

MINING

23rd
ANNUAL REPORT
2011-2012



TOWARDS EXCELLENCE



*“Perfection is not attainable,
but if we chase Perfection
we can catch Excellence.”*

- Vince Lombardi

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Section of Dhule Maharashtra / M.P. Border Project NH-3

Excellence through Consolidation



The Chairman Shares



“ Our vision is to continually deliver maximum value to all stakeholders and achieve and maintain a leadership position in the infrastructure development space through profitable, ethical and sustainable means only ”

Dear Shareholders,

The year 2012 has given us the confidence to look into the future with a renewed dynamism and zest. Our country is growing rapidly and this growth has encouraged us to sustain its growth by providing it with unparalleled infrastructure. We believe the new infrastructure needs to be developed at a fast pace in order to relieve the pressure of the existing infrastructure.



“Infrastructure Today Awards, 2011 for Most Admired Developer in Highway Sector, held in association with KPMG on the 9th December, 2011 in New Delhi”

Today we can proudly say that we are equipped to meet the challenge. Sadbhav’s dedication towards generating growth for all stakeholders has given it a prominent place in the industry.

With great pride we would like to share that this year Sadbhav was awarded the Most Admired Developer (Transport category), at the 4th Infrastructure Today Awards, 2011 in association with KPMG held on the 9th December, 2011 in New Delhi.

Our more than two decades of vision has synergised with state-of-the-art technology to sustain our growth, year after year. This year has been a remarkable one for Sadbhav. We have proudly reached a net worth of ₹ 762 crores on stand alone bases, which accounts for an incremental 22% growth. The order book stands at ₹ 7214 crores as on 30th June, 2012. This year we have achieved a turnover of ₹ 2675.55 crores and Profit after Tax stands at ₹ 140.56 crores. This is just the tip of the iceberg. As India stands on the threshold for an infrastructure boom, Sadbhav looks forward to being a significant part of this phenomenon and reap the benefits.

Despite a healthy 8.5 per cent growth during the year, inflation index has shown an upward growth, in our country, due to many domestic and international factors. The major crisis is the inflation in day to day commodities like grains, vegetables etc. This can be minimised with state-of-the-art infrastructure. The India Infrastructure Summit 2012, foresees an investment of nearly 1 trillion USD during the Twelfth Five Year Plan (2012-17), out of which investments worth 123 billion USD is expected to come to Highway sector alone. This indicates the silhouette of the infrastructure industry in the near future. This emphasis on, private sector participation, in infrastructure building, positions us in a profitable situation.

Sadbhav's current business structure is as follows:

- Development of 11 BOT projects with total project cost of ₹ 10146 crores through its subsidiary Sadbhav Infrastructure Projects Ltd. (SIPL)
- 15 Transport Sector projects with total order book position of ₹ 5191 crores
- 13 Irrigation projects with total order book position of ₹ 1092 crores
- 8 Mining projects with total order book position of ₹ 931 crores

These figures indicate our growing credentials and proficiencies. With such an incredible track record and presence in the market, we believe Sadbhav is strongly positioned to play a key role in the coming years.

Sadbhav's team of dynamic professionals, always striving to give their best and a vision to grow with the values of mutual respect, reflects on the growth of the company. They are the spine of the company and the real artists of our success. We consider it our utmost responsibility to provide a secure and conducive environment for them to work and grow. It is a matter of pride that, Sadbhav owes its success to them and our insatiable appetite for excellence sets new scales year after year and achieving them, reflects the zest of our team to put in their best for the company. The value we create for the shareholders speaks volumes and it is this that will decide the future of Sadbhav.

Abraham Lincoln once said "I'm a success today because I had a friend who believed in me and I didn't have the heart to let him down." Looking back we believe he was right. Sadbhav has thousands of stakeholders believing in us and we do not have the heart to let them down.

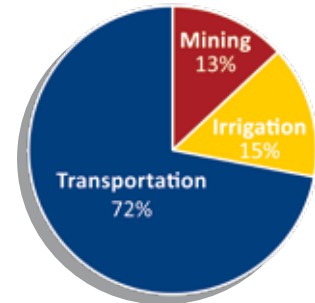
Thanking you,



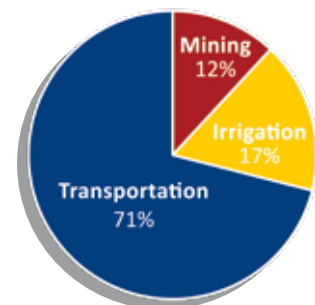
Vishnubhai Patel

Total Order Book

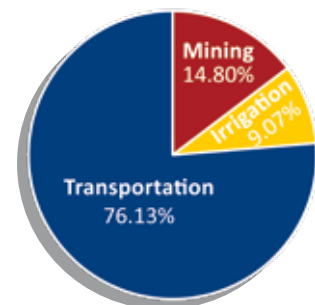
As on June 2012
(₹ 7,213.66 Crores)



As on June 2011
(₹ 6,586.75 Crores)



As on May 2010
(₹ 6,516.05 Crores)



VALUES

Our values of Integrity, Fairness and Transparency provide strength in our commitment to consistently raise client satisfaction and earn trust, through promptness in delivery and excellence in quality.

Corporate Information

BOARD OF DIRECTORS

Shri Vishnubhai M. Patel
Chairman & Managing Director

Shri Shashin V. Patel
Joint Managing Director

Shri Girish N. Patel

Shri Nitin R. Patel

Shri Pravinkumar M. Ganatra

Shri Amarsinh J. Vaghela

Shri Sandip V. Patel

Shri Atul N. Ruparel

Shri Vikramkumar R. Patel
(w.e.f. 20-08-2012)

Shri Vasistha C. Patel
(w.e.f. 20-08-2012)

BOARD COMMITTEES

Audit Committee

Shri Sandip V. Patel
Chairman

Shri Pravinkumar M. Ganatra
Member

Shri Amarsinh J. Vaghela
Member

Remuneration Committee

Shri Atul N. Ruparel
Chairman

Shri Pravinkumar M. Ganatra
Member

Shri Sandip V. Patel
Member

Shareholders/Investor Grievance Committee

Shri Amarsinh J. Vaghela
Chairman

Shri Sandip V. Patel
Member

Shri Girish N. Patel
Member

Finance Committee

Shri Vishnubhai M. Patel
Chairman

Shri Shashin V. Patel
Member

Shri Nitin R. Patel
Member

Shri Atul N. Ruparel
Member

BANKERS

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

COMPANY SECRETARY

Shri Vijay Kalyani

STATUTORY AUDITORS

Shashikant Patel Associates

WORKSHOP

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

REGISTERED OFFICE

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

MUMBAI OFFICE

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

REGISTRAR & TRANSFER AGENTS

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



Key Management Team

PHILOSOPHY

Our philosophy is what helps us put our accomplishments into perspective. In our role, responsibility and purpose, we realize and respect the need for development and prosperity for all in the world around us. The dreams we are realizing and the better tomorrow we are envisioning is for everyone to prosper in. It is for this reason that our working philosophy at Sadbhav is Towards Tomorrow Together.

Our Structuring Team

The commitment and passion of Sadbhav's pioneers is reflected in its people who form the backbone of the company. This group of talented individuals are a treasure trove of skills. The team totals to more than 1442 trained and dedicated professionals, which includes engineers and workers.

Our people play a pivotal role in our growth. We strive to provide the most conducive environment to facilitate our team's 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.

Each member of the Sadbhav team is a powerhouse of dynamism and plays a crucial role in structuring the new horizons of the country.





Excelling our Strategy

Building Our Brand

Our Brand Mark represents our vision, our values and our purpose. The Yellow Colour signifies Trust, Good Faith and Ethical Values. The Yellow arrow indicates our focus on the foundation. The red colour signifies energy, aggressiveness, courage and action. The two arrows indicate our vision of growth and development. The entire mark indicates secure, protection and safety. Our slogan represents our spirit. We understand our work will last beyond our life time and our projects will be beneficial for many generations to come. We strive today, for a better tomorrow. The seeds we sow today will give fruits to our future generations.



Invest in People

Sadbhav respects its responsibilities towards its people. We identify the potential of each employee and endeavour by providing them the right opportunity to grow. Regular in-house and external training which includes knowledge and skill development is provided to enhance their growth. Our positive approach to competency development and retention allows us to attract, retain and build the best team.



State-of-the-art Technology

Our captive investment bank which comprises of machinery required for road, irrigation & mining projects save us from the troubles of availability of hired machinery. We are well equipped with latest technology Plants, Machinery and Ancillary equipments. These assist in on time completion of quality projects. We have a well-equipped workshop at Ognaj, Ahmedabad, where all our equipment is regularly overhauled and maintained.



Client Relationships

We must meet our challenges of an ever competitive market. In practical terms customer care and quality are in-built into our project methodology and the way we work, through effective partnering, quality control, regular liaison and feedback from project teams and clients. We believe that by working in partnership with our clients we deliver sustainable benefits in an effective, timely and cost effective way.





Bijapur-Hungund NH-13 Tollway Plaza,
Karnataka State

Reinforcing our Mission



- ◆ To set and achieve ever-rising standards in quality and timely delivery
- ◆ To create an environment that is conducive for innovation
- ◆ To adhere with the safety and environmental norms in all regions of operation
- ◆ To develop a highly talented, skilled and committed workforce



Rohtak-Panipat Section of NH-17a : work in progress



Towards New Horizons

Sadbhav is a company reconstructing to create new horizons for the past two decades. The name needs no introduction. Founded in 1988, now for almost twenty five years, Sadbhav Engineering Limited is a trusted name in the field of Infrastructure development like, roads & highways, bridges, irrigation and mining operations. Today we are an ISO 9001-2008 certified company. We attain our projects through a competitive bidding process either on a standalone or through a joint venture. This depends on the size and scale of the project.

Our work horizon is divided into two major segments, the EPC (Engineering Procurement Construction) of contracting services business and the BOT (Build, Operate & Transfer) of Infrastructure development business. SIPL (Sadbhav Infrastructure Project Ltd.) was incorporated as an asset holding company for road and other Infrastructure BOT projects 5 years ago. The SIPL through SPV (Special Purpose Vehicles) then builds, operates and maintains road infrastructure assets as per the respective concession agreement.

Our team of professionals, who define the backbone of the company are, extraordinary men and women who operate and maintain high quality and execute projects on time. This sets us apart from the others.

With 11 BOT projects, 15 Transport Sector projects, 13 Irrigation projects and 8 mining projects under process, across India, Sadbhav has stretched its hands wide and is in the process of Structuring new Horizons for the Country.





**Building, Operating
& Transferring of
Success**



Toll Booth on the S.P. Ring Road, Ahmedabad



Artist's impression of the aerial view of Maharashtra Border Check Post (MBCPNL)

Constructing Roads & Operating (BOT)

Road BOT are projects to Build, Operate and maintain road infrastructure assets as per the respective concession agreements. SIPL was incorporated as an asset holding company for road and other Infrastructure BOT projects 5 years ago. These Projects are secured through a competitive bidding process either on a stand-alone or through a joint venture depending on the project size and requirements.

At Sadbhav our emphasis is on building a sizable asset base in the road BOT project. Amongst all the BOT projects of SEL, the Sardar Patel Ring Road BOT (ARRIL) became the 1st BOT to be operational.

It is a matter of pride in stating that SEL is the sole EPC contractor for most of the BOT projects which ensures timely and hassle free completion of projects. Our BOT projects include, Vadape-Gonde 4 Lane (MNEL) Dhule-Palasnar BOT (DPTL), Maharashtra Border Check Post BOT (MBCPNL), Lakhnadon-Seoni BOT (NSEL), Hyderabad-Yadgiri BOT Project (HYTPL), Sardar Patel Ring Road BOT (ARRIL), Rohtak-Panipat BOT Project (RPTPL), Aurangabad-Jalna BOT (AJTL), Bijapur-Hungund BOT Project (BHTPL), Gomati Chauraha-Udaipur Road Project (SUTPL) and Solapur-Bijapur Road Project (SBTPL).

Currently, we have invested in 11 BOT projects with total project cost of Rs. 10146 crores out of which 5 are operational, 1 partially operational and remaining 5 under various stages of construction.



Check-post at
Maharashtra / M.P. Border-Dhule NH-3



Bijapur-Hungund NH-13 Tollway Plaza,
Karnataka State



Structuring Roads & Building Bridges

With a convoy of state-of-the-art construction equipment manned by skilled workers and engineers Sadbhav successfully builds roads after roads and bridges over rivers and ravines to lessen distances and connects a nation to bring its people closer to each other. Our skillfull coordination ensures timely completion of quality projects. It is to this we owe a successful track record of Constructing more than 3738 Lane kms & 3002 Lane kms under construction of roads & highways, executed large number of projects for NHAI & State Governments and private developers. We have also been awarded exemplary track record for timely completion; cash bonus for NH-79 and appreciation for Karnataka project from World Bank.

According to the Planning Commission report, the road freight industry will be growing at a compounded annual growth rate (CAGR) of 9.9%. A target of 1,231 billion ton kilometer (BTK) has been put on road freight volumes for 2011-12. (Source: Planning Commission reports). During the current financial year, about 7,300 Km of the National Highways are to be developed that is likely to translate into a Rs. 70,000 crores opportunity for developers.

With 15 On-going projects, of an outstanding value of Rs. 5191 crores, with valued customers like, Greater Vishakhapatnam Municipal Corporation, Govt. of Jharkhand Project Implementation Cell, BSRDCL, NHAI, Jharkhand Road Projects Implementation Co. Ltd., Delhi Metro Rail Corporation Ltd. and Maharashtra State Road Development Corporation (MSRDC), Sadbhav looks forward to capitalizing on the upcoming lucrative opportunities in this Sector and structuring new roads & bridges on the existing Horizon of the country.

