00**	**1111.20**	**153.92**	**62.07**	**6303.30**	**63.43**	**268.57**	**0.00**	**7962.49**	**83.36**	**8045.85**
Charge for the Year	0.00	1250.18	162.41	61.78	8097.39	87.40	270.51	0.00	9929.68	73.99	10003.67
Disposal	0.00	0.00	0.00	0.00	2714.82	37.46	0.00	0.00	2752.28	0.00	2752.28
As at 31/03/2017	**0.00**	**2361.39**	**316.33**	**123.85**	**11685.87**	**113.37**	**539.08**	**0.00**	**15139.89**	**157.35**	**15297.24**
Net Book Value											
As at 01/04/2015	396.00	5537.71	1523.49	148.46	42970.39	273.85	5029.01	0.00	55878.91	158.93	56037.84
As at 31/03/2016	1111.61	6372.80	1310.40	146.84	44825.91	267.56	5054.49	92.95	59182.56	122.87	59305.42
As at 31/03/2017	**1111.61**	**5849.68**	**1265.41**	**153.47**	**38192.63**	**287.05**	**4663.39**	**694.87**	**52219.12**	**69.75**	**52287.86**

1. The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard". Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year company has added ₹ -148.49 Lakhs (₹ 637.07 Lakhs) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is Rs 1687.82 Lakhs (₹ 1220.18 Lakhs).
2. The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortised carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II, resulting in a higher depreciation of ₹ 845.71 lakhs (₹ 784.99 lakhs) charged to profit and loss account.
3. Refer Note No. 49 for information on property, plant and equipment pledged as security.

Notes forming Part of the financial statements

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
7	**Investments**			
7.1	**Investments in Equity Instruments of Subsidiary Companies**			
	(A) Quoted			
	Sadbhav Infrastructure Project Ltd. 24,17,83,427 (March 31,2016: 24,07,33,427 and April 1, 2015: 24,07,33,427) Fully Paid up Equity Shares of ₹ 10/- each	50568.82	49486.18	49486.18
	Out of 24,17,83,427 (March 31,2016: 24,07,33,427 and April 1, 2015: 24,07,33,427) shares held in Sadbhav Infrastructure Project Ltd., 3,52,22,522 (March 31,2016: 3,52,22,522 and April 1, 2015: 3,10,96,308) Shares have been pledged with ICICI Bank and Nil (March 31,2016: 4,68,49,873 and April 1, 2015: 4,68,49,873) shares have been pledged with IL&FS Trust Co. Ltd.			
		50568.82	**49486.18**	**49486.18**
	Aggregate Marker Value of Quoted Investment ₹ 2,32,353.87 (March 31, 2016 : ₹ 2,45,548.10, April 1, 2015 : Unquoted) Lakhs			
	(B) Unquoted			
	(a) Nagpur Seoni Expressway Ltd. (NSEL) 200 (Marh 31, 2016: 200 and April 1, 2015: 200) Fully Paid up Equity Shares of ₹ 10/- each	0.02	0.02	0.02
	(b) Maharashtra Border Check Post Network Ltd. (MBCPNL) 1,315 (March 31, 2016: 6,040 and April 1, 2015: 6040) Fully Paid up Equity Shares of ₹ 10/- each	120.90	555.27	555.27
	1,315 (March 31, 2016: 3,047 and April 1, 2015: 3047) Shares have been pledged with the lenders of MBCPNL out of 1,315 (March 31, 2016: 6,040 and April 1, 2015: 6040) shares held by the company, Refer Note No: 61			
	(c) Shreenathji Udaipur Tollway (P) Limited 100 (March 31, 2016: 100 and April 1, 2015: 100) Fully paid up Equity Shares of ₹ 10/- each	0.01	0.01	0.01
	(d) Bhilwara Rajsamand Tollway (P) Limited 100 (March 31, 2016: 100 and April 1, 2015: 100) Fully paid up Equity Shares of ₹ 10/- each	0.01	0.01	0.01
	(e) Rohtak-Hissar Tollway (P) Limited 100 (March 31, 2016: 100 and April 1, 2015: 100) Fully paid up Equity Shares of ₹ 10/- each	0.01	0.01	0.01
	(f) Solapur Bijapur Tollway (P) Ltd. Nil (March 31, 2016: Nil and April 1, 2015: 13,000) Fully paid up Equity Shares of ₹ 10/- each	0.00	0.00	1.30
	(g) Mysore-Bellary Highway (P) Ltd. 5,85,11,800 (March 31, 2016: 5,85,11,800 and April 1, 2015: 3,36,99,600) Fully paid up Equity Shares of ₹ 10/-each	5851.18	5851.18	3369.96
	4,03,25,700 (March 31, 2016: 4,03,25,700 and April 1, 2015: 2,01,65,400) shares are pledged with lenders out of 5,85,11,800 (March 31, 2016: 5,85,11,800 and April 1, 2015: 3,36.99,600) shares held by the company			
		5972.13	**6406.50**	**3926.58**

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
7.2	**Investments in Unquoted Equity Instruments of Associated Companies**			
	(a) Dhule Palasner Tollway Ltd. Nil (March 31, 2016: Nil and April 1, 2015: 1,78,82,800) Fully paid up Equity Shares of ₹ 10/- each	0.00	0.00	1788.28
	Nil (March 31, 2016: Nil and April 1, 2015: 1,36,73,870) Shares are pledged with lenders out of Nil (March 31, 2016: Nil and April 1, 2015: 1,78,82,800) shares held by the company			
	(b) Mumbai Nasik Expressway Limited Nil (March 31, 2016: Nil and April 1, 2015: 1,04,00,000) Fully paid up Equity Shares of ₹ 10/- each	0.00	0.00	1040.00
		0.00	0.00	2828.28
	Nil (March 31, 2016: Nil and April 1, 2015: 1,04,00,000) Shares are pledged with lenders out of Nil (March 31, 2016: Nil and April 1, 2015: 1,04,00,000) shares held by the company			
7.3	**Investments in Equity Instruments of Other Companies**			
	(a) 25,000 (March 31, 2016: 25,0000 and April 1, 2015: 25,000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50	2.50
	(b) 900 (March 31, 2016: 900 and April 1, 2015: 900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK$ 1/- each	0.06	0.06	0.06
	(c) 5,55,370 (March 31, 2016: 5,55,370 and April 1, 2015: 5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co. Ltd. of ₹ 10/- each	55.54	55.54	55.54
		58.10	**58.10**	**58.10**
7.4	**Investments in Bonds and Debentures**			
	(a) 9.5% 20 (March 31, 2016: 20 and April 1, 2015: 20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00	200.00
	(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57	27.57
	(c) 12.5% 10 (March 31, 2016: 10 and April 1, 2015: 10) Debentures of Srei Equipment Finance Ltd. of ₹ 10,00,000/- each.	100.00	100.00	100.00
		327.57	**327.57**	**327.57**
7.5	**Other Investments**			
	Investment in NSC (pledged with PWD odissa)	14.78	13.69	12.80
		14.78	**13.69**	**12.80**
	Total	**56941.40**	**56292.04**	**56639.51**
	Aggregate Value of Un-Quoted Investment ₹ 6372.58 Lakhs (March 31, 2016: 6805.86 Lakhs and April 1, 2015: 53,126.32 Lakhs)			
8	**Trade Receivables**			
	Unsecured considered good	3587.28	3784.45	2926.68
	Total	**3587.28**	**3784.45**	**2926.68**
9	**Loans**			
	Unsecured, considered good Loans to related parties Loan to Subsidiary Companies	3162.31	2848.92	2566.60
	Total	**3162.31**	**2848.92**	**2566.60**

Notes forming Part of the financial statements

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
10	**Other Financial Assets**			
	(i) Receivable under derivative contract	193.77	261.07	509.29
	(ii) Security & Other Deposits	18.00	18.00	18.00
	(iii) Bank Deposits with more than 12 months Maturity	2.13	2006.02	2551.72
	(iv) In earmarked Accounts			
	For Margin Money	13.95	3.50	5.41
	Total	**227.85**	**2288.59**	**3084.42**
11	**Deferred Tax Assets**			
	Deferred tax Assets (Net) (Refer Note No. 40)	4766.51	901.80	1793.24
	Total	**4766.51**	**901.80**	**1793.24**
12	**Other Non Current Assets**			
12.1	**Capital Advance**			
	Advances to Suppliers for Fixed Assets	819.93	589.03	518.83
12.2	**Advance other than capital Assets**			
	(a) Security & Other Deposits	1473.52	0.00	0.00
	(b) Advances for Goods and Services	195.69	259.21	909.99
	Total	**2489.14**	**848.24**	**1428.82**
13	**Inventories**			
	(a) Construction Materials	10297.55	12585.94	20112.79
	(b) Work in Progress	511.39	511.39	511.39
	(c) Stores & Spares	1526.87	964.76	712.99
	Total	**12335.81**	**14062.09**	**21337.16**
	Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rates.			
14	**Trade Receivables**			
	(Unsecured considered good)			
	(i) Receivable from related parties	44708.21	55636.40	48406.24
	(ii) Receivable from Others	121802.28	44303.88	42268.67
	Total	**166510.49**	**99940.28**	**90674.91**
	Notes:			
	(a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.			
	(b) Fair value disclosures for financial assets are given in Note No 46.			
15	**Cash and Cash Equivalents**			
15.1	**Balance with Banks**			
	(a) In Current Accounts	217.90	466.75	347.52
	(b) In Fixed Deposit Accounts* (Maturity up to 3 months)	1026.42	250.00	250.00
		1244.32	**716.75**	**597.52**
15.2	**Cash On Hand**	24.98	33.59	36.03
	Total	**1269.30**	**750.34**	**633.56**

* Fix deposits includes Rs. 1021.42 (March 31, 2016: Nil, April 1, 2015: Nil) pledge with central and various state government/under taking and local bodies.

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
16	**Bank balance other than Cash and Cash Equivalents**			
	In earmarked Accounts			
	(i) Unclaimed Dividend	4.75	4.77	4.66
	(ii) Maturity more than 3 months but upto 12 months	1022.20	900.28	315.40
	(iii) Unpaid Right Issue Money	0.01	0.01	0.01
	Total	**1026.96**	**905.06**	**320.08**
17	**Loans**			
	Unsecured, considered good			
	Loans to related parties			
	Loan to Subsidiary Companies	50646.37	55471.04	46641.08
	Total	**50646.37**	**55471.04**	**46641.08**

Disclosures in terms of regulation 34(3) and 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015)

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

Name of Subsidiaries	2016-17		2015-16		April 1, 2015
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance	Closing Balance
Sadbhav Infrastructure Project Limited	57847.49	46738.67	73223.96	58319.96	49207.68
Mysore Bellary Highway (P) Ltd.	7070.00	7070.00	6980.00	2207.18	-

(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.

18	**Other Current Financial Assets**			
	(i) Interest Receivable from Subsidiary	890.51	664.71	1179.12
	(ii) Interest Accrued But Not Due on Investments	29.29	37.99	105.76
	(iii) Security & Other Deposits	22069.38	17006.02	20876.28
	(iv) Receivable Against Sale of Assets	50.70	157.53	1394.78
	(v) Recoverable in Cash			
	(i) Due from subsidiaries	470.23	1236.26	1080.52
	(ii)Due from others	2654.52	2750.07	1192.09
		26164.63	**21852.58**	**25828.55**
19	**Current Tax Assets (Net)**			
	Advance Income Tax	13855.03	23205.03	22014.71
	Deduct Provision for Income Tax	7825.29	10770.06	14630.49
	Total	**6029.74**	**12434.97**	**7384.22**
20	**Other Current Assets**			
20.1	Advances other than capital advances			
	(a) Advances for goods and Services	9984.36	13756.14	14266.83
	(b) Advances to Others	132.13	34.65	103.48
	Total	**10116.49**	**13790.79**	**14370.31**
20.2	**Others**			
	(a) Advance Sales Tax & Service Tax	3007.63	3057.74	3711.46
	(b) Prepaid Expenses	1415.04	971.74	1413.83
	(c) Group Gratuity Fund	46.24	0.00	7.25
		4468.91	**4029.48**	**5132.54**
	Total	**14585.40**	**17820.27**	**19502.84**

Notes forming Part of the financial statements

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
21	**Equity Share Capital**			
(a)	Authorized Share Capital: 20,00,00,000 (March 31, 2016: 20,00,00,000 and April 1, 2015 : 20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00	2000.00
(b)	Issued, Subscribed and fully paid 171570800 (March 31, 2016: 171533800 and April 1, 2015 : 171500800) Equity Shares of Re.1/- each with voting rights	1715.71	1715.34	1715.01
(c)	Reconciliation of Nos. of Equity Shares with voting rights:			
	Outstanding at the beginning of the Period (Nos.)	171533800	171500800	-
	Addition during the period towards ESOP (Nos.)	37000	33000	-
	Outstanding at the end of the Period (Nos.)	**171570800**	**171533800**	**171500800**

(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 31.03.2017		As at 31.03.2016		As at April 1, 2015	
	No. of shares	% age	No. of shares	% age	No. of Shares	% age
Vishnubhai M. Patel	28124920	16.39%	23543220	13.73%	23429220	13.66%
Sadbhav Finstock Private Limited	16545275	9.64%	16545275	9.65%	16545275	9.65%
Shantaben V. Patel	14715375	8.58%	14715375	8.58%	14715375	8.58%
ICICI Prudential Value Discovery Fund	9206830	5.37%	9206830	5.37%	10719680	6.25%
HDFC Trustee Co. Ltd.	9152444	5.33%	14121609	8.23%	13271678	7.74%

(f) Share based payments

Shares reserved for issue under ESOP @ ₹ 50/- per (Nos.) Nil 37000 72000

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

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

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

Summary of Options granted under the plan.

The activity in the ESOP-2008 during the year ended at March 31, 2017 and March 31, 2016 is set out below:

Particulars	31.03.2017		31.03.2016	
	Average exercise price per option	Number of option	Average exercise price per option	Number of option
Option outstanding in the beginning of the Year	50.00	37,000.00	50.00	72,000.00
Option granted during the Year end				
Less: Exercised	50.00	37,000.00	50.00	33,000.00
Less: Forfeited / Lapsed			50.00	2,000.00
Option outstanding at the Year end	-	-	-	37,000.00
Option exercisable at the Year end	-	-	-	37,000.00

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

Grant date	Expiry date	Exercise price	Share options outstanding		
			Mar 31, 2017	Mar 31, 2016	April 1, 2015
04-10-2010	06-10-2017	50.00	-	37000	72000

Expense arising from share based payment transactions

Particulars	Mar 31, 2017	Mar 31, 2016
Expense	--	--

As at March 31, 2017 No equity shares have been kept reserved for issue against the outstanding options. All shares have been exercised prior to the balance sheet date.

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
22 Other Equity			
(a) Capital reserve			
As per Last Balance Sheet	345.00	345.00	345.00
Closing Balance	**345.00**	**345.00**	**345.00**
(b) Security Premium Reserve			
As per Last Balance Sheet	62950.11	62910.47	29074.84
Addition during the year	44.44	39.63	34381.76
Less : QIP Expenses	0.00	0.00	546.13
Closing Balance	**62994.55**	**62950.10**	**62910.47**
(c) Debenture Redemption Reserve			
As per Last Balance Sheet	9000.00	9000.00	2014.80
Addition during the year	0.00	0.00	6985.20
Closing Balance	**9000.00**	**9000.00**	**9000.00**
(d) Shares Options Outstanding Account			
As per Last Balance Sheet	26.31	51.19	153.57
Addition during the year	0.00	0.00	88.52
Less transferred to Security Premium Account	26.31	24.89	190.90
Closing Balance	**0.00**	**26.30**	**51.19**
(e) General Reserves			
As per Last Balance Sheet	11160.18	10160.18	9160.18
Addition during the year	1000.00	1000.00	1000.00
Closing Balance	**12160.18**	**11160.18**	**10160.18**
(f) Other Comprehensive Income			
As per Last Balance Sheet	59.70	0.00	0.00
Addition During the Year	(181.47)	59.70	0.00
Closing Balance	**(121.77)**	**59.70**	**0.00**
(g) Profit and Loss account			
As per last Balance Sheet	63664.23	52908.15	51142.13
Net Profit for the year	18784.53	13201.54	11812.47
Appropriations:-			
Transfer to general reserves	1000.00	1000.00	1000.00
Dividend Paid	1201.25	1200.97	1.40
Tax on Dividend Paid	244.55	244.49	0.24
Adjustment Relating to Fixed Assets/others	7.37	0.00	2059.60
Transfer to Debenture Redemption reserves	0.00	0.00	6985.21
Closing Balance	**79995.59**	**63664.23**	**52908.15**
Total	**164373.55**	**147205.51**	**135374.99**

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
23 Non Current Borrowings			
(a) Bonds/Debentures			
(Secured)			
Secured redeemable non-convertible debentures			
ICICI Bank - 120 (March 31, 2016: 160 and April 1, 2015: 180)			
(a) debentures of ₹ 1 Crore each	0.00	12000.00	16000.00
(b) HDFC Asset Management Co. Ltd.-1200 (March 31, 2016: 1200 and April 1, 2015: 1200) debentures of 10 Lakh each	8400.00	11860.42	11959.87
Add : Accrued amount of Premium on Redemption	1190.20	798.25	201.73
	9590.20	24658.67	28161.60
Less Deferred Processing Fees	0.00	89.89	134.832
	9590.20	**24568.78**	**28026.77**

Detail of Security

(a) ICICI Bank - 120 debentures of ₹ 1 Crore each

(i) Residual charge over all the movable assets of the company.

(ii) 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)

(iii) Pledged in favour of ICICI Bank Ltd. 3,52,22,522 (March 31, 2016: 3,52,22,522 and April 1, 2015: 3,10,96,308) number of equity shares of Sadbhav Infrastructure Project Ltd.

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

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

(i) Pledge of 62,58,060 (March 31, 2016: 62,58,060 and April 1, 2015: 62,58,060) shares of Sadbhav Engineering Ltd. by Sadbhav Finstock Pvt. Ltd.

(ii) NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.

(iii) Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel.

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

Repayable during the year	No. of Instalments	Maturity Amount
2017-18	5	15998.95
2018-19	1	3999.02
2019-20	1	5591.18

Debentures redeemable during the year 2017-18 are shown under 'Current Maturity of Long Term Debt' (note no. 28 'Other Financial Liabilities')

(b) Term Loans			
Secured			
(i) From Banks:-			
(a) Foreign Currency Term Loan (ECB)	3708.41	6156.03	8870.02
(b) Rupee Term Loan	14972.58	12532.69	14024.25
	18680.99	**18688.72**	**22894.27**
Less Deferred Processing Fees	0.00	49.55	96.57
	18680.99	**18639.17**	**22797.70**

Detail of Security

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

(ii) From Financial Institutions	2352.25	6113.12	6147.74
Detail of Security Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.			
	30623.44	**49321.07**	**56972.21**

Repayable during the years	No of Instalments	Payable Amount	
		To Banks	To Financial Institutions
2017-18	1099	6475.24	3406.16
2018-19	806	5778.38	1321.70
2019-20	622	4994.87	791.94
2020-21	264	4753.56	228.16
2021-22	146	3154.18	10.45

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

Loan repayable during the year 2017-18 are shown under 'Current Maturity of Long Term Debts'(Note No 28 'Other Financial Liabilities')

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
24	**Other Financial Liabilities**			
	(i) Advance Received for sale of Shares	0.02	0.02	2678.02
	(ii) Security & Other Deposits from Sub-contractors	768.54	274.16	692.75
	(iii) Other Payables	211.60	0.00	0.00
	Total	**980.16**	**274.18**	**3370.77**
25	**Long-Term Provisions**			
	Provision for Employee Benefits			
	Provision for Gratuity	0.00	45.11	0.00
	Total	**0.00**	**45.11**	**0.00**
26	**Short-Term Borrowings**			
26.1	**Loans repayable on demand**			
	Secured			
	Short Term Loans From Banks	52550.80	27604.73	25481.62
	Overdraft due to Issuance of Cheques	18331.94	4720.61	3505.87
	Detail of Security			
	(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables.			
	(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.			
	(c) Personal Guarantee of Shri Vishnubhai M Patel, Shri Vasisthakumar Patel, Shri Vikramkumar Patel and Smt. Shantaben V. Patel.			
	Unsecured			
	From Banks	49980.92	24500.08	8200.00
	Total	**120863.66**	**56825.42**	**37187.49**
26.2	**Loan from Related Parties - Unsecured**			
	From Directors	184.42	0.00	749.37
	From Others (From Company in which Directors are Directors)	162.76	139.62	62.12
		347.18	**139.62**	**811.49**
	Total	**121210.84**	**56965.04**	**37998.98**
27	**Trade Payables**			
	(a) To Micro, Small and Medium Enterprises *	0.00	0.00	0.00
	(b) Others	49098.18	37032.39	45497.97
	Total	**49098.18**	**37032.39**	**45497.97**

* 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.

Notes forming Part of the financial statements

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
28	**Other Financial Liabilities**			
	(a) Current Maturities of Long term debts Secured			
	Non Convertible Debentures	15998.95	4000.00	2000.00
	Foreign Currency Term Loan	2098.25	2644.14	4299.26
	Loan from Banks	4374.86	5933.00	6260.06
	Loan from Financial Institutions	3406.16	3211.19	3247.61
	Sub-total	**25878.22**	**15788.33**	**15806.93**
	(b) Interest Accrued but not due on Loans	304.33	682.45	576.20
	(c) Unclaimed Dividend	4.75	4.77	4.66
	(d) Unpaid Right Issue Money	0.01	0.01	0.01
	Total	**26187.31**	**16475.56**	**16387.81**
29	**Other Current Liabilities**			
	(a) Sundry Creditors for Capital Goods	1147.93	3103.73	1643.22
	(b) Statutory Dues	1782.05	3184.15	3610.03
	(c) Advances Received from Clients*	4712.17	33850.84	34100.43
	(d) Miscellaneous Liabilities	0.00	1.53	4.58
	Total	**7642.15**	**40140.25**	**39358.26**

Note : There was no amount outstanding as on 31.03.2017, which is required to be transferred to Investor Education and Protection Fund (IEPF).

* Advance Received from Clients includes ₹ Nil (March 31, 2016: 1220.29 Lakhs and April 1, 2015: 26,186.78 Lakhs) from subsidiaries

30	**Short-Term Provisions**			
	(a) Provision for Employee Benefits	194.36	326.29	120.92
	(b) Provision for Wealth Tax	5.36	5.36	2.59
	Total	**199.72**	**331.65**	**123.51**

Notes forming Part of the financial statements

(₹ in Lakhs)

		2016-2017	2015-2016
31	**Revenue from Operations**		
	Contracts Receipt	331609.77	318165.36
	Other Operating Income	420.75	459.76
	Total	**332030.52**	**318625.12**
32	**Other Income**		
	(a) Net Gain or Loss on financial assets measured at FVTPL		
	Gain on Derivative Contracts	133.62	367.56
	(b) Interest revenue for financial assets that are measured at amortised cost		
	(i) Interest income from Subsidiaries	5737.52	6804.92
	(ii) Interest from Fixed Deposits	109.08	108.23
	(iii) Interest from Bonds & Debentures	32.69	113.58
	(c) Other Interest		
	On IT Refunds	676.56	533.67
	From Others	1586.89	1368.73
	(d) Profit on Sale of Assets	186.99	123.39
	(e) Miscellaneous Income	290.59	281.01
	Total	**8753.94**	**9701.09**
33	**Cost of Material Consumed**		
	Opening Stock	12585.94	19034.36
	Add Purchase	79501.35	88712.75
		92087.29	107747.11
	Less Closing Stock of Material	10297.55	12585.94
	Total	**81789.74**	**95161.17**
34	**Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade**		
	Opening Work-in-Progress	511.39	511.39
	Less : Closing Work-in-Progress	511.39	511.39
	Total	**0.00**	**0.00**
35	**Construction Expenses**		
	Labour Expenses	135557.30	118735.61
	Power & Fuel	31438.98	32670.12
	Stores Consumed	1833.02	1039.53
	Repairs & Maintenances-Construction Machineries	7371.83	4623.96
	Transportation Expenses	671.18	600.88
	Machinery Rent	4679.92	3762.99
	Land & Godown Rent	429.58	347.76
	Site Establishment Expenses	735.27	306.33
	Mess Expenses	1009.71	796.71
	Total	**183726.79**	**162883.89**
36	**Employee Benefits Expense**		
	Salary & Wages	11779.26	11066.53
	Contribution to PF and Other Funds	698.39	528.21
	Group Gratuity Fund Expenses	127.50	119.86
	Directors' Remuneration	733.91	357.00
	Staff Welfare Expenses	324.24	212.85
	Total	**13663.30**	**12284.45**

(₹ in Lakhs)

		2016-2017	2015-2016
37	**Finance Cost**		
	(a) Interest Expenses on Financial liabilities measured at Amortised Cost		
	On Borrowings	14076.17	13675.83
	(b) Other Interest Expenses		
	On Taxes	86.67	90.48
	(c) Other Borrowing Costs	1180.77	1306.48
	Total	**15343.61**	**15072.79**
38	**Other Expenses**		
	Rent Expenses	38.71	47.35
	Rates & Taxes	10635.01	10010.89
	Insurance	576.03	523.03
	Legal & Consultation Fees & Expenses	2447.63	1715.80
	Corporate Social Responsibility Expenses	565.22	268.08
	Donation Expenses-Others	25.42	77.39
	Auditors Remuneration	62.16	60.83
	Loss on Sales of Assets	257.74	173.96
	Miscellaneous Expenses	2681.57	1939.13
	Total	**17289.49**	**14816.46**

39 Employee Benefits Note

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

39.1 **Defined Contribution Plans**

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

Particulars	2016-2017	2015-2016
Contribution to Provident Funds	650.63	516.65
Contribution to ESIC	38.45	2.84
Total (Ref. Note No. 36)	**689.08**	**519.49**

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

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

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

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

39.4 **Risk to the Plan**

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

A **Actuarial Risk:**

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

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

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

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

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

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

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

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

39.5 **Reconciliation of defined benefit obligations** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligations as at beginning of the year	438.49	367.74
Current service cost	128.03	119.66
Interest cost	31.99	27.83
Actuarial Loss/(Gain) due to change in financial assumptions	-	(3.34)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	(3.88)
Actuarial Loss/(Gain) due to experience	178.64	(56.49)
Benefits Paid	(31.85)	(13.04)
Defined benefit obligations as at end of the year (Refer note no 20)	**745.30**	**438.48**

39.6 **Reconciliation of Plan Asset** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Plan Asset as at beginning of the year	393.38	375.00
Expenses deducted from the fund	-	-
Interest Income	32.64	37.44
Return on plan assets excluding amounts included in interest income	(2.83)	(6.01)
Contributions by employer	400.19	-
Benefits paid	(31.85)	(13.04)
Plan Asset as at end of the year (Refer note no 20)	**791.53**	**393.39**

39.7 **Reconciliation of the Effect of Asset ceiling** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/(Gain) on asset due to surplus/deficit		
Asset ceiling as at end of the year	**-**	**-**

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

Particulars	2016-2017	2015-2016
Current service cost	128.03	119.66
Net Interest cost	(0.65)	(9.61)
Net amount recognized (Refer note no. 36)	**127.38**	**110.05**

39.9 **Other Comprehensive income for the period** (₹ in Lakhs)

Particulars	2016-2017	2015-2016
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	-	(3.34)
Due to change in demographic assumption	-	(3.88)
Due to experience adjustments	178.64	(56.49)
Return on plan assets excluding amounts included in interest income	2.83	6.01
Amounts recognized in Other Comprehensive Income	**181.47**	**(57.70)**

39.10 **Break up of Plan Assets**

Particulars	2016-2017	2015-2016
Insurance Policy	100%	100%

39.11 **Actuarial Assumptions**

Particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	7.95%	7.95%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages

39.12 **Sensitivity Analysis for Actuarial Assumption**

As at 31.03.2017	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	₹ in Lakhs	%	₹ in Lakhs	%
Discount Rate	0.50%	0.50%	18.20	-2.40%	(19.13)	2.60%
Salary Growth Rate	0.50%	0.50%	(18.37)	2.50%	18.77	-2.50%

As at 31.03.2016	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	₹ in Lakhs	%	₹ in Lakhs	%
Discount Rate	0.50%	0.50%	10.78	-2.50%	(11.35)	2.60%
Salary Growth Rate	0.50%	0.50%	(11.19)	2.50%	11.01	-2.50%

Limitation of method used for sensitivity analysis :

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

39.13 **Details of Asset- Liability Matching Strategy**

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

39.14 **Expected contribution to the plan for the next annual reporting period** (₹ in Lakhs)

Particulars	2016-2017	2015-2016
Expected contribution to the plan	181.80	127.37
Total	**181.80**	**127.37**

39.15 **Maturity Profile of the Defined Benefit Obligation**

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

As at March 31, 2016	₹ in Lakhs	%
2017	72.21	10.20%
2018	47.13	6.70%
2019	65.27	9.30%
2020	57.80	8.20%
2021	58.44	8.30%
2022 - 2026	206.15	29.20%

40 Income Tax expense

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

Particulars	2016-2017	2015-2016
Current income tax	4,048.04	3,777.25
Adjustments in respect of current tax of earlier years	-	(1,414.19)
Total current income tax	**4,048.04**	**2,363.06**
Deferred tax		
Relating to origination and reversal of temporary difference	(3,864.71)	891.45
Total Deferred tax	**(3,864.71)**	**891.45**
Income tax expense	**183.33**	**3,254.51**

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

Particulars	2016-2017	2015-2016
Accounting profit before tax	18,967.82	16,456.05
MAT rate	21.342%	21.342%
MAT liability on accounting profit	4,048.04	3,511.98
Adjustment of Income tax of Earlier Year	-	(1,414.19)
Deferred tax Adjustment	(3,864.71)	891.45
Effect of non deductible items	-	362.00
Effect of deductible items	-	(96.74)
Income tax expenses considered in accounts as per MAT rate	**183.33**	**3,254.51**

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

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

Particulars	Recognized DTA / DTL in balance sheet			Deferred tax (Income) / Expense recognized in P&L	
	31.03.2017	31.03.2016	01.04.2015	2016-17	2015-16
Deferred tax liability					
Property, Plant and Equipment	2,348.37	3,159.01	2,867.53	(810.64)	291.48
Derivative deals - Option and Currency Swap	67.06	116.24	191.86	(49.18)	(75.62)
Non convertible Debenture	-	47.44	13.64	(47.44)	33.80
Interest Accrued But Not Due	-	2.68	3.34	(2.68)	(0.67)
Unamortised processing fees	-	0.43	7.94	(0.43)	(7.51)
Total Deferred tax liability	**2,415.43**	**3,325.80**	**3,084.30**	**(910.36)**	**241.50**
Deferred tax asset					
Investment in SIPL - Sub Debt	1,603.50	1,681.38	1,777.35	77.88	95.96
Provision for Gratuity	(16.00)	17.80	-	33.80	(17.80)
Derivative Deal - Interest Swap	-	27.50	18.75	27.50	(8.75)
ECB Loan	-	233.96	419.94	233.96	185.99
Total Deferred tax asset	**1,587.50**	**1,960.64**	**2,216.04**	**373.14**	**255.40**
Net Deferred Tax Liability / (Assets) before MAT Credit	**827.94**	**1,365.16**	**868.26**	**(537.22)**	**496.90**
MAT Credit Entitlement	5,594.45	2,266.96	2,661.50	(3,327.49)	394.54
Net Deferred Tax Liability / (Assets) Recognized	**(4,766.51)**	**(901.80)**	**(1,793.24)**	**-**	**-**
Deferred Tax Expenses / (Income) Recognized	**-**	**-**	**-**	**(3,864.71)**	**891.44**

41 Working of Earning Per Share

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

Particulars	As at March 31, 2017	As at March 31, 2016
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	17,15,33,800	17,15,00,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	37000	33000
Number of Equity Shares at year end	17,15,70,800	17,15,33,800
Weighted Average number of Equity Shares	17,15,66,644	17,15,31,988
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,66,644	17,15,31,988
Add: Dilution in Nos. of Equity Shares on Grant of Stock Option under ESOP-2008		30,870
Weighted Average number of Dilutive Equity Shares	**17,15,66,644**	**17,15,62,858**

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	18784.53	13201.54
Weighted Average number of Equity Shares	17,15,66,644	17,15,31,988
Basic EPS (₹)	10.95	7.70
Diluted EPS		
Net Profit after Tax	18,784.53	13,201.54
Weighted Average number of Diluted Equity Shares	17,15,66,644	17,15,62,858
Diluted EPS (₹)	10.95	7.69

42 Disclosure in respect of Construction Contracts

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Amount of Contract Revenue recognised as revenue during the period	331035.17	317597.98	296715.78
(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	899671.56	665592.12	806919.53
(ii) Advances Received	4387.11	33707.20	33982.89
(iii) Retention Amount	18344.59	11055.57	15557.61
(c) Amount due from Customers for Contract in Progress	41721.43	82810.91	88066.72
(d) Amount due to Customers for Contract in Progress	Nil	Nil	Nil

43 Contingent Liabilities and commitments

A Contingent Liabilities

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

(i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakhs (March 31, 2016: ₹ 46.42 Lakhs and April 1, 2015: 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (March 31, 2016: ₹ 46.42 Lakhs and April 1, 2015: 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid ₹ 21.020 Lakhs (March 31, 2016: ₹ 21.20 Lakhs and April 1, 2015: 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.

(ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakhs (March 31, 2016: ₹ 199.13 Lakhs and April 1, 2015: 199.93 Lakhs) and impose penalty of ₹ 345.92 Lakhs (March 31, 2016: 345.92 Lakhs and April 1, 2015:345.92 Lakhs). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.

(iii) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (March 31, 2016: ₹ Nil and April 1, 2015: Nill). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.

(iv) The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the "CIT(A) Order"). Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is ₹ 611.03 Lakhs (March 31, 2016: ₹ 611.03 Lakhs and April 1, 2015: 611.03 Lakhs). The matter is currently pending.

(v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2011-12. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2011-12 imposing total penalty (the "Penalty Order") of ₹ 13.25 Lakhs (March 31, 2016: ₹ 13.25 Lakhs and April 1, 2015: Nil). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Cirle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.

(vi) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of Rs 1277.00 Lakhs (March 31,2016: 1277.00 Lakhs and April 1, 2015: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 5746.80 Lakhs (March 31, 2016: 5746.80 Lakhs and April 1, 2015: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount involved is ₹ 1953.30 Lakhs (March 31, 2016: 1953.30 lakhs and April 1, 2015: 1953.30 Lakhs). The matter is currently pending.

(vii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of ₹ 378.99 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). Subsequently, SEL has preferred an appeal before the CIT, Appeals-11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. Subsequently, the DCIT, Central Circle -4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 244.64 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The matter is currently pending.

(viii) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 450.73 Lakhs (March 31, 2016: ₹ 450.73 Lakhs and April 1, 2015: Nil) and disallow SEL's claim for deduction for a sum of ₹ 379.47 Lakhs (March 31, 2016: ₹ 379.47 Lakhs and April 1, 2015: Nil) nder Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with GoI and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle- 1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 269.36 Lakhs (March 31, 2016: ₹ 269.36 Lakhs and April 1, 2015: Nil). The matter is currently pending.

(ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 377.87 Lakhs (March 31, 2016: ₹ 377.87 Lakhs and April 1, 2015: Nil) disallow SEL's claim for deduction for a sum of ₹ 7716.78 Lakhs (March 31, 2016: ₹ 7716.78 Lakhs and April 1, 2015: Nil) under Section 80IA(4) of the IT Act for assessment years 2013-14 . SEL has preferred an appeal before the CIT(A),Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 836.74 Lakhs. The matter is currently pending.

(x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 448.85 Lakhs (March 31, 2016: ₹ 448.85 Lakhs and April 1, 2015: Nil) disallow SEL's claim for deduction for a sum of ₹ 2993.28 Lakhs (March 31, 2016: ₹ 2993.28 Lakhs and April 1, 2015: Nil) under Section 80IA(4) of the IT Act for assessment years 2014-15 . SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT.The aggregate amount of tax involved is ₹ 1048.50 Lakhs (March 31, 2016: ₹ 1048.50 Lakhs and April 1, 2015: Nil). The matter is currently pending.

(xi) The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jililn Sadbhav JV" for VAT demand of ₹ 702.00 Lakhs (March 31, 2016: ₹ 702.00 Lakhs and April 1, 2015: ₹ 702.00 Lakhs) inclusive of interest ₹ 330.18 Lakhs (March 31, 2016: ₹ 330.18 Lakhs and April 1, 2015: 330.18 Lakhs and Penalty of ₹ 74.36 Lakhs (March 31, 2016: ₹ 74.36 Lakhs and April 1, 2015: 74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 15 Lakhs (March 31, 2016: ₹ 15.00 Lakhs and April 1, 2015: ₹ 15.00 Lakhs). As the company has paid ₹ 15.00 Lakhs, no provision has been made.

(xii) The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakhs (March 31, 2016: ₹ 81.32 Lakhs and April 1, 2015: ₹ 81.32 Lakhs) under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No.2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakhs (March 31, 2016: ₹ 30.00 Lakhs and April 1, 2015: ₹ 30.00 Lakhs) 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.

(xiii) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of ₹ 77.40 lakhs (March 31, 2016: ₹ 77.40 Lakhs and April 1, 2015: Rs; 77.40 Lakhs) and also has passed order for FY 2011-12 with demand of ₹ 152.83 lakhs (March 31,

2016: ₹ 152.83 Lakhs and April 1, 2015: Nil) . The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts.

(xiv) The Dy. Excise & Taxation Commissioner cum Revisional Authority Sirsa has passed the Revised Order u/s 34(2) of Haryana Value Added Tax Act 2003 for FY 2010-11 with demand of ₹ 10.45 lakhs (March 31, 2016: ₹ 10.45 Lakhs and April 1, 2015: Nil) which includes Interest of ₹ 5.22 lakhs (March 31, 2016: ₹ 5.22 Lakhs and April 1, 2015: Nil). The same Authority has also passed the Revised Order for FY 2011-12 for demand of ₹ 149.40 lakhs ((March 31, 2016: 149.40 Lakhs and April 1, 2015: Nil) which includes the Interest of ₹ 67.31 lakhs (March 31, 2016: ₹ 67.31 Lakhs and April 1, 2015: Nil). The Company has filled the Appeal against the both these orders to the Honorable "VAT Tribunal, Haryana" therefore the same has not been provided in the Books of Accounts.

(xv) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of ₹ 13991.08 lakhs (March 31, 2016: Nil and April 1, 2015: Nil) which includes Interest of ₹ 4593.08 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil) and Penalty of ₹ 4699.00 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The company has filled Appeal against this order and also asked for stay on this demand.

(xvi) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2012-13 for demand of ₹ 4741.65 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil) which includes Interest of ₹ 1957.80 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The company has filled Application for cancellation of this order.

(xvii) (i) A case before Workmen Compensation Commissioner, udaipur was filed for compensation of ₹ 11.69 Lakhs (March 31, 2016: ₹ 11.69 Lakhs and April 1, 2015: Nil) under Exployees Compensation Act, 1923. The matter is currently pending.

(ii) A case before Labour Court, Jabalpur was filed for compensation of ₹ 15.40 Lakhs (March 31, 2016: ₹ 15.40 Lakhs and April 1, 2015: Nil) under Industrial Dispute Act, 1947. The matter is currently pending.

(iii) An employee has filed case before Labour court at Balaghat for compensation of ₹ 13.20 Lakhs (March 31, 2016: ₹ 13.20 Lakhs and April 1, 2015: Nil) under Workmen Compensation Act, 1923. The matter is currently pending.

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

(i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with restrospective effect from 01.04.2000. On the basis of legal opinion and decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of Total income tax of ₹ 13135.96 Lakhs (March 31, 2016: ₹ 5362.73 Lakhs and April 1, 2015: ₹ 3295.01 Lakhs) on claim of deduction/s 80IA for the AY 2013-14 to AY 2017-18 has been consider as contingent liability for which assessment is not completed.

(ii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 8160.00 Lakhs (March 31, 2016: ₹ 8160.00 Lakhs and April 1, 2015: ₹ 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilised tools, plants and machineries. SEL has been submitted its statement of defence before the Arbitral Tribunal. The aggregate amount involved is ₹ 8160 Lakhs (March 31, 2016: ₹ 8160.00 Lakhs and April 1, 2015: ₹ 8160.00 Lakhs). The matter is currently pending

(c) Guarantees:

Company has given corporate guarantee to banks for 83652.50 Lakhs (March 31, 2016: ₹ 57757.00 Lakhs and April 1, 2015: ₹ 76136.00 Lakhs) against the finance facility given by the banks to subsidiary companies.

(d) During the FY 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a step down subsidiary of the Company) has filed company petition no 78 of 2013 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, 2017	As at March 31, 2016	As at April 1, 2015
(i) Sub Ordinate Debt / Equity Shares in Subsidiaries	2193.20	2193.20	18162.00
(ii) Other Commitment	3185.23	0.00	74.16

44 Dividend

(₹ in Lakhs)

Particulars	₹ Per Share	As at March 31, 2017	As at March 31, 2016
Dividend Proposed and not recognized at the end of reporting period	0.70 0.75	-- 1548.74	1445.49 --
Dividend (Including tax on Dividend) paid during the reporting period	0.70	1445.80	1445.46

45 Financial Instruments

45.1 Disclosure of Financial Instruments by Category

As at March 31, 2017

(₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	7	-	58.10	-	58.10	58.10
Investments in Bonds and Debentures	7	-	-	327.57	327.57	327.57
Investments in NSC	7	-	-	14.78	14.78	14.78
Trade Receivables	8 & 14	-	-	1,70,097.77	1,70,097.77	1,70,097.77
Long term Loans and Advances	9	-	-	3,162.31	3,162.31	3,162.31
Receivables under derivative contract	10	193.77	-	-	193.77	193.77
Other Long term Financial Assets	10			34.08	34.08	34.08
Cash and Cash equivalents	15	-	-	1,269.30	1,269.30	1,269.30
Bank Balances other than Cash and Cash equivalents	16	-	-	1,026.96	1,026.96	1,026.96
Loan to Related Parties - Current	17	-	-	50,646.37	50,646.37	50,646.37
Other current financial assets	18	-	-	26,164.63	26,164.63	26,164.63
Total Financial Asset		**193.77**	**58.10**	**2,52,743.77**	**2,52,995.64**	**2,52,995.64**
Financial liability						
Long Term Borrowings	23	-	-	30,623.44	30,623.44	30,623.44
Other Long term Financial Liabilities	24	-	-	980.16	980.16	980.16
Short Term Borrowings	26	-	-	1,21,210.84	1,21,210.84	1,21,210.84
Trade Payables	27	-	-	49,098.18	49,098.18	49,098.18
Other Current Financial Liabilities	28	-	-	26,187.31	26,187.31	26,187.31
Total Financial Liabilities		**-**	**-**	**2,28,099.93**	**2,28,099.93**	**2,28,099.93**

As at March 31, 2016 (₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	7	-	58.10	-	58.10	58.10
Investments in Bonds and Debentures	7	-	-	327.57	327.57	327.57
Investments in NSC	7	-	-	13.69	13.69	13.69
Non Current Trade Receivables	8 & 14	-	-	1,03,724.73	1,03,724.73	1,03,724.73
Long term Loans and Advances	9	-	-	2,848.92	2,848.92	2,848.92
Receivables under derivative contract	10	261.07	-	-	261.07	261.07
Other Long term Financial Assets	10			2,027.52	2,027.52	2,027.52
Cash and Cash Equivalents	15	-	-	750.34	750.34	750.34
Bank Balances other than Cash and Cash equivalents	16	-	-	905.06	905.06	905.06
Loan to Related Parties - Current	17	-	-	55,471.04	55,471.04	55,471.04
Other current financial assets	18	-	-	21,852.58	21,852.58	21,852.58
Total Financial Asset		**261.07**	**58.10**	**1,87,921.45**	**1,88,240.62**	**1,88,240.62**
Financial liability						
Long Term Borrowings	23	-	-	49,321.07	49,321.07	49,321.07
Other Long term Financial Liabilities	24	-	-	274.18	274.18	274.18
Short Term Borrowings	26	-	-	56,965.04	56,965.04	56,965.04
Trade Payables	27	-	-	37,032.39	37,032.39	37,032.39
Other Current Financial Liabilities	28	-	-	16,475.56	16,475.56	16,475.56
Total Financial Liabilities		**-**	**-**	**1,60,068.24**	**1,60,068.24**	**1,60,068.24**

As at April 1, 2015 (₹ in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	7	-	58.10	-	58.10	58.10
Investments in Bonds and Debentures	7	-	-	327.57	327.57	327.57
Investments in NSC	7	-	-	12.80	12.80	12.80
Non Current Trade Receivables	8 & 14	-	-	93,601.59	93,601.59	93,601.59
Long term Loans and Advances	9	-	-	2,566.60	2,566.60	2,566.60
Receivables under derivative contract	10	509.29	-	-	509.29	509.29
Other Long term Financial Assets	10			2,575.13	2,575.13	2,575.13
Cash and Cash Equivalents	15	-	-	633.56	633.56	633.56
Bank Balances other than Cash and Cash equivalents	16	-	-	320.08	320.08	320.08
Loan to Related Parties - Current	17	-	-	46,641.08	46,641.08	46,641.08
Other current financial assets	18	-	-	1,192.09	1,192.09	1,192.09
Total Financial Asset		**509.29**	**58.10**	**1,47,870.51**	**1,48,437.89**	**1,48,437.89**
Financial liability						
Long Term Borrowings	23	-	-	56,972.21	56,972.21	56,972.21
Other Long term Financial Liabilities	24	-	-	3,370.77	3,370.77	3,370.77
Short Term Borrowings	26	-	-	37,998.98	37,998.98	37,998.98
Trade Payables	27	-	-	45,497.97	45,497.97	45,497.97
Other Current Financial Liabilities	28	-	-	16,387.81	16,387.81	16,387.81
Total Financial Liabilities		**-**	**-**	**1,60,227.74**	**1,60,227.74**	**1,60,227.74**

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

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

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

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

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

46 Fair Value Measurement of Financial Assets and Liabilities

46.1 **Fair value hierarchy**

(₹ in Lakhs)

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

As at March 31, 2016	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	10	-	261.07	-	261.07
Total of Financial Assets		**-**	**261.07**	**-**	**261.07**
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	7		58.10		58.10
Total of Financial Assets		**-**	**58.10**	**-**	**58.10**

As at April 1, 2015	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	10	-	509.29		509.29
Total of Financial Assets		**-**	**509.29**	**-**	**509.29**
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	7		58.10		58.10
Total of Financial Assets		**-**	**58.10**	**-**	**58.10**

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

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

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

The Company enters into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs include currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value using marked-to-market valuation as at March 31, 2017.

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

47 Financial Risk Management

47.1 **Financial Instruments Risk management objectives and Policies**

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial

assets include Investments, trade & other receivables and cash and bank balance that derive directly from its operations.

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

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

47.2 **Market Risk**

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

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:
- a parallel shift of 100-basis points of the interest rate yield curves in all currencies. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

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

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015.

47.3 **Foreign Currency Risk**

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

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

The Company's exposure to Foreign Currency Risk is as follows: (₹ in Lakhs)

Particulars	Currency	March 31, 2017	March 31, 2016	April 01, 2015
ECB Loans	USD	89.56	132.67	210.78
	Equivalent INR	5,806.66	8,800.17	13,169.28

47.4 **Interest Rate Risk**

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

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

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

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings in INR			
ECB Loans	5,806.66	8,800.17	13,169.28
Long Term Loan from Banks	928.75	-	-
Short Term loan from banks	1,20,863.66	56,825.42	37,187.49
	1,27,599.07	**65,625.59**	**50,356.77**

Sensitivity analysis (₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit / loss before tax	
	March 31, 2017	March 31, 2016
Interest rate increase by 100 basis point	(1,275.99)	(656.26)
Interest rate decrease by 100 basis point	1,275.99	656.26

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

47.5 **Liquidity Risk**

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

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

(₹ in Lakhs)

As at March 31, 2017	Contractual Maturity	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	25,589.15	15,998.95	3,999.02	5,591.18	-
Foreign Currency Term Loan	5,806.66	2,098.25	1,547.12	2,161.29	-
Long Term Rupee Loan from Banks & Fin. Inst.	25,105.85	9,881.40	7,100.08	8,124.37	-
Other Long term Payables	980.16	-	980.16	-	-
Short Term Borrowings	1,21,210.84	1,21,210.84	-	-	-
Trade Payables	49,098.18	49,098.18	-	-	-
Other Short Term Payables	309.09	309.09	-	-	-

As at March 31, 2016	Total	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	28,568.78	4,568.78	15,600.00	8,400.00	-
Foreign Currency Term Loan*	8,800.17	2,859.68	2,146.61	3,056.83	737.03
Long Term Rupee Loan from Banks & Fin. Inst.	27,740.46	9,144.20	8,670.59	9,925.67	
Other Long term Payables	274.18	-	274.18	-	-
Short Term Borrowings	56,965.04	56,965.04	-	-	-
Trade Payables	37,032.39	37,032.39	-	-	-
Other Short Term Payables	687.23	687.23	-	-	-

As at April 01, 2015	Total	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	30,026.77	2,026.77	4,000.00	24,000.00	-
Foreign Currency Term Loan*	13,169.28	4,888.97	2,698.32	4,214.39	1,390.89
Long Term Rupee Loan from Banks & Fin. Inst.	29,583.09	9,507.67	9,559.84	10,512.17	3.41
Other Long term Payables	3,370.77	-	3,370.77	-	-
Short Term Borrowings	37,998.98	37,998.98	-	-	-
Trade Payables	45,497.97	45,497.97	-	-	-
Other Short Term Payables	580.88	580.88	-	-	-

47.6 **Credit Risk**

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

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

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

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

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

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

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as on March 31, 2017 - ₹ 170097.77 Lakhs, as on March 31, 2016 - ₹ 103724.73 Lakhs and as on April 01, 2016 - ₹ 93601.59086 Lakhs.

48 Capital Management

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

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

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

Summary of Quantitative Data is given hereunder: (₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Equity	1,715.71	1,715.34	1,715.01
Other Equity	1,64,373.55	1,47,205.51	1,35,374.99
Total	**1,66,089.26**	**1,48,920.85**	**1,37,090.00**

The company does not have any externally imposed capital requirement.

49 Asset pledged as security

Carrying Value of Assets pledged as security (₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Financial Asset			
Tangible asset-Property, Plants & Equipments	37,458.40	40,588.55	38,263.13
Financial Asset			
Trade Receivables	1,70,097.77	1,03,724.73	93,601.59
Inventory	12,335.81	14,062.09	21,337.16

50 Detail of Investments in Subsidiaries, Associates and Joint Ventures (₹ in Lakhs)

Name of the entity	Type of entity	Place of business	Ownership interest held by the company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	68.56%	68.35%	77.42%
Mysore-Bellary Highway (P) Ltd.	Subsidiary	Ahmedabad	74.00%	74.00%	74.00%
Nagpur Seoni Expressway Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%	0.00%
Maharahstra Border Check Post Pvt. Ltd.	Step down Subsidiary	Ahmedabad	2.63%	12.00%	12.00%
Shreenathji Udaipur Tollway Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%	0.00%
Bhilwara Rajsamand Tollway (P) Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%	0.00%

Name of the entity	Type of entity	Place of business	Ownership interest held by the company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Rohtak-Hissar Tollway (P) Ltd.	Step down Subsidiary	Ahmedabad	0.00%	0.00%	0.00%
Rohtak-Panipat Tollway (P) Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Dhule Palesner Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Hayderabad-Yadgiri Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Ahmedabad Ring Road Infrastructure Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Aurangabad Jalna Tollway Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Bijapur Hungud Tollway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Sadbhav Bhavnagar Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Sadbhav Una Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Sadbhav Rudrapur Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Sadbhav Nainital Highway Pvt. Ltd..	Step down Subsidiary	Ahmedabad	-	-	-
Sadbhav Bangalore Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-	-
Solapur Bijapur Tollway (P) Ltd.	Step down Subsidiary	Ahmedabad	-	-	
Dhule Palasner Tollway Ltd.	Associate	Ahmedabad	-	-	26.00%
Mumbai Nasik Expressway Ltd.	Associate	Ahmedabad	-	-	20.00%
SEL-GKC JV	Joint Venture	Ahmedabad			
Radhanpur - Manpura Project	--		52.00%	52.00%	52.00%
Vishakhapatnam Project	--		50.00%	50.00%	50.00%
Omkareshwar Project	--		60.00%	60.00%	60.00%
Karimnagar Project	--		52.00%	52.00%	52.00%
Omkareshwar Project	--		40.00%	40.00%	40.00%
Managuru Project	--		51.00%	51.00%	51.00%
BSHP-II Project	--		50.00%	50.00%	50.00%
Govindpur Project	--		50.00%	50.00%	50.00%
Sadbhav - Annapurna JV	Joint Venture	Ahmedabad			
Basantimata Project			80.00%	80.00%	80.00%
Sadbhav - Vishnushiva JV	Joint Venture	Ahmedabad			
Maheshpur Project			75.00%	75.00%	75.00%
Jalipa / Kapurdi Project			98.00%	98.00%	75.00%
SEL-Vaishnovi JV -	Joint Venture	Ahmedabad			
Halon Project			72.00%	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV	Joint Venture	Ahmedabad			
DMRC-CC43 Project	--		40.00%	40.00%	40.00%
DMRC-CC47 Project	--		40.00%	40.00%	40.00%
SEL-PIPL JV	Joint Venture	Ahmedabad	51.00%	51.00%	-

50.1 Sadbhav Infrastrucure Project Ltd.. is the holding company of all the step down subsidiary companies.

50.2 Pursuant to Restated Share Purchase Agreement dated October 27, 2015 between Dhule Palesner Tollway Ltd. (DPTL), Sadbhav Infrastructure Projects Ltd.. (SIPL), a subsidiary company of SEL, Sadbhav Engineering Ltd.. (SEL), the SIPL has acquired 60% equity stake from HCC Group, JLL Group in Dhule Palesner Tollway Ltd.. (DPTL) . After acquiring the said shares DPTL become 100% subsidiary of SIPL.