Roads & Bridges to Conquer Tomorrow



Bijapur-Hungund NH-13
Karnataka State



Dhule-Palesner NH-3



Irrigating Green Revolution

Farming has been a major source of growth in our country. A major portion of the GDP comes from Farming. Providing conducive environment and a free flow of water, to the farmers, to harvest a bounty of crops has always been the Government's major concern. Addressing this concern the Government has made structural changes in Accelerated Irrigation Benefit Programme (AIBP) to maximise flow of benefit from investments in irrigation projects. Allocation for AIBP in 2012-13 stepped up by 13 % to 14,242 crores.

Due to our experience and execution capabilities in constructing dams, canals & siphons, we hold a track record of executing a major portion of world's largest concrete lined Narmada Main Canal project having capacity of 40,000 cusecs. We have also executed 4 out of the total 9 canal siphons on Narmada Main Canal across different rivers. Our team of engineers and workers have successfully executed a 13.87 km concrete lining project on the Kakrapar left bank, in a record 75 days.

Sadbhav has also successfully completed the Construction of NMC in its reach from 108 to 127 km for SSNNL and constructing Canal siphon across river Watrak on NMC Kapadwanj for SSNNL

With 13 projects worth an outstanding value Rs. 1092 crores, in the pipeline for clients like Govt. of MP I & CAD Dept., Govt. of AP I & CAD Dept., Executive Engineer, OECF Division, Orissa, Executive Engineer, N. D. Division, Manawar, Narmada Valley Development Authority Lower Narmada Projects, Indore and many more, Sadbhav's Team of experts look forward to bringing prosperity to the agricultural economy by irrigating a green revolution.

Conserving
Natural Resources,
a gift of God



Aerial view of the Narmada Canal





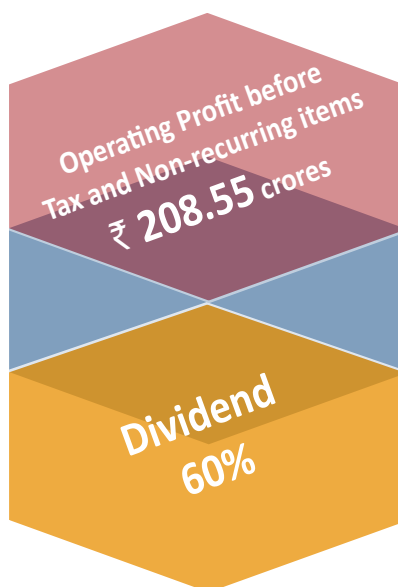
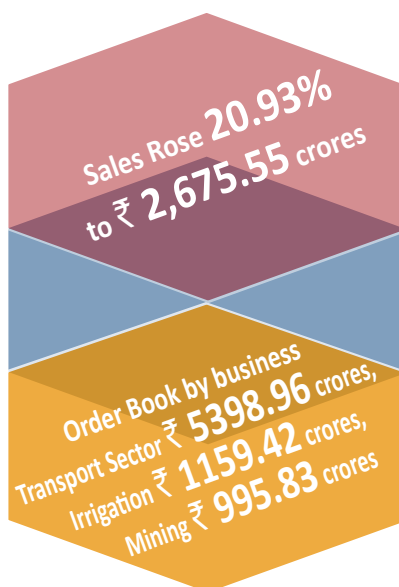
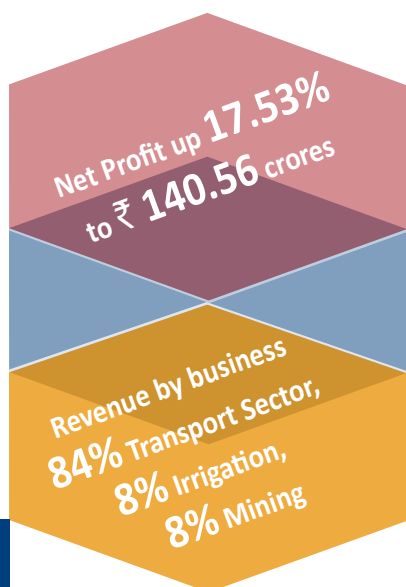
Mining Deep into Success

For seeing the potential of the infrastructure developments impetus levied by the Govt. in fostering the infra-construction and mining segment, industry majors predict a robust growth for this segment in the next five years. "Indian aggregates market is poised to grow from USD 3.8 bn to USD 5.9 bn in the 2011-16 time frame, and the aggregate industry is expected to grow at a rate of 8.86% CAGR. During this time frame, the requirement in tonnage will be nearly 35 bn tonnes". (EPC World, July 2012, pg.70, last para)

The visionaries of Sadbhav perceive huge opportunities in mining and consider it to play a major role in the growth of SEL. Our mining projects range from excavation of over burden to removal of lignite and coal.

Our client list boasts of stalwarts like Gujarat Heavy Chemicals Ltd., Gujarat Mineral Development Corporation, Northern Coalfields Ltd., Mahanadi Coalfields Ltd., Bharat Coking Coal Ltd. and Western Coalfields Ltd. Our track record shows success in executing a 5-year project for GIPCL involving excavation of overburden and lignite at Vastan Mines. We have executed contracts worth 250 mn cubic meters. Our mining team today executes 200,000 cubic meter of overburden per day with the help of hi-tech machinery. Our major projects include Removal of Overburden at Bina OCP at Uttar Pradesh for NCL and a 7-year repeat contract from GIPCL for excavation of overburden & mining of lignite at Vastan Mines, Gujarat.

With 8 on-going projects of an outstanding value Rs. 931 crores, the team of Sadbhav is confident to mining effectively to create new depths of success.



(₹ in Crores)

Financial Highlights	2011-12	2010-11	2009-10	2008-09	2007-08
Turnover	2675.55	2209.17	1256.93	1062.48	894.83
Total Income	2686.37	2228.67	1273.58	1074.17	904.68
Earning Before Depreciation, Interest and Tax (EBDIT)	290.28	225.79	137.65	108.31	102.33
Depreciation	27.44	26.86	23.25	15.68	13.89
Interest	65.11	42.69	33.09	21.39	15.73
Profit After Tax	140.56	119.59	53.84	63.29	52.37
Equity Dividend %	60%	60%	40%	40%	40%
Dividend Payout	10.49	10.49	5.83	5.85	5.85
Equity Share Capital	15.04	14.99	12.50	12.50	12.50
Warrant Application Money	0.00	0.00	0.00	0.00	3.45
Stock Option Premium Outstanding	2.63	2.10	0.00	0.00	0.00
Reserve & Surplus	744.64	608.65	379.01	330.15	268.40
Net Worth	762.30	625.75	391.51	342.65	284.35
Gross Fixed Assets	443.50	371.52	332.21	260.65	241.40
Net Fixed Assets	288.07	229.76	210.09	154.55	143.02
Total Assets	2139.41	1990.28	1420.13	831.39	697.11
Total Debt (Loan Fund)	460.23	396.07	423.87	211.11	150.32
Earning Per Share (In Rs.)	9.36	8.50	4.21	5.06	4.34
Book Value Per Share (In Rs.)	50.74	41.75	31.32	27.41	22.75
Weighted No. of Shares	150235175	140608299	127955167	125000000	120584700

Notice

NOTICE is hereby given that the Twenty-Third Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on, Saturday September 29, 2012 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006 at 11.00 A.M. to transact the following business –

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31,2012 , the Statement of Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Pravinkumar M. Ganatra who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Girish N. Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

6. **Increase the remuneration of Mrs. Rajeshri P. Patel, holding place of profit under section 314 of the Companies Act 1956.**

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

“RESOLVED THAT consent of the Company be and is hereby accorded to Smt. Rajeshri P. Patel, relative of the Chairman & Managing Director, who holds office as Vice President (IT, HR & Admn.) to continue to hold the position as office or place of profit pursuant to Section 314 of the Companies Act, 1956 with such designation as the Company’s management may, from time to time, decide, on total monthly remuneration of Rs. 1,00,000/- with such increment from time to time, so as not to exceed the monthly remuneration of Rs. 2,50,000/- or such other permissible total monthly remuneration that may be prescribed in this behalf from time to time.”

Place : Ahmedabad
Date : July 30, 2012

By Order of the Board of Directors
For Sadbhav Engineering Limited

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

Vijay Kalyani
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY’S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. 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.
2. The explanatory statement pursuant to Section 173(2) of Companies Act, 1956 relating to special business is annexed.
3. The information required under clause 49 of the Listing Agreement on Directors reappointment/ appointment are given below and form part of the Notice.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. As per the newly amended guidelines, Company has uploaded the data regarding unpaid dividends for the last seven years on web site of Company’s as well as that of MCA. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.
6. The Register of Members and Share Transfer Books will be closed from Monday, September 17, 2012 to Saturday, September, 22, 2012, both days inclusive, for ascertaining the Shareholders entitled to receive dividend, if approved at the meeting.
7. Members can avail the nomination facility by filing Form 2-B, as prescribed under the Companies (Central Government) General Rules & Forms, 1956 with the Company. Blank forms will be supplied on request.

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

Director	Shri Pravinkumar M. Ganatra	Shri Girish N. Patel
Date of Birth	March 13, 1944	January 09, 1962
Date of Appointment	April 08, 2002	August 01, 1994
Functional Expertise	Designing and Execution of Highway, Bridge, Building & BOT Projects	Execution of large construction project & experience in irrigation & mining operations
Qualifications	B.E. (Civil)	B. Com
Directorship in other companies	Nil	Shivam Biotech Pvt. Ltd.
Chairman/ Member of Committee in other companies	Nil	Nil
No. of Equity Shares held in the company	839	5391150

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956

Item No. 6

Section 314(1) of the Act read with Rule 10C of the Companies (Central Government's) General Rules and Forms, 1956 inter-alia provides that except with the consent of the company in General Meeting, no relative of Director shall hold any office or place of profit in the Company carrying a total monthly remuneration in excess of Rs. 50,000 provided that it shall be sufficient if a Special Resolution according to the consent of the Company is passed at the general meeting held for the first time after the holding of such office or place of profit.

Smt. Rajeshri P. Patel who is a relative of Mr. Vishnubhai M. Patel and Mr. Shashin V. Patel, was appointed and designated Vice President (IT, HR & Admn.) of the Company carrying a total monthly remuneration including reimbursements, allowances and prerequisites as applicable exceeding Rs. 50,000 with effect from July 1, 20011. The Special Resolution set out as Item No. 6 of the accompanying Notice is intended to obtain the approval of the Company under Section 314 of the Act in respect of Smt. Rajeshri P. Patel holding and continuing to hold the said office of profit under the Company.

The resolution also seeks authority for the Board to grant increments to Smt. Rajeshri P. Patel together with usual allowance and benefits subject to overall limit of Rs. 2,50,000/-.

The Directors recommend the Special Resolution for the approval of the members, Except for Mr. Vishnubhai M. Patel and Mr. Shashin V. Patel, who being relatives of Smt. Rajeshri P. Patel, no Director is concerned or interested in the said Resolution.

Place : Ahmedabad

Date : July 30, 2012

By Order of the Board of Directors
For Sadbhav Engineering Limited

Registered Office :

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

Vijay Kalyani
Company Secretary

Directors' Report

To
The Members,

The Directors have the pleasure in presenting the Twenty Third Annual Report together with the audited statement of accounts for the year ended March 31, 2012.

Financial Results

(Rs. in crores)

	Current Year 2011-2012	Previous Year 2010-2011
Income from Operations	2675.55	2209.40
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	301.10	256.74
Less : Finance Cost	65.11	54.14
Depreciation and amortization Expense	27.44	26.86
Profit before Tax Expense	208.55	175.74
Less : Current Tax	60.72	57.55
Deferred tax liability/(asset)	7.38	1.99
Profit after Tax Expense	140.45	116.20
Add : Excess (Short) provision for taxation of earlier years	0.11	3.39
Net profit for the year	140.56	119.59
Balance brought forward from last year	263.66	172.56
Amount available for Appropriations	404.22	292.15
Appropriations		
Transfer to General Reserve	14.00	12.00
Transfer to Debenture Redemption Reserve	6.00	6.00
Proposed Dividend	9.02	8.99
Tax on Proposed Dividend	1.46	1.49
Balance carried to Balance Sheet	373.74	263.66

Dividend

The Directors are pleased to recommend for approval of the shareholders dividend of 60% (Rs. 0.60 per equity share of Re 1 each) for the financial year ended March 31, 2012. The final dividend, if approved, will absorb a sum of Rs. 9.02 Crores and dividend tax of Rs. 1.46 Crores.

Business Overview

The total income from operations during the year under review was Rs. 2675.55 crores against Rs. 2209.40 crores for the previous year recording the growth of 21.10%. Operating profit (PBDIT) for the current year is Rs. 301.10 crores (Rs. 256.74 crores in previous year) thereby recording the growth of 17.28%. Net profit after Tax Expenses amounted to Rs. 140.56 crores (Rs. 119.59 crores in previous year) thereby recording growth of 17.53 %.

Operations

Ongoing Works

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

(Rs. in crores)

Sector	No. of projects	Work order	Work done	Work on hand
Transportation	15	9830.24	4639.52	5190.72
Irrigation	13	1527.08	434.90	1092.18
Mining Operation	8	1796.46	865.70	930.76
Total	36	13153.78	5940.12	7213.66

The Company's order book (pending execution) shows work on hand amounting to Rs. 7213.66 crores as on the June 30, 2012.

New contracts / projects

Your Company has been awarded following new contracts/projects during the year and up to the date of this report.

Transport Sector

1. Improvement/Upgradation of Mohammadpur-Rajapatti-Mashrakh-Khaira-Chhapra Road (SH-90) Length-64.71 Km. Contract Package No. 3 of Bihar State Highway Project-II for contract price of Rs. 201.82 crores in joint venture with GKC Projects Ltd.-Hyderabad. Company is leading the joint venture with 50% participation share i.e. for Rs. 100.91 crores of which work amounting to Rs. 5.44 crores has been completed.
2. Work of Construction of Rigid Pavement Four Lane Main Trunk Roads including construction of box culverts and Street Light with Foot-Path work in Sanand-II (BOL) Industrial Estate with five years free maintenance guarantee period by the Executive Engineer, GIDC, ahmedabad for estimated cost of Rs. 126.82 crores
3. Design, Build, Contract on lump sum basis for construction of terminal facilities for passenger water transport along west coast of Mumbai at Marve and Borivali (Package WWT-3) by Maharashtra State Road Development Corporation (MSRDC) Mumbai for contract price of Rs. 319.00 crores in Joint venture with Hindustan Construction Company Limited-Mumbai. Company is leading the joint venture with more than 51% participation share.
4. Contract CC-25: Construction of boundary wall, box, culvert and land development of Mukundpur depot on Mukundpur-Yamuna Vihar corridor (line-7) of phase-III Delhi MRTS by Delhi Metro Rail Corporation Ltd. for contract price of Rs. 33.55 crores.

Irrigation Sector

1. Work of Excavation and Cement concreting lining of Baitarani Left Bank Canal from RD 0.00 km to RD 9.00 km including construction of structures and Services Road for contract price of Rs. 79.24 crores by the Chief Construction Engineer, Anandapur Barrage Project, Salapada, Odisha.

Mining Sector

1. Hiring of HEMM for removal of OB, extraction and transportation of coal from VIII, V/VI (Top), V/VI IV(Bot), IV (Top), IV (Bot) III, II (T+M), II (T) and II (Midi) seams of Patch 'Q' part Patch 'N' and part Patch 'P' of Gondudin Colliery of Kusnda Area. The total quantity for the removal of over burden (OB) is 368.24 LCM and extraction of coal is 54.21 LMT. The project was awarded by Bharat Coking Coal Limited (A Subsidiary of Coal India Ltd.) for contact price of Rs. 325.32 crores.

New BOT Projects

Your company has been awarded following new BOT projects during the year and up to the date of this report.

Gomati Chauraha - Udaipur Road Project

A toll based BOT road project

The project consists of 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 on Design, Build, Finance, Operate and Transfer (toll) basis. Shreenathji-Udaipur Tollway Private Limited has been incorporated as special purpose vehicle to implement this project. The cost of project is estimated to Rs. 1239 of which EPC contract amounts to Rs. 975.00 crores. The entire EPC contract will be executed by the company. The Concession Period of the project is 27 (Twenty Seven) years from Appointed Date. The financial closure of the project is in progress.

Solapur - Bijapur Road Project

A toll based BOT road project

The project consists of Four Laning of Solapur-Bijapur section of NH-13 from km. 0.00 to km. 110.542 to be executed as BOT (Toll) basis on DBFOT Pattern under NHDP Phase III. Solapur-Bijapur Tollway Private Limited has been incorporated as special purpose vehicle to implement this project. The cost of the project is estimated to Rs. 1244.27 crores of which EPC contract amounts to Rs. 999.00 crores. The entire EPC contract will be executed by the company. The Concession Period of the project is 20 (Twenty) years from Appointed Date. The financial closure of the project is in progress.

BOT Projects under Implementation:

Name of the Company	Details of Project	Cost of the Project (Rs. in Crores)	Status as on 30/06/2012. Cost incurred (Rs in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Maharashtra Border Check Post Network Ltd. (MBCPL)	<ul style="list-style-type: none"> Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaj e-village Limited in ratio of 90:05:05 respectively. 	1426.37	810.65	63	27
Hyderabad-Yadgiri Tollway Pvt. Ltd.	<ul style="list-style-type: none"> Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad-Yadgiri Section from km 18.600 to km 54.000 (36.65 Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/BOT/AP/04. Equity component of the project shared by Sadbhav Infrastructure Project Ltd., and GKC Projects Ltd in ratio of 60:40 respectively. 	480.22	443.11	-	60
Rohtak-Panipat Tollway Pvt. Ltd.	Four laning of Rohtak to Panipat Section of NH-71A from km 0.000 Km 63.30 of NH-10 to km 80.85 Km 83.50 of NH-1 in the state of Haryana (80.85 Kms) on BOT basis under NHDP Phase-III.	1213.40	677.58	-	100

Revenue Generating BOT Project:

Name of the Company	Details of Project	Cost of the Project (Rs. in Crores)	Status	Toll Revenue of the F.Y. 2011-12 (Rs. in Crores)	% Shareholding (Ownership)	
					SEL	SIPL
Mumbai-Nasik Expressway Ltd. (MNEL)	Vadape-Gonde 4 Lane BOT project for widening the existing two-lane of 99.50 Kms to four lanes and its operation and maintenance.	794.58	Completed	97.74	20	-
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	4-laning the present 76.21 km two-lane ring road around Ahmedabad city and its operation & maintenance.	500.80	Completed	73.80	-	80
Aurangabad-Jalna Tollway Ltd. (AJTL)	Widening the existing two-lane stretch of 65.80 kms to four lanes on Aurangabad-Jalna Highway in state of Maharashtra and its operation and maintenance.	277.00	Completed	26.95	-	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.	292.89	Expenditure to the extent of Rs. 294.88 Crore has been incurred. Project is under suspension and matter is subjudice	34.76 (Annuity)	51	39
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	Completed	11.82 (75% Revenue w.e.f. 11-2-2012)	26	01
Bijapur-Hungund Tollway Pvt. Ltd.	Project consists of four laning of Bijapur-Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22 Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer ("DBFOT"), Toll basis under NHDP Phase-III Package No. NHDP-III/BOT/KNT/05.	1257.10	Completed	-	-	77

Note : As per the agreement entered into with investors in Sadbhav Infrastructure Project Limited (SIPL) the holding of Company in BOT projects is to be transferred to SIPL after obtaining necessary approvals.

Joint Ventures

The Company has the following joint ventures –

SEL- GKC Joint Venture :

Over and above the Road as mentioned above, Company is executing following projects in Joint Venture with GKC Project Ltd.

1. Earth work excavation, forming embankment and construction of CD & CM works of main canal and distributory system upto water course level and CC lining to main canal and other allied works including investigation, designing and estimation of Gouravelly right side canal from km 0.000 to 47.725 and left side canal in Karimnagar District. The cost of the project is Rs. 166.88 crores of which company's share is 52 % i.e. Rs. 86.78 crores of which work amounting to Rs. 44.19 crores has been completed.
2. Investigation, design and execution of Canal Network System including Earth work Excavation and Forming Embankment, Construction of CM & CD Works and lining of canals up to sub minors and formation of Field Channels including Structures to serve an ayacut of 58800 Acres in Karimnagar Dist under Kodlmial, Potharam Surampet Lachupet and New tanks at +450 and its Concerned Gravity Canals (Canal Network Package III). The cost of project is Rs. 99.31 crores of which company's share is 52% i.e. Rs. 51.64 crores of which work amounting to Rs. 21.29 crores has been completed.
3. Investigation, Survey, Design and Construction of Bus Rapid Transit System (BRTS) corridor from Pendurthi to DRM office (PTC Corridor) via NAD Jn, Kancharapalem, Railway Station with 2 years defect liability period under EPC(Design & Build) system. The cost of project is Rs. 165.54 crores of which company's share is 50% i.e. Rs. 82.77 crores of which work amounting to Rs. 51.31 crores has been completed.
4. Improvement/Upgradation Strengthening/Widening of Govindpur-Sahibganj State Road Project (Govindpur-Jamtara Contract Package No. I) by Road construction Department, Govt. of Jharkhand. The cost of the project is Rs. 229.91 crores of which company's share is 50% i.e. Rs. 114.95 crores of which work amounting to Rs. 20.21 crores has been completed.
5. Execution of Omkareshwar Right Bank Lift Canal including its distribution network up 40 Ha. Chak for culturable command areas (CCA) of about 29947 Ha. on "Turn Key" basis from RD 51.281 to 125.00 Km (excluding V.R.B. at RD 51.281 Km Wasvi-Sirsodia Road) by Narmada Development Division 20, M.P. The cost of the project is Rs. 349.30 crores of which Company's share is 60% i.e. 209.58 crores of which work amounting to Rs. 14.28 crores has been completed.
6. Execution of Omkareshwar Right Bank Lift Canal including its distribution network up 40 Ha. Chak for culturable command areas (CCA) of about 28073 Ha.on "Turn Key" basis from RD 0.00 Km to 51.281.Km (including V.R.B. at RD 51.281 Km Wasvi-Sirsodia Road) by Narmada Development Division 20, M.P. The cost of the project is Rs. 519.93 crores of which company's share is 40% i.e. 207.97 crores of which work amounting to Rs. 49.87 crores has been completed.
7. Work of EPC contract for construction of Radhanpur Sub Branch Canal, Manpura Sub Branch Canal, Distributaries & Minors of Radhanpur Branch Canal, RSBC & MSBC (Earthwork, lining, Structures, Service Road, CR/Escape/HR, Gates, Stop logs, Control Cabin) including Geo Tech investigation, Design of structures and Operation and maintenance for the same for five (5) years. The cost of the project is Rs. 236.20 crores of which company's share is 52% i.e. 122.82.
8. Blast hole drilling, controlled blasting with shock tube initiation (Nonels), excavation, loading, transportation, dumping, spreading and leveling etc., of 436.50 LBCM over burden, at Manugur OC-II Extension (Phase-II) project by the Singareni Collieries Company Limited. The cost of the project is Rs. 182.50 crores of which company's share is 51% i.e. 93.07 of which work amounting to Rs. 47.10 crores has been completed.

Wind Power Project :

During the year, in furtherance of Wind Power Project, your company has successfully commissioned a 7.2 MW WIND FARM at Village Vandhiya, Taluka :Bhachau, District : Kutch in the State of Gujarat at cost of Rs. 50.85 crores. The generated power is fully sold to Gujarat Urja Vikas Nigam Limited (GUVNL) as per the terms of Power Purchase Agreement entered by the company with GUVNL.

Award & Recognition :

During the year, your company has been awarded the prestigious "Most Admired Developer - Transport Sector Award" at the 4th Infrastructure Today Awards 2011 in association with KPMG in India. The said coveted award was received from Mr. Montek Singh Aluwhalia on December 09, 2011 in New Delhi.

Employee Stock Option Scheme :

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

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

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

Share Capital

During the year, under 'Sadbhav Employees' Stock Option Scheme 2008 (ESOS Scheme 2008)', 4,92,000 equity shares were allotted to the directors and employees of the Company at price of Rs. 50/- per equity share. The paid-up equity share capital of the company has been increased from Rs. 14,98,75,800/- to Rs. 15,03,67,800/- after allotment.

Subsidiary Company

Pursuant to the General Exemption granted by Central Government vide General Circular No. 2/2011 dated February 08, 2011 and the resolution passed by the Board of Directors on May 28, 2012, copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of subsidiary companies have not been attached with the Annual Accounts of the Company under Section 212 of Companies Act 1956. As required under the circular statement giving required details is given elsewhere in this Annual Report. The Company will keep these documents at the Registered Office of the Company and its subsidiaries and make them available upon the request by any shareholder of Company.

Consolidation of Accounts

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

Fixed Deposit

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

Directors

Shri Pravinkumar M. Ganatra and Shri Girish N. Patel the directors liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. There has been no other change in the Directorship of company during the current year.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts, accounting standards have been followed along with proper explanation relating to material departure;
- (ii) such accounting policies have been selected and applied consistently and have made judgments and estimates reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2012 and the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the accounts have been prepared on a 'going concern' basis.

Auditors :

M/s. Shashikant Patel Associates, Chartered Accountants, the Statutory Auditors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors have recommended the re-appointment of M/s. Shashikant Patel Associates, Chartered Accountants as Auditor of the Company. The Auditor's have confirmed that their appointment, if made, would be within limit prescribed under Section 224(1B) of the Companies Act, 1956 and they are not disqualified, within the meaning of Sub-sections (3) and (4) of Section 226 of the Companies Act, 1956.

Auditors' Report :

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

Corporate Governance

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

Industrial Relations

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

Particulars of Employees

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

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. The particulars of the expenditure and earning in Foreign Currency are given in Notes to Accounts (Note No. 2.41 to 2.43).

Acknowledgements

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

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : July 30, 2012

Vishnubhai M. Patel
Chairman

Annexure - I forming part of Directors Report

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 as at March 31, 2012 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 Rs. 10 each to Re 1 per share)
2	The Pricing Formula	Pursuant to the power granted to Remuneration Committee, it in its meeting held on October 04, 2010, has determined the Exercise Price Rs. 500/- per equity share which was subsequently adjusted to Rs. 50 per equity share due to split of equity share.
3	Option Vested	5,82,500
4	Option exercised	4,92,000
5	Total number of Shares arising as a results of exercise of Options	4,92,000
6	Options Lapsed	1,88,000
7	Variation in the terms of Options	NIL
8	Fund raised by the exercise of Option	Rs. 2,46,00,000
9	Total number of options in force	18,20,000

B. Employee wise details of options granted :

No Stock Options were granted to Directors and Senior Management Personnel during the year. The details of Options granted during the year 2010-11 and outstanding as at March 31, 2012 are as under :

i) To Senior Managerial Personnel :

Sr. No.	Name of Employees/Directors	Designation	No. options Outstanding
1	Nitin R. Patel	Executive Director	135000
2	Pravinkumar M. Ganatra	Director	38750
3	Amarsinh J. Vaghela	Director	18750
4	Sandip V. Patel	Director	7500
5	Atul N. Ruparel	Director	7500
6	P. K. Doshi	Director (Tech.)	75000
7	Anant N. Batavi	Chief Project Manager	34500
8	C. D. Patel	Chief General Manager	30000
9	Vishwanathan R.	Sr. General Manager (Finance)	22000
10	Vijay J. Kalyani	Company Secretary	13500

ii) **Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year :** 1,80,000 options granted to Mr. Nitin R. Patel, the Executive Director during year 2010-11 out of which 135000 options are outstanding as at 31/03/2012.