50.3 For Kapurdi Project 75% upto 31/07/2015 and 98% from 01/08/2015. For Jalipa Project 75% during the FY 2015-16. Work order for Jalipa Project yet not received.

50.4 Investments in Subsidiaries, Associates and Joint ventures are accounted at Cost.

51 Segment Reporting

As permitted by Ind AS - 108 - " Operating Segments", 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.

52 List of Related Parties

(a) **Related Party with whom Control Exists**

Subsidiary
Sadbhav Infrastructure Project Limited and Mysore-Bellary Highway (P) Ltd.

Step-down Subsidiaries:-
Nagpur-Seoni Express Way Limited, Ahmedabad Ring Road Infrastructure Limited, Aurnagabad-Jalna Tollway Limited, Rohtak Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd., Hyderabad Yadgiri Tollway Pvt. Ltd. Maharashtra Border Check Post Network Ltd., Shreenathji Udaipur Tollway Pvt. Ltd., Bhilwara Rajsamand Tollway Pvt. Ltd.,Dhule Palesner Tollway Ltd. and Rohtak-Hissar Tollway (P) Ltd., Sadbhav Nainital Highway Pvt. Ltd., Sadbhav Rudrapur Highway Pvt. Ltd., Sadbhav Bhavnagar Highway Pvt. Ltd., Sadbhav Una Highway Pvt. Ltd., Sadbhav Bangalore Highway Pvt. Ltd.

Joint Ventures:
SEL-GKC JV, Sadbhav-Annapurna, Sadbhav-Vishnushiva, Sadbhav-Vaishnovi, Corsan Corviam Construction SA - Sadbhav and SEL-PIPL.

(b) **Related Party with whom transaction during the year**

Key Management Personnel (KMP):
Shri Vishnubhai M. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel, Shri Atul Ruparel, Shri Arun S. Patel, Shri Sandip A. Sheth, Shri Mirat N. Bhadlawala, Shri Sandip Patel, Smt. Purvi S Parikh, Shri Tushar D. Shah.

Relatives of KMP:
Smt. Shantaben V. Patel & V. M. Patel (HUF)

Entities in which KMP / relatives of KMP can exercise significant influence
Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Realty Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Bhavna Engineering Company Pvt. Ltd.

(₹ in Lakhs)

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Associates	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties							
Sub contracting Income	2016-17	32,058.45	-	52,969.38	-	-	85,027.84
	2015-16	1,69,815.60	-	63,007.65	-	-	2,32,823.26
Providing of services	2016-17	138.77	-	0.60	-	-	139.37
	2015-16	133.35	-	-	-	-	133.35

Sub contracting Expenditure	2016-17	2,473.73	-	-	-	6,766.07	9,239.81
	2015-16	4,973.33	-	-	-	4,665.88	9,639.21
Remuneration Expenses	2016-17	-	-	-	749.96	-	764.14
	2015-16	-	-	-	371.44	-	371.44
Director Sitting Fees	2016-17	-	-	-	6.54	-	6.54
	2015-16	-	-	-	4.45	-	4.45
Interest Expenses	2016-17	-	-	-	16.41	15.06	31.47
	2015-16	-	-	-	20.74	7.77	28.51
Trade Receivable - written off	2016-17	-	-	202.53	-	-	202.53
	2015-16	-	-	-	-	-	-
Interest Income	2016-17	5,737.52	-	-	-	-	5,737.52
	2015-16	6,804.92	-	-	-	-	6,804.92
Fixed Assets Purchases	2016-17	-	-	-	-	-	-
	2015-16	205.00	-	-	-	92.00	297.00
Fixed Assets sold	2016-17	230.81	-	-	-	-	230.81
	2015-16	-	-	-	-	91.28	91.28
Expenses incurred on behalf and recovered	2016-17	1,489.68	-	-	-	-	1,489.68
	2015-16	853.90	-	-	-	-	853.90
Sale of construction materials	2016-17	821.30	-	-	-	-	821.30
	2015-16	-	-	-	-	-	-
Sale of Shares	2016-17	-	-	-	-	-	-
	2015-16	4,697.48	-	-	-	-	4,697.48
Purchase/ Subscription of Shares	2016-17	-	-	-	-	-	-
	2015-16	2,562.14	-	-	-	-	2,562.14
Interest Free Loan converted into Investment	2016-17	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-
Conversion of our CCD to Equity Shares	2016-17	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-
Issue of Shares on Conversion of Warrants	2016-17	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-
Unsecured Loan given	2016-17	56,341.21	-	-	-	-	56,341.21
	2015-16	65,240.23	-	-	-	-	65,240.23
Unsecured Loan received back	2016-17	65,136.55	-	-	-	-	65,136.55
	2015-16	56,924.69					56,924.69
Unsecured Loan Received	2016-17	-	-	-	1,974.07	15.20	1,989.27
	2015-16	-	-	-	513.70	69.73	583.43
Unsecured Loan Repaid	2016-17	-	-	-	1,804.42	5.62	1,810.03
	2015-16				1,282.81		1,282.81
Mobilization/ Material/ Machinery Advance Received	2016-17	286.39	-	1,425.56	-	-	1,711.95
	2015-16	-	-	3,156.79	-	-	3,156.79
Mobilization/ Material/ Machinery Advance Given	2016-17	-	-	-	-	200.00	200.00
	2015-16	-	-	-	-	-	-
Security Deposit/ Retention Deducted by Clients	2016-17	1,611.78	-	8,552.73	-	-	10,164.52
	2015-16	7,989.05	-	3,723.19	-	-	11,712.24

Security Deposit/ Retention Deducted from Sub-contractors	2016-17	-	-	-	-	323.65	323.65
	2015-16	-	-	-	-	298.17	298.17
Donation Given	2016-17	-	-	-	-	-	-
	2015-16	-	-	-	-	22.25	22.25
Dividend Paid	2016-17	-	-	-	291.22	270.43	561.64
	2015-16	-	-	-	257.18	307.22	564.40
Outstanding Balance at year end							
Trade Receivable	March 31, 2017	8,293.42	-	6,346.11	-	-	14,639.52
	March 31, 2016	19,926.26	-	7,210.36	-	-	27,136.62
	April 1, 2015	24,678.45	-	6,461.44	-	-	31,139.90
Trade Payable	March 31, 2017	-	-	-	30.74	1,059.69	1,090.43
	March 31, 2016	813.87	-	-	-	266.38	1,080.25
	April 1, 2015	-	751.75	-	-	694.69	1,446.45
Unsecured Loan given	March 31, 2017	54,699.18	-	-	-	-	54,699.18
	March 31, 2016	58,984.67	-	-	-	-	58,984.67
	April 1, 2015	50,386.80	-	-	-	-	50,386.80
Mobilization/ Material/ Machinery Advance Received	March 31, 2017	-	-	100.77	-	-	100.77
	March 31, 2016	1,189.12	-	834.74	-	-	2,023.86
	April 1, 2015	26,185.55	-	4,183.72	-	-	30,369.27
Mobilization/ Material/ Machinery Advance Given	March 31, 2017	-	-	-	-	78.12	78.12
	March 31, 2016	-	-	-	-	-	-
	April 1, 2015	-	-	-	-	28.05	28.05
Security Deposit/ Retention Deducted by Clients	March 31, 2017	1,120.20	-	9,501.81	-	-	10,622.01
	March 31, 2016	1,856.90	-	6,274.03	-	-	8,130.93
	April 1, 2015	1,950.80	499.02	5,196.47	-	-	7,646.29
Security Deposit/ Retention Deducted from Sub-contractors	March 31, 2017	-	-	-	-	319.86	319.86
	March 31, 2016	-	-	-	-	411.39	411.39
	April 1, 2015	-	-	-	-	394.80	394.80
Unsecured Loan received	March 31, 2017	-	-	-	184.42	162.76	347.18
	March 31, 2016	-	-	-	-	139.62	139.62
	April 1, 2015	-	-	-	748.37	62.12	810.49
Advance Received against Sale of Shares	March 31, 2017	0.02	-	-	-	-	0.02
	March 31, 2016	0.02	-	-	-	-	0.02
	April 1, 2015	2,678.02	-	-	-	-	2,678.02

NOTE:-

1 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

2 Terms and conditions of the balance outstanding.

Outstanding balances at the year end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of agreement. Short term loans (unsecured) in INR given to Sadbhav Infrastructure Projects Ltd (SIPL) carries interest rate @ 11% p.a. (March 31, 2016 : 11% and April 1, 2015: 11%)

The company has not provided any commitment to the related party as at March 31, 2017 except mentioned at Note No. 43. Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement.

There is no gurantee given or received except mentioned at Note No 58.

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

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

(₹ in Lakhs)

Particulars	2016-2017	2015-2016	2014-2015
Not later than one year	557.49	75.37	-
Later than one year and not later than five years	1,939.92	234.72	-
Later than five years	-	-	-

(b) The Company has recognised lease payment of ₹ 492.89 (March 31, 2016: ₹ 66.77 Lakhs and April 1, 2015: Nil) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general discrimination of significant leasing arrangements:
At the conclusion of the Term, Lessee has right to exercise one or more of the following options.
(i) Request Lessor to agree to a renewal of Term or
(ii) Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.
(iii) Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

54 There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets".

55 Dividend in Foreign Currency

Details of amount remitted during the year in foreign currency on account of dividends (₹ in Lakhs)

Category of Shareholders	Number of Shares	Number of Shareholders	Amount Remitted during the year	Year to which dividend relates
Foreign Institutional Investor	30038490	96	210.27	2016-17
	2,56,96,455	87	179.87	2015-16
	2,43,27,917	45	170.29	2014-15
Non Resident Indians	126906	240	0.89	2016-17
	1,34,291	228	0.94	2015-16
	98,543	169	0.69	2014-15
Total	3,01,65,396	336	211.16	2016-17
	2,58,30,746	315	180.81	2015-16
	2,44,26,460	214	170.98	2014-15

56 Borrowing Cost:

During the Year, Company has capitalized borrowing cost of ₹ 10.57 Lakhs (March 31, 2016 : ₹ Nil) according to Ind AS-23 "Borrowing Cost" The capitalization rate used to determine the amount of borrowing cost to be capitalized is the inter set rate applicable to the company's borrowing which 10% p.a.

57 Payment to Auditors: (₹ in Lakhs)

Particulars		2016-2017	2015-2016
(i)	For Audit	32.22	29.24
(ii)	For Taxation matters	23.00	22.85
(iii)	For Certification Works	6.88	8.49
(iv)	Reimbursement of Expenses	0.06	0.25
Total		**62.16**	**60.83**

58 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIES ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2017:- (₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	3652.50	4078.00	4288.00
2	Aurangabad Jalna Tollway Ltd.	0.00	3679.00	3848.00
3	Sadbhav Infrastructure Project Ltd.	80000.00	50000.00	68000.00
	Total	**83652.50**	**57757.00**	**76136.00**

59 No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries.

60 In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

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

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

62 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308€ dated March 31, 2017 on the details of Specified Banks Notes (SBNs) held and transated during the period from 8th November, 2016 to 30th December, 2016, the Denomination wise SBNs and other notes as per the said notification is given below.

(Amount in Actual ₹)

Particulars	SBNs *	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	1733500	2077155	3810655
(+) Permitted Receipt	0	5166000	5166000
(–) Permitted Payments	--	-5203300	–5203300
(–) Amount deposited in Banks	–1733500	0	–1733500
Closing Cash in hand as on 30/12/2016	0	2039855	2039855

* For the purpose of this clause, the term "Specified Banks Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number SO 340E, dated 8th November, 2016.

63 All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Independent Auditors' Report *on the Consolidated Financial Statements*

To the Members of
Sadbhav Engineering Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its step-down subsidiaries (the Holding Company, its subsidiaries and its step-down subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Cash Flow Statement, the consolidated statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and the consolidated statement of Change in Equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated loss including other comprehensive income and their consolidated cash flows and the consolidated statement of change in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 64 of the consolidated Ind AS financial statements in respect of accounting of Intangible Asset/ Intangible Asset under development of ₹ 18,830.90 Lakhs (31 March 2016: ₹ 17,405.70 Lakhs) under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a step-down subsidiary company, based upon the recommendation made by the project lenders' engineer and technical experts appointed by the project authorities. Pending final approval by the Government of Maharashtra, no further cost adjustments are considered necessary in these financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income) the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated Ind AS financial statement;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and step-down subsidiaries incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its step-down subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note No. 53 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its step-down subsidiary companies incorporated in India during the year ended March 31, 2017.

iv. The Holding Company, subsidiaries and step-down subsidiaries incorporated in India, have provided requisite disclosures in Note No. 76 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group as produced to us by the Management of the Holding Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 subsidiaries and 16 step-down subsidiaries whose Ind AS financial statements includes total assets of ₹ 11,03,000.10 lakhs and Net Assets of ₹ 17,619.30 Lakhs, as at march 31, 2017, and total revenue of ₹ 1,63,977.90 Lakhs and Net cash outflow of ₹ 3,684.30 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 29, 2017

Annexure-1 to the Independent Auditors' Report on the Consolidated Financial Statements

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sadbhav Engineering Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its step-down subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its step-down subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these two subsidiary companies and eleven step-down subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 29, 2017

Consolidated Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
I ASSETS				
(1) Non-current Assets				
(a) Property, Plant & Equipments	5	54240.12	61327.76	58025.31
(b) Capital Work-In-Progress	5	0.00	0.00	66.80
(c) Investment Property	7	208.30	208.30	199.40
(d) Goodwill on Consolidation	6	20437.40	20437.40	13327.50
(e) Intangible Assets under Development	6	18308.50	157897.90	172868.50
(f) Other Intangible Assets	6	931475.75	791197.67	502391.13
(g) Financial Assets				
(i) Investments	8	400.68	399.56	17831.07
(ii) Trade Receivables	9	3587.28	3784.45	2926.68
(iii) Receivable Under Service Concession Arrangement	10	20120.30	20109.10	22053.20
(iv) Other Financial Assets	11	64565.95	44375.49	12045.32
(h) Deferred Tax Assets (Net)	12	2957.49	0.00	0.00
(i) Other Non Current Assets	13	6661.04	4767.24	10765.07
Total Non-current Assets		**1122962.81**	**1104504.88**	**812499.97**
(2) Current Assets				
(a) Inventories	14	12335.81	14104.69	21337.16
(b) Financial Assets				
(i) Investments	15	5582.60	2675.60	490.90
(ii) Trade Receivables	16	159117.84	80855.36	67076.92
(iii) Cash and cash Equivalents	17	6335.50	10401.12	17391.66
(iv) Bank balance other than (iii) above	18	1238.96	216.78	530.88
(v) Loans	19	1703.80	1703.70	5569.00
(vi) Receivable Under Service Concession Arrangement	20	17871.30	3839.60	3839.60
(vii) Other Current Financial Assets	21	32871.86	23065.12	24113.55
(c) Current Tax Assets (Net)	22	6041.54	13320.97	7384.22
(d) Other Current Assets	23	15925.49	19080.44	25363.64
Total Current Assets		**259024.70**	**169263.38**	**173097.54**
Total Assets		**1381987.51**	**1273768.26**	**985597.51**
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity & Share Capital	24	1715.71	1715.24	1715.01
(b) Other Equity	25	88916.96	99188.06	108156.65
Equity attributable to equity holders of the parent		**90632.67**	**100903.30**	**109871.66**
Non Controlling Interest		34807.25	43016.13	13750.09
Total Equity		**125439.92**	**143919.43**	**123621.75**
(2) Liabilities				
(i) Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	26	825946.54	803810.08	627543.51
(ii) Other Financial Liabilities	27	142249.26	119226.08	86354.45
(b) Provisions	28	16161.10	14751.61	6560.10
(c) Deferred Tax Liabilities (Net)	29	5883.30	7895.62	15.78
Total Non-current Liabilities		**990240.20**	**945683.39**	**720473.84**
(ii) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	30	124466.84	60095.04	41129.00
(ii) Trade Payables	31	56054.10	39071.83	45733.17
(iii) Other Financial Liabilities	32	65522.08	40698.59	35705.52
(b) Provisions	33	10210.62	3093.70	148.31
(c) Other Current Liabilities	34	9571.35	41206.29	17850.42
(d) Current tax liabilities (net)	35	482.40	0.00	935.50
Total Current Liabilities		**266307.39**	**184165.44**	**141501.92**
Total Equity & Liabilities		**1381987.51**	**1273768.26**	**985597.51**

Summary of significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements

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 : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Consolidated Profit and Loss Statement for the Year Ended March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	2016-2017	2015-2016
INCOME			
I Revenue from Operations	36	457000.62	406579.83
II Other Income	37	8417.62	6666.50
III **Total Income (I+II)**		**465418.24**	**413246.34**
IV **Expenses :**			
Cost of Material Consumed	38	84245.24	95161.17
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	39	0.00	0.00
Construction Expenses	40	183157.61	159169.71
Operating Expenses	41	22706.50	16436.80
Employee Benefits Expense	42	17811.00	15372.15
Finance Cost	43	118744.87	107516.90
Depreciation and Amortization Expense		32112.67	23261.38
Other Expenses	44	22861.70	20410.41
Total Expenses		**481639.59**	**437328.52**
V (Loss) Before Exceptional Items and Tax (III-IV)		(16221.35)	(24082.19)
VI Exceptional Item (Net of Income)		0.00	4215.38
VII **(Loss) Before Tax (V+VI)**		**(16221.35)**	**(19866.81)**
VIII Tax Expense			
(1) Current Tax		5385.94	3794.95
(2) Reversal of MAT Credit		0.00	394.55
(3) Deferred Tax		(4,444.61)	375.40
(4) Adjustment of Tax relation to earlier years		2.30	(2,377.49)
Total tax Expenses		**943.63**	**2187.41**
IX **Net (Loss) for the year (VII-VIII)**		**(17164.98)**	**(22054.22)**
Loss for the year attributable to:			
Owners of the company		**(5403.16)**	**(10328.12)**
Non-controlling Interest		(11,761.82)	(11,726.10)
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:		0.00	0.00
Re-measurement gains/(losses) on defined benefit plans		(267.97)	72.00
Income tax effect			
X **Total Other Comprehensive Income for the year, net of tax**		**(267.97)**	**72.00**
XI **Total Comprehensive Income for the period**		**(17432.95)**	**(21982.22)**
Total Comprehensive Income for the year attributable to:			
Owners of the company		(5671.13)	(10256.12)
Non-controlling Interest		(11761.82)	(11726.10)
XII **Earning per Equity Share (in Rupees)**			
(1) Basic		(3.15)	(6.02)
(2) Diluted		(3.15)	(6.02)

Summary of significant accounting policies
The accompanying notes are an integral part of these consolidated financial statements

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 : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

A Equity Share Capital (₹ in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2017	1715.34	0.37	1715.71
As on March 31, 2016	1715.01	0.33	1715.34

B Other Equity (₹ in Lakhs)

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus						Non Controlling Interest	Total
		Capital Reserve	Security Premium Reserve	Debenture Redumption Reserve	Share Stock Option Account	General Reserve	Retained Earning		
As at April 01, 2015	0.00	31,982.85	56,524.88	10,092.10	51.19	10,160.18	(654.55)	13,750.09	1,21,906.74
Profit/(Loss) for the year							(10,328.10)	(11,725.00)	(22,053.10)
Other Comprehencive Income (OCI)							72.00		72.00
Remeaures gain on defined benefit plan									-
Total Comprehensive Income for the year	0.00	31982.85	56524.88	10092.10	51.19	10160.18	(10910.65)	2025.09	99925.64
Addition in Compound Financial Instruments	1796.60								1,796.60
Dividends (including tax on dividend)		-	-	-	-	-	(1,445.46)		(1,445.46)
Transfer to General Reserves		-	-	-	-	1,000.00	(1,000.00)		-
Transfer to Security premium account		-	39.63	-	(24.89)	-	-		14.74
Loss of subsidiaries of earlier years							921.63		921.63
Premium on issue of equity shares								40,991.08	40,991.08
Addition to the reserves		-	-	-	-	-	-		-
As at March 31, 2016	**1,796.60**	**31,982.85**	**56,564.51**	**10,092.10**	**26.30**	**11,160.18**	**(12,434.48)**	**43,016.17**	**1,42,204.23**
As at April 01, 2016	1,796.60	31,982.85	56,564.51	10,092.10	26.30	11,160.18	(12,434.48)	43,016.17	1,42,204.23
Profit/(Loss) for the year							(5,404.00)	(11,763.82)	(17,167.82)
Other Comprehencive Income (OCI)									-
Remeaures gain on defined benefit plan							(267.97)		(267.97)
Total Comprehensive Income for the year	1796.60	31982.85	56564.51	10092.10	26.30	11160.18	(18106.45)	31252.36	124768.44
Addition in Compound Financial Instruments									-
Dividends (including tax on dividend)							(1,445.80)		(1,445.80)
Transfer to General Reserves						1,000.00	(1,000.00)		-
Transfer to debenture redemption reserve				2,243.40			(2,243.40)		
Transfer to Security premium account	-1796.60		569.64		(26.30)				(1,253.26)
Loss of subsidiaries of earlier years									-

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus						Non Controlling Interest	Total
		Capital Reserve	Security Premium Reserve	Debenture Redumption Reserve	Share Stock Option Account	General Reserve	Retained Earning		
Aqisition of non-controling interest							(1,900.07)	3,554.90	1,654.83
Premium on issue of equity shares									-
Addition to the reserves		-	-	-	-	-	-		-
As at March 31, 2017	**-**	**31,982.85**	**57,134.15**	**12,335.50**	**(0.00)**	**12,160.18**	**(24,695.72)**	**34,807.26**	**1,23,724.21**

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 : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Consolidated Cash Flow Statement for the Year 2016-2017

(₹ in Lakhs)

Particulars	2016-2017		2015-2016	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after Tax as per Profit and loss account		**(17164.98)**		**(22054.22)**
Adjustments For :				
Interest Income	(8417.62)		(6666.50)	
Interest Expenses	102786.67		95003.40	
Depreciation & Amortisation	32112.67		23261.38	
Profit on sale of Property, Plant & Equipments	(187.59)		(294.79)	
Loss on sale of Property, Plant & Equipments	257.74		173.96	
Periodic Major Maintenance expenses	13010.50		-	
Income Tax Provision	5388.24		1812.01	
Deferred Tax Liabilities/(Assets)	(4444.61)	140506.00	375.40	113664.86
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**123341.02**		**91610.64**
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	185.97		1086.33	
(Increase)/Decrease of Trade Receivables	(92294.18)		(13778.44)	
(Increase)/Decrease of Other Current Assets	3154.85		6283.19	
(Increase)/Decrease of Other Current Financial Assets	(9806.74)		1048.43	
(Increase)/Decrease of Other Non Current Assets	(1893.80)		5997.83	
(Increase)/Decrease of Other Non Current Financial Assets	(20190.56)		(32330.07)	
(Increase)/Decrease of Inventories	1768.88		7232.47	
(Increase)/Decrease of Loans given	(0.10)		3865.31	
Increase/(Decrease) of Other Long Term Financial Liabilities	23023.18		32871.63	
Increase/(Decrease) of Trade Payables	16982.27		(6661.34)	
Increase/(Decrease) of Other Current Liabilities	(7409.75)		23355.67	
Increase/(Decrease) of Other Current Financial Liabilities	2056.72		2481.60	
Increase/(Decrease) of Provision	(4484.08)		11136.90	
Increase/(Decrease) in Deferred Tax	242.80		6472.36	
		(88664.54)		49061.93
Cash generated from Operations		**34676.48**		**140672.57**
Tax Paid	1884.26	1884.26	(8009.15)	(8009.15)
Net Cash From Operating Activities		**36560.74**		**132663.42**
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	(26392.82)		(164923.53)	
Sales of Property, Plant & Equipments	608.96		1935.69	
Other Current Investments	(2907.00)		(2184.70)	
Other Non Current Investments	(1.09)		17431.51	
Aquisition of non Controlling interest	(1712.00)		3505.10	
Interest Received	8417.62	(21986.33)	6666.50	(137569.43)
Net Cash From Investing Activities		**(20986.33)**		**(137569.43)**

Consolidated Cash Flow Statement for the Year 2016-2017

(₹ in Lakhs)

Particulars	2016-2017		2015-2016	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Issue of Fresh Capital including Premium	543.71		15.07	
Proceeds From Long Term Borrowings (Net)	44901.65		34391.87	
Proceeds/(Repayment) of Short Term Borrowings (Net)	24764.40		15628.19	
Net Increase in Working Capital Loan	39607.40		3337.85	
Received from issue of shares	0.00		40991.08	
Repayment of Advances	(24225.00)		0.00	
Interest Paid	(102786.67)		(95003.40)	
Dividend Paid	(1445.52)		(1445.18)	
		(18640.03)		(2084.52)
Net Cash From Financing Activities		**(18640.03)**		**(2084.52)**
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		(4065.62)		(6990.53)
OPENING BALANCE OF CASH & CASH EQUIVALENTS		10401.12		17391.66
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		6335.50		10401.12
COMPONENTS OF CASH & CASH EQUIVALENTS				
CASH ON HAND		477.68		415.89
BALANCE IN CURRENT ACCOUNT WITH BANKS		4831.40		6313.95
BALANCE IN FIXED DEPOSITS		1026.42		3671.28

Notes:

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurecated between investing and financing activities.