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

C. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard AS-20 Earning per share Rs. 9.28)

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 (Rs.)	N.A.
ii) Exercise price is greater than market price (Rs.)	N.A.
iii) Exercise price is less than market price (Rs.)	N.A.

Weighted average fair value of Options granted during the year whose

i) Exercise price equal market price (Rs.)	N.A.
ii) Exercise price is greater than market price (Rs.)	N.A.
iii) Exercise price is less than market price (Rs.)	Rs. 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 (Rs.)	Rs. 156.72/-

Annexue - II Forming Part of Directors' Report

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

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

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration (Rs.)	Experience (No. of years)	Last Employment	% age of equity shares held by employee
Mr. Vishnubhai Mafatlal Patel Qualification : S.S.C.	71 Yrs.	Chairman & Managing Director	03-10-1988	1,80,00,000/- p.a.	44 Years	None	7.16
Mr. Shashin Vishnubhai Patel Qualification : MBA	31 Yrs.	Joint Managing Director	23-05-2000	60,00,000/- p.a.	12 Years	None	3.55
Mr. Nitin R. Patel Qualification : CA	43 Yrs.	Executive Director	01-08-1999	67,74,375/- p.a.	20 Years	Manubhai & Co., C.A.	-
Mr. P. K. Doshi Qualification : Civil Engineer (ME)	46 Yrs.	Director (Tech.)	01-08-2010	70,26,173/- p.a.	20 Years	PWD - Rajasthan	0.02

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

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration (Rs.)	Experience (No. of years)	Last Employment	% age of equity shares held by employee
Mr. Subodh V. Kamat Qualification : B.E. Civil	60 Yrs.	Chief Executive Officer	22-11-2011	21,38,380/- p.a.	35 Years	Lanco-Infratech	-

Notes :

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

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

Board of Directors

The Board of Directors comprises of 8 (Eight) directors, its composition and category is as under:

COMPOSITION

Name	Designation	Category	No. of other Directorship held in other public Company	No. of committee membership of other companies	No. of committee chairmanship of other companies
Mr. Vishnubhai M. Patel	Chairman & Managing Director	Promoter, Executive Director	6	2	2
Mr. Shashin V. Patel	Joint Managing Director	Executive Director	5	2	Nil
Mr. Girish N. Patel	Executive Director	Executive Director	Nil	Nil	Nil
Mr. Nitin R. Patel	Executive Director	Executive Director	6	2	Nil
Mr. Pravinkumar M. Ganatra	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Amarsinh J. Vaghela	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Sandip V. Patel	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Atul N. Ruparel	Director	Independent, Non-Executive Director	1	Nil	Nil

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 2011-2012, 4 (Four) Board Meetings were held.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel	4	Yes
Mr. Girish N. Patel	3	-
Mr. Nitin R. Patel	4	Yes
Mr. Shashin V. Patel	4	Yes
Mr. Pravinkumar M. Ganatra	4	-
Mr. Amarsinh J. Vaghela	4	Yes
Mr. Sandip V. Patel	4	Yes
Mr. Atul N. Ruparel	4	Yes

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2012 was as under –

Mr. Sandip V. Patel	Chairman
Mr. Amarsinh J. Vaghela	Member
Mr. Pravinkumar M. Ganatra	Member

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

During the year 2011-2012, four meetings of the Audit Committee were held on April 19, 2011, July 29, 2011, October 22, 2011 and January 28, 2012.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	4
Mr. Pravinkumar M. Ganatra	4
Mr. Amarsinh J. Vaghela	4

Remuneration Committee

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

Mr. Atul N. Ruparel	Chairman
Mr. Pravinkumar M. Ganatra	Member
Mr. Sandip V. Patel	Member

During the year 2011-2012, two meetings of Committee were held on April 19, 2011 and July 29, 2011 to review and revised the remuneration of Managerial Personnel in which all members were present.

Remuneration Policy

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

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

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

Details of the remuneration paid during the year 2011-12 and other terms of appointment of Directors

Name of Directors	Salary (Rs. in Lakhs)	Sitting Fees Rs.	Terms of Appointment	No. of equity shares held as on 31st March, 2012	No. of out-standing Stock options*
Mr. Vishnubhai M. Patel	180.00	Nil	5 years from July 1, 2009	10763570	Nil
Mr. Girish N. Patel	30.00	Nil	5 years from July 1, 2009	5891150	Nil
Mr. Nitin R. Patel	67.74	Nil	5 years from July 1, 2009	10800	135000
Mr. Shashin V. Patel	60.00	Nil	5 years from July 1, 2009	5339720	Nil
Mr. Pravinkumar M. Ganatra	Nil	40000		839	38750
Mr. Amarsinh J. Vaghela	Nil	40000		2800	18750
Mr. Sandip V. Patel	Nil	40000		2500	7500
Mr. Atul N. Ruparel	Nil	40000		2500	7500

The Directors were not paid any allowance or perquisites in the year 2011-12, except in case of Mr. Nitin R. Patel salary includes the monetary value of taxable perquisites towards the stock options exercised under the ESOS Scheme.

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

* As on March 31, 2012, 2,07,500 Stock Options (comprising vested and unvested after adjustment for exercised options) in aggregate are outstanding to the account of the Directors, which can be exercised at an exercise price of Rs. 50.00 per Stock Options as per the exercise schedule.

Shareholders'/ Investors' Grievance Committee

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

Mr. Amarsinh J. Vaghela	Chairman
Mr. Sandip V. Patel	Member
Mr. Girish N. Patel	Member

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

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

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 31. No complaints were pending as on March 31, 2012.

During the year 2011-2012, four meetings of Committee were held on April 19, 2011, July 30, 2011, October 22, 2011 and January 28, 2012 in which all members were present.

Other committees

Finance Committee

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

Right Issue Committee

During the year there was no meeting of Right Issue Committee and Right Issue Committee was dissolved on January 30, 2012 by Board Resolution.

General Body Meetings

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

Financial Year	Date	Time	Venue
2008-09	September 29, 2009	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2009-10	September 08, 2010	11.00 a.m.	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2010-11	September 27, 2011	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 29, 2009	• Alteration in Articles of the Company, pursuant to the provisions of Section 31 of the Companies Act, 1956.
September 08, 2010	Nil
September 27, 2011	Nil

During the year following Resolution was passed by the members of the Company through postal ballot process on March 07, 2012:

Resolution pursuant to the provisions of Section 17 and other applicable provisions of the Companies Act, 1956 for alteration in Main Object Clause of Memorandum of Association of Company.
--

The results of the Postal Ballot was declared by Mr. Vishnubhai M. Patel, Chairman & Managing Director, on 07th March, 2012 at the Registered Office of the company based on the report received from M/s Ravi Kapoor & Associates, Company Secretaries. The results of the postal ballot is as under:

Sr. No.	Particulars	No. of postal ballot forms	No. of shares	% of total valid votes
1.	Total number of ballot forms received including e-voting	231	87208826	N.A.
2.	Less : Invalid postal Ballot forms (as per register)	6	4404953	N.A.
3.	Net Valid Postal Ballot forms (as per register)	225	82803873	100
4.	Postal Ballots voted in favour (Assent) of the resolution including e-voting	222	82803623	99.99
5.	Postal Ballots voted against (Dissent) thee resolution including e-voting	3	250	0.001

Unclaimed Shares lying in Demat Suspense Account:

The Company has opened a Demat Suspense account as per SEBI's Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated 24/09/2009 and transferred unclaimed 1050 shares which were lying in IPO escrow account. No shareholders have approached the Company for transfer of the same till date. The details of shares lying in Suspense Account are as under.

i	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3 shareholders holding 1050 shares
ii	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	Nil
iii	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil
iv	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	3 shareholders holding 1050 shares
v	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	

Disclosures

There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large. The transactions with related parties are disclosed in Notes to the accounts (Note No. 2.36).

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

Compliance with Other Mandatory Requirements

Management Discussion and Analysis

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

Subsidiary Companies

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

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

In accordance with Clause 49 (III) of the Listing Agreement, Sadbhav Infrastructure Project Limited is material non-listed Indian subsidiary of the Company, which is incorporated in India and whose individual turnover or net worth (i.e. paid-up capital and free reserves) has exceeded 20% of the consolidated turnover or net worth respectively, of the Company .

Mr. Sandip V. Patel, Independent Director of the Company is a Director on the Board of Sadbhav Infrastructure Project Limited.

Disclosure of Related Party Transactions

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

Disclosure of Accounting Treatment

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

Disclosure on Risk Management

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

Code of Conduct

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

CEO/CFO Certificate

A certificate from Managing Director and Chief Executive Officer and Finance Head on the financial statements of Company was placed before the Board.

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2011-12, 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) Mint Money (English)
Q4	Economic Times (English & Gujarati)

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

General Shareholders Information

1. Annual General Meeting

Date and Time : September 29, 2012 at 11.00 a.m.
Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006

2. Financial calendar : April 1 to March 31

3. Book Closure date : September 17, 2012 to September 22, 2012 (both days inclusive) for payment of dividend.

4. Dividend payment date : between October 05, 2012 and October 10, 2012.

5. Listing on Stock Exchanges : The Bombay Stock Exchange Limited
The National Stock Exchange of India Limited

Note : Annual listing fees for the year 2012-13 has been paid to the BSE and NSE

6. Stock Code

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

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

Month	The Bombay Stock Exchange Limited, Mumbai (BSE)		The National Stock Exchange, Mumbai (NSE)	
	High Price	Low Price	High Price	Low Price
April 2011	154.40	118.00	154.95	117.00
May 2011	146.70	125.00	147.90	126.20
June 2011	152.00	128.60	152.00	123.20
July 2011	149.50	133.60	149.95	132.20
August 2011	148.00	122.20	148.00	122.25
September 2011	143.35	129.50	145.00	127.10
October 2011	139.45	124.00	138.00	124.30
November 2011	141.00	112.00	142.00	107.65
December 2011	123.00	94.00	123.00	86.35
January 2012	139.00	99.15	138.75	99.75
February 2012	155.90	128.25	156.00	121.30
March 2012	161.00	132.00	162.00	111.30

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

9. Share Transfer System

Presently, the requests for transfer of shares which are in physical form are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated the powers of approving transfer of securities to the Company's Registrars and Transfer Agents under the supervision and control of the Company Secretary, subject to placing of summary statement of transfer/transmission of securities, etc. at the shareholders'/investors' grievance committee meetings.

10. Shareholding as on March 31, 2012

a. Distribution of shareholding as on March 31, 2012

No. of shares	No. of shareholders	% to total	No of shares held	% to total
1 - 500	5717	83.47	1126699	0.7493
501 - 1000	479	6.99	359694	0.2392
1001 - 2000	258	3.77	361743	0.2406
2001 - 3000	105	1.53	262568	0.1746
3001 - 4000	31	0.45	111573	0.0742
4001 - 5000	36	0.53	165194	0.1099
5001 - 10000	56	0.82	425579	0.2830
Above 10000	167	2.44	147554750	98.1292
Total	6849	100.00	150367800	100.000

b. Categories of shareholders as on March 31, 2012

Category	No. of shares	% to total
Promoters	71325880	47.43
Mutual Fund	31932422	21.24
Banks, Financial institutions, Insurance companies	303280	0.20
FII	27335165	18.18
Other private corporate bodies	15607756	10.38
Indian Public	3742606	2.49
NRI / OCB	120691	0.08
Total	150367800	100.00

11. Dematerialization of shares and liquidity :

99.99% of the Company's paid-up equity share capital has been dematerialized up to July, 2012. 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. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversions, conversion date and likely impact on equity:

As at March 31, 2012, 18,20,000 stock options, granted under Sadbhav Employee Stock Option Scheme 2008 ("ESOS Scheme 2008") are outstanding. Company has no other outstanding GDRs /ADRs/Warrants or any other convertible instruments as on 31st March, 2012.

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

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

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

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

For, Sadbhav Engineering Limited

Place : Ahmedabad
Date : May 28, 2012

Vishnubhai M. Patel
Chairman & Managing Director

Auditors' Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited

We have examined the compliance conditions of Corporate Governance by **SADBHAV ENGINEERING LIMITED** for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

For, **Shashikant Patel Associates**
Chartered Accountants
Firm Reg. No. 113672W

Place : Ahmedabad
Date : May 28, 2012

S. D. Patel
Proprietor
Membership No. 37671

Management Discussion & Analysis

It is a matter of honour for the Company Directors to present the annual report for the financial year 2011-12 and a future point of view based on the current economic scenario, which may differ due to future economic, political and other development on the Global as well as Indian facade.

1. ECONOMIC SCENARIO

FY 2011 began on a promising note as the Indian economy sustained its outstanding flexibility to the lingering effects of the global recession in 2008-2009. With a projected growth of 8.5%, the saga of Indian growth continued to outdo most other economies. The developed economies are only now beginning to turn around and demonstrate recovery. This performance was partly due to a consistent contribution from the services sector but largely driven by a "rebound in agriculture and continued momentum in manufacturing." (State of the Economy and Prospects. Chapter 1. p.1)

However, higher interest rates and the disconcertingly high levels of inflation at the beginning of 2011 threatened to severely hamper the GDP growth. While a large part of the effects were contained by "the sequenced and gradual withdrawal of monetary accommodation." (State of the Economy and Prospects. Chapter 1. p.10) inflation still remains an area of concern for policymakers. The Union Budget 2011 underlined the Government's efforts to manage the fiscal deficit and it is expected that these actions "will sustain a faster deleveraging of government debt than originally forecast and is credit positive for the Indian government." (Moody's Weekly Credit Outlook. 7 March 2011. p.34)

2. INDUSTRY SYNOPSIS

Despite a healthy 8.5 per cent growth during the year, inflation index has shown an upward growth, in our country, due to many domestic and foreign aspects. The major crisis is the inflation in day to day commodities like grains, vegetables etc. This can be minimised with state-of-the-art infrastructure. The emphasis on, private sector participation, in infrastructure building, positions us in a profitable situation. In the last union budget the Government increased allocations for the various sub-programmes under Bharat Nirmaan are likely to boost development of rural infrastructure and lead to long-term solutions in the supply-chain management of agricultural produce.

Unfortunately, the economic slowdown has been in an inflationary environment, where the Reserve Bank of India (RBI) has maintained tight monetary policy leading to high domestic interest rates. The reverse repo rate, which benchmarks the commercial bank's lending rates increased from 5.75% in April 2011 to 7.5% in March 2012. A year back in April 2010 it was only 3.5%. This environment of slowing growth, high inflation and high interest rates was a complete dampener for investor confidence and new capital formation took a further hit.

3. OPPORTUNITIES AND STRENGTHS

Despite this challenging scenario our economy planners are optimistic. The India Infrastructure Summit, 2012 foresees an investment of nearly 1 trillion USD during the Twelfth Five Year Plan (2012-17), out of which investments worth 123 billion USD is expected to come to Highway sector alone.

Construction components for various infrastructure project

Construction	Intensity %	Construction	Intensity %
Building	76	Mineral Plant	18
Roads	63	Medium Industry	20
Bridges	65	Transmission	22
Dams	75	Urban Infrastructure	66
Power	38	Maintenance	81
Railways	78		

Source: Planning Commission of India

Therefore, there is a significant long term business opportunity for companies in the infrastructure. The upward graph of India looks eye-catching in the long run, and private sector is poised to play a major role in infrastructure creation.

During the financial year 2011-12, about 7,300 Km of the National Highways are to be developed that is likely to translate into Rs. 70,000 crore opportunity for developers. The market potential for developers is also enhanced by State level projects.

The Government has made structural changes in Accelerated Irrigation Benefit Programme (AIBP) to maximise flow of benefit from investments in irrigation projects. Allocation for AIBP in 2012-13 stepped up by 13 per cent to Rs. 14,242 crore. The Irrigation and Water Resource Finance Company has been operationalized to mobilise large resources to fund irrigation projects.

Sadbhav's almost a quarter decade of understanding, knowledge and execution ability, of infrastructure projects and a proven track record in this sphere, allows it to utilize this opportunity to its fullest. The Government of India has also taken steps to encourage investment in the infrastructure and construction sector such as providing economic benefits to private sector participants for projects executed on a Build-Operate-Transfer (BOT) basis.

The current scenario of the country shows challenges but we at Sadbhav constantly seek to achieve higher levels as a strategy to enhance competitive benefit, boost margins, and acquire greater control over business segments and bid for larger jobs. Sadbhav is optimistic that it will always strive to turn Challenges into Opportunities.

4. SEGMENT WISE PERFORMANCE

As on March 31, 2012 the Company has two reportable segment i.e. "Construction & Engineering" & "Power Generation" on Stand Alone basis.

(a) Segment Revenue

The revenue of "Construction & Engineering" Segment for the year ended March 31st, 2012 amounted to Rs. 2675.47 crores whereas revenue of "Power Generation" Segment amounted to Rs. 0.078 crores.

(b) Segment Results

Profit before interest and tax of "Construction & Engineering" Segment for the year ended March 31st, 2012 amounted to Rs. 289.03 crores whereas of "Power Generation" Segment amounted to Rs. 0.019 crores.

(c) Capital Employed

The capital employed of "Construction & Engineering" Segment for the year ended March 31st, 2012 amounted to Rs. 720.69 crores whereas of "Power Generation" Segment amounted to Rs. 41.61 crores.

5. OUTLOOK

The Infrastructure and Construction industries together are the second largest contributor to GDP growth in the country. With nearly 1 trillion USD of investments, during the Twelfth Five Year Plan (2012-17), 76% intensity of construction component is allocated to roads, 65% to bridges and 75% to dam, a considerable increase of growth is foreseen in our business.

The Company is currently executing a large number of projects and has built a healthy order book. We shall continue to focus on our core sectors of transportation, irrigation and mining operations ensuring quality execution.

Sadbhav also aims to look at the growing opportunities in infrastructure development like ports, pipelines and airports where we can leverage our skills and equipment.

6. RISKS AND CHALLENGES

Many issues hamper the smooth functioning of the Company's business, results of operations and financial condition. Issues like Contracting, financing, competition which lead to price-cuts and low operating margins, high instability in prices of major raw material such as steel, cement etc. and labour shortage, pose major risks in the growth of the Construction Industry. Further more Roads and highways are prone to major time-cost over-runs. Land acquisition and removal of encroachments continue to be major constraints in project Completion.

7. MINIMIZING RISKS

At Sadbhav, risk management is a paramount and integral part of strategy planning. The objective of the risk management strategy includes ensuring that critical risks are recognized, observed and controlled effectively in order to protect the company's business. The company has a formal reporting and control mechanism to ensure timely availability of information which assists proactive risk management. At the enterprise level, de-risking of the company's business risk is sought to be achieved, by a policy of undertaking diversified projects in different verticals, geographies and revenue models. All key functions and divisions are independently responsible for monitoring risk associated within their prospective areas of operations.

With a considerable experience in the industry the Company strives to plan the supply of materials effectively and keep the cost escalation risk to a minimum. The Company also enters into long term arrangement with suppliers for requisite raw materials for the tenure of the project, thus guaranteeing a continuous flow.

The Company also endeavours to maintain a healthy work environment and positive relationship with all its employees. It also has a comprehensive employee welfare scheme to take care of their health and safety. Due to this, the Company has not experienced any work stoppages or significant labour disruptions during its operational history.

The Company's ability to foresee and manage business risks is crucial in achieving optimum results. The Company ensures that the risks it undertakes are commensurate with better returns. The management is positive about the Company's long-term outlook.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

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

9. FINANCIAL OVERVIEW

(a) Income Analysis

The Company's revenues for the current year stood at Rs. 2675.55 crores as against Rs. 2209.40 crores in the previous year, thereby registering a growth of 21.10%.

(b) Expense Analysis

Manufacturing and Construction expenses

Material consumed for the year ended March 31st, 2012 amounted to Rs. 329.66 crores Construction expenses increased from Rs. 1706.49 crores incurred during 2010-11 to Rs. 1916.33 crores.

Depreciation & Finance cost

Depreciation and amortization expense during 2011-12 amounted to Rs. 27.44 crores as against Rs. 26.86 crores recorded in 2010-11. Finance cost increased from Rs. 42.69 crores in 2010-11 to Rs. 65.11 crores in 2011-12.

(c) Profit Analysis

EBDITA during 2011-12 stood at Rs. 301.10 crores as against Rs. 256.74 crores recorded during 2010-11. Profit after tax for 2011-12 stood at Rs. 140.56 crores as compared to Rs. 119.59 crores during 2010-11.

(d) Net Worth

The company also saw a rise in the Net worth from Rs. 625.75 crores in 2010-11 to Rs. 762.30 crores in 2011-12.

(e) Dividend

In view of the company's remarkable performance, the Company declared a final dividend of 60%.

10. HUMAN RESOURCE DEVELOPMENT

At SADBHAV, we do not forget our responsibilities towards our people who have contributed to a great extent to our success in the corporate world, with their devotion and relentless support. They widen the boundaries of our existence as well as enhance our goodwill. The company has a professionally managed HR team that seeks to attract the best possible talent and groom it to fulfil the vision for future and look after the social amenities like Medical, PF, Gratuity, Group Insurance, LTA etc.

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

11. CAUTIONARY STATEMENT

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

Auditors' Report

To,
The Members of,
Sadbhav Engineering Limited

1. We have audited the attached Balance Sheet of **SADBHAV ENGINEERING LIMITED**, as at 31st March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representation received from the Directors as on 28th May, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub-section(1) of section 274 of the companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SHASHIKANT PATEL ASSOCIATES
Chartered Accountants
Firm Reg. No. 113672W

(S. D. PATEL)
PROPRIETOR
Membership No. 37671

Place : Ahmedabad
Date : May 28, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:

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

2. In respect of its inventories:

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

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

- a) The Company has given loan to three subsidiaries. In respect of the said loan, the maximum amount outstanding at any time during the year is Rs. 4228.15 Lakhs and the year-end balance is Rs. 2457.53 Lakhs.
- b) In our opinion and according to the information and explanations given to us, interest has been charged on loan and other terms and conditions, are not prima facie prejudicial to the interest of the company.
- c) The principal amounts, are repayable on demand and there is no repayment schedule.
- d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise.
- e) During the year Company has taken loan from two companies covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved was Rs. 2270.00 Lakhs and the balance at the year end was Rs. Nil.
- f) The rate of interest and other terms and conditions of loan taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- g) No amount was outstanding at the end of the year hence the question of repayment schedule does not arise.

4. In respect of Internal Control:

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

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

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

6. In respect of deposits from public:

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

7. In respect of internal audit system:

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

8. In respect of maintenance of cost records:

To the best of our knowledge and as explained to us, the Company is maintaining cost records as prescribed by Central Government under section 209(1)(d) of the Companies Act, 1956 for activities of which the maintenance of cost records rules are applicable.

9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. 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, 2012 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to Rs. 371.37 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 (Rs. in Lakhs)
01.	The Custom Act, 1962	Custom duty	2001-2002	CESTAT, Mumbai	104.95
02.	The Finance Act, 1994	Service Tax	2005-2006	CESTAT, Ahmedabad	67.29
03.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	Commissioner of Service Tax	199.13
				Total	371.37

10. In respect of accumulated losses and cash losses:

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

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

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

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

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

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

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

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

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

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

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

16. In respect of application of term loans:

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

17. In respect of fund used:

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

18. In respect of preferential allotment of shares:

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

19. In respect of securities created for debentures:

The Company has not issued any debenture during the year.

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

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

21. In respect of fraud:

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

For SHASHIKANT PATEL ASSOCIATES

Chartered Accountants
Firm Reg. No. 113672W

(S. D. PATEL)
PROPRIETOR

Membership No. 37671

Place : Ahmedabad
Date : May 28, 2012

Balance Sheet as at March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1503.68	1498.76
(b) Reserve and Surplus	2.2	74726.96	61075.83
		76230.64	62574.59
(2) Non-current Liabilities			
(a) Long Term Borrowings	2.3	13056.63	17656.36
(b) Deferred Tax Liabilities	2.4	2345.31	1606.99
(c) Other Long Term Liabilities	2.5	7541.88	8598.42
(d) Long Term Provisions	2.6	182.83	177.08
		23126.65	28038.85
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	27224.10	18423.45
(b) Trade Payables	2.8	18735.93	16264.32
(c) Other Current Liabilities	2.9	50063.94	61359.45
(d) Short Term Provisions	2.10	18559.69	12481.10
		114583.66	108528.32
TOTAL		213940.95	199141.76
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
Tangible Assets	2.11	28784.24	22888.18
Intangible Assets	2.12	22.74	87.45
		28806.98	22975.63
(b) Non-current Investments	2.13	32873.21	32712.61
(c) Long Term Trade Receivables	2.14	4366.43	2310.36
(d) Long Term Loans, Advances and Deposits	2.15	7303.43	4234.76
		44543.07	39257.73
(2) Current Assets			
(a) Current Investments	2.16	354.29	0.00
(b) Inventories	2.17	8839.33	6920.82
(c) Trade Receivables	2.18	74741.69	66378.35
(d) Cash and Cash Equivalents	2.19	5633.81	8458.17
(e) Short-Term Loans and Advances	2.20	49230.61	53227.70
(f) Other Current Assets	2.21	1791.17	1923.36
		140590.90	136908.40
TOTAL		213940.95	199141.76

Significant accounting policies & Notes on Accounts forming part of Financial Statements 1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates
Chartered Accountants
Firm Reg. No. 113672W

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Proprietor
Membership No. 37671

Place : Ahmedabad
Date : 28-05-2012

Girish N. Patel
Executive Director

Vijay Kalyani
Company Secretary

Profit and Loss Statement for the Year Ended March 31, 2012

		(₹ in Lakhs)	
Particulars	Note No.	2011-2012	2010-2011
I Revenue from Operations	2.22	267554.91	220940.12
II Other Income	2.23	1082.06	1903.42
III Total Revenue (I+II)		268636.97	222843.54
IV Expenses :			
Cost of Material Consumed	2.24	32966.41	16026.14
Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade	2.25	0.00	0.00
Construction Expenses	2.26	191632.88	170648.94
Employee Benefits Expense	2.27	4002.31	3363.09
Finance Cost	2.28	6511.19	5414.65
Depreciation and amortization Expense		2743.90	2685.83
Other Expenses	2.29	9925.01	7131.03
Total Expenses		247781.70	205269.68
V Profit Before Tax (III-IV)		20855.27	17573.86
VI Tax Expense			
(1) Current Tax		6072.14	5755.28
(2) Deferred Tax		738.32	199.01
(3) Short/(Excess) Provision for taxation for earlier years		(11.35)	(338.98)
VII Profit for the period from continuing Operations (V-VI)		14056.16	11958.55
VIII Earning per Equity Share: (in Rupees)			
(1) Basic	2.30	9.36	8.50
(2) Diluted	2.30	9.28	8.42
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates