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

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 29-05-2017

For and on behalf of Board

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Chairman & Managing Director
DIN: 00048328

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Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Notes on Accounts forming part of Consolidated Financial Statements

1. Corporate Information:

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

Sadbhav Infrastructure Project Limited (SIPL), subsidiary company, is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

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

The Consolidated Financial Statements comprise of financial statements of Sadbhav Engineering Limited ('the Company' or 'SEL"), its subsidiaries and step-down subsidiaries (collectively, 'the Group') for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at "Sadbhav House", Opp. Law Garden Police Chawki, Ellisbridge, Ahmedabad-380006.

The Group undertakes road and other infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements..

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2017.

During the year, one of subsidiary, Sadbhav Infrastructure project Ltd. ('SIPL') has sort clarification from Reserve Bank of India with regards to applicability of Systematically Important Core Investment Companies (Reserve Bank) Directions, 2011. The clarification is still awaited as at reporting date, however, the management believe that SIPL is not required to be registered with Reserve Bank of India as on March 31, 2017 based on eligibility criteria mentioned in the Systematically Important Core Investment Companies (Reserve Bank) Directions, 2011.

2. Basis of preparation

2.1 The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter.

For all period up to and including the year ended March 31, 2016, the Group has prepared its financial statement in accordance with the Accounting standards specified in Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as "Indian GAAP") and other relevant provision of the Act. These financial statements for the year ended March 31, 2017 are the first financial statements that the Group has prepared in accordance with Ind AS. Refer to note 52 for information on how the Group adopted Ind AS.

The Consolidated financial statements have been prepared on a historical cost basis, except:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Derivative financial instruments measured at fair value; and
- Defined benefit plans – Plan Assets measured at fair value

The Consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

2.2 **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assessee whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

Consolidation Procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point iv. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
iv. The Build, Operate & Transfer (BOT)/ Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realised. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognized the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at the fair value at the date of the control is lost. Any resulting gain or loss is recognized in statement of profit & loss account.

v. The following entities are considered in the Consolidated Financial Statements as well as the Company's voting power in entities listed below:

Information pertaining to Subsidiaries				
Sr. No.	Name of subsidiaries	Proportion of Ownership Interest (%)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Sadbhav Infrastructure Projects Ltd (SIPL)	68.64%	68.35%	77.42%
2	Mysore Bellary Highway Private Limited (MBHPL)	74.00%***	74.00%***	74.00%***

Sr. No.	Name of step-down subsidiaries (subsidiaries of SIPL)	Proportion of Ownership Interest (%)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%	100%
2.	Aurangabad Jalna Tollway Limited (AJTWL)	100%	100%	100%
3.	Bijapur Hungud Tollway Private Limited (BHTPL)	77%	77%	77%
4.	Hyderabad Yadgiri Tollway Private Limited (HYTPL)	100%	100%	100%
5.	Maharashtra Border Check Post Network Limited (MBCPNL) (refer note 1 below)	91%	78%	78%
6.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%	100%
7.	Shreenathji-Udaipur Tollway Private Limited (SUTPL)	100%	100%	100%
8.	Bhilwara Rajsamand Tollway Private Limited (BRTPL)	100%	100%	100%
9.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%	100%
10.	Nagpur Seoni Expressway Limited (NSEL)	100%	100%	100%
11.	Dhule Palesner Tollway Limited (DPTL) (refer note 2 below)	100%	100%	1%
12.	Sadbhav Bhavnagar Highway Private Limited (SBHPL) (refer note 3 below)	100%	NA	NA
13.	Sadbhav Rudrapur Highway Private Limited (SRHPL) (refer note 3 below)	100%	NA	NA
14.	Sadbhav Una Highway Private Limited (SUHPL) (refer note 3 below)	100%	NA	NA
15.	Sadbhav Nainital Highway Private Limited (SNHPL) (refer note 3 below)	100%	NA	NA
16.	Sadbhav Bangalore Highway Private Limited (SBGHPL) (refer note 3 below)	100%	NA	NA

All the above entities has principal nature of activity is Infrastructure and are incorporated in India.

Notes:

1. In term of Memorandum of Understanding (MOU) dated January 17, 2017 between the Company and SIPL, the company reduced its commitment, to sell investment in MBCPNL to third party, from 22% to 9% and resultantly, transferred such 13% ownership / beneficial ownership in MBCPNL to SIPL, raising its holding to 91%.
2. SIPL has completed the 100% acquisition of equity shares in Dhule Palsesner Tollway Private Limited ('DPTL') w.e.f October 29, 2015 in terms of restated share purchase agreement dated October 29, 2015 with JV partner HCC Concessions Limited ('HCC').
3. During the year, there are five new step-down subsidiaries i.e. Sadbhav Bhavnagar Highway Private Limited (w.e.f. June 20, 2016), Sadbhav Rudrapur Highway Private Limited (w.e.f May 01, 2016), Sadbhav Una Highway Private Limited (w.e.f. June 22, 2016), Sadbhav Nainital Highway Private Limited (w.e.f. May 1, 2016) and Sadbhav Bangalore Highway Private limited (w.e.f. October 29, 2016) have been incorporated.

Name of the Joint Ventures	Ownership interest held by the company		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
SEL-GKC JV			
Radhanpur - Manpura Project	52.00%	52.00%	52.00%
Vishakhapatnam Project	50.00%	50.00%	50.00%
Omkareshwar Project	60.00%	60.00%	60.00%
Karimnagar Project	52.00%	52.00%	52.00%
Omkareshwar Project	40.00%	40.00%	40.00%
Managuru Project	51.00%	51.00%	51.00%
BSHP-II Project	50.00%	50.00%	50.00%
Govindpur Project	50.00%	50.00%	50.00%
Sadbhav - Annapurna JV			
Basantimata Project	80.00%	80.00%	80.00%
Sadbhav - Vishnushiva JV			
Maheshpur Project	75.00%	75.00%	75.00%
Jalipa / Kapurdi Project	98.00%	98.00%	75.00%
SEL-Vaishnovi JV -			
Halon Project	72.00%	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV			
DMRC-CC43 Project	40.00%	40.00%	40.00%
DMRC-CC47 Project	40.00%	40.00%	40.00%
SEL-PIPL JV	51.00%	51.00%	-

For Kapurdi Project 75% upto 31/07/2015 and 98% from 01/08/2015. For Jalipa Project 75% during the FY 2015-16. Work order for Jalipa Project yet not received.

Investments in Subsidiaries, Associates and Joint ventures are accounted at Cost.

3. Summary of significant accounting policies

3.1 **Business Combination and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind AS accounting for business combinations retrospectively.

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.2 **Current versus non-current classification**

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

3.3 **Foreign currency transactions:**
The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of the following:

- Long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.4 **Right arising from service concession arrangement**
The Group builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement and in case of MBCPNL (entity operating multiple border checkposts in the state of Maharashtra), each check post is capitalised when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group companies.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as " Receivable under service concession arrangement" under financial assets.

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

Amortization
The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

3.5 **Revenue Recognition**
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration

received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

Toll collection and user fee income
The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll – plazas.

Annuity income
Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

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

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

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

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

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

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

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

Contract revenue and costs associated with project related activities are accrued and recognized by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is accrued as “Unearned Revenue”.

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as “Unbilled Revenue”.

Income from sale of services:
Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on the contractual term of the arrangement. Service tax collected on behalf of the government is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

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

Interest
For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend
Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

3.6 **Property, Plant and Equipments:**
Property, Plant and Equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

De-recognition
An item of property, plant and equipments is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

Depreciation
For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

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

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

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

Depreciation on Property, Plant and Equipments is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

In case of AJTWL, ARRIL, RPTPL, DPTL depreciation on Property, Plant and Equipment is amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.7 **Intangible assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3-6 years.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.8 **Impairment – Non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to statement of profit and loss accounts.

3.9 **Investment Property**

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

An investment property is de-recognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference

between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

3.10 **Inventory**

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.11 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.12 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

3.13 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)

- **Financial assets at amortized cost :**
  A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- **Debt instruments at amortised cost**
  A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in "Financial assets at amortised cost" are met. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
- **Financial assets at fair value through profit or loss:**
  FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

iv. Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

All financial liabilities are recognised initially at fair value, in case of loan and borrowings and payables, fair value is reduced by directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL).

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognised in the statement of profit or loss.

- **Loans and Borrowings**

  After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Group currently has enforceable legal right to offset the re-cognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Derivative financial instruments

The Group uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts does not qualify for hedge accounting under Ind AS 109, financial instrument and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.14 **Fair Value Measurement**

The Group measures financial instruments such as derivatives and Investment in Mutual Fund at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.15 **Employee Benefits**

a) Short Term Employee Benefits

All employee benefits expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund. The Group recognize contribution paid/payable under the provident fund is charged to statement of profit & loss account during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(ii) Defined benefit plan

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

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

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

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Other employment benefits:

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date.

3.16 **Government grants**

Government grants are recognized where there is reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an assets, it is recognised as income in equal amounts over the expected useful life of the related assets.

3.17 **Income tax**

Income tax expense comprises current tax and deferred tax.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

As per provision of Income tax Act 1961, the Company's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognised in the year in which the timing difference originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, where Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

MAT CREDIT

The Group recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent The Group does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

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

3.18 **Provisions**

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss, net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

3.19 **Contingent liabilities**

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

3.20 **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with on original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

3.21 **Cash dividend to equity holders of the Company**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution

is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.22 **Earnings per share**

Basic EPS is calculated by dividing the profit / loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.23 **Segment reporting**

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

4. Significant accounting judgements, estimates and assumption

The preparation of the Group's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue and expenses of construction contracts

As described in Note 3.5, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Property, plant and equipment
Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Service concession arrangement
The Cash flow model indicates the cash flow to be generated over the project lifecycle. The key inputs of the model comprise of revenue inflows (Toll / annuity), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

Amortization of Intangible Assets
The intangible assets which are recognized in the form of Right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date

Provision for periodical Major Maintenance
Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes on Accounts forming part of Consolidated Financial Statements

Note No. 5 - Property, Plant and Equipments

(₹ in Lakhs)

Particulars	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Assets Not put to use	Total Tangible Assets
Cost :									
As at 01/04/2015	**678.40**	**6279.21**	**1605.69**	**240.86**	**43768.59**	**423.55**	**5029.01**	**66.80**	**58092.11**
Addition	955.22	2691.00	0.10	135.54	10245.00	416.17	0.00	92.95	14535.98
Disposal	0.00	888.51	79.97	2.70	2451.90	59.62	0.00	66.80	3549.50
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	411.62	0.00	294.05	0.00	705.67
As at 31/03/2016	**1633.61**	**8081.70**	**1525.82**	**373.70**	**51973.31**	**780.10**	**5323.06**	**92.95**	**69784.25**
Addition	0.00	733.07	123.72	122.31	2405.16	146.81	0.00	694.87	4225.94
Disposal	45.70	0.00	0.00	0.00	3387.60	42.79	0.00	92.95	3569.04
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(40.76)	0.00	(120.58)	0.00	(161.35)
As at 31/03/2017	**1587.91**	**8814.77**	**1649.54**	**496.02**	**50950.11**	**884.12**	**5202.47**	**694.87**	**70279.81**
Accumulated Depreciation :									
As at 01/04/2015	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Addition	0.00	1147.73	186.91	142.77	8096.21	282.34	268.57	0.00	10124.53
Disposal	0.00	6.73	16.19	1.00	1602.01	42.11	0.00	0.00	1668.04
As at 31/03/2016	**0.00**	**1141.00**	**170.72**	**141.77**	**6494.20**	**240.23**	**268.57**	**0.00**	**8456.49**
Charge for the Year	0.00	1280.38	176.21	107.58	8333.59	167.20	270.51	0.00	10335.48
Disposal	0.00	0.00	0.00	0.00	2714.82	37.46	0.00	0.00	2752.28
As at 31/03/2017	**0.00**	**2421.39**	**346.93**	**249.35**	**12112.97**	**369.97**	**539.08**	**0.00**	**16039.69**
Net Book Value :									
As at 31/03/2015	**678.40**	**6279.21**	**1605.69**	**240.86**	**43768.59**	**423.55**	**5029.01**	**66.80**	**58092.11**
As at 31/03/2016	**1633.61**	**6940.70**	**1355.10**	**231.94**	**45479.11**	**539.86**	**5054.49**	**92.95**	**61327.76**
As at 31/03/2017	**1587.91**	**6393.38**	**1302.61**	**246.67**	**38837.14**	**514.15**	**4663.39**	**694.87**	**54240.12**

i. The Group has elected to continue with the carrying value for all of its Property, Plant Equipments as recognised in its previous GAAP financials, as deemed cost at the transition date i.e. April 1, 2015 as per option permits under Ind AS 101 for the first time adopter.

ii. The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard". Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year company has added ₹ -148.49 Lakh (₹ 637.07 Lakhs) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is Rs 1687.82 Lakhs (₹ 1220.18 Lakhs).

iii. The Company has applied the different estimated useful lives as specified in Schedule II in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. This changes result in a higher depreciation of ₹ 845.71 lakhs (₹ 784.99 lakhs) charged to profit and loss account.

iv. There are no restriction on title of property, plant and equipments and Intangible Assets.

v. There is no contractual commitment on acquisition of property, plant and equipment and intangible assets.

vi. Property, Plant and Equipment other than land have been pledged against Secured non-current borrowings in order to fulfill the collaterral requirement of the lenders.

Note No. 6 - Intangible Assets and Intangible asset under development

(₹ in Lakhs)

Particulars	Toll Collection Rights	Use Fee Rights	Software	Total	Goodwill on consolidation (Refer note (vi) below)	Intangible asset under development
Cost :						
As at April 1, 2015	**418974.60**	**107809.30**	**158.93**	**526942.83**	**13327.50**	**172868.50**
Addition on acquisition of subsidiary	144343.10			144343.10	7109.90	2715.00
Additions (refer note (i) below)	141346.40	14367.70	67.69	155781.79	0.00	126318.20
Foreign exchange differences (refer note (ii) below)	2347.60			2347.60	0.00	0.00
Adjustments (refer note (v) below)	(7.40)	(385.20)		(392.60)	0.00	(144003.80)
As at March 31, 2016	**707004.30**	**121791.80**	**226.62**	**829022.72**	**20437.40**	**157897.90**
Additions	149717.80	7395.80	24.78	157138.38	0.00	17524.10
Foreign exchange differences (refer note (ii) below)	(2553.30)			(2553.30)	0.00	0.00
Adjustments	7470.20	0.00	0.00	7470.20	0.00	(157113.50)
As at March 31, 2017	**861639.00**	**129187.60**	**251.40**	**991078.00**	**20437.40**	**18308.50**

Particulars	Toll Collection Rights	Use Fee Rights	Software	Total	Goodwill on consolidation (Refer note (vi) below)	Intangible asset under development
Accumulated Amortisation :						
As at April 1, 2015	**23302.60**	**1249.10**		**24551.70**	**0.00**	**0.00**
Charge for the year	11556.80	1629.10	87.46	13273.36	0.00	0.00
Adjustments				0.00	0.00	0.00
As at March 31, 2016	**34859.40**	**2878.20**	**87.46**	**37825.06**	**0.00**	**0.00**
Charge for the year	19749.10	1943.40	84.69	21777.19	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2017	**54608.50**	**4821.60**	**172.15**	**59602.25**	**0.00**	**0.00**
Net Block :						
As at 31/03/2015	**395672.00**	**106560.20**	**158.93**	**502391.13**	**13327.50**	**172868.50**
As at 31/03/2016	**672144.90**	**118913.60**	**139.16**	**791197.67**	**20437.40**	**157897.90**
As at 31/03/2017	**807030.50**	**124366.00**	**79.25**	**931475.75**	**20437.40**	**18308.50**

i. Toll collection rights also include premium paid / payable to Concessioning authorities under the concession agreement over the concession period. The present value of premium payable under the concession agreement of ₹ 1,01,594.50 Lakhs (includes Rs 23,627.20 Lakhs capitalised during the previous year) at the time of receipt of completion certificate from the authority has been included in the Toll Collection rights.

ii. The Group had adopted an option under Para 46A of AS 11 under previous GAAP which the Group has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard". Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.

iii. Toll collection right has been pledged against Secured non-current borrowings in order to fulfill the collateral requirement of the Lenders.

iv. Refer note 60 for additional disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA').

v. Adjustment in the gross block of user fee rights of Nil (March 31, 2016: ₹ 385.20 Lakhs)is on account of revision in the price escalation formula as per recommendation made by Technical Expert Committee appointed by steering committee of project.

vi. The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. As at March, 2017 it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. It was concluded that the fair value exceeds the value in use.

vii. In terms of the Concession agreement, deposits for electricity supply is considered as a part of the project cost, accordingly, capitalized under the User fee rights.

Note No. 7 - Investment Property

(₹ in Lakhs)

Particulars	Land	Assets Not put to use
At Cost :		
As at April 1, 2015	**199.40**	**199.40**
Addition	8.90	8.90
Disposal		-
As at March 31, 2016	**208.30**	**208.30**
Addition		-
Disposals		-
As at March 31, 2017	**208.30**	**208.30**
Accumulated Depreciation :		
As at April 1, 2015		**-**
Charge for the year		-
Disposals/ Adjustments		-
As at March 31, 2016	**-**	**-**
Charge for the year		-
Disposals/ Adjustments		-
As at March 31, 2017	**-**	**-**
Net Amount :		
As at April 1, 2015	**199.40**	**199.40**
As at March 31, 2016	**208.30**	**208.30**
As at March 31, 2017	**208.30**	**208.30**

1. The Group has elected to continue with the carrying value for all of its Investment property, as recognised in its previous GAAP financials, as deemed cost at the transition date i.e. April 1, 2015 as per option under Ind AS 101 for the first time adopter.
2. There are no income arise from above investment properties. Further, the group has not incurred any expenditure for above property.
3. The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
8 Investments			
8.1 **Investments in Unquoted Equity Instruments of Associated Companies**			
Mumbai Nasik Expressway Limited	0.00	0.00	2043.50
Nil (March 31, 1016: Nil and April 1, 2015: 1,04,00,000) Fully paid up Equity Shares of ₹ 10/-each	**0.00**	**0.00**	**2043.50**
Nil (March 31, 1016: Nil and April 1, 2015: 1,04,00,000) shares are pledged with lenders out of Nil (March 31, 1016: Nil and April 1, 2015: 1,04,00,000) held by the company Equity Shares			
8.2 **Investments in Equity Instruments of Other Companies**			
(a) 25,000 (March 31, 2016: 25,0000 and April 1, 2015: 25,000) Fully Paid up Equity Shares of Saket Projects Ltd. of ₹ 10/- each	2.50	2.50	2.50
(b) 900 (March 31, 2016: 900 and April 1, 2015: 900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK$ 1/- each	0.06	0.06	0.06
(c) 5,55,370 (March 31, 2016: 5,55,370 and April 1, 2015: 5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of ₹ 10/- each	55.54	55.54	55.54
	58.10	**58.10**	**58.10**
8.3 **Investments in Bonds and Debentures**			
(a) 9.5% 20 (March 31, 2016: 20 and April 1, 2015: 20) Bonds of Yes Bank of ₹ 10,00,000/- each	200.00	200.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	27.57	27.57	27.57
(c) 12.5% 10 (March 31, 2016: 10 and April 1, 2015: 10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each.	100.00	100.00	100.00
	327.57	**327.57**	**327.57**
8.4 **Other Investments**			
Investment in NSC (NSCs are pledged with PWD Odisha)	14.98	13.89	13.00
	14.98	**13.89**	**13.00**
8.5 **Investment in Perpetual Debts** (refer note (i) below)	0.00	0.00	15388.90
	0.00	**0.00**	**15388.90**
Total	**400.68**	**399.56**	**17831.07**

Aggregate Value of Un-Quoted Investment ₹ 400.68 Lakhs (399.56 Lakhs)

Notes:

(i) Investment in perpetual debts in form of Subordinate debts are interest free, redeemable at issuer's option and redemption can be deferred indefinitely.

(ii) Fair value disclosures for financial assets are given in Note 47.

(iii) **Details of Investments in Unquoted Units of Mutual Funds :** (₹ in Lakhs other than figures in bracket)

ICICI Prudential Liquid-Money Market Fund-Regular Plan-Growth	-	(-)	150.10
	(-)	(-)	(77,671.99)
ICICI Prudential Liquid - Regular Plan - Growth	-	708.80	122.54
	(-)	(2,52,209.71)	(59,241.33)
ICICI Prudential Ultra Short Term Plan - Growth	-	259.10	(-)
	(-)	(16,96,897.61)	(-)
IDBI Liquid Fund-Growth	-	121.94	110.28
	(-)	(7,534.25)	(7,367.39)
ICICI Prudential Flexible Income plan	30.11	(-)	(-)
	(9,650.77)	(-)	(-)

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
HDFC Mutual Fund Cash Management Growth Option	1,679.56	(-)	(-)
	(48,88,254.59)	(-)	(-)
Reliance Liquid Fund- Cash Plan-Growth Option	1,042.27	(-)	(-)
	(40,966.68)	(-)	(-)
Reliance Short Term Fund-Growth Plan Growth Option	1,410.09	(-)	(-)
	(45,75,731.70)	(-)	(-)
L & T Ultra Short Term fund - Growth	75.86	1,180.48	(-)
	(2,85,625.02)	(48,01,640.56)	(-)
UTI Floating rate Fund - Direct Growth	300.39	(-)	(-)
	(11,313.86)	(-)	(-)
Axis Liquid Fund - Direct Growth	850.55	(-)	(-)
	(47,168.33)	(-)	(-)
Principal PNB Fixed Maturity -Regular Plan Growth	-	(-)	108.00
	(-)	(-)	(1,00,000.00)
SBI Savings Fund - Regular Plan - Growth	193.75	166.58	(-)
	(7,64,740.90)	(7,08,768.63)	0.00
	5582.58	**2436.90**	**490.92**

The figures mentioned in bracket represent absolute number of investment units.

9 Trade Receivables

Unsecured considered good	3587.28	3784.45	2926.68
Total	**3587.28**	**3784.45**	**2926.68**

Notes:

(i) No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. For terms and conditions relating to related party receivables, refer Note 52.

(ii) Fair value disclosures for financial assets are given in Note 47.

10 Receivable under Service Concession Arrangement (Unsecured considered good)

Receivable under Service concession arrangements	20120.30	20109.10	22053.20
Total	**20120.30**	**20109.10**	**22053.20**

Notes:

(i) Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".

The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs.

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA. The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements".

(ii) Refer note 60 for additional disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA').

(iii)"Fair value disclosures for financial assets are given in Note 47."

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
11 Other Financial Assets			
(i) Swap and Option Account	6067.07	3742.57	2358.19
(ii) Security & Other Deposits	44.90	50.00	51.50
(iii) Bank Deposits with more than 12 months Maturity	2.13	2006.02	2551.72
(iv) Annuity Receivable	58437.90	38573.30	7078.50
(v) In earmarked Accounts			
For Margin Money	13.95	3.50	5.41
Total	**64565.95**	**44375.39**	**12045.32**
Notes: Refer Note 21			
12 Deferred Tax Assets (Net)			
Deferred Tax Assets (Net)	2957.49	0.00	0.00
Total	**2957.49**	**0.00**	**0.00**
Notes: Refer note No. 45			
13 Other Non Current Assets			
13.1 **Capital Advance**			
Advances to Suppliers for Fixed Assets	819.93	589.03	6318.28
13.2 **Advance other than capital Assets**			
(a) Security & Other Deposits	1498.52	25.10	25.60
(b) Advances for Goods and Services	195.69	259.21	909.99
(c) Tax Credit and Receivables	2447.60	1988.10	913.00
(d) Advance Income Tax	716.80	1567.60	2068.90
(e) Unamortized processing fees	838.40	0.00	0.00
(f) Unamortized Option Premium/discount on debenture	144.10	336.70	529.30
(g) Others	0.00	1.50	0.00
Total	**6661.04**	**4767.24**	**10765.07**
14 Inventories			
(a) Construction Materials (Refer Note No. 38)	10297.55	12628.54	20112.79
(b) Work in Progress (Refer Note No. 39)	511.39	511.39	511.39
(c) Stores & Spares	1526.87	964.76	712.99
Total	**12335.81**	**14104.69**	**21337.16**
Construction material and stores & spares are valued at cost or Net Realizable Value which ever is lower & Work in progress is valued at contract rates.			
15 Current Investments			
Unquoted			
Investment in Units of Mutual Fund	5582.60	2675.60	490.90
Total	**5582.60**	**2675.60**	**490.90**
Notes: Refer Note 8			
16 Trade Receivables			
(Unsecured considered good)			
(i) Receivable from related parties	37261.66	35992.18	24807.09
(ii) Receivable from Others	121856.18	44863.18	42269.83
Total	**159117.84**	**80855.36**	**67076.92**

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
17 Cash and Cash Equivalents			
17.1 **Balance with Banks**			
(a) In Current Accounts	4831.40	6313.95	13562.32
(b) In Fixed Deposit Accounts	1026.42	3671.28	3550.30
	5857.82	**9985.23**	**17112.62**
17.2 **Cash On Hand**	477.68	415.89	279.03
Total	**6335.50**	**10401.12**	**17391.66**

Notes:

(i) Balances with Banks includes balances of ₹ 3598.20 Lakhs (March 31, 2016 ₹ 4321.20 Lakhs and April 1, 2015 ₹ 7658.30 Lakhs) lying in the Escrow Accounts are offered as a security against borrowings as per terms of borrowings with the lenders.

(ii) Balance with Banks in fixed deposit include balance of ₹ Nil Lakhs (March 31, 2016: ₹ 2521.00 Lakhs and April 1, 2015: ₹ 3300.30 Lakhs) being the deposit earmarked for Debt Service Reserve (DSR) of term loan of BHTPL.

(iii) Cash on hand include amount collected towards toll charges / user fee, pending deposit with the bank.

(iv) Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of ₹ 14,054.10 Lakhs.

(v) Fair value disclosures for financial assets are given in Note 47.

18 Bank balance other than Cash and Cash Equivalents			
In earmarked Accounts			
(i) Unclaimed Dividend	4.75	4.77	4.66
(ii) Maturity more than 3 months but not more than 12 months*	1233.00	210.80	526.20
(iii) Unpaid Right Issue Money	0.01	0.01	0.01
(iv) Unpaid Share Application Refund Money	1.20	1.20	0.00
Total	**1238.96**	**216.78**	**530.88**

* Refer note 17

19 Loans			
Unsecured, considered good			
Loans to related parties			
Inter-Corporate Loans	1703.80	1703.70	5569.00
Total	**1703.80**	**1703.70**	**5569.00**

(a) Fair value disclosures for financial assets are given in Note 47

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

20 Receivable under Service Concession Arrangement (Unsecured considered good)			
Receivable under Service concession arrangements*	17871.30	3839.60	3839.60
Total	**17871.30**	**3839.60**	**3839.60**

* Refer note no. 10

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
21 Other Current Financial Assets			
(i) Interest Accrued But Not Due on Investments	36.29	62.89	581.46
(ii) Security & Other Deposits	20839.35	15610.93	13168.39
(iii) Grant Receivable from concessionaire authorities (refer note (i) below)	643.40	2993.80	6290.60
(iv) Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope (refer note (ii) below)	4720.90	1170.50	831.40
(v) Receivable from Toll Suspension (refer note (iii) below)	3811.10	0.00	0.00
(vi) Receivable Against Sale of Assets and Services	50.70	157.53	1394.78
(vii) Recoverable in Cash			
Due from others	2770.12	3069.47	1846.92
Total	**32871.86**	**23065.12**	**24113.55**

Note :

(i) As per the respective Concession Agreements between ARRIL and Ahmedabad Urban Development Authority (AUDA) and, between BRTPL & RHTPL and NHAI, ARRIL, BRTPL and RHTPL are entitled to receive grant of ₹ 3600.00 Lakhs, ₹ 26,640.00 Lakhs and ₹ 21,150.00 Lakhs, respectively for meeting the part project cost subject to the conditions laid down in the Concession Agreements. Upto March 31, 2017 the said companies have received grant of ₹ 2957.60 Lakhs, ₹ 26,640.00 Lakhs and ₹ 21,149.00 Lakhs in ARRIL, BRTPL and RHTPL, respectively. Also, ARRIL and RHTPL have grant of ₹ 642.40 Lakhs and ₹ 1.00 lakh, respectively as receivable since the conditions of the Concession Agreement related to grant have been met.

(ii) Receivable from concessionaries authorities includes amount receivable in one of the subsidiaries Aurangabad Jalna Tollway Limited ('AJTL') where Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. How ever the government has not prepared any policy or modalities by which the AJTL will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the said subsidiary has recog nised revenue of toll collection of ₹ 2284.50 Lakhs for the period 01-06-2015 to 31-03-2017 (which includes ₹ 1379.90 Lakhs for the year ended March 31, 2017), in respect of exempted vehicles based on the projections submitted to Maha rashtra government under the concession agreement. The Government of Maharashtra has paid amount of ₹ 529.50 Lakhs till March 31, 2017 to the aforesaid subsidiary company in this respect and AJTL expects to receive the balance amount.

(iii) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the group has claimed and recognised revenue of ₹ 5978.80 Lakhs during the year. As at March 31, 2017, the group has received ₹ 2067.70 Lakhs against such claim from NHAI and the balance is still receivable.

(iv) Fair value disclosures for financial assets are given in Note 47.

22 Current Tax Assets (Net)			
Advance Income Tax (Net of Provision)	**6041.54**	**13320.97**	**7384.22**
23 Other Current Assets			
23.1 **Advances other than capital advances**			
(a) Advances for goods and Services	10172.86	14031.74	14468.53
(b) Advances to Others	158.43	67.45	4460.48
Total	**10331.29**	**14099.19**	**18929.01**
23.2 **Others**			
(a) Advance Sales Tax & Service Tax	3272.73	3397.92	4012.96
(b) Prepaid Expenses	1817.74	1196.94	1551.53
(c) Group Gratuity Fund	46.24	0.00	7.25
(d) Unamortised option Premium/discount on debenture/processing fees	201.10	201.10	201.10
(e) Unbilled Revenue	222.10	150.90	0.00
(f) Others	34.40	34.40	661.80
	5594.31	**4981.26**	**6434.64**
Total	**15925.60**	**19080.45**	**25363.64**

(₹ in Lakhs)

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
24 Equity & Share Capital				
(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re.1/- each		2000.00	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171570800 (171533800) Equity Shares of Re.1/- each with voting rights		1715.71	1715.34	1715.01
(c) Reconciliation of Nos. of Equity Shares with voting rights:				
Outstanding at the beginning of the Period	(Nos.)	171533800	171500800	-
Addition during the period towards ESOP	(Nos.)	37000	33000	-
Outstanding at the end of the Period	(Nos.)	171570800	171533800	171500800

(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 31.03.2017		As at 31.03.2016		As at April 1, 2015	
	No. of shares	% age	No. of shares	% age	No. of Shares	% age
Vishnubhai M. Patel	28124920	16.39%	23543220	13.73%	23429220	13.66%
Sadbhav Finstock Private Limited	16545275	9.64%	16545275	9.65%	16545275	9.65%
Shantaben V. Patel	14715375	8.58%	14715375	8.58%	14715375	8.58%
ICICI Prudential Value Discovery Fund	9206830	5.37%	9206830	5.37%	10719680	6.25%
HDFC Trustee Co. Ltd.	9152444	5.33%	14121609	8.23%	13271678	7.74%

		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
(f) Shares reserved for Issue under ESOP @ ₹ 50/-per share (Face Value Re.1/-)	(Nos.)	Nil	37000	72000

The activity in the ESOP-2008 during the year ended at March 31, 2017 is set out below:

Particulars	31.03.2017		31.03.2016	
	Average exercise price per option	Number of option	Average exercise price per option	Number of option
Option outstanding in the beginning of the Year	50.00	37000.00	50.00	72000.00
Option granted during the Year end				
Less: Exercised	50.00	37000.00	50.00	33000.00
Less :Forfeited/Lapsed			50.00	2000.00
Option outstanding at the Year end		0		37000.00
Option exercisable at the Year end		0		37000.00

As at March 31, 2017 No equity shares have been kept reserved for issue against the outstanding options. All shares have been exercised prior to the balance sheet date.

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

(₹ in Lakhs)

		As at March 31, 2017	As at March 31, 2016
25	**Other Equity**		
(a)	Capital reserve		
	As per Last Balance Sheet	31982.85	31982.85
	Closing Balance	**31982.85**	**31982.85**
(b)	Security Premium Reserve		
	As per Last Balance Sheet	56564.51	56524.88
	Addition during the year	569.64	39.63
	Less : QIP Expenses	0.00	0.00
	Closing Balance	**57134.15**	**56564.51**
(c)	Debenture Redemption Reserve		
	As per Last Balance Sheet	10092.10	10092.10
	Addition during the year	2243.40	0.00
	Closing Balance	**12335.50**	**10092.10**
(d)	Shares Options Outstanding Account		
	As per Last Balance Sheet	26.30	51.19
	Addition during the year	0.00	0.00
	Less transferred to Security Premium Account	26.30	24.89
	Closing Balance	**0.00**	**26.30**
(e)	General Reserves		
	As per Last Balance Sheet	11160.18	10160.18
	Addition during the year	1000.00	1000.00
	Closing Balance	**12160.18**	**11160.18**
(f)	Other Comprehensive Income		
	As per Last Balance Sheet	68.40	(3.60)
	Addition During the Year	(267.97)	72.00
	Closing Balance	**(199.57)**	**68.40**
(g)	Equity Component of Compound Financial Instruments		
	As per Last Balance Sheet	1796.60	0.00
	Addition during the year	(1796.60)	1796.60
	Closing Balance	**0.00**	**1796.60**
(h)	Profit and Loss account		
	As per Last Balance Sheet	(12,502.88)	(650.95)
	Changes as per Ind AS	0.00	0.00
	Add: Loss of Subsidiary for earlier years transferred (net)	0.00	921.63
	Net Profit for the year	(5,404.00)	(10,328.10)
	Appropriations:-	0.00	0.00
	Transfer to general reserves	1000.00	1000.00
	Dividend Paid	1201.25	1200.97
	Tax on Dividend Paid	244.55	244.49
	Add adjustment on account of acquisition of non-controling interest	1708.50	-
	Equity Transactions	191.57	-
	Transfer to Debenture Redemption reserves	2243.40	0.00
	Closing Balance	**(24496.15)**	**(12502.88)**
	Total	**88916.96**	**99188.06**

(i) The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the company available for payment of dividend. RR is required to be created for an amount which is equal to 25% of the value of debentures issued. Though the DRR is required to be created over the life of debentures, the Group has upfront created DRR out of retained earnings. Further, the Group has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve.

(ii) During the previous year, pursuant to the IPO, share issue expenses amounting to ₹ 2380.70 lakhs were debited to Securities Premium account in terms of section 52(2)(c) of the Companies Act, 2013.

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
26 Long Term Borrowings			
(a) Bonds/Debentures			
(Secured)			
Secured redeemable non-convertible debentures (NCD)			
(a) ICICI Bank - 120 (March 31, 2016: 160 and April 1, 2015: 180) debentures of ₹ 1 Crore each	0.00	11860.42	16000.00
(b) HDFC Asset Management Co.Ltd.-1200 (March 31, 2016: 1200 and April 1, 2015: 1200) debentures of 10 Lakh each	8400.00	12000.00	11959.87
Add : Accrued amount of Premium on Redemption	1190.20	798.25	201.73
(c) 2,000 (31 March 2016: 2,000 and April 1, 2015: 2000) Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each	20000.00	20000.00	20000.00
(d) 1,600 (31 March 2016: 1,600 and April 1, 2015: 1600) Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each	16000.00	16000.00	16000.00
(e) 1,405,405 (31 March 2016: 1,405,405 and April 1, 2015: 1,405,405) Non Convertible Debentures of ₹ 1,000/- each	14054.10	14054.10	14054.10
(f) 55,883 (31 March 2016: 19500 and April 1, 2015: Nil) Non Convertible Debentures of ₹ 100,000/- each	55388.10	19484.00	0.00
(g) 4,87,500 (31 March 2016: 5,00,000, April 1, 2015: Nil) Non Convertible Debentures of ₹ 10,000/- each	48699.30	49943.00	0.00
(h) 2000 (31 March 2016: Nil and April 1, 2015: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000 each	20000.00	0.00	0.00
(i) 1000 (31 March 2016: Nil and April 1, 2015: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000 each	10000.00	0.00	0.00
	193731.70	**144139.77**	**78215.70**
Less Deferred Processing Fees	0.00	89.89	134.83
Less Current current maturity of NCDs	4737.80	2040.80	0.00
Total	**188993.90**	**142009.08**	**78080.87**

Detail of Security for Loan taken by the Company

(a) ICICI Bank - 120 debentures of ₹ 1 Crore each

(i) Residual charge over all the movable assets of the company

(ii) 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)

(iii) Pledged in favour of ICICI Bank Ltd. 3,52,22,522 (March 31, 2016: 3,52,22,522 and April 1, 2015: 3,10,96,308) number of equity shares of Sadbhav Infrastructure Project Ltd.

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

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

(i) Pledge of 62,58,060 (March 31, 2016: 62,58,060 and April 1, 2015: 62,58,060) shares of Sadbhav engineering Ltd. by Sabhav Finstock Pvt. Ltd.

(ii) NDU and negative lien to be provided by promoter on 3% equity shares of Sadbhav Engineering Ltd.

(iii) Agriculture Land Situated at Sonarda, Gandhinagar held by Bhavnaben Patel, Truptiben Patel, Dipakbhai Patel and Vishnubhai Patel.

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

Repayable during the year	No. of Instalments	Maturity Amount
2017-18	5	15998.95
2018-19	1	3999.02
2019-20	1	5591.18

Debentures redeemable during the year 2017-18 are shown under 'Current Maturity of Long Term Debts' (Note No 32 'Other Financial Liabilities')

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
(b) Term Loans			
Secured			
(i) From Banks:-			
(a) Foreign Currency Term Loan (ECB)	68886.91	74065.43	92669.72
(b) Rupee Term Loan	568752.08	573184.90	441236.85
	637638.99	**647250.33**	**533906.57**
Less Deferred Processing Fees	0.00	49.55	96.57
Less Current maturity	17171.50	12354.90	12360.90
	620467.49	**634845.88**	**521449.10**

Detail of Security

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

(ii) From Financial Institutions	16485.15	26955.12	28013.54
Detail of Security			
Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.			
	825946.5	**803810.1**	**627543.5**

Payable During Years	Payable Amount	
	To Banks	To Financial
2017-18	6475.61	3406.16
2018-19	5778.60	1321.70
2019-20	4994.87	791.94
2020-21	4753.56	228.16
2021-22	3154.18	10.45

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 8.47% to 12.14%. 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 2017-18 are shown under 'Current Maturity of Long Term Debts' (Note No 2.9 'Other Current Liabilities')

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

(i) Redeemable Non-Convertible Debentures (NCDs) issued by SIPL

(a) 2,000 Redeemable Non-Convertible Debentures (NCDs)

1. NCDs are secured by (i) first ranking charge created on 10,71,198 equity shares of the SIPL in the Rohtak Panipat Tollway Private Limited; (ii) the Corporate Guarantee by the Company (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of Year 3 and Year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the SIPL shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

(b) 1,600 Redeemable, Non Convertible debentures (NCD):

1. NCDs are secured by (i) an unconditional , irrevocable and continuing corporate guarantee from the Company, covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of the company by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palesner Tollway Limited (DPTL) representing 46,082,466 equity shares. However, pending for pledge of the shares of DPTL with lender, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,540 equity shares have been pledged. (iv Working Capital Demand Loan (WCDL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	18-Apr-18
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

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

(c) 1,405,405 Redeemable Non Convertible debentures (NCD)

1. NCDs are secured by (i) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by SIPL and SEL. (ii) Unconditional and irrevocable corporate guarantee from the Company and personal guarantee of the Promotors i.e. Vishnubhai M. Patel. (iii) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the SIPL. (iv) All bank account & assignment of all contract, documents, insurance, clearances and interest of the SIPL.

2. Terms of repayments are as under

NCD is having a floating interest rate carrying from 12.74% to 11.96 % which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.

SIPL shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the minimum yield on the entire facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(d) 3,000 Redeemable , Non Convertible debentures (NCD):

1. NCDs are secured by (i) Pledge of 15% shareholding of Shreenathji-Udaipur Tollway Private Limited representing 5,061,486 equity shares held by the SIPL. (ii) Pledge of 16% shareholding of Maharashtra Border Check Post Network Limited representing 8,000 equity shares held by the SIPL. (iii) Pledge of 18.99% shareholding of Hyderabad Yadgiri Tollway Private Limited representing 616,663 equity shares held by the SIPL. (iv) Pledge of 49% shareholding of Aurangabad-Jalna Tollway Limited representing 965,816 equity shares held by the SIPL. (v) Pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 1,464,400 equity shares held by the SIPL. (v) A first charge over the Designated A/c-Debenture Payments and all funds and monies lying therein present & future.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment
Series I	50	2.60%	Bullet Repayment
Series II	50	2.60%	Bullet Repayment
Series III	50	2.60%	Bullet Repayment
Series IV	50	2.60%	Bullet Repayment
Series A	25	0%	Bullet Repayment
Series B	25	0%	Bullet Repayment
Series C	25	0%	Bullet Repayment
Series D	25	0%	Bullet Repayment

The debenture holders at the end of Year 3 shall have the right to seek prepayment / early redemption of Series III and Series IV debentures in full. Thereupon, the SIPL shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture Trust Deed.

(ii) Redeemable Non-Convertible Debentures (NCDs) issued by the step-down Subsidiaries:

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets
- An assignment by way of security over all the borrower`s right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower
- The Security created under The Debenture Trust Deed shall rank pari passu inter se, amongst The trustees.

(a) NSEL

19,500 Redeemable, Non Convertible Debentures (NCD):

Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series A	10,000	8.72%	Bullet Repayment	01-Aug-17
Series B	9,500	8.91%	Bullet Repayment	01-Aug-17

At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant debenture holders the unpaid Interest on such debentures, accrued upto such redemption date.

The redemption of debenture for SERIES A (8.72%) shall be made in 18 semi annually installments while for SERIES B (8.91%) shall be made in 15 Semi annually installments on the first day of each half year i.e. 1st February and 1st August of the year ,commencing from 1st August 2016.

Interest on such Debentures shall be paid along with the Redemption of Debentures on the same day i.e. 1st February and 1st August of each year.

(b) DPTL

4,87,500 Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

Non convertible debentures are repayable in 40 consecutive quarterly installment commencing from 5th Apr 2016 to 5th Dec 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10th Mar 2016.

The NCD carry fix interest rate of at 9.4 per cent per annum as on March 31, 2017.

(c) BHTPL

24,983 Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

The redemption of debenture shall be made in 148 monthly installments on the last day of each month, commencing from 31 May, 2016. The T1 NCD carry interest of 9.40% as on March 31, 2017.

(d) HYTPL

12,000 Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

The redemption of debenture shall be made in 59 quarterly instalments on the last day of each quarter, commencing from 15 September, 2016 and last date of Instalment is March 15, 2031.

The NCD carry interest at 5 years benchmark rate plus 1% as spread i.e. 9.5 per cent per annum as on March 31, 2017.

(iii) Rupee Term Loans from ICICI bank availed by SIPL, a subsidiary company.

The SIPL has pre-paid entire loan on September 16, 2015 in accordance with mandatory prepay clause of loan agreement in the previous year. The loan was carrying a floating interest rate based on bank base rate + spread i.e. 13.50%.

(iv) Rupee Term Loans favailed by MBHPL, a subsidiary company.

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

(a) first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;

(b) first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;

(c) first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Facilities Agreement and the Supplementary Escrow Agreement, or any other Project Documents and all funds from time to time deposited therein, the Receivables and all Authorised Investments or securities;

(d) first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings, intellectual property and uncalled capital present and future excluding the Project Assets.

(e) assignment by way of security in:
all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
the right, title and interest of the Company in, to and under all the Governmental Approvals;
all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

(f) pledge of 51% (fifty one percent) of the issued and paid up equity shares of the Company held by Sadbhav Engineering Limited and GKC Projects Limited till Final Settlement Date, provided if as on the COD , in the opinion of the Facility Providers, no event of default is subsisting, shares representing 25% (twenty five percent) of the issued and paid up equity shares of the Company may stand released and accordingly, pledge of 26% (twenty six percent) shall continue till the Final Settlement Date.

(g) Corporate Guarantee from Sadbhav Engineering Limited guaranteeing the repayment of the Secured Obligations.
Provided that:
-the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares shall in all respects rank pari-passu inter-se amongst the Senior Lenders in accordance with the Loan Agreement, without any preference or priority to one over the other or others;
-the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares stipulated in para 1 to 7 above other than the assignment as stipulated in para 5 shall be shared by the Senior Lenders on pari-passu basis with the WC lenders in accordance with the Loan Agreement, without any preference or priority to one over the other or others;
Provided further that the charge over the receivables stiuplated in para 3 above for the benefit of the WC lenders would not include the Termination Payment, and
-the Security Interest stipulated in para 1 to 6 above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) Terms of Repayment of Loans:

(a) The Principal amounts of the Loan is repayable to the Lenders in 14 half yearly structured installments , commencing from the First Repayment date (September 30, 2017) on the last day of each Half Year in the amounts equivalent to the percentage of the total amount of loan, which is stated against the corresponding half year expiry in the Amortisation Schedule. The Company has the option to prepay the loan after the payment of Prepayment Premium.

(iv) Rupee Term Loans and Foreign Currency Loans from banks and other parties availed by step-down Subsidiaries are secured by:

1. a first mortgage and charge on all the step-down subsidiary's immovable properties, both present and future, save and except the Project Assets;
2. a first charge on all the step-down subsidiary's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
3. a first charge over all accounts of the step-down subsidiary's including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project documents and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.

4. a first charge on all intangibles assets of the step-down subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
5. a first charge on assignment by way of security in:
   -all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
   -charge/ assignment on all the intangible assets of the step-down subsidiary (Other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the step-down subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
   -all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
6. pledge of equity shares held by the SIPL and other promoters of the step-down Subsidiary as stipulated in the Loan Agreements.
7. the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

Terms of Repayment of borrowings availed by step-down Subsidiaries :

(a) ARRIL

Term loans include loan amounting to ₹ 30205.20 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 33675.60 Lakhs and April 1, 2015: ₹ 35472.40 Lakhs) taken from a consortium consisting of a bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.
As at March 31, 2017, the loans carries average interest rate of 10.40 per cent to 11.05 per cent per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.
As at March 31, 2017, the loan carries average interest rate of 12.00 per cent per annum.

(b) AJTL

Term loans include loan amounting to ₹ 22135.50 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 15394.40 Lakhs and April 1, 2015: ₹ 16549.30 Lakhs) taken from a consortium consisting of a bank and finance institutions.

Indian Rupee Term Loans from Banks & Other Party :

The Company had Refinance option from ICICI Bank of ₹ 22449.80 Lakhs. In Refinance option the Principal Amounts of the Loan to each of the Lenders are repayable in 53 equal quarterly installments commencing from September 30, 2016 . As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by March 31, 2030. Similary, the Company also has the option to prepay the loans.
As at March 31, 2017, term loans carry interest rate of 9.35 per cent to 10.05 per cent per annum.

(c) BHTPL

Term loans include loan amounting to ₹ 58180.80 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 84351.00 Lakhs and April 1, 2015: ₹ 85691.50 Lakhs) taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders is repayable in unequal 161 monthly installments on the last day of each month , commencing from 31 May, 2016. Further, The company has taken overdraft which is repayable in unequal 149 monthly installments on the last day of each month,commencing from 31st May, 2016.
The Loans carries interest of 9.05% to 9.75% percent as on March 31, 2017.

Foreign Currency loan from Bank:

Foreign currency loan is repayable in 10 unequal semi-annual installments commencing from 30th June 2014.
The BHTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(d) HYTPL

Term loans include loan amounting to ₹ 25982.20 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 38889.90 Lakhs and April 1, 2015: ₹ 38723.80 Lakhs) taken from a consortium consisting of a bank and financial institutions.

Indian Rupee Term Loans from Banks & Other Party :
The Principal Amounts of the Loan to each of the Lenders shall be repayable in 180 structured Monthly instalments on the last day of each Month, commencing from the April 15, 2017 and last date of Instalment is March 15, 2031. Term loans carry interest at bank base rate plus 0.70% as spread i.e. 10.20 per cent per annum as on March 31, 2017.

Foreign Currency loan from Bank:
Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29,2013). The Loan carry interest at LIBOR plus 470 basis points i.e. 6.13 per annum as on March 31, 2017.

(e) MBCPNL
Term loans include loan amounting to ₹ 105707.50 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 103863.70 Lakhs and April 1, 2015: ₹ 95155.70 Lakhs) taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:
The long term loans from the banks carry interest rate from 11.25 % to 11.30% per annum. Such loan is repayable in 50 quarterly installments commencing from last day of 15th quarter from the first disbursement i.e. 20th March 2010.

(f) RPTPL
Term loans include loan amounting to ₹ 100350.20 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 100939.30 Lakhs and April 1, 2015: ₹ 99340.70 Lakhs) taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks & Other Party:
The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly installments on the last day of each quarter, commencing from the expiry of monotarium period (22 quarters from initial drawdown date i.e. March 30th, 2011). The last date of installment is March 31, 2027. Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60 to 12.10 per cent per annum as on March 31, 2017.

Foreign Currency loan from Bank:
Foreign Currency loan from Bank shall be repayable in 6 unequal semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual installments, the Company propose to convert balance loan amounting to USD 378.30 Lakhs into a new Rupee Term Loan. The Company pays interest at LIBOR plus 4.70 basis points per annum on the foreign currency loan.

(g) SUTPL
Term loans include loan amounting to ₹ 81783.60 lakhs as on March 31, 2017 (March 31, 2016: ₹ 81369.70 Lakhs and April 1, 2015: ₹ 63207.40 Lakhs) taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:
The Principal amounts of the Loan is repayable to the Lenders in 138 structured monthly installments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs i.e 30 November 2016.

(h) BRTPL
Term loans include loan amounting to ₹ 27420.40 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 25766.20 Lakhs and April 1, 2015: ₹ 12450.90 Lakhs) taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:
The Principal amount of the Loan is repayable to the Lenders in 174 structured monthly installments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.
As at March 31, 2017, term loans carries average interest rate of 11.50 per cent per annum.

(i) RHTPL
Term loans include loan amounting to ₹ 94423.70 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 85887.20 Lakhs and April 1, 2015: ₹ 43745.10 Lakhs) taken from a consortium consisting of a banks.

Term Loans from Banks:
The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly installments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.
As at March 31, 2017 term loans carries interest of 11.70 per cent per annum.

(j) DPTL

Term loans include loan amounting to ₹ 52742.00 Lakhs as on March 31, 2017 (March 31, 2016: ₹ 53344.50 Lakhs) taken from a consortium consisting of banks.

Company had refinanced loan facility during previous year and new rupee loan facility is repayable in 43 consecutive quarterly installment commencing from 5th Jan 2016 to 5th July 2026 on the repayment dates and in percentage as mentioned in amortization schedule as set forth in schedule XIII of the Common Loan Agreement executed on 28th Sep 2015. Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.95% per cent per annum as on March 31, 2017.

(v) Default and breaches

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. Group has satisfied all the debts covenants prescribed in the terms of respective loan agreement as at reporting date, except in one of the subsidiary (RPTPL), has not been able to meet one of the covenants viz debt service coverage ratio as at the end of the year. In the opinion of the management, this does not have any financial or other implication as regards these financial statement.