Chartered Accountants
Firm Reg. No. 113672W

V. M. Patel

Managing Director

Nitin R. Patel

Executive Director

S. D. PATEL

Proprietor
Membership No. 37671

Place : Ahmedabad

Date : 28-05-2012

Girish N. Patel

Executive Director

Vijay Kalyani

Company Secretary

Cash Flow Statement for the Year 2011-2012

(₹ in Lakhs)

Particulars	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	14056.16	11958.55
Adjustments For :		
Net Interest Expenses	5549.10	2839.54
Depreciation & Amortisation	2743.90	2685.83
Profit on sale of Assets	(119.45)	(78.61)
Loss on sale of Assets	173.57	211.45
Stock Option Premium	402.46	210.49
Income Tax Provision	6060.79	5416.29
Wealth Tax Provision	1.35	0.94
Dividend Income	0.00	(22.86)
Foreign Exchange Loss	198.68	(231.90)
Deferred Tax Liabilities/(Assets)	738.32	199.01
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	29804.88	23188.73
Adjustment For :		
Trade & other Receivable	(10323.88)	(24940.62)
Inventories	(1918.51)	(1521.73)
Loans & Advances	6918.72	(18583.92)
Trade Payable & other Payables	(9912.88)	23310.74
	(15236.55)	(21735.54)
Cash generated from Operations	14568.33	1453.19
Tax Paid	(4062.34)	(5181.50)
Net Cash From Operating Activities	10505.99	(3728.31)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(9988.10)	(5605.70)
Sales of Fixed Assets	1358.71	820.50
Investments in Subsidiary Companies	500.40	(18029.82)
Investments in Associate Companies	(540.80)	0.00
Other Investments	(474.49)	(200.00)
Advance Recd. from subsidiary against sale of shares in other subsidiaries	41.20	6465.04
Investment in Fixed Deposits against Margin	0.00	96.03
Loan to Subsidiary Companies	(1917.56)	13840.82
Increase /(Decrease) in Other Bank Balances	110.88	(266.75)
Loan to Others	0.00	3997.41
Dividend Received	0.00	22.86
Interest Received	808.62	1312.51
	(10101.15)	2452.89
Net Cash From Investing Activities	(10101.15)	2452.89
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital	246.00	12302.85
Proceeds From Borrowings	6483.93	25673.69
Repayment of Borrowings	(2481.70)	(28221.65)
Interest Paid	(6317.97)	(4092.45)
Dividend Paid	(899.25)	(500.00)
Dividend Tax Paid	(149.35)	(83.04)
	(3118.34)	5079.40
Net Cash From Financing Activities	(3118.34)	5079.40
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(2713.48)	3803.98
OPENING BALANCE OF CASH & CASH EQUIVALENTS	8187.92	4383.94
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	5474.44	8187.92
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	21.54	18.64
BALANCE IN CURRENT ACCOUNT WITH BANKS	386.08	1404.03
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	5066.82	6765.25

Notes : 1. All figures in brackets are outflow.

2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates
Chartered Accountants (Firm Reg. No. 113672W)

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Proprietor (Membership No. 37671)

Place : Ahmedabad
Date : 28-05-2012

Girish N. Patel
Executive Director

Vijay Kalyani
Company Secretary

Significant Accounting Policies & Notes on Accounts

Corporate Information:

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

Note 1. Significant Accounting Policies:

a) Basis of Preparation

The Financial Statements are based on historical cost convention and prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) comprising the mandatory accounting standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

b) Use of accounting Estimates:

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

c) Recognition of contract revenue and expenses:

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

d) Recognition of receipt on joint venture contracts:

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

e) Fixed Assets and Depreciation:

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

Significant Accounting Policies & Notes on Accounts

- (ii) Intangible Fixed Assets are valued at cost less accumulated amortization/depletion. Direct cost is inclusive of all expenditure of capital in nature attributable to bring the fixed assets to working conditions, duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalized until fixed assets are ready for use. Software being Intangible Assets used at Head office and work-shop are amortised over a period of three years and software used at Project sites are amortised over the project completion period.
- (iii) Depreciation is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956, except Heavy Earthmoving Equipments, on which higher rate has been charged.
- (iv) Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished.

f) Impairment of Assets:

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

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

g) Inventories:

- (i) Stock of material, Spare-parts, Diesel oil is valued at cost or net realizable value, whichever is less. Cost is determined on first-in-first-out basis.
- (ii) Work in progress is valued at contract rates.

h) Employee Benefits:

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

i) Investments:

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

j) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and charged to profit & Loss account and the premium or discount on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expenses for the period.
- (iii) Non monetary foreign currency items are carried at cost.

Significant Accounting Policies & Notes on Accounts

(iv) Foreign currency transactions are recorded in the reporting currency either on settlement or on year end by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the settlement or year end.

k) Derivative Contracts:

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

l) Borrowing Costs:

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

m) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

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

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

n) Provisions:

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

o) Earning per share (EPS):

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

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

p) Contingent Liabilities & contingent assets:

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

q) Cash and Cash Equivalent:

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

r) General:

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

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
Note 2. Notes on Accounts		
2.1 Share Capital		
(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 150367800 (149875800) Equity shares of Re. 1/- each	1503.68	1498.76
(c) Reconciliation of Nos. of Shares:		
Outstanding at the beginning of the year (Nos.)	149875800	125000000
Addition during the year (Nos.)	492000	24875800
Outstanding at the end of the year (Nos.)	150367800	149875800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		

(e) Shares held by each share holder holding more than 5% Equity shares of the company

Name	No. of shares & (%)	No. of shares & (%)
Vishnubhai M. Patel	10763570 (7.16%)	15111070 (10.08%)
Shantaben V. Patel	14715375 (9.79%)	14715375 (9.82%)
Sadbhav Finstock Private Limited	16545275 (11%)	16545275 (11.04%)

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

(Nos.)	1820000	2442000

The activity in the ESOP-2008 during the year ended March 31, 2012 and March 31, 2011 respectively, is set out below:

Particulars	Year Ended March 31, 2012 (Figure in Nos)	Year Ended March 31, 2011 (Figure in Nos)
Option outstanding in the beginning of the year	2442000	0
Option granted during the year	0	2500000
Less : Exercised	492000	0
Less : Forfeited / Lapse	130000	58000
Option outstanding, end of the year	1820000	2442000
Option exercisable, end of the year	90500	0

As at March 31, 2012, 18,20,000 equity shares has been kept reserved for issue against the outstanding options. Out of which 90,500 shares are vested and are exercisable at any point of time before October 04, 2014 and the vesting schedule for remaining 17,29,500 option is as under:

No of Option	Vesting Date
For 576500 Option	04-10-12
For 576500 Option	04-10-13
For 576500 Option	04-10-14

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

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.2 Reserve and Surplus		
(a) Capital reserve As per Last Balance Sheet	345.00	345.00
	345.00	345.00
(b) Security Premium Account As per Last Balance Sheet Addition during the year Less : Right Issue Expenses	26929.26 590.89 0.00	14875.17 12198.46 144.37
	27520.15	26929.26
(c) Debenture Redemption Reserve As per Last Balance Sheet Addition during the year	1214.80 600.00	614.80 600.00
	1814.80	1214.80
(d) Shares Options Outstanding Account As per Last Balance Sheet Addition during the year Less Shares issued during the year	210.49 402.46 349.81	0.00 210.49 0.00
	263.14	210.49
(e) General Reserves As per Last Balance Sheet Addition during the year	6010.18 1400.00	4810.18 1200.00
	7410.18	6010.18
(f) Profit and Loss account As per Last Balance Sheet Net Profit for the year Appropriations:- Transfer to general reserves Transfer to Debenture Redemption reserves Proposed Dividend Tax on Proposed Dividend	26366.10 14056.16 1400.00 600.00 902.21 146.36	17256.16 11958.54 1200.00 600.00 899.25 149.35
	3737.69	26366.10
Total	74726.96	61075.83

2.3 Long Term Borrowings

(a) Bonds/Debentures (Secured) 11.95% secured redeemable non-convertible debentures Life Insurance Corporation of India (300 debentures of Rs. 10 Lakhs each)	3000.00	3000.00
<p>The debentures are secured by the first legal Registered Mortgage and charge on the specific movable fixed assets of the Company and specific immovable properties i.e. Bungalow (Manorama Retreat) and Flat (Abhimanyu) belonging to the Company. The security has been created on the said assets on 29th May, 2009 and same has been registered with Registrar of Company on 2nd June, 2009.</p> <p>Above debentures are repayable on 23/03/2014</p>		
(b) Term Loans Secured From Banks:-		
(a) Foreign Currency Term Loan (ECB)	8513.52	11207.21
(b) Rupee Term Loan Secured by way of hypothecation of specific machineries and equipments purchased	1130.19	2493.27

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
From Financial Institutions Secured by way of hypothecation of specific machineries and equipments purchased	412.92	955.88
Total	13056.63	17656.36

Repayable during the year	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2013-14	184	4051.01	412.92
2014-15	91	2693.70	---
2015-16	9	2231.50	---
2016-17	8	667.50	---

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 7.10% to 9.80%. 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.

2.4 Deferred Tax Liabilities (Net)

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

Opening Balance of deferred Tax Liability	1606.99	1407.98
Add : Deferred Tax Liability on depreciation	730.68	209.97
Less : Provision/(Excess provision) of Gratuity	(7.64)	10.96
Closing Balance of Deferred Tax Liability	2345.31	1606.99

2.5 Other Long Term Liabilities

(a) Advance Received From Clients	703.57	1063.33
(b) Security & Other Deposits from Sub-contractors	322.52	1070.05
(c) Advance Received for sale of Shares	6506.24	6465.04
(d) Other Liability-Miscellaneous Liability	9.55	0.00
Total	7541.88	8598.42

2.6 Long-Term Provisions

Provision for Employee Benefits		
Provision for Gratuity	182.83	177.08
Total	182.83	177.08

2.7 Short-Term Borrowings

Secured		
Loans repayable on demand		
From Banks	18240.17	10405.19
Secured by		
a Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
b First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furniture, fixtures etc. owned by company and second charge on machineries owned by the company.		
c Personal Guarantee of Shri Vishnubhai M. Patel, Shri Shashinbhai V. Patel, Smt. Shantaben V. Patel, Shri Girishbhai N. Patel		
Unsecured		
From Banks	2500.00	8018.26
From Related parties		
From Directors	6483.93	0.00
Total	27224.10	18423.45

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) To Trade Payables for Goods & Services	18735.93	16264.32
Total	18735.93	16264.32

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

2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Loan from Banks	4056.77	3039.48
Loan from Financial Institutions	542.96	918.76
(b) Sundry Creditors for Capital Goods	2191.56	387.48
(c) Sundry Creditors for Expenses	1784.34	1595.06
(d) Interest Accrued on Loans	214.99	211.92
(e) Unclaimed Dividend *	2.50	2.32
(f) Statutory Dues	2314.91	1234.77
(g) Advances Received from Clients **	27344.47	47809.74
(h) Security & Other Deposits from Sub-contractors	11609.16	6152.08
(i) Unpaid IPO & Right Issue Money	0.27	1.77
(j) Miscellaneous Liabilities	2.01	6.07
Total	50063.94	61359.45

* There was no amount outstanding as on 31.03.2012, which is required to be transferred to Investor Education and Protection Fund (IEPF)

** Advance Received from Clients includes Rs. 16918.65 Lakhs (30740.46 Lakhs) from subsidiary companies.

2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	6.08	0.00
(b) Proposed Dividend	902.21	899.25
(c) Tax on Proposed Dividend	146.36	149.35
(d) Provision for FBT	24.83	24.83
(e) Provision for Wealth Tax	1.38	0.97
(f) Provision for Income Tax	17478.83	11406.70
Total	18559.69	12481.10

Notes forming Part of the financial statements

2.11 Tangibles Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction/ Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction/ Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land Free Hold	164.50	57.45	–	221.95	–	–	–	–	221.95	164.50
Building	542.16	1,091.07	–	1,633.23	109.38	15.25	–	124.63	1,508.60	432.78
Furniture	167.48	34.46	–	201.93	51.44	10.71	–	62.15	139.78	116.04
Office Equipments	424.21	28.43	–	452.63	176.99	52.62	–	229.61	223.02	247.22
Machineries	34,582.88	1,567.68	2,728.36	33,422.20	12,902.02	2,503.30	1,320.30	14,085.02	19,337.18	21,680.86
Vehicles	652.93	66.72	61.84	657.81	406.14	73.76	57.07	422.83	234.97	246.79
Wind Mills *	–	5,085.19	–	5,085.19	–	5.88	–	5.88	5,079.31	–
Assets Not put to use	–	2,039.42	–	2,039.42	–	–	–	–	2,039.42	–
Total	36,534.16	9,970.41	2,790.20	43,714.37	13,645.98	2,661.51	1,377.37	14,930.13	28,784.24	22,888.18

* Wind Mills includes Borrowing cost capitalised amounting to Rs. 31.51 Lakhs in accordance with AS -16 "Borrowing Cost"

2.12 Intangibles Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction/ Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction/ Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Computer Software	617.97	17.69	–	635.66	530.52	82.39	–	612.91	22.74	87.45
Total	617.97	17.69	–	635.66	530.52	82.39	–	612.91	22.74	87.45
Grand Total	37152.13	9988.10	2790.20	44350.02	14176.50	2743.90	1377.37	15543.04	28806.99	22975.63
Previous Year	33220.98	5675.58	1744.44	37152.12	12211.87	2685.83	721.20	14176.50	22975.62	–