(vii) Fair value disclosures for financial liabilities are given in Note 47.

(₹ in Lakhs)

Particulars	As at March 31, 2017	March 31, 2016	As at April 1, 2015
27 Other Financial Liabilities			
(i) Advance Received for sale of Shares	0.02	0.02	0.00
(ii) Security & Other Deposits from Sub-contractors	788.44	286.06	701.25
(iii) Advance Received from Debtors	211.60	0.00	0.00
(iv) Interest accrued on premium obligation**	2260.60	1091.60	238.30
(v) Interest accrued but not due on NCD	6525.70	3216.40	94.10
(vi) Premium Obligation under Concession Agreement	113742.10	102887.90	79807.10
(vii) Deferred Premium Obligation	18720.80	11744.10	5513.70
	142249.26	**119226.08**	**86354.45**

Notes :

(i) In case of subsidiaries, HYTPL, SUTPL and RPTPL the premium obligation under the Concession Agreement of ₹ 80614.00 Lakhs as at March 31, 2017 has been deferred by NHAI. As per the Ministry of Road Transport & Highways policy of NHAI, where the premium obligation under the concession agreement is deferred, the Group is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a.which is charged to Statement of Profit & Loss account for the year and obligation on the same has been recognised as liabilities. Such deferred premium obligation along with interest thereon is payable no later than one year prior to the expiry of the concession period.

(ii) Fair value disclosures for financial assets are given in Note 47)

28 Long-Term Provisions			
Provision for Employee Benefits			
Provision for Gratuity (Refer Note 50)	157.10	99.21	36.00
Perodic Major Maintenance (Refer note 54)	16004.00	14652.40	6524.10
Total	**16161.10**	**14751.61**	**6560.10**
29 Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities (Net) Refer Note 45	5883.30	7895.62	15.78
	5883.30	**7895.62**	**15.78**

(₹ in Lakhs)

	As at March 31, 2017	March 31, 2016	As at April 1, 2015
30 Short-Term Borrowings			
30.1 **Loans repayable on demand**			
Secured			
Short Term Loans From Banks	53600.80	32325.34	25481.62
Overdraft due to Issuance of Cheques	18331.94	0.00	3505.87
Detail of Security			
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables			
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.			
(c) Personal Guarantee of Shri Vishnubhai M Patel, Shri Vasisthakumar Patel , Shri Vikramkumar Patel and Smt. Shantaben V. Patel.			
Unsecured			
Interest free Loan from Others	1206.00	2130.00	2130.00
From Banks	50980.92	25500.08	9200.00
	124119.66	**59955.42**	**40317.49**
Notes:			
(i) Working Capital Demand Loan facility from banks is secured against Corporate guarantee of the company. The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest from 10.50% to 9.75% p.a.			
(ii) Interest free loan from others is repayable on demand.			
30.2 **Loan from Related Parties - Unsecured**			
From Directors	184.42	0.00	749.37
From Others (From Company in which Directors are Directors)	162.76	139.62	62.14
	347.18	**139.62**	**811.51**
Total	**124466.84**	**60095.04**	**41129.00**
31 Trade Payables			
(a) To Micro, Small and Medium Enterprises *	0.00	0.00	0.00
(b) Others	56054.10	39071.83	45733.17
Total	**56054.10**	**39071.83**	**45733.17**
* 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.			
32 Other Financial Liabilities			
(a) Current Maturities of Long term debts			
Secured			
Non Convertible Debentures	20736.75	6040.80	2000.00
Loan from Banks	29097.41	20932.04	22920.22
Loan from Financial Institutions	4133.26	4229.39	3813.6
	53967.42	**31202.23**	**28733.83**
(b) Capital creditors including retention money	1470.88	1948.03	-
(c) Current maturities of premium obligation to NHAI (refer Note 27)	3625.50	2908.00	0.00
(d) Interest Accrued but not due on Loans	2403.03	2686.25	2198.80
(e) Interest Accrued and due	2729.39	917.09	977.98
(f) Unclaimed Dividend	4.75	4.77	4.66
(g) Unpaid Right Issue Money	0.01	0.01	0.01
(h) Employee Emoluments	285.20	235.30	186.80
(i) Payable to Authorities (AUDA, NHAI)	367.80	367.80	537.00
(j) Other Financial Liability	668.10	429.10	3066.43
	65522.08	**40698.59**	**35705.52**

(₹ in Lakhs)

	As at March 31, 2017	March 31, 2016	As at April 1, 2015
33 Short-Term Provisions			
(a) Provision for Employee Benefits (refer Note 50)	276.56	360.94	145.72
(b) Provision for Wealth Tax	5.36	5.36	2.59
(c) Perodic Major Maintenance (refer Note 54)	9449.00	2727.40	0.00
(d) Provision for Prepayment Charges	127.80	0.00	0.00
(e) Provision for incomplete Work	351.90	0.00	0.00
Total	**10210.62**	**3093.70**	**148.31**
34 Other Current Liabilities			
(a) Sundry Creditors for Capital Goods	1147.93	3103.73	1643.22
(b) Statutory Dues	3047.06	4785.95	5159.83
(c) Advances Received from Clients	4748.27	32670.59	9743.29
(d) Miscellaneous Liabilities	7.50	2.43	4.68
(e) Unearned Revenue	620.59	643.40	1299.40
Total	**9571.35**	**41206.10**	**17850.42**
35 Current Tax Assets (Net)			
Advance Income Tax (Net of Provision)	482.40	0.00	935.50
Total	**482.40**	**0.00**	**935.50**

(₹ in Lakhs)

	Particulars	2016-2017	2015-2016
36	**Revenue from Operations**		
	EPC & Other Contract Income	350452.47	330960.57
	Grant - Consideration from govt authority	3714.20	8246.30
	Revenue from Toll Collection, User fees and Annuity Income (refer note (ii) below)	101841.10	66420.00
	Other Operating Income	992.85	952.96
	Total	**457000.62**	**406579.83**

Note:-

(i) The Contractual income includes cost escalation claim of ₹ 431.20 Lakhs (31 March 2016: ₹ 440.60 Lakhs) from Maharashtra Border Check Post Network Limited, a subsidiary entity, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.

(ii) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the group has claimed and recognised revenue of ₹ 5978.80 Lakhs during the year, except in case of one of its subsidiary MBCPNL where claim of ₹ 2082.70 Lakhs is not recognised as revenue, pending conclusion of modalities of compensation.

37	**Other Income**		
	(a) Net Gain or Loss on financial assets measured at FVTPL		
	Gain on Derivative Contracts (Net)	2617.82	649.16
	Profit on sale of Investments/ units of Mutual Funds (Net)	411.20	465.80
	(b) Interest revenue for financial assets that are measured at amortised cost		
	Corporate loan	-	1057.10
	Deposits with banks	76.30	330.00
	Notional Finance Income on Annuity Receivables	1463.40	1605.53
	From Current Investments	109.08	113.58
	From Non -Current Investments	32.69	0.00
	(c) Other Income		
	Interest on Income tax refund & MVAT Refund	831.96	563.67
	Profit on Sale of Assets	187.59	294.79
	Sundry balances written back	116.60	4.10
	Interest income on royalty	761.40	0.00
	Others	1586.89	1368.73
	(d) Miscellaneous Income	222.69	214.04
	Total	**8417.62**	**6666.50**
38	**Cost of Material Consumed**		
	Opening Stock	12628.54	19034.36
	Add Purchase	81914.25	88781.65
		94542.79	**107816.01**
	Less Transfer to unbilled revenue	0.00	26.30
	Less Closing Stock of Material	10297.55	12628.54
	Total	**84245.24**	**95161.17**
39	**Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade**		
	Opening Work-in-Progress	511.39	511.39
	Less :Closing Work-in-Progress	511.39	511.39
	Total	**0.00**	**0.00**

Note: The operation and maintenance contract on which material is consumed, was in progress and accordingly, the group had not recognised margin on the cost incurred till date including material consumption and recorded the transaction as unbilled revenue in the previous year.

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Lakhs)

		2016-2017	2015-2016
40	**Construction, Toll Plaza & Road Maintenance Expenses**		
	Labour Expenses	133083.57	113642.39
	Construction Expenses	1904.55	1379.04
	Power & Fuel	31438.98	32670.12
	Stores Consumed	1833.02	1039.53
	Repairs & Maintenances-Construction Machineries	7371.83	4623.96
	Transportation Expenses	671.18	600.88
	Machinery Rent	4679.92	3762.99
	Land & Godown Rent	429.58	347.76
	Site Establishment Expenses	735.27	306.33
	Mess Expenses	1009.71	796.71
	Total	**183157.61**	**159169.71**
41	**Operating Expense**		
	Sub Contractors expenses	5831.30	5418.80
	Periodic Major Maintenance	13010.50	7978.10
	Power & Fuel	1663.10	1204.00
	Security Expenses	1510.00	1103.60
	Other Expenses	691.60	732.30
	Total	**22706.50**	**16436.80**
42	**Employee Benefits Expense**		
	Salary & Wages	15309.76	13731.03
	Contribution to PF and Other Funds	923.89	655.31
	Group Gratuity Fund Expenses (Refer Note No. 50)	182.10	170.46
	Directors' Remuneration	751.41	357.00
	Staff Welfare Expenses	643.84	458.35
	Total	**17811.00**	**15372.15**
43	**Finance Cost**		
	(a) Interest Expenses on:		
	(i) Borrowings	96388.73	83497.51
	(ii) Deferment of premium obligation	1554.80	860.00
	(iii) Taxes	86.67	90.48
	(iv) Others	19.70	15.90
	(b) Unwinding of discount on	0.00	0.00
	Provision of major maintenance	1558.10	740.70
	NHAI Premium obligation	11084.50	8857.20
	Non convertible debentures	3315.60	2915.60
	(c) Other Borrowing Costs	4736.75	10539.51
	Total	**118744.87**	**107516.90**
44	**Other Expenses**		
	Rent Expenses	145.35	69.64
	Rates & Taxes	12020.01	11987.39
	Repairs & Maintenances	646.00	173.90
	Insurance	957.53	763.53
	Legal & Consultation Fees & Expenses	4709.88	3635.79
	Corporate Social Responsibility Expenses	577.02	268.08
	Donation Expenses-Others	27.42	99.09
	Auditors Remuneration	127.08	120.34
	Loss on Sales of Assets	257.74	173.96
	Miscellaneous Expenses	3393.67	3118.69
	Total	**22861.70**	**20410.41**

Notes:

(i) Pursuant to the Maharashtra Government's notification no. BCP-0715/C.R.205/Transport-4, dated October 18, 2016, MBCPNL has started collecting service tax on service fees at applicable rates with effect from October 19, 2016. Service tax amounting to ₹ 1016.10 Lakhs has accordingly been reduced from user fee for the period.

As regards service tax for the period prior to 19 October 2016, in accordance with the concession agreement with Maharashtra State Road Development Corporation (MSRDC) since it is eligible for getting reimbursed by MSRDC, an amount of ₹ 1200.40 Lakhs for the year ended March 31, 2017 such amount paid upto 18 October 2016 has been claimed with the relevant authorities. However, the same has been expensed off in books of account.

(ii) During the pervious year, there was a social unrest in the State of Haryana, which caused some damages to Rohtak Panipat Tollway Private Limited ('RPTPL'), a step-down subsidiary of the company, toll assets including loss of toll operations for few days from February 17 to 26, 2016. The damages to assets (including cost of replacement) amounting to ₹ 479.60 Lakhs (previous year: ₹ 60.90 Lakhs and cash loss of ₹ 05.80 Lakhs) has been charged off in the statement of profit and loss under Repairs and maintenance and Loss of assets including cash balances respectively. Against above loss, the RPTPL has filled insurance claim with Insurance company for compensation of the damages to assets and towards estimated loss of revenue during the unrest period, however the process is underprogress as at reporting date.

45 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as under

(a) Profit and Loss Section

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016
Current tax		
Current tax charges	5385.94	3794.94
	5385.94	**3794.94**
Deferred tax		
Deferred tax charge	63.04	375.40
MAT Credit (taken)	(4,507.65)	394.55
Total deferred income tax expense	**(4,444.61)**	**769.95**
Adjustments in respect of current tax of earlier years	2.30	(2,377.49)
Tax Expense reported in the Statement of Profit and Loss	**943.63**	**2187.40**
Deferred tax items relating to equity		
Deferred tax related to items recognised in equity during the year		
Expenditure allowed over the period -Share issue expenses	**(525.19)**	**-**
	(525.19)	**-**

(b) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2017, March 31, 2016 and April 1, 2015:

(₹ in Lakhs)

Particulars	Balance sheet			Profit & Loss statement/Equity	
	31.03.2017	31.03.2016	01.04.2015	2016-17	2015-16
Deferred tax assets/(liability)					
Impact of amortisation of financial liabilities	(1,603.50)	(1,670.96)	(1,836.39)	67.46	165.43
Impact of fair valuation of financial instruments	(5,990.57)	(4,970.89)	(4,811.55)	(1,019.68)	(159.34)
Accelerated depreciation for tax purpose	16.00	0.12	1.93	15.89	(1.81)
Expenditure allowed on payment basis	6,818.56	5,377.93	(3,490.88)	1,440.63	8,868.81
Expenditure allowed over the period	(33,015.53)	(35,566.33)	(21,717.10)	2,549.94	(13,864.25)
Impact of business combination	-	-	-	-	7,109.90
Unused tax losses available for offsetting against future taxable income	26,711.60	29,841.29	31,846.75	(3,129.69)	(2,005.46)
Tax Credit Entitlement under MAT	6,774.58	2,267.16	2,661.50	(2,147.36)	394.54
Non-convertible debentures	-	(47.44)	(13.64)	(47.44)	33.80
Investment in SIPL - Sub Debt	(205.52)	(127.82)	(31.67)	77.88	95.96
Provision for Gratuity	(16.00)	17.80	-	33.80	(17.80)
Derivative Deal - Interest Swap	-	27.50	18.75	27.50	(8.75)
ECB Loan	-	233.96	419.94	233.96	185.99
Derivative Deals- option & currency Swap	(67.06)	(116.24)	(191.86)	(49.18)	(75.62)
Interest accrued but not due	-	(2.68)	(3.34)	(2.68)	(0.67)
Property, Plant & Equipment	(2,348.37)	(3,159.01)	(2,867.53)	(810.64)	291.48
Total Deferred tax assets/(liability)	**(2,925.82)**	**(7,895.62)**	**(15.09)**	(2,759.60)	1,012.20

(c) Reconciliation of Deferred tax (₹ in Lakhs)

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax assets (net)	499.58	151.62	407.02
Deferred tax liabilities (net)	(9,019.83)	(10,314.20)	(3,084.30)
MAT	5,594.45	2,266.96	2,661.50
	(2,925.80)	**(7,895.62)**	**(15.78)**

(d) The group has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet at:

Financial Year	Amount	Expiry Year
2012-13	1,033.08	2027-28
2013-14	121.47	2028-29
2015-16	412.03	2030-31
2016-17	4,048.00	2031-32
Total	**5,614.58**	

(e) Certain subsidiary companies has carried forward losses aggregating ₹ 280981.00 Lakhs (March 31, 2016: ₹ 228915.20 Lakhs and as at April 01, 2015: ₹ 150235.80 Lakhs) under the Income Tax Act, 1961, which gets expired within 8 years of the respective year from the date of origin.

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 8,682.31 Lakhs.

46 Disclosure of Financial Instruments by Category

(₹ in Lakhs)

Particulars	Note no.	March 31, 2017				March 31, 2016				April 1, 2015			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial asset													
Derivative not designated as hedges	11	6,067.07	-	-	-	3,742.57	-	-	-	2,358.19	-	-	-
Receivable under Service concession arrangements	10 & 20	-	-	37,991.60	-	-	-	23,948.70	-	-	-	25,892.80	-
Investments	8 & 15	5,582.60	58.10	342.38	0.20	2,436.90	58.10	341.26	238.90	490.90	58.10	340.37	17,432.59
Trade Receivables	9 & 16	-	-	1,62,705.12	-	-	-	84,639.81	-	-	-	70,003.60	-
Loans	19	-	-	1,703.80	-	-	-	1,703.70	-	-	-	5,569.00	-
Cash and cash equivalents	17	-	-	6,335.50	-	-	-	10,401.12	-	-	-	17,391.66	-
Other bank balances	18	-	-	1,238.96	-	-	-	216.78	-	-	-	530.88	-
Other financial assets	11 & 21	-	-	97,437.81	-	-	-	67,440.61	-	-	-	36,158.87	-
Total Financial Asset		**11,649.67**	**58.10**	**3,07,755.17**	**0.20**	**6,179.47**	**58.10**	**1,88,691.98**	**238.90**	**2,849.09**	**58.10**	**1,55,887.18**	**17,432.59**
Financial liability													
Non Current Borrowing	26 & 32	-	-	8,79,913.96	-	-	-	8,35,012.31	-	-	-	6,56,277.34	-
Current Borrowing	30	-	-	1,24,466.84	-	-	-	60,095.04	-	-	-	41,129.00	-
Trade Payables	31	-	-	56,054.10	-	-	-	39,071.83	-	-	-	45,733.17	-
Other Financial liabilities	27 & 34	-	-	1,53,803.92	-	-	-	1,28,722.43	-	-	-	93,326.14	-
Total Financial Liabilities		**-**	**-**	**12,14,238.82**	**-**	**-**	**-**	**10,62,901.61**	**-**	**-**	**-**	**8,36,465.65**	**-**

47 Fair value disclosures for financial assets and financial liabilities

(₹ in Lakhs)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets at fair value through profit or loss						
Investments in Mutual Fund	5,582.60	5,582.60	2,436.90	2,436.90	490.90	490.90
Derivative not designated as hedges	6,067.07	6,067.07	3,742.57	3,742.57	2,358.19	2,358.19
Total Financial Assets	**11,649.67**	**11,649.67**	**6,179.47**	**6,179.47**	**2,849.09**	**2,849.09**
Financial liability at fair value through profit or loss						
Redeemable, Non Convertible Debentures	1,88,993.90	1,91,214.75	1,42,009.08	1,42,702.63	78,080.87	78,080.87
Premium Obligation under Concession Agreement	1,17,727.65	1,24,619.66	1,05,795.90	1,05,795.88	79,807.11	74,915.30
Total Financial Liabilities	**3,06,721.55**	**3,15,834.41**	**2,47,804.98**	**2,48,498.51**	**1,57,887.98**	**1,52,996.16**

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

(ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

(iv) The Group has entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2017.

(v) The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate+2%.

(vi) The caring value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

48 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015.

Particulars	Note No.	Fair value measurement using Significant observable inputs (Level 2)		
		March 31, 2017	March 31, 2016	April 1, 2015
Assets measured at fair value				
Fair value through profit & loss				
Investment in Mutual Fund	15	5,582.60	2,436.90	490.90
Derivatives not designated as hedges	11	6,067.07	3,742.57	2,358.19
Fair value through OCI				
Investments in Equity Instruments of other Entities	8	58.10	58.10	58.10
Liabilities measured at fair value				
Assets for which fair values are disclosed				
Redeemable, Non Convertible Debentures	26 & 32	1,91,214.75	1,42,702.63	78,080.87
Premium Obligation under Concession Agreement	27	1,24,619.66	1,05,795.88	74,915.30

There have been no transfers between level 1 and level 2 during the years.

49 Working of Earning Per Share

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

Particulars	As at March 31, 2017	As at March 31, 2016
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	17,15,33,800	17,15,00,800
Addition during the year on allotment of shares under ESOP-2008 Scheme	37000	33000
Addition during the year on Conversion of Share Warrant into Equity	0	0
Addition during the year on allotment of shares to QIB	0	0
Number of Equity Shares at year end	17,15,70,800	17,15,33,800
Weighted Average number of Equity Shares	17,15,66,644	17,15,31,988
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,66,644	17,15,31,988
Add: Dilution in Nos. of Equity Shares on Grant of Stock Option under ESOP-2008	-	30,870
Weighted Average number of Dilutive Equity Shares	**17,15,66,644**	**17,15,62,858**

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

Basic EPS:		
Net (Loss) Profit after Tax	(5,403.16)	(10,328.12)
Weighted Average number of Equity Shares	17,15,66,644	17,15,31,988
Basic EPS (₹)	(3.15)	(6.02)
Diluted EPS		
Net (Loss) Profit after Tax	(5,403.16)	(10,328.12)
Weighted Average number of Diluted Equity Shares	17,15,66,644	17,15,62,858
Diluted EPS (₹)	(3.15)	(6.02)

50 Employee Benefits Note

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

50.1 Defined Contribution Plans

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

Particulars	2016-2017	2015-2016
Contribution to Provident Funds	854.23	626.45
Contribution to ESIC	43.85	16.24
Total (Ref. Note No. 36)	**898.08**	**642.69**

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

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

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

50.3 **Reconciliation of defined benefit obligations** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligations as at beginning of the year	548.29	441.34
Current service cost	182.73	119.67
Interest cost	31.99	78.43
Actuarial Loss/(Gain) due to change in financial assumptions	10.10	(4.14)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	(6.18)
Actuarial Loss/(Gain) due to experience	255.04	(65.69)
Benefits Paid	(36.45)	(15.14)
Defined benefit obligations as at end of the year	**991.70**	**548.29**

50.4 **Reconciliation of Plan Asset** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Plan Asset as at beginning of the year	433.38	406.80
Expenses deducted from the fund	-	-
Interest Income	36.04	40.63
Return on plan assets excluding amounts included in interest income	(4.13)	(6.51)
Contributions by employer	409.09	7.40
Benefits paid	(33.15)	(14.94)
Plan Asset as at end of the year	**841.23**	**433.38**

50.5 **Reconciliation of the Effect of Asset ceiling** (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	**-**	**-**

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

Particulars	2016-17	2015-16
Current service cost	175.03	164.56
Net Interest cost	7.05	(3.91)
Net amount recognized (Refer note no. 42)	**182.08**	**160.65**

Other Comprehensive income for the period (₹ in Lakhs)

Particulars	2016-17	2015-16
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	10.10	(4.14)
Due to change in demographic assumption	-	(6.18)
Due to experience adjustments	255.04	(58.49)
Return on plan assets excluding amounts included in interest income	2.83	(3.19)
Amounts recognized in Other Comprehensive Income	**267.97**	**(72.00)**

50.7 **Break up of Plan Assets** (₹ in Lakhs)

Particulars	2016-17	2015-16
Insurance Policy	100%	100%

50.8 **Actuarial Assumptions**

Particulars	As at March 31, 2017	As at March 31, 2016
Discount Rate	7.00 % to 7.95%	7.80% to 7.95%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	15% to 25% at younger ages reducing to 3% to 5% at older ages	15% to 25% at younger ages reducing to 3% to 5% at older ages

50.9 **Sensitivity Analysis for Actuarial Assumption**

As at 31.03.2017	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(25.50)	27.03
Salary Growth Rate	0.50%	0.50%	25.77	(25.77)

As at 31.03.2016	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	₹ in Lakhs	₹ in Lakhs
Discount Rate	0.50%	0.50%	(14.08)	14.75
Salary Growth Rate	0.50%	0.50%	14.29	(14.01)

50.10 **Limitation of method used for sensitivity analysisi :**

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

50.11 **Details of Asset- Liability Matching Strategy**

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

50.12 **Expected contribution to the plan for the next annual reporting period** (₹ in Lakhs)

Particulars	2016-2017	2015-2016
Expected contribution to the plan	181.80	127.37
Total	**181.80**	**127.37**

50.13 **Maturity Profile of the Defined Benefit Obligation of Holding Company**

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

As at March 31, 2016	₹ in Lakhs	%
2017	-	10.20%
2018	-	6.70%
2019	-	9.30%
2020	-	8.20%
2021	-	8.30%
2022 - 2026	-	29.20%

50.14 **Maturity Profile of the Defined Benefit Obligation of Subsidiary and step-down subsidiaries**

As at March 31, 2017	₹ in Lakhs
2018	13.90
2019	18.00
2020	20.80
2021	21.80
2022	24.90
2023 - 2027	97.40

As at March 31, 2016	₹ in Lakhs
2017	7.50
2018	7.80
2019	10.40
2020	10.90
2021	10.60
2022 - 2026	22.50

51 Disclosure in respect of Construction Contracts

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

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Amount of Contract Revenue recognised as revenue during the period	349877.87	330393.20
(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	1014121.26	862294.42
(ii) Advances Received	4387.11	32518.08
(iii) Retention Amount	17968.88	10438.19
(c) Amount due from Customers for Contract in Progress	41943.53	82961.81
(d) Amount due to Customers for Contract in Progress	Nil	Nil

52 List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited and Mysore-Bellary Highway (P) Ltd.

Step-down Subsidiaries:-

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

Joint Ventures:

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

(b) Related Party with whom transaction during the year

Key Management Personnel (KMP):

Shri Vishnubhai M. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Shri Vasistha C. Patel, Shri Vikram R. Patel, Shri Atul Ruparel, Shri Arun S. Patel, Shri Sandip A. Sheth, Shri Mirat N. Bhadlawala, Shri Sandip Patel, Smt. Purvi S. Parikh, Vipul H. Patel, Shri Tushar D. Shah.

Relatives of KMP:

Smt. Shantaben V. Patel & V. M. Patel (HUF)

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

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

Notes on Accounts forming part of Consolidated Financial Statements

₹ in Lakhs

Transactions	Years	Associates	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties						
Sub contracting Income	2016-17	-	52,969.38	-	-	52,969.38
	2015-16	-	63,007.65	-	-	63,007.65
Providing of services	2016-17	-	0.60	-	-	0.60
	2015-16	-	-	-	-	-
Sub contracting Expenditure	2016-17	-	-	-	6,766.07	6,766.07
	2015-16	-	-	-	4,665.88	4,665.88
Remuneration Expenses	2016-17	-	-	779.96	-	779.96
	2015-16	-	-	404.44	-	404.44
Director Sitting Fees	2016-17	-	-	17.14	-	17.14
	2015-16	-	-	12.00	-	12.00
Interest Expenses	2016-17	-	-	16.41	15.06	31.47
	2015-16	-	-	20.74	7.77	28.51
Trade Receivable - written off	2016-17	-	202.53	-	-	202.53
	2015-16	-	-	-	-	-
Interest Income	2016-17	-	-	-	-	-
	2015-16	-	-		130.50	130.50
Fixed Assets Purchases	2016-17	-	-	-	-	-
	2015-16	-	-		92.00	92.00
Fixed Assets sold	2016-17	-	-	-	-	-
	2015-16	-	-		91.28	91.28
Expenses incurred on behalf and recovered	2016-17	-	-	-	-	-
	2015-16	-	-			-
Sale of construction materials	2016-17	-	-	-	-	-
	2015-16	-	-			-
Sale of Shares	2016-17	-	-	-	-	-
	2015-16	-	-			-
Purchase/Subscription of Shares	2016-17	-	-	-	-	-
	2015-16	-	-			-
Interest Free Loan converted into Investment	2016-17	-	-	-	-	-
	2015-16	-	-			-
Conversion of our CCD to Equity Shares	2016-17	-	-	-	-	-
	2015-16	-	-			-
Issue of Shares/Bonus Shares	2016-17	-	-	-	-	-
	2015-16	-	-		871.80	871.80
Unsecured Loan given	2016-17	-	-	-	-	-
	2015-16	-	-			-
Unsecured Loan received back	2016-17	-	-	-	-	-
	2015-16					-
Unsecured Loan Received	2016-17	-	-	1,974.07	15.20	1,989.27
	2015-16	-	-	513.70	69.73	583.43
Unsecured Loan Repaid	2016-17	-	-	1,804.42	5.62	1,810.03
	2015-16					-
Mobilization/Material/Machinery Advance Received	2016-17	-	1,425.56	-	-	1,425.56
	2015-16	-	3,156.79			3,156.79
Mobilization/Material/Machinery Advance Given	2016-17	-	-	-	200.00	200.00
	2015-16	-	-		245.64	245.64
Security Deposit/Retention Deducted by Clients	2016-17	-	8,552.73	-	-	8,552.73
	2015-16	-	3,723.19			3,723.19
Security Deposit/Retention Deducted from Sub-contractors	2016-17	-	-	-	323.65	323.65
	2015-16	-	-		297.17	297.17
Donation Given	2016-17	-	-	-	-	-
	2015-16	-	-		22.25	22.25
Dividend Paid	2016-17	-	-	291.22	270.43	561.64
	2015-16	-	-	257.18	307.22	564.40
Outstanding Balance at year end						
Trade Receivable	March 31, 2017	-	6,346.11	-	-	6,346.11
	March 31, 2016	-	7,210.36			7,210.36
	April 1, 2015	-	6,461.44			6,461.44

Trade Payable	March 31, 2017	-	-	30.74	1,059.69	1,090.43
	March 31, 2016	-	-	3.30	266.38	269.68
	April 1, 2015	751.75	-	2.50	694.69	1,448.94
Unsecured Loan given	March 31, 2017	-	-	-	-	-
	March 31, 2016	-	-			-
	April 1, 2015	-	-			-
Mobilization/Material/Machinery Advance Received	March 31, 2017	-	100.77	-	-	100.77
	March 31, 2016	-	834.74			834.74
	April 1, 2015	-	4,183.72			4,183.72
Mobilization/Material/Machinery Advance Given	March 31, 2017	-	-	-	78.12	78.12
	March 31, 2016	-	-		-	-
	April 1, 2015	-	-		28.05	28.05
Security Deposit/Retention Deducted by Clients	March 31, 2017	-	9,501.81	-	-	9,501.81
	March 31, 2016	-	6,274.03			6,274.03
	April 1, 2015	499.02	5,196.47			5,695.49
Security Deposit/Retention Deducted from Sub-contractors	March 31, 2017	-	-	-	319.86	319.86
	March 31, 2016	-	-		411.39	411.39
	April 1, 2015	-	-		394.80	394.80
Unsecured Loan received	March 31, 2017	-	-	184.42	162.76	347.18
	March 31, 2016	-	-	-	139.62	139.62
	April 1, 2015	-	-	748.37	62.12	810.49
Interest receivable	March 31, 2017					-
	March 31, 2016					-
	April 1, 2015	4,530.30				4,530.30
Share application pending allotment	March 31, 2017				-	-
	March 31, 2016				-	-
	April 1, 2015				1,184.00	1,184.00
Advance Received against Sale of Shares	March 31, 2017	-	-	-	-	-
	March 31, 2016	-	-			-
	April 1, 2015	-	-			-

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Terms and conditions of the balance outstanding
   Outstanding balances at the year end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of agreement
   Short term loans (unsecured) in ₹ given to Sadbhav Infrastructure Projects Ltd. (SIPL) carries interest rate @11% p.a. (March 31, 2016 : 11% and April 1, 2015: 11%)
   The company has not provided any commitment to the related party as at March 31, 2017 except mentioned at Note No. 53.
   Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement.
   There is no gurantee given or received except mentioned at Note No 73.

53 Contingent Liabilities and commitments

A Contingent Liabilities

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

(i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of ₹ 46.42 Lakhs (March 31, 2016: ₹ 46.42 Lakhs and April 1, 2015: 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (March 31, 2016: ₹ 46.42 Lakhs and April 1, 2015: 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid ₹ 21.020 Lakhs (March 31, 2016: ₹ 21.20 Lakhs and April 1, 2015: 21.20 Lakhs). The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.

(ii) Company has received order of the Commissioner of service tax on 1st April, 2013 wherein Commissioner upheld the demand of ₹ 199.13 Lakhs (March 31, 2016: ₹ 199.13 Lakhs and April 1, 2015: 199.93 Lakhs) and impose penalty of ₹ 345.92 Lakhs (March 31, 2016: 345.92 Lakhs and April 1, 2015: 345.92 Lakhs). Company filed appeal before CESTAT and received unconditional stay order on order of Commissioner hence no provision has been made.

(iii) Demand under Service Tax Act, 1994 ₹ 67.29 Lakh (March 31, 2016: ₹ Nil and April 1, 2015: Nill). The Commissioner of Service Tax, Ahmedabad, filed an appeal before Supreme Court of India against the order of CESTAT passed in favor of the Company. The matter is currently pending.

(iv) The ACIT, Central Circle-1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005-06 ,2006-07 & 2007-08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, (the "CIT(A) Order"). Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount of Tax Liability for All the 3 Asst. Year involved is ₹ 611.03 Lakhs (March 31, 2016: ₹ 611.03 Lakhs and April 1, 2015: 611.03 Lakhs). The matter is currently pending.

(v) The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year AY 2011-12. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed orders for AY 2011-12 imposing total penalty (the "Penalty Order") of ₹ 13.25 Lakhs (March 31, 2016: ₹ 13.25 Lakhs and April 1, 2015: Nil). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Orders. CIT Appeals-11 has passed the order and drop the penalty proceedings. The DCIT, Central Cirle 1(1) filled the appeal with ITAT, Ahmedabad. The matters are currently pending.

(vi) The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of Rs 1277.00 Lakhs (March 31,2016: 1277.00 Lakhs and April 1, 2015: 1277.00 Lakhs) in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 5746.80 Lakhs (March 31, 2016: 5746.80 Lakhs and April 1, 2015: 5746.80 Lakhs). Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount involved is ₹ 1953.30 Lakhs (March 31, 2016: 1953.30 lakhs and April 1, 2015: 1953.30 Lakhs). The matter is currently pending.

(vii) The DCIT, Central Circle 1(1), Ahmedabad has reopened the case for AY 2011-12 and passed the order by disallowing the expenditure of ₹ 378.99 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the said Orders. The CIT Appeals, through its order partly allowed the expenditure and deductions. Subsequently, the DCIT, Central Circle -4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 244.64 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The matter is currently pending.

(viii) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 450.73 Lakhs (March 31, 2016: ₹ 450.73 Lakhs and April 1, 2015: Nil) and disallow SEL's claim for deduction for a sum of ₹ 379.47 Lakhs (March 31, 2016: ₹ 379.47 Lakhs and April 1, 2015: Nil) nder Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with GoI and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle- 1(1). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 829.90 Lakhs. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 269.36 Lakhs (March 31, 2016: ₹ 269.36 Lakhs and April 1, 2015: Nil). The matter is currently pending.

(ix) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 377.87 Lakhs (March 31, 2016: ₹ 377.87 Lakhs and April 1, 2015: Nil) disallow SEL's claim for deduction for a sum of ₹ 7716.78 Lakhs (March 31, 2016: ₹ 7716.78 Lakhs and April 1, 2015: Nil) under Section 80IA(4) of the IT Act for assessment years 2013-14 . SEL has preferred an appeal before the CIT(A),Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT. The aggregate amount of tax involved is ₹ 836.74 Lakhs. The matter is currently pending.

(x) The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed expenses of ₹ 448.85 Lakhs (March 31, 2016: ₹ 448.85 Lakhs and April 1, 2015: Nil) disallow SEL's claim for deduction for a sum of ₹ 2993.28 Lakhs (March 31, 2016: ₹ 2993.28 Lakhs and April 1, 2015: Nil) under Section 80IA(4) of the IT Act for assessment years 2014-15. SEL has preferred an appeal before the CIT(A), Ahmedabad. The CIT Appeals, through its order, allowed the expenditure and deductions amounting. Subsequently, the DCIT, Central Circle 4(1)(1), Ahmedabad preferred an appeal before the ITAT.The aggregate amount of tax involved is ₹ 1048.50 Lakhs (March 31, 2016: ₹ 1048.50 Lakhs and April 1, 2015: Nil). The matter is currently pending.

(xi) The Deputy Commercial Tax Commissioner, Audit Divison-1 Ahmedabad has passed order against "Jililn Sadbhav JV" for VAT demand of ₹ 702.00 Lakhs (March 31, 2016: ₹ 702.00 Lakhs and April 1, 2015: ₹ 702.00 Lakhs) inclusive of interest ₹ 330.18 Lakhs (March 31, 2016: ₹ 330.18 Lakhs and April 1, 2015: 330.18 Lakhs and Penalty of ₹ 74.36 Lakhs (March 31, 2016: ₹ 74.36 Lakhs and April 1, 2015: 74.36 Lakhs). In Jilin-Sadbhav JV, Sadbhav Engineering

Limited is having 48% share. Against this Order the Joint Venture has filed an appeal in the Gujarat Value Added Tax Tribunal at Ahmedabad. The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 15 Lakhs (March 31, 2016: ₹ 15.00 Lakhs and April 1, 2015: ₹ 15.00 Lakhs). As the company has paid ₹ 15.00 Lakhs, no provision has been made.

(xii) The Company has received a show cause notice from the office of Mining Engineer, Mines and Geology Department, Udaipur on 05/02/2014 imposing penalty of ₹ 81.32 Lakhs (March 31, 2016: ₹ 81.32 Lakhs and April 1, 2015: ₹ 81.32 Lakhs) under rule 63, 37A (IX) of Rajasthan Minor Mineral Concession Rules, 1986. The Company has filed a Civil Writ Petition No.2635/2014 in The High Court of Rajasthan against the said notice. The Company has deposited ₹ 30.00 Lakhs (March 31, 2016: ₹ 30.00 Lakhs and April 1, 2015: ₹ 30.00 Lakhs) 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.

(xiii) The Deputy commissioner of Commercial Taxes, Jharkhand has passed an Assessment Order under Jharkhand Value Added Tax, 2005 for FY 2010-11 for demand of ₹ 77.40 lakhs (March 31, 2016: ₹ 77.40 Lakhs and April 1, 2015: Rs; 77.40 Lakhs) and also has passed order for FY 2011-12 with demand of ₹ 152.83 lakhs (March 31, 2016: ₹ 152.83 Lakhs and April 1, 2015: Nil) . The company has filled Revision Application against both the orders to the "The Commissioner, Commercial Taxes Department - Jharkhand" therefore the same has not been provided in the Books of Accounts.

(xiv) The Dy. Excise & Taxation Commissioner cum Revisional Authority Sirsa has passed the Revised Order u/s 34(2) of Haryana Value Added Tax Act 2003 for FY 2010-11 with demand of ₹ 10.45 lakhs (March 31, 2016: ₹ 10.45 Lakhs and April 1, 2015: Nil) which includes Interest of ₹ 5.22 lakhs (March 31, 2016: ₹ 5.22 Lakhs and April 1, 2015: Nil). The same Authority has also passed the Revised Order for FY 2011-12 for demand of ₹ 149.40 lakhs ((March 31, 2016: 149.40 Lakhs and April 1, 2015: Nil) which includes the Interest of ₹ 67.31 lakhs (March 31, 2016: ₹ 67.31 Lakhs and April 1, 2015: Nil). The Company has filled the Appeal against the both these orders to the Honorable "VAT Tribunal, Haryana" therefore the same has not been provided in the Books of Accounts.

(xv) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2010-11 for demand of ₹ 13991.08 lakhs (March 31, 2016: Nil and April 1, 2015: Nil) which includes Interest of ₹ 4593.08 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil) and Penalty of ₹ 4699.00 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The company has filled Appeal against this order and also asked for stay on this demand.

(xvi) The Deputy commissioner of Sales Tax, Maharashtra LTU Nashik has passed an Assessment Order under Maharashtra Value Added Tax, 2002 for FY 2012-13 for demand of ₹ 4741.65 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil) which includes Interest of ₹ 1957.80 Lakhs (March 31, 2016: Nil and April 1, 2015: Nil). The company has filled Application for cancellation of this order.

(xvii) (i) A case before Workmen Compensation Commissioner, udaipur was filed for compensation of ₹ 11.69 Lakhs (March 31, 2016: ₹ 11.69 Lakhs and April 1, 2015: Nil) under Exployees Compensastion Act, 1923. The matter is currently pending.

(ii) A case before Labour Court, Jabalpur was filed for compensation of ₹ 15.40 Lakhs (March 31, 2016: ₹ 15.40 Lakhs and April 1, 2015: Nil) under Industrial Dispute Act, 1947. The matter is currently pending.

(iii) An employee has filed case before Labour court at Balaghat for compensation of ₹ 13.20 Lakhs (March 31, 2016: ₹ 13.20 Lakhs and April 1, 2015: Nil) under Workmen Compensastion Act, 1923. The matter is currently pending.

(b) **Claims against the Subsidiaries & step-down subsidiaries not acknowledged as debt:**

Particulars	As at March 31, 2017	As at March 31, 2016
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	434.80	434.80
Income Tax:-		
Income tax demand pertaining to various subsidiaries (refer note (ii) below)	299.50	299.50
Claims against the Group not acknowledged as debts (refer note (iii) below)	83.80	83.80
	818.10	**818.10**

Notes:

(i) Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Group has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposited ₹ 25 Lakhs. Further the matter is pending with Tribunal as at reporting date.

(ii) The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act. The entities are contesting the demands and the

management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

(iii) In case of ARRIL, interest has been charged by India Infrastructure Finance Company Limited (IIFCL) at higher than agreed rate and the same is not accepted by the subsidiary company.

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

(i) The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with restrospective 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 liaility for provision of Income Tax. However an amount of Total income tax of ₹ 13135.96 Lakhs (March 31, 2016: ₹ 5362.73 Lakhs and April 1, 2015: ₹ 3295.01 Lakhs) on claim of deductionu/s 80IA for the AY 2013-14 to AY 2017-18 has been consider as contingent liability for which assessment is not completed.

(ii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 8160.00 Lakhs (March 31, 2016: ₹ 8160.00 Lakhs and April 1, 2015: ₹ 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant;

(c) **Guarantees:**

Company has given corporate guarantee to banks for 83652.50 Lakhs (March 31, 2016: ₹ 57757.00 Lakhs and April 1, 2015: ₹ 76136.00 Lakhs) against the finance facility given by the banks to subsidiary companies.

(d) **Other Litigations:**

Bijapur Hungud Tollway Private Limited :

The minority Shareholder of Bijapur Hungund Tollway Private Limited ('BHTPL') (step down subsidiary of the Company) has filed Company Petition under sections 397 and 398 of the Companies Act,1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders of SIPL, the company (Sadbhav Group) and the past and present Directors of the BHTPL appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). The SIPL had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the SIPL Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, BHTPL and SIPL. The said Application was dismissed by the CLB by Order dated January 8, 2014. The SIPL then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the January 8, 2014 CLB Order. The Writ Petition was dismissed by single judge of Honourable High Court of Gujarat by Order dated August 14, 2014. The SIPLy has filed Letters Patent Appeal No.1070 of 2014 before the Division Bench of the Hon'ble Gujarat High Court against the August 14, 2014 Hon'ble Gujarat High Court Order.The Hon'ble Gujarat High Court has passed order dated November 24, 2014 continued the interim orders passed during the pendency of the Writ Petition and further directed to stay proceedings before CLB till disposal of LPA. The LPA is, pending hearing before the Hon'ble Gujarat High Court. The Management represents that no liability is likely to devolve in the matter on the SIPL.

B Capital & other Commitments

The followings are the estimated amount of contractual commitments of the company:-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	2193.20	2193.20	18162.00
(ii) Other Commitment	3185.23	0.00	74.16

The BOT projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at		
	Upto Commercial Operation Date	After Commercial Operation Date	March 31, 2017	March 31, 2016	April 1, 2015
ARRIL	70.00%	45.00%*	6.00%	30.00%	24.00%
AJTL	21.00%	21.00%	30.00%	51.18%	51.18%
BRTPL	51.00%	51.00%	51.00%	51.00%	51.00%
BHTPL	51.00%	51.00%	92.23%	26.00%	26.00%
HYTPL	51.00%	51.00%	81.01%	51.01%	51.01%
MBCPNL	70.00%	51.00%	29.57%	43.13%	43.13%
NSEL	30.00%	30.00%	99.00%	99.00%	30.00%
RHTPL	51.00%	51.00%	51.00%	51.00%	51.00%
RPTPL	51.00%	51.00%	51.00%	51.00%	51.00%
SUTPL	51.00%	51.00%	51.00%	51.00%	51.00%
DPTL	51.00%	33.00%	33.00%	33.00%	NA
SUHPL	51.00%	51.00%	30.00%	NA	NA
SBHPL	51.00%	51.00%	30.00%	NA	NA
SRHPL	51.00%	51.00%	30.00%	NA	NA
SNHPL	51.00%	51.00%	30.00%	NA	NA

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

The Group has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt.Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

54 Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels.Becasuse actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

(₹ in Lakhs)

Particulars	As at March 31, 2017
Carrying amount as at Beginning of the Year	17,379.78
Add: Additional provision made during the year	13,010.40
Add: increase during the Year in the discounted amount due to passage of time	1,558.10
Less: Amounts used (i.e. incurred and charged against the provision) during the year	6,495.30
Carrying amount as at end of the year	**25,452.98**
Current	9,449.00
Non-Current	16,004.00
Total	**25,453.00**
Year of expected cash outflow	2017-2023

55 Segment information

(a) Operating Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

(i) Constructing & Engineering

(ii) BOT (Toll Operation, User Fees and other operating income)

(b) Identification of Segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

(c) Segment revenue and results:
The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure.

(d) Segment assets and liabilities:
Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment's, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Statement Showing details of Segment Reporting (₹ in Lakhs)

	Construction & Engineering		BOT (Toll & Annuity)		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue						
External Revenue	352647.82	325532.92	104352.70	81046.91	457000.52	406579.83
Inter-Segment Revenue	0.00	0.00	0.00	0.00	-	-
Total	352647.82	325532.92	104352.70	81046.91	457000.52	406579.83
Segment Expense	292643.93	282409.85	34312.33	21250.37	326956.26	303660.22
Segment Result						
Operating Profit	60003.89	43123.07	70040.37	59796.54	130044.26	102919.61
Less: Interest & other finance expense	-	-	-	-	118744.85	107516.90
Interest Income	-	-	-	-	3323.93	3724.38
Other Income	-	-	-	-	5093.79	2788.18
Unallocated Corporate Expense	-	-	-	-	3825.39	2736.12
Unallocated Corporate Income	-	-	-	-	0.00	0.00
Profit before Depreciation and Tax	60003.89	43123.07	70040.37	59796.54	15891.74	(820.85)
Depreciation and Amortisation	10003.67	9706.78	22109.00	13554.60	32112.67	23261.38
Unallocated Depreciation					0.00	0.00
Profit Before Tax and Exceptional Items	50000.22	33416.29	47931.37	46241.94	(16220.93)	(24082.23)
Exceptional Items	0.00	(1944.62)	0.00	6160.00	0.00	4215.38
Profit Before Tax	50000.22	31471.67	47931.37	52401.94	(16220.93)	(19866.85)
Current Tax					5385.94	3794.95
MAT Credit Entitlement					(3327.49)	394.55
Deferred Tax					(1117.12)	375.40
Short/(Excess) provision of Taxtion of Earlier Years					2.30	(2377.49)
Profit after Tax	50,000.22	31,471.67	47,931.37	52,401.94	(17164.56)	(22054.26)
Add: Total Comprehensive Income for the period					(267.97)	72.00
Add: Share of Loss Trabsfered to Minority Interest					11761.82	11726.10
Add: Share of (Loss) of Minority interest of earlier years					0.00	0.00
Less: Share of Loss of Associates					0.00	0.00
Add: Share of Profit/(Loss) of Joint Venture					0.00	0.00
Net Profit for the Year	50000.22	31471.67	47931.37	52401.94	(5670.71)	(10256.16)
ASSETS						
Segment Assets	275066.07	202868.65	1102366.79	1063271.33	1377432.86	1266139.98
Unallocated Corporate Assets					5276.15	5829.20
Segment Liabilities	89109.33	96877.85	217745.28	167267.98	306854.61	264145.83
Unallocated Corporate Liabilities					950413.28	863905.02
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortisation	10003.67	9706.78	22109.00	13554.60	32112.67	23261.38
Unallocated Depreciation					0.00	0.00
Non Cash Expenses other than depreciation and amortisation	0.00	0.00	25659.40	17576.00	25659.40	17576.00
Uallocated Non Cash Expenses other than depreciation and amortisation					3,309.20	-

Note:

(i) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.

(ii) The Group is operating in a single geographical segment i.e. India, accordingly, the reporting requirement as per Ind AS 108, 'Segment reporting', is not applicable, and hence, detail thereon are not given.

56 Financial Risk Management

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, other receivables and cash and bank balances.

The Group's business activities are exposed to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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

(a) Market risk

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

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

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the ₹ appreciates / depreciates against all currencies by 2%

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

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

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

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on loss before tax	
	March 31, 2017	**March 31, 2016**
Increase in 25 basis point	(2458.19)	(1785.36)
Decrease in 25 basis point	2479.09	1874.36

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

Foreign Currency Risk

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

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no. 48.

Foreign currency sensitivity

As per the Group's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2017 and March 31, 2016 and accordingly sensitivity analysis of change in USD rate has not been presented.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily trade receivables and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as of March 31, 2017 is ₹ 10832.30 Lakhs, March 31, 2016 is ₹ 11364.50 lakhs and April 1, 2015 is ₹ 17447.40 Lakhs.

(c) Liquidity risk

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

The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any Short term cash generated, over and above its working capital management and other operational requirement, is retained as cash nad cash equivalents (to the extent required) and any excess is invested in short term mutual fund to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments: (₹ in Lakhs)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2017						
Non-current borrowings#	8,79,913.96		53,967.42	70,591.76	2,21,523.88	5,33,830.90
Loans Repayable on Demand	1,24,466.84	1,24,466.84				
Trade Payables	56,054.10		56,054.10			
Other financial liabilities *	1,53,803.92		65,522.08	4,492.20	26,273.80	57,515.84
Total	**12,14,238.82**	**1,24,466.84**	**1,75,543.60**	**75,083.96**	**2,47,797.68**	**5,91,346.74**
As at March 31, 2016						
Non-current borrowings #	8,35,012.31		31,202.23	59,665.80	2,42,522.53	5,01,621.75
Loans Repayable on Demand	60,095.04	60,095.04				
Trade Payables	39,071.83		39,071.83			
Other financial liabilities*	1,28,722.43		40,698.59	3,550.40	22,404.90	62,068.55
Total	**10,62,901.61**	**60,095.04**	**1,10,972.65**	**63,216.20**	**2,64,927.43**	**5,63,690.30**
As at April 01, 2015						
Non-current borrowings#	6,56,277.34		28,733.83	36,129.76	2,21,018.76	3,70,394.99
Loans Repayable on Demand	41,129.00	41,129.00				
Trade Payables	45,733.17		45,733.17			
Other financial liabilities*	93,326.14		35,705.52	100.00	8,816.20	48,704.42
Total	**8,36,465.65**	**41,129.00**	**1,10,172.52**	**36,229.76**	**2,29,834.96**	**4,19,099.41**

Current maturities of Non-current borrowings is included and transaction cost paid to lender on upfront basis excluded from above Non Current borrowing.

* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis.

57 Derivative instruments:

Derivative outstanding as at the reporting date (₹ in Lakhs)

Nature of instrument	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Swap contract - Interest Swap			
Notional amount of USD Lakhs	152.10	239.82	320.99
Option contracts to buy			
Notional amount of USD Lakhs	1216.30	1386.27	1556.48

The Group has entered into Option contract over the borrowing terms for hedging foreign currency exchange risk against external Commercial borrowings. The group has also entered into Swap contract to hedge interest rate fluctuation over a borrowing terms.

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

58 Capital Management

For the purpose of the Group's capital management, Capital consist of share capital, Securities Premium, Other equity and all other reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares.

Summary of Quantitative Data is given hereunder:-

	March 31, 2017	March 31, 2016	April 1, 2015
Equity Share Capital	1,715.71	1,715.24	1,715.01
Other Equity	1,13,413.11	1,11,690.94	1,08,807.60
Add: Retained Earnings	(24,496.15)	(12,502.88)	(650.95)
Total Equity	**90,632.67**	**1,09,903.30**	**1,09,871.66**

59 Business Combination

The Group has acquired 99% of the equity shares of Dhule Palesnar Tollway Limited (DPTL) pursuant to share purchase agreement dated October 29, 2015 at a consideration of ₹ 5502.90 Lakhs. Dhule Palesner Tollway Limited is a Special Purpose Vehicle for Design, Engineering, Finance, Construction, Operation & Maintenance of 4 Laning of Maharashtra Border-Dhule section of NH -3 from kms 168.500 to 265.000 in the state of Maharashtra under NHDP Phase III on DBFOT basis awarded by National Highway Authority of India (NHAI). The Group acquired Dhule Palesnar Tollway Limited because it will help realize the anticipated growth opportunities and synergies from combining these businesses.