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.13 Non-current Investments		
Trade Investment		
Investment in Equity Instruments (Unquoted) :-		
In Subsidiary companies		
(a) Nagpur-Seoni Expressway Ltd. 24480000 (24480000) Fully Paid up Equity Shares of Rs. 10/- each 1,44,00,000 (96,00,000) Shares has been pledged out of 2,44,80,800 (2,44,80,800) shares held in Nagpur Seoni Expressway Ltd. with the lenders of Nagpur Seoni Expressway Ltd.	2448.00	2448.00
(b) Nagpur-Seoni Expressway Ltd. (Share Application Money-Pending Allotment)	0.00	499.60
(c) Sadbhav Infrastructure Project Ltd. 20049940 (20049940) Fully Paid up Equity Shares of Rs. 10/- each	25972.99	25972.99
(d) Maharashtra Border Check Post Network Ltd. 31440 (31440) Fully Paid up Equity Shares of Rs. 10/- each 14,997 (0) Shares has been pledged out of 31,440 (31,440) shares held in Nagpur-Seoni Expressway Ltd. with the lenders of Nagpur-Seoni Expressway Ltd.	1832.64	1832.64
(e) Sadbhav Mining Limitada, Mozambique (No. of Shares and face value not defined as per local laws applicable to the company)	0.00	0.80
	30253.63	30754.03

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
In Associate companies		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. 10400000 (10400000) Fully Paid up Equity Shares of Rs. 10/- each Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.	1040.00	1040.00
(b) Dhule Palesner Tollway Ltd. 11739000 (6461000) Fully Paid up Equity Shares of Rs. 10/- each 68,850 (68,850) Shares have been pledged out of 1,17,39,000 (64,61,000) shares held in Dhule Palesner Tollway Ltd. with lenders	1173.90	646.10
(c) Share application Money with Dhule Palesner Tollway Ltd.	13.00	0.00
	2226.90	1686.10
Others		
(a) 25000 (25000) Fully Paid up Equity Shares of Saket Projects Ltd. of Rs. 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) 9.5% 20 (20) Bonds of Yes Bank of Rs. 10,00,000/- each	200.00	200.00
(d) Bond of Sardar Sarovar Narmada Nigam Limited	89.92	69.92
(e) 12.5% 10 (0) Nos Debentures of Srei Equipment Finance Ltd of Rs. 10,00,000/- each	100.00	0.00
(f) Investment in NSC-Pledge with Collector Chindwada	0.20	0.00
	392.68	272.48
Aggregate Value of Un-Quoted Investment Rs. 32,873.21 Lakhs (Rs. 32,712.61 Lakhs)		
Total	32873.21	32712.61
2.14 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)	4366.43	2310.36
Total	4366.43	2310.36
2.15 Long Term Loans and Advances		
Unsecured, considered good		
(a) Loan to Subsidiary Companies	2306.91	389.35
(b) Advances for Goods and Services	2414.13	2009.13
(c) Advances to Suppliers for Fixed Assets	620.58	661.53
(d) Group Gratuity Fund	133.65	104.35
(e) Security & Other Deposits	1828.16	1070.40
Total	7303.43	4234.76

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

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

Name of Subsidiaries	2011-12		2010-11	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Maharashtra Border Check Post Network Ltd.	247.08	247.08	4484.36	247.08
Nagpur-Seoni Expressway Ltd.	142.27	142.27	5053.88	142.27
Sadbhav Infrastructure Limited	3838.80	1917.56	12497.71	-

(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

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.16 Current Investments		
Trade : Un-quoted		
Bonds of Sardar Sarovar Narmada Nigam Limited	354.29	0.00
Total	354.29	0.00
2.17 Inventories		
(a) Construction Materials	7477.39	5532.31
(b) Work in Progress	929.59	929.59
(c) Stores & Spares (All Valued at Cost or Net Realizable Value, whichever is less, as certified by the Management)	432.35	458.92
Total	8839.33	6920.82
2.18 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months	1383.95	3781.90
(b) Other Debts		
(i) Due from Companies in which director of the company is director	21139.48	23711.41
(ii) Due from Others	52218.26	38885.04
Total	74741.69	66378.35
2.19 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	21.54	18.64
(b) Balance with Banks		
(i) In Current Accounts	386.08	1404.03
(ii) In Fixed Deposit	5066.82	6765.25
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 12 Months Maturity		
(i) For Margin Money	3.50	3.50
(ii) Other than Margin Money *	30.42	141.91
(b) In Other Fixed Deposits *	122.68	120.74
(c) In Current Accounts		
(i) Unclaimed Dividend	2.50	2.32
(ii) Unpaid Right Issue Money	0.01	1.52
(iii) Unpaid IPO Money	0.26	0.26
Total	5633.81	8458.17
* Fixed Deposit includes Rs. 153.10 (262.65) Pledged with Central and various State Governments/Undertakings		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.20 Short-term Loans and Advances		
Unsecured, considered good		
(a) Advances		
(i) Advances for goods and Services	15803.42	23438.95
(ii) Advances to Officers	3.33	0.00
(iii) Advances to Others	108.12	94.80
(b) Advance Fringe Benefit Tax	24.35	24.35
(c) Advance Income Tax	15603.42	11530.68
(d) Advance Sales Tax & Service Tax	2048.69	2030.78
(e) Prepaid Expenses	1449.18	1841.69
(f) Security & Other Deposits	14190.10	12468.28
(g) Loan to Others:-		
Loan for Mining License	0.00	1798.17
Total	49230.61	53227.70
2.21 Other Current Assets		
(a) Interest Accrued & Due on Fixed Deposits with Banks	6.47	0.00
(b) Interest Accrued But Not Due on Fixed Deposits with Banks	86.24	129.39
(c) Income Tax Refund Receivable	0.00	340.91
(d) Excise Claim Receivable	0.00	257.97
(e) Receivable Against Sale of Machineries	1178.20	1187.59
(f) Recoverable in Cash or Kind		
(i) Due from subsidiaries	297.83	7.50
(ii) Due from others	222.43	0.00
Total	1791.17	1923.36

Notes forming Part of the financial statements

(₹ in Lakhs)

	2011-2012	2010-2011
2.22 Revenue from Operations		
Contracts Receipt	267160.76	220916.75
Other Operating Income	394.15	23.37
Total	267554.91	220940.12
2.23 Other Income		
(a) Interest Income		
(i) From Subsidiaries	43.06	619.17
(ii) From Current Investments	1.01	0.00
(iii) From Non-Current Investments	31.13	10.67
(iv) From Others	731.73	799.24
(b) Dividend Income	0.00	22.86
(c) Profit on sale of Current Investment	0.29	0.00
(d) Profit on Sale of Assets	119.16	78.61
(e) Other Non-operating Income		
(i) Foreign Exchange Gain	0.00	231.90
(ii) Miscellaneous Income	155.68	140.97
Total	1082.06	1903.42
2.24 Cost of Material Consumed		
Opening Stock	5532.31	4231.66
Add Purchase	34911.49	17326.79
	40443.80	21558.45
Less Closing Sock of Material	7477.39	5532.31
Total	32966.41	16026.14
2.25 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Closing Work-in-Progress	929.59	929.59
Less : Opening Work-in-Progress	929.59	929.59
Total	0.00	0.00
2.26 Construction Expenses		
Labour Expenses	174337.43	154679.30
Diesel & Oil Expenses	14132.00	13391.92
Stores Consumed	344.11	256.16
Repairs & Maintenances-Construction Machineries	1307.15	911.58
Transportation Expenses	138.37	229.74
Machinery Rent	251.33	209.85
Electricity Expenses	112.27	135.21
Land Rent	170.66	119.97
Site Establishment Expenses	506.94	459.44
Mess Expenses	332.62	255.77
Total	191632.88	170648.94
2.27 Employee Benefits Expense		
Salary & Wages	3073.70	2606.82
Contribution to PF and Other Funds	103.59	68.45
Group Gratuity Fund Expenses	28.45	63.65
Expense on Employee Stock Option Scheme (Refer Note No 2.1 (f))	402.46	210.49
Directors' Remuneration	279.00	285.00
Staff Welfare expenses	115.11	128.68
Total	4002.31	3363.09

Notes forming Part of the financial statements

(₹ in Lakhs)

	2011-2012	2010-2011
2.28 Finance Cost		
Interest Costs		
On Term Loans	2980.58	2452.85
Interest on Taxes	168.37	8.72
Others	1996.65	1939.42
Other Borrowing Costs	1166.91	1013.66
Foreign Exchange Loss	198.68	0.00
Total	6511.19	5414.65
2.29 Other Expenses		
Rent Expenses	118.76	136.73
Rates & Taxes	6543.12	4154.61
Vehicle Rent	112.29	105.14
Running & Maintenance of Vehicles	64.71	80.61
Repairs & Maintenances-Building & Others Assets	56.79	17.89
Insurance	237.42	335.94
Postage & Telephone	77.03	57.66
Stationary & Printing	45.87	53.17
Traveling & Conveyance Expenses, incl. Foreign Traveling Expenses		
Rs. NIL (Rs. 0.82 Lakhs)	115.51	121.54
Directors' Traveling & Conveyance Expenses	16.49	11.59
Legal & Consultation Fees & Expenses	1256.02	1175.64
Donation Expenses	72.82	123.13
Other Bank Charges	49.12	64.17
Auditors Remuneration (Refer Note No. 2.45)	21.48	15.66
Loss on Sales of Assets & Asset Written Off	173.57	211.45
Miscellaneous Expenses	515.35	444.28
Prior Period Adjustment (Refer Note No. 2.46)	448.66	21.82
Total	9925.01	7131.03

Notes forming Part of the financial statements

2.30 Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

Particulars	As at 31/03/2012	As at 31/03/2011
Nominal Value of Equity Share (Re per share)	1.00	1.00
For Basic EPS :		
Number of Equity Shares at the beginning	14,98,75,800	12,50,00,000
Add : Right issue in the Ratio of 20:1	-	62,50,000
Add : Equity Shares allotted on conversion of detachable warrant in Equity Shares	-	1,86,25,800
Add : ESOP allotted on 14/11/2011	4,08,500	-
Add : ESOP allotted on 27/02/2012	83,500	-
Number of Equity Shares at end	15,03,67,800	14,98,75,800
Weighted Average number of Equity Shares	15,02,35,175	14,06,08,299
For Diluted :		
Weighted Average number of Equity Shares as per above working	15,02,35,175	14,06,08,299
Add : On Grant of Stock Option under ESOP	11,84,978	14,68,083
Weighted Average number of Dilutive Equity Shares	15,14,20,153	14,20,76,382

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	14056.16	11958.55
Weighted Average number of Equity Shares	150,235,175	140,608,299
Basic EPS (Rs.)	9.36	8.50
Diluted EPS		
Net Profit after Tax	14056.16	11,959
Weighted Average number of Diluted Equity Shares	151,420,153	142,076,382
Basic EPS (Rs.)	9.28	8.42

2.31 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 balance sheet date

Particulars	2011-12	2010-11
(a) Amount of Contract Revenue recognised as revenue during the period	267160.76	220916.75
(b) Disclosure in respect of Contract in Progress at the reporting date		
(a) Contract cost incurred and recognised profit less recognised losses upto the reporting date	451719.24	331270.38
(b) Advances Received	27287.10	44861.04
(c) Retention Amount	12949.89	7967.68
(c) Amount due from Customers for Contract in Progress	72417.32	58275.26
(d) Amount due to Customers for Contract in Progress	Nil	Nil

2.32 Contingent Liabilities and commitments

A Contingent Liabilities

(a) Claims against the company not acknowledge as debt

- (i) Demand of Custom duty towards import of Machineries Rs. 104.95 (Rs. 104.95)
- (ii) The Regional Transport Officer, Surat (RTO) issued a notice for payment of road tax and penalty under the Bombay Motor Vehicles Act, 1958 on forty (40) dumpers used by the Company at the excavation of mining sites around Surat. The Company filed a Special Civil application in the Gujarat High Court against the Commissioner of Transport and the RTO. The Gujarat High Court directed Company to deposit the road tax (without penalty). The Company has complied with the order and has deposited Rs. 49.20 Lakhs. The hearing of the matter has not yet commenced before authority. The Company has not made provision for penalty in its Books of Accounts.

(iii) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs. 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 balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.

(b) Guarantees

Company has given corporate guarantee to banks for Rs. 10500 Lakhs (Rs. 21200 Lakhs) against the finance facility given by the banks to subsidiary companies.

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

(i) Demand under Service Tax Act, 1994 Rs. 67.29 Lakhs (Rs. 67.29 Lakhs)

(ii) During the year Company has Received Show cause cum Demand Notice of Rs. 199.13 Lakhs under the Service Tax Act, 1994.

(iii) With regards to insertion of explanations with retrospective effect from 01-04-2000 in section 80-IA (4) of the Income Tax Act, 1961 read with sub section (13), the Company has received Notice under section 148 of the Income Tax Act, 1961 in Financial Year 2009-10 for re-opening of assessment from Assessment Year 2003-04 to 2007-08, against which Company has filed a Special Civil Applications in the High Court of Gujarat. High Court of Gujarat has quashed the Notice issued under section 148 for the Assessment Year 2003-04 & 2004-05 and for remaining assessment years it has directed the department of Income Tax to complete the assessments without serving the notice of demand on the company. Accordingly Income Tax Department has completed the assessments from A.Y. 2005-06 to 2007-08 and intimated to the company without serving notice of demand. Further, the company has filed writ petition with High Court of Gujarat for challenging constitutional validity for insertion of explanations with retrospective effect and writ has been admitted. At present the matter is sub judice, hence quantification of liability cannot be ascertained.