The fair value of the identifiable assets and liabilities of DPTL as at the date of acquisition were as follows: (₹ in Lakhs)

Particulars	Fair Value recognised on acquisition
Property, plant and equipment's	223.11
Intangible Assets	1,44,343.10
Intangible Assets under development	2,715.00
Cash & Cash Equivalents	239.48
Other assets	130.65
Total Assets	**1,47,651.34**
Non current borrowings	97,943.41
Other liabilities	11,601.45
Perpetual debt	32,540.31
Deferred tax liability	7,109.92
Total Liabilities	**1,49,195.09**
Total identifiable net assets at fair value	(1,543.75)
Goodwill arising on acquisition	7,109.92
Purchase consideration transferred	**5,566.17**
Represent Investment held by the group in the subsidiaries upto October 29, 2015	63.28
Purchase consideration paid	5,502.89

From the date of acquisition, Dhule Palesnar Tollway Limited has contributed ₹ 10,558.20 Lakhs of revenue and reported a loss of ₹ 2,600.20 Lakhs. If the combination had taken place at the beginning of the year, revenue would have been ₹ 19,146.20 Lakhs and the loss for the group would have been ₹ 7,246.10 Lakhs.

60 Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection rights (Intangible Assets) (₹ in Lakhs)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	10.76 years
2	Aurangabad Jalna Tollway Limited	February 01, 2007	July 31, 2030	23 years 6 months	July 24, 2009	13.34 years
3	Bhilwara Rajsamand Tollway Private Limited	October 9, 2013	October 8, 2043	30 years	June 4, 2016	27.54 years
4	Bijapur Hungund Tollway Private Limited	September 05, 2010	September 04,2030	20 years	June 20, 2012	13.43 years
5	Hyderabad Yadgiri Tollway Private Limited	July 30, 2010	July 29, 2033	23 Years	December 10, 2012	16.34 years
6	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years & 6 months	November 16, 2011	16.51 years
7	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26,2035	22 years	July 29,2016	17.74 years
8	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	19.06 years

9	Shreenathji Udaipur Tollway Private Limited	April 18, 2013	April 17, 1990	27 years	October 16, 2015	23.60 years
10	Dhule Palesner Tollway Limited	December 21, 2009	December 20, 2027	18 years	January 23, 2012	10.73 years

Notes:

(i) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:-
   a. Rights to use the Specified assets
   b. Obligations to provide or rights to expect provision of services
   c. Obligations to deliver or rights to receive at the end of the Concession.

(ii) The actual concession period may vary based on terms of concession agreement.

(B) Disclosures with regard to Annuity project / Hybrid annuity project (₹ in Lakhs)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Nagpur Seoni Expressway Limited	November 26, 2007	November 25, 2027	20 years	May 25, 2010
2	Sadbhav Una Highway Private Limited	February 09, 2017	August 07, 2034	15 years from COD	August 08, 2019
3	Sadbhav Bhavnagar Highway Private Limited	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019
4	Sadbhav Rudrapur Highway Private Limited	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019
5	Sadbhav Nainital Highway Private Limited	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure
6	Sadbhav Bangalore Highway Private Limited	In the process of achieving financial closure	In the process of achieving financial closure	15 years from COD	In the process of achieving financial closure

Notes:

(i) 40% of the Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable to the company in 5 equal installments of 8% each during the Construction Period in accordance with the provisions of the SCA.

(ii) The remaining Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provison of the SCA.

(iii) Interest shall be due and payable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and payable biannually along with each installment specified in of SCA.

61 First time adoption of IND AS

These consolidated financial statements, for the year ended 31 March, 2017 are the first the Group has prepared in accordance with Ind AS. For periods upto and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the companies Act, 2013 read with paragraph 7 of the companies (Account) Rules, 2014 (Previous GAAP).

Accordingly, The Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March, 2017 together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. This note explains the principle adjustments made by the Group in restating its previous GAAP financial statements including the balance sheet as at 1st April 2015, and the previously published Previous GAAP financial statements as at and for the year ended March 31, 2016.

A Exemption from other Ind AS

a. Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant Equipment's and Investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its Property, Plant Equipments and Investment property, as recognised in its previous GAAP financials, as deemed cost at the transition date.

b. Revenue based amortization of Toll Collection Rights

Ind AS 101 permits a first time adopter to continue policy adopted for amortization of Toll Collection Rights arising from service concession arrangements related to toll roads recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the group has elected to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements, as per policy adopted by the group in the previous GAAP.

c. Long Term Foreign Currency Monetary Items

The Group has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

d. Business combination

Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered as business combination under Ind AS that occurred before 1 April 2015. The carrying amounts of assets and liabilities in accordance with previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurements is in accordance with Ind AS. The carrying amount of goodwill in the opening Ind AS balance sheet is its carrying amount in accordance with the previous GAAP.

Ind AS mandatory exceptions

a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

a. Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015 (₹ in Lakhs)

Particulars	March 31, 2016	April 1, 2015
EQUITY AS PER I-GAAP	**2,30,385.02**	**1,72,663.37**
Ind AS Adjustments:		
Impact on Property plant and equipment	3,784.55	2,614.46
Net gain / (loss) on financial assets fair valued through statement of profit & loss	3,742.57	1,405.18
Impact of Annuity assets considered as Financial assets	58,682.40	25,892.80
Discounting/unwinding of liability / provision	2,03,229.30	1,28,813.56
Recognisation of Finance cost on account of amortised cost of financial liability	1,370.68	1,989.31
Reversal of Goodwill	1,727.10	-
Impact on intangible asset	(3,60,041.02)	(2,28,844.52)
Impact of Deferred Tax	(5,579.86)	(2,456.61)
Others	6,617.60	21,544.20
Total Ind AS Adjustments	**(86,466.69)**	**(49,041.62)**
Total Equity as per Ind AS	**1,43,918.33**	**1,23,621.75**

b. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

Particulars	March 31, 2016
(Loss) for the period - As per IGAAP	**(4,675.41)**
Adjustments:-	
Recognition of Finance income on account of amortised cost of financial liability	69.88
Discounting/unwinding of liability / provision	(17,097.65)
Recognition of Construction Revenue including Government Grant	18,828.33
Recognition of Construction Expense and Other expenses	(18,828.33)
Change in share of minority Interest	2,397.17
Impact of Annuity assets considered as Financial assets	1,605.53
Reclassification of re-measurement gains on defined benefit plans to OCI	(72.00)
Impact on account of Business combination	(274.00)
Reversal of amortisation of goodwill	1,727.15
Others	5,991.22
Total Ind AS Adjustments	**(5,652.70)**
Loss after tax as per Ind AS	**(10,328.11)**
Other Comprehensive Income (OCI)	
Reclassification of re-measurement gains on defined benefit plans	72.00
Total Comprehensive Income as per Ind AS	**(10,256.11)**

c. Impact of Ind AS adoption on statement of cash flows for the year ended March 31, 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash Flows from Operating Activities	78,717.06	(53,946.36)	13,2663.42
Net Cash Flows from Investing activities	(1,67,592.07)	(30,022.64)	(1,37,569.43)
Net Cash Flows from Financing activities	80,983.74	83,068.26	(2,084.52)
Net Increase / (Decrease) in cash and cash equivalents	(7,891.27)	(900.74)	(6,990.53)
Cash and cash equivalents as at April 01, 2015	17,391.61	(0.05)	17,391.66
Cash and cash equivalents as at March 31, 2016	**9,500.34**	**-900.78**	**10,401.12**

Footnotes to the reconciliation of profit and loss for the year ended March 31, 2016 and equity as at April 01, 2015 and March 31, 2016 :

(a) Finance Cost Recognition of account of amortised cost of Financial Liability: The financial liability has been recognised at effective interest rate method under Ind AS. Under previous GAAP, the same is disclosed at transaction value.

(b) MTM on derivative financial instruments : Under previous GAAP, net mark to market losses on derivative financial instruments as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognosed at fair value and the movement is recognosed in the statement of Profit & Loss.

(c) Deferred Tax: The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profrt and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

(d) Recognition of Construction Revenue including Government Grant under Service Concession Arrangement : In consolidated financial results, the construction revenue and related construction cost of assets developed under concession arrangements with government are recognised as income and expenditure and concession rights capitalised as intangible assets as per the Appendix A of Ind AS 11 'Service Concession Arrangement' on specific conditions being met in terms of accounting standard. Under Indian GAAP, construction costs are recognised as Intangible rights under concession arrangement.

(e) Discounting / unwinding of liability / provision: In consolidated financial results, under the previous GAAP, the provision of Major Maintenance expenses and the premium obligation payable to government authorities were recognised on undiscounted basis. As required under Ind AS, the same have been recognised on discounted basis.

(f) Annuity assets considered as financial assets: In consolidated financial results, financial Income on the Annuity based BOT project recognised as financial assets considering the time value of total receivables as per the Appendix A of Ind AS 11 'Service Concession Arrangement' under Ind AS. Under Previous GAAP, the fixed amount receivable from authorities was recognised as Income on gross basis.

(g) Reversal of Goodwill on Consolidation: In consolidated financial results, the goodwill on consolidation was amortised under previous GAAP over the concession period. Under Ind AS, the goodwill value is not amortised and is carried as previous GAAP carrying value in accordance with Ind AS 101 and tested for impairment.

62 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7 'Statement of cash flows':
The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017 in March 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This standard will come into force from accounting period commencing on or after 1 April 2017. The Group will adopt the new standard on the required effective date. The group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

63 In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, the Maharashtra Border Check Post Network Limited (MBCP), a subsidiary, has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st March, 2017, the company has achieved provisional certificate of completion for 17 check posts out of total 22 check posts as per Concession agreement. The collection of service fees have been started in 13 BCP as per directive of MSRDC. Further, MBCP had received general resolution from government of Maharashtra for construction of additional 2 Check post on BOT basis.

As at 31st March, 2017, the project implementation is in progress and there are costs variance in development of each BCP site. The Company has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 56 below. MBCP has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. MBCP is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the company under the terms of concession agreement.

64 Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary entity has accepted and accounted certain project related costs variation amounting towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project ('BCP Project'). Such costs variations are incurred due to various reasons not attributable to MBCPNL in terms of service concession agreement, up to March 31, 2017 is ₹ 18830.90 Lakhs (March 31, 2016 ₹ 17405.70 lakhs). The costs have been accounted as intangible assets. Further, such costs variations is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer has in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variations claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.

65 In the case of the following step-down subsidiaries there are accumulated losses as at the balance sheet date, which have resulted in erosion of the respective company's net worth. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their financial obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (SIPL). Accordingly, these consolidated financial statements have been prepared assuming that such Subsidiaries will continue as a going concern. The details are as follows:

(₹ in Lakhs)

Name of the Subsidiary	Accumulated Losses as at		
	March 31, 2017	March 31, 2016	April 1, 2015
Aurangabad Jalna Tollway Limited	9,264.90	-	-
Ahmedabad Ring Road Infrastructure Limited	-	-	6,189.72
Nagpur Seoni Expressway Limited	10,874.91	10,249.08	-
Rohtak-Panipat Tollway Private Limited	47,779.50	31,951.20	-

66 In the previous year, the Group had transferred its rights in the 1,04,00,000 equity shares of Mumbai Nasik Expressway Limited (MNEL) at a consideration of ₹ 7200.00 Lakhs. The profit made on sale of rights in the equity shares of ₹ 6160.00 Lakhs (i.e. net of cost of ₹ 1040.00 Lakhs) has been accounted as an exceptional item in the Consolidated statement of profit and loss.

67 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As on March 31, 2017

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit / (loss)	Amount ₹ in Lakhs	As % of consolidated OCI	Amount ₹ in Lakhs	As % of consolidated TCI	Amount ₹ in Lakhs
Parent Company								
SEL	9%	11,582.67	(110%)	18,845.93	68%	(181.47)	-107%	18,664.46
Subsidiary Companies								
Indian								
SIPL	50%	62,096.48	141%	(24,247.85)	32%	(86.50)	140%	(24,334.35)
MBHPL	14%	16,953.52	0%	(0.82)	0%	-	0%	(0.82)
Minority interest in all subsidiaries	28%	34,807.25	69%	(11,761.82)	0%	-	67%	(11,761.82)
Total	**100%**	**1,25,439.92**	**100%**	**(17,164.56)**	**100%**	**(267.97)**	**100%**	**(17,432.53)**

68 Dividend

(₹ in Lakhs)

Particulars	₹ Per Share	As at March 31, 2017	As at March 31, 2016
Dividend Proposed and not recognized at the end of reporting period	0.70	--	1445.49
	0.75	1548.74	--

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

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

Particulars	2016-17	2015-16	2014-15
Not later than one year	557.49	75.37	-
Later than one year and not later than five years	1,939.92	234.72	-
Later than five years	-	-	-

(b) The Company has recognised lease payment of ₹ 492.89 (March 31, 2016: ₹ 66.77 Lakhs and April 1, 2015: Nil) in the statement of profit and loss under the head "Machinery Rent" during the year.

(c) The general description of significant leasing arrangements:
At the conclusion of the Term, Lessee has right to exercise one or more of the following options.
(i) Request Lessor to agree to a renewal of Term or
(ii) Surrender the Equipment as provided. Upon receipt of the Equipment by Lessor or Lessor's agent, the Rental Schedule shall terminate with no further obligation or liability on Lessee.
(iii) Purchase the Equipment at the Fair Market Value. In cases, wherever Minimum Value is specified in the applicable Rental Schedule, Lessee shall have the option to buy the Equipment at higher of the Minimum Value or Fair Market value.

70 There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS - 36 - "Impairment of Assets".

71 Dividend in Foreign Currency

Details of amount remitted during the year in foreign currency on account of dividends.

Category of Shareholders	Number of Shares	Number of Shareholders	Amount Remitted during the year	Year to which dividend relates
Foreign Institutional Investor	30038490	96	210.27	2016-17
	2,56,96,455	87	179.87	2015-16
	2,43,27,917	45	170.29	2014-15
Non Resident Indians	126906	240	0.89	2016-17
	1,34,291	228	0.94	2015-16
	98,543	169	0.69	2014-15
Total	3,01,65,396	336	211.16	2016-17
	2,58,30,746	315	180.81	2015-16
	2,44,26,460	214	170.98	2014-15

72 Borrowing Cost:

During the Year, Company has capitalized borrowing cost of ₹ 10.57 Lakhs (March 31, 2016 : ₹ Nil) according to Ind AS-23 "Borrowing Cost" The capitalization rate used to determine the amount of borrowing cost to be capitalized is the interset rate applicable to the company's borrowing which 10% p.a.

73 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIS ACT. 2013

Loans given and investment made are given under respective heads.
Corporate Guarantee given by the Company in respect of loans as at March 31, 2017:-

(₹ in Lakhs)

Sr. No.	Name of Company	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	3652.50	4078.00	4288.00
2	Aurangabad Jalna Tollway Ltd.	0.00	3679.00	3848.00
3	Sadbhav Infrastructure Project Ltd.	80000.00	50000.00	68000.00
	Total	**83652.50**	**57757.00**	**76136.00**

74 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.

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

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

76 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308€ dated March 31, 2017 on the details of Specified Banks Notes (SBNs) held and transated during the period from 8th November, 2016 to 30th December, 2016, the Denomination wise SBNs and other notes as per the said notification is given below.

(Amount in Actual ₹)

Particular	SBNs *	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	31795249	23766198.89	55561447.89
(+) Permitted Receipt	119440751	547884960	667325711
(-) Permitted Payments	(25500)	(12631983)	(12657483)
(-) Amount deposited in Banks	(151210500)	(504817363)	(656027863)
Closing Cash in hand as on 30/12/2016	0	54201812.89	54201812.89

* For the purpose of this clause, the term "Specified Banks Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number SO 340E, dated 8th November, 2016.

77 During the year, Bhilwara Rajsamand Tollway Private Limited (BRTPL) and Rohtak Hissar Tollway Private Limited (RHTPL) , the subsidiaries, have received Provisional Commercial Operation Date (PCOD) as on June 04, 2016 and July 29, 2016 respectively and accordingly the toll collection was started from June 09, 2016 and August 03, 2016 respectively. The statement of profit & loss for the year ended March 31, 2017 also includes operations of BRTPL and RHTPL w.e.f. PCOD and to that extent current year operational nos are not comparable with the previous year operational nos for the year ended March 31, 2016.

78 Events occurred after Balance Sheet date

Subsequent to the year end, income tax department carried out search u/s 132 and survey u/s 133A of the income Act, 1961 at premises of the Company and its couple of subsidiaries. Management believes there would be no implication in this regards on these consolidated financial statements.

79 All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

80 Previous year figures:

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our Audit Report of even date attached

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

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Annexure

FORM AOC-1

((Purusuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing sailent features of the financial statements of subsidiaries/associates companies/joint ventures

Part "A": Subsidiaries

(₹ in Lakhs)

Name of the Subsidiary Company	Sadbhav Infrastructure Project Ltd.	Ahmedabad Ring Road Infrastructure Ltd.*	Nagpur - Seoni Expressway Ltd.*	Aurangabad - Jalna Toll Way Ltd.*	Bijapur - Hungund Tollway Pvt. Ltd.*	Maharastra Border Check Post Network Ltd.*	Hyderabad - Yadgiri Tollway Pvt. Ltd.*	Rohtak - Panipat Tollway Pvt. Ltd.*	Shreenathji - Udaipur Tollway Pvt. Ltd.*	Bhilwara - Rajsamand Tollway Pvt. Ltd.*	Rohtak - Hissar Tollway Pvt. Ltd.*	Mysore - Bellary Highway Pvt. Ltd.	Dhule Palesner Tollway (P) Ltd.*	Sadbhav Bhavnagar Highway (P) Ltd.*	Sadbhav Nainital Highway (P) Ltd.*	Sadbhav Rudrapur Highway (P) Ltd.*	Sadbhav Una Highway (P) Ltd.*	Sadbhav Bangalore Highway (P) Ltd.*	Total
Reporting Period	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	From 20th June, 2016 to 31st March, 2017	From 1st May, 2016 to 31st March, 2017	From 1st May, 2016 to 31st March, 2017	From 22nd June, 2016 to 31st March, 2017	From 29th October, 2016 to 31st March, 2017	
Reporting currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Share Capital	35222.50	1046.00	4800.00	197.10	10096.00	5.00	324.70	218.60	3374.30	1734.00	1076.80	7907.00	6878.00	400.00	100.00	100.00	400.00	5.00	**73885.00**
Reserves & Surplus	99050.60	630.30	(9692.00)	(1161.90)	(2936.10)	26997.50	673.80	(23730.40)	19145.90	10609.50	4056.20	7296.20	4323.70	3033.40	2875.30	2726.70	1839.20	(0.20)	**145737.70**
Total Assets	277653.90	35134.80	24837.00	25093.80	99380.80	144555.80	65180.10	177248.10	145525.10	41651.80	105899.40	66143.60	123182.60	4332.50	3042.70	5202.90	2639.10	12.30	**1346716.30**
Total Liabilities	143380.80	33458.50	29729.00	26058.60	92220.90	117553.30	64181.60	200759.90	123004.90	29308.30	100766.40	50940.40	111980.90	899.10	67.40	2376.20	399.90	7.50	**1127093.60**
Investments(ex-cept in case of investment in the subsidiaries)	0.00	51.60	124.10	0.00	4335.10	0.00	884.90	310.70	20.80	22.70	12.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**5762.30**
Turnover	28544.50	9413.40	2387.40	5085.60	11587.60	24323.00	5690.70	9084.20	12781.40	6258.50	12821.90	28816.30	18269.30	3908.30	2931.40	4841.60	2343.00	7.30	**189095.40**
Profit / (Loss) Before Taxation	5258.80	1083.90	(626.00)	(1066.60)	(2530.03)	(1261.80)	(2321.60)	(15827.50)	(6258.20)	(963.20)	(5454.30)	5237.20	(3788.00)	(0.20)	(2.90)	(2.90)	(0.20)	(0.20)	**(28523.73)**
Provision for Taxation	1143.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.00	0.00	0.00	0.00	**1144.40**
Profit / (Loss) After Taxation	4115.70	1083.90	(626.00)	(1066.60)	(2530.03)	(1261.80)	(2321.60)	(15827.50)	(6258.20)	(963.20)	(5454.30)	5237.20	(3789.30)	(0.20)	(2.90)	(2.90)	(0.20)	(0.20)	**(29668.13)**
Proposed Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0.00**
% of shareholding	68.64%	0.00%	0.00%	0.00%	0.00%	#2.63%	0.00%	0.00%	0.00%	0.00%	0.00%	74.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

* Subsidiary of Sadbhav Infrastructure Project Limited which is a step-down Subsidiary of the Sadbhav Engineering Limited
Figures in bracket show negative figures.

\# By virtue MOU pending transfer from Sadbhav Engineering Limited to Sadbhav Infrastructure Project Limited.

Notes:

1. Name of Subsidiaries which are yet to commence operations :
   a) Sadbhav Vidharbha Highway Pvt. Ltd.(Incorporated on 24.04.2017)
   b) Sadbhav Udaipur Highway Pvt. Ltd.(Incorporated on 23.05.2017)
2. Name of Subsidiaries which have been liquidated or sold during the year : None

Place : Ahmedabad
Date : 29-05-2017

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

FORM AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

Part "B": Associates and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/Joint Ventures	SEL-GKC JV Radhanpur - Manpura Project	SEL-GKC JV Vishakhapatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Managuru Project	SEL-GKC JV BSHP-II Project	SEL-GKC JV Govindpur Project	SEL-Annapurna JV Basantimata Project	SEL-Vishnushiva Maheshpur Project	SEL-Vishnushiva Jalipa / Kapurdi Project	SEL-Vaishnovi JV - Halon Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PIPL JV
1	Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2	Shares of Associates/Joint Ventures held by the company on the year end															
	No.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Amount of Investment in Associates / Joint Ventures (₹ in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Extend of Holding %	52.00	50.00	60.00	52.00	40.00	51.00	50.00	50.00	80.00	75.00	98.00	72.00	40.00	40.00	51.00
3	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
4	Reason why the associate / joint venture is not consolidated	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note
5	Networth attributable to Shareholding as per latest audited Balance Sheet	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Profit / (Loss) for the year (₹ in Lakhs)															
	i. Considered in Consolidated (₹ in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii. Not Considered in Consolidated (₹ in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

* **Note:** Accounted as per Jointly Control Operation method. Assets, Liabilities, Income & Expenses are recognised in the respective Joint Venture partners' books of accounts.

Note :

1. Names of associates or joint ventures which are yet to commence operations : None
2. Names of associates or joint ventures which have been liquidated or sold during the year : None

For and on behalf of Board

Shashin V. Patel
Chairman & Managing Director
DIN: 00048328

Nitin R. Patel
Executive Director & CFO
DIN: 00466330

Vasistha C. Patel
Executive Director
DIN: 00048324

Tushar D. Shah
Company Secretary

Place : Ahmedabad
Date : 29-05-2017

Note :

SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : selinfo@sadbhav.co.in • Web : www.sadbhaveng.com

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

DP ID	
Client ID	

Folio No.	
No. of Shares	

Name and address of Shareholder / Proxy holder

I hereby record my presence at the **28th Annual General Meeting of the Company** held on Tuesday, September 26, 2017 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 at 12.00 Noon.

Shareholder / Proxy's Signature

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

SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : selinfo@sadbhav.co.in • Web : www.sadbhaveng.com

P R O X Y F O R M

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

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

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

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

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

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **28th Annual General Meeting of the Company,** to be held on the Tuesday, September 26, 2017 at 12.00 Noon at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

P. T. O.

1. Consider and adopt:
   (a) Audited Financial Statement, Report of the Board of Directors and Auditors.
   (b) Audited Consolidated Financial Statement.
2. Declaration of Dividend on Equity Shares.
3. Reappointment of Mr. Nitin R. Patel (DIN: 00466330) who retires by rotation.
4. Reappointment of Mr. Vipul H. Patel (DIN: 06634262) who retires by rotation.
5. Appointment of Statutory Auditors and fixing their remuneration.
6. To approve and ratify Related Party Transactions.
7. Reappointment of Mr. Arun S. Patel (DIN: 06365699) as an Independent Director of the Company.
8. Appointment of Mr. Shashin V. Patel (DIN: 00048328) as a Chairman & Managing Director of the Company for a period of three Years.
9. Reappointment of Mr. Nitin R. Patel (DIN: 00466330) as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years.
10. Reappointment of Mr. Vasistha C. Patel (DIN: 00048324) as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years.
11. Reappointment of Mr. Vikram R. Patel (DIN: 00048318) as a Whole-time Director Designated as an Executive Director of the Company for further period of three Years.
12. To approve the place of keeping and inspection of Registers, Returns etc.
13. Alteration of Articles of Association.
14. Ratification of Remuneration to Cost Auditor.

Signed this _____ day of _____ 2017

Please affix Re 1/- Revenue Stamp

_____
Signature of shareholder

_____
Signature of 1st proxy holder

_____
Signature of 2nd proxy holder

_____
Signature of 3rd proxy holder

Notes :

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office/Corporate 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.

> "Businesses succeed when societies themselves succeed."
>
> – Ban Ki-moon

Sadbhav
TODAY FOR TOMORROW

Sadbhav cares…
CSR





Government Primary School

Standing by our values of giving and sharing, Sadbhav initiated many projects under its Corporate Social Responsibility division. In accordance with the same, we adopted the entire Mota Isanpur village. Aligning it with the 'Swachh Bharat Abhiyan' (a Government of India initiative); we built Toilets for Hygiene along with a Hospital for Health and a Primary School for Literacy. Parks, Temples, Roads and *Anganwadi* were also constructed with a view to provide better infrastructural facilities and basic amenities to help people improve their standards of living.



New Construction at M. B. Patel Trust Hospital

Furthermore, we extended our CSR activities to serve humanity by establishing various healthcare, educational and religious institutes in the same vicinity. Initiation of developing an Eye Hospital as well as a *Sarvajanik* hospital took place to serve the community at large.



Government Primary School for Girls

Blood donation Camps and Tree plantation activities are often organised at various project sites to encourage the value of 'Giving'.



Sadbhav Park





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.

08/2017 marg

Sadbhav
TODAY FOR TOMORROW

TÜV NORD
TUV India Private Ltd.
ISO 9001

SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Registered Office : "Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006, India.
Phone : +91-79-2646 3384, 2640 5687
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