B Capital & other Commitments

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

	As at 31/03/2012	As at 31/03/2011
(i) Loan Commitments	11500.00	18000.00
(ii) Other Commitments		
(a) Sub Ordinate Debt/Equity Shares in Rohtak Panipat Tollway Private Limited	13381.00	18200.00
(b) Sub Ordinate Debt/Equity Shares in Hyderabad Yadgiri Tollway Private Limited	801.37	4200.00
(c) Sub Ordinate Debt in Maharashtra Border Check Post Network Limited	14698.15	19968.87
(d) Sub Ordinate Debt/Equity Shares in Dhule Palasner Tollway Limited	4359.95	4338.05

C During the year ended March 31, 2012 the amount of per share dividend recognised as distribution to equity share holders is Re 0.60 (0.60) which comes to Rs. 902.21 Lakhs (Rs. 899.25 Lakhs)

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

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

Particulars	Outstanding As at March 31, 2012	Outstanding As at March 31, 2011
Currency Option-Repayment		
- Equivalent INR	4865.96	8745.01
- Equivalent USD	105.54	195.86
Interest Swap		
- Equivalent INR	2005.11	3648.29
- Equivalent USD	39.20	81.71

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2012		As at March 31, 2011	
	USD	INR	USD	INR
Interest Payable on Loan	9.78	500.51	13.57	669.39

2.34 Employee Benefits

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

(a) Defined Contribution Plan:

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

Particulars	2011-12	2010-11
Employer's Contribution to Provident Fund	92.78	68.45

(b) Defined Benefit Plan:

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

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

The following tables sets out the funded status of the gratuity plan and the amount recognised by the company's financial statements as at March 31, 2012.

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

(₹ in Lakhs)

	2011-12	2010-11
(a) Present Value Funded Obligations	133.65	163.59
(b) Fair Value of Plan Assets	133.65	90.86
(c) Liability Recognized in the Balance Sheet	49.17	72.73

(ii) Expenses recognized in the statement of Profit & Loss Account Under the head "Expenses on Employees - Contribution to Provident & Other Funds".

(₹ in Lakhs)

	2011-12	2010-11
(a) Current Service Cost	39.78	38.60
(b) Interest on obligation	10.53	7.82
(c) Expected Return on plan assets	(9.58)	(6.22)
(d) Net Actuarial Losses / (Gains) recognized in the year	(26.69)	24.17
(e) Past Service Cost	0.00	0.00
(f) Losses/Gain on curtailment & Settlement	0.00	0.00
NET GRATUITY COST	14.04	64.37

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

(₹ in Lakhs)

	2011-12	2010-11
(a) Opening Defined Benefit Obligation	163.58	94.83
(b) Service Cost for the year	39.78	38.60
(c) Interest Cost for the year	13.91	7.82
(d) Actuarial Losses/ (Gain)	(24.60)	25.61
(e) Benefits Paid	(9.84)	(3.28)
Closing Defined Benefit obligation	182.83	163.58

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

(₹ in Lakhs)

	2011-12	2010-11
(a) Opening fair value of plan assets	90.86	55.10
(b) Expected Return	12.96	6.22
(c) Actuarial Gains	2.08	1.45
(d) Contribution by the employer	37.59	30.65
(e) Benefits paid	(9.83)	(2.56)
Closing fair value of the plan assets	133.66	90.86

(v) Major Category of plan assets as a percentage of total plan assets as on 31-03-2012 are as under:

	2011-12	2010-11
(a) Government of India Securities	--	--
(b) High Quality Corporate Bonds	--	--
(c) Equity Shares of Listed Companies	--	--
(d) Property	--	--
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance	--	--

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

	2011-12	2010-11
(a) Discount Rate as on 31-03-2012	8.50%	8.50%
(b) Expected return on plan assets at 31-03-2012	9.00%	9.00%
(c) Proportion of employees opting for early retirement		
- At Younger Ages	5.00%	5.00%
- At Older Ages	1.00%	1.00%
(d) Annual increase in salary cost	6.00%	6.00%

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

2.35 Segment Reporting

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

2.36 List of Related Parties

Subsidiaries & Fellow Subsidiaries:

Sadbhav Infrastructure Project Limited, Nagpur-Seoni Express Way Limited,

Ahmedabad Ring Road Infrastructure Limited, Aurnagabad-Jalna Toll Way Limited, Rohtak-Panipat Tollway Pvt. Ltd., Bijapur Hungund Tollway Pvt. Ltd, Hyderabad Yadgiri Tollway Pvt. Ltd., Maharashtra Border Check Post Network Ltd. and Shreenathji Udaipur Tollway Pvt. Ltd.

Associate Companies

Mumbai Nasik Expressway Ltd., Dhule Palesner Tollway Ltd.,

Joint Ventures:

SEL-GKC JV

Key Management Personnel:

Shri Vishnubhai M. Patel, Shri Girish N. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Smt. Rajeshriben Patel

Relatives of Key Management Personnel

Smt. Shantaben V. Patel, V. M. Patel (HUF), Shri Vikram R. Patel, Shri Vasistha C. Patel

Enterprises owned or significantly influenced by key management personnel or their relatives

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Sadbhav Public Charitable Trust.

(₹ in Lakhs)

Transactions	Subsidiaries & Fellow Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Personnel and Enterprises owned or significantly influenced by key management personnel or their relatives
Sub contracting Income	149701.80 (70867.25)	26232.79 (24550.58)	15658.45 (5433.32)	--- (--)	--- (--)
Receiving of services	89.34 (52.80)	--- (--)	--- (--)	--- (--)	--- (--)
Balance Receivable at the year end	10668.98 (12951.58)	10943.32 (7857.05)	3531.26 (1551.48)	--- (--)	--- (--)
Sub contracting Expenditure	--- (--)	--- (--)	--- (--)	--- (--)	4265.82 (2746.74)
Remuneration	--- (--)	--- (--)	--- (--)	315.00 (285.00)	--- (--)
Interest Paid	--- (---)	--- (--)	--- (--)	194.64 (--)	15.20 (17.08)
Rent & Service charges	--- (--)	--- (--)	--- (--)	--- (--)	6.75 (6.75)
Fixed Assets Purchases / (sales)	--- (--)	--- (--)	--- (--)	--- (--)	--- (36.74)

Other Expenses	297.18	0.29	---	---	---
	(--)	(0.39)	(--)	(--)	(--)
Balance Payable at the year end	---	---	---	---	136.85
	(--)	(---)	(--)	(--)	(240.67)
Sale of Investments	---	---	---	---	---
	(7932.71)	(--)	(--)	(--)	(--)
Advance received for Sale of shares	---	---	---	---	---
	(6468.58)	(--)	(--)	(--)	(--)
Loan given during the year	9124.80	---	---	---	---
	(19139.89)	(--)	(--)	(--)	(--)
Interest Recd. On Loan	43.06	---	---	---	---
	(619.17)	(---)	(---)	(---)	(---)
Loan Outstanding at the year end	2306.91	---	---	---	---
	(389.35)	(--)	(--)	(--)	(--)
Deposit Received during the year	8926.41	976.80	1331.55	5790.44	2995.73
	(26141.12)	(2445.00)	(1357.24)	(---)	(1046.66)
Deposit repaid during the year	25289.81	4616.06	739.65	793.73	2626.03
	(13500.06)	(3298.69)	(719.75)	(---)	(228.46)
Closing Balance: Deposits Received	(12588.12)	1333.99	1239.66	(5122.20)	337.30
	(29082.11)	(2305.56)	(802.32)	(--)	(-50.45)
Donation Given	---	---	---	---	---
	(---)	(0.20)	(---)	(---)	(---)
Dividend Paid during the year	0.00	0.00	0.00	152.30	274.72
	(---)	(26.99)	(---)	(135.18)	(75.00)

NOTE:-

- Sub-contracting income from subsidiaries includes Rs. 51226.67 Lakhs (Rs. 46322.28 Lakhs), Rs. 20057.00 Lakhs (Rs. 17122.87 Lakhs), Rs. 50328.14 Lakhs (Rs. 4207.09 Lakhs) and Rs. 27316.52 Lakhs (Rs. 2492.94 lakhs) from Bijapur Hungund Tollway Pvt. Ltd., Hyderabad-Yadgiri Tollway Pvt. Ltd., Rohtak Panipat Tollway Pvt. Ltd. and Maharashtra Border Check Post Network Ltd. respectively and at the year end Rs. 5273.41 Lakhs (Rs. 5604.01 Lakhs), Rs. 2557.86 Lakhs (Rs. 5325.19 Lakhs), Rs. Nil (Rs. 279.44 Lakhs) and Rs. 934.12 (Rs. 364.95 Lakhs) are receivable respectively from the above parties.
- Sub-contracting Income from Associates includes Rs. 25766.65 Lakhs (Rs. 24513.45 lakhs) from Dhule Palesner Tollway Ltd. and at the year end Rs. 10934.75 Lakhs (Rs 7848.48 Lakhs) are receivable.
- Sub-Contract Expenditure of relatives of Key Managerial Personnel includes Rs. 3550.13 Lakhs (Rs. 2289.41 Lakhs) payable to Sarjan Infracon. and Rs. 715.70 Lakhs (Rs. 71.59 Lakhs) to Veer Procon Ltd, at the year end Rs. 110.75 Lakhs (Rs. 240.16 Lakhs) and Rs. 26.10 Lakhs (Nil) are outstanding respectively of the above parties.

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

Sr. No.	Name of Joint Venture	Description of Interest	% of Involvement
1	SEL-GKC (Radhanpur-manpura)	Jointly Controlled Operation	52%
2	SEL-GKC (Vishakhapatnam Project)	Jointly Controlled Operation	50%
3	SEL-GKC (OmkareshwarProject)	Jointly Controlled Operation	60%
4	SEL-GKC (Karimnagar Project)	Jointly Controlled Operation	52%
5	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	40%
6	SEL-GKC (Managuru Project)	Jointly Controlled Operation	51%
7	SELL-GKC (BSHP-II)	Jointly Controlled Operation	50%
8	SELL-GKC (Govindpur Projects)	Jointly Controlled Operation	50%

2.38 Details of holding in the Associates Entities are as under.

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

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

2.40 Construction material and store consumed:

Particulars		2011-12 Value (%)	2010-11 Value (%)
(i)	Imported	5.50 (0.02%)	0 (0%)
(ii)	Indigenous	34305.02 (99.98%)	16282.30 (100%)
Total		33310.52	16282.30

2.41 C.I.F. Value of Imports:

(₹ in Lakhs)

Particulars		2011-12	2010-11
(i)	Spares Parts	0	0
(ii)	Construction Material (Bitumen)	5.50	0
(iii)	Capital goods (Machineries)	1199.73	764.16

2.42 Expenditure in Foreign currencies:

(₹ in Lakhs)

Particulars		2011-12	2010-11
(i)	Traveling Expenses	0.00	0.82
(ii)	Interest	390.45	292.97
(iii)	Professional Fess	1.55	8.11
(iv)	Dividend	206.50	120.14
(v)	Sponsorship Fees	13.35	0

2.43 Dividend in Foreign Currency

Details of amount remitted during the year in foreign currency on account of dividends.

(₹ in Lakhs)

Category of Shareholders	Number of Shares	Number of Shareholders	Amount Remitted during the year	Year to which dividend relates
Foreign Inst. Investors	34339806	36	206.04	2010-11
	(29978050)	(30)	(119.91)	(2009-10)
Non Resident Indians	76671	108	0.46	2010-11
	(56660)	(79)	(0.23)	(2009-10)
Total	34416477	144.00	206.50	2010-11
	(30034710)	(109.00)	(120.14)	(2009-10)

2.44 Borrowing Cost:

During reported year, company has capitalized borrowing cost Rs. 31.51 Lakhs (19.17 Lakhs) according to AS-16 Borrowing Cost.

2.45 Payment to Auditors:

(₹ in Lakhs)

Particulars		2011-12	2010-11
(i)	Audit Fees	14.03	10.48
(ii)	Tax Audit Fees	2.81	1.93
(iii)	Certification	4.43	3.03
(iv)	Reimbursement of Expenses	0.21	0.22
Total		21.48	15.66

2.46 Prior Period Adjustments

The Details of Prior Period Adjustments are as under:-

(₹ in Lakhs)

Particulars	2011-12	2010-11
Material Consumed	14.32	0.00
Construction Expenses	0.00	61.82
Administrative Expenses	0.00	(40.00)
Rates & Taxes	460.80	0.00
Interest Paid	8.53	0.00
Interest Income	(34.99)	0.00
Total	448.66	21.82

2.47 No Provision has been made for losses made by subsidiary companies as it is temporary diminution in the value of investments in subsidiaries.

2.48 In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

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

2.50 Revised Schedule VI and Previous year figures

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of the revised schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of Balance sheet.

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates

Chartered Accountants
Firm Reg. No. 113672W

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Proprietor
Membership No. 37671

Place : Ahmedabad
Date : 28-05-2012

Girish N. Patel
Executive Director

Vijay Kalyani
Company Secretary

Auditors' Report on the Consolidated Financial Statements

To,
The Board of Directors of
Sadbhav Engineering Limited
on the Consolidated Financial Statements

1. We have examined the attached Consolidated Balance Sheet of Sadbhav Engineering Limited Group (hereinafter referred to as "Sadbhav Group") as at 31st March, 2012, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Sadbhav Group Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Generally Accepted Auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Sadbhav Infrastructure Project Limited (SIPL), its subsidiaries and Nagpur-Seoni Express Way Limited, whose financial statements reflect total assets of Rs. 423814.97 Lakh at 31st March 2012 and total in revenue of Rs. 21976.64 Lakh and Loss of Rs. 2160.01 Lakh in these financial statements. These financial statements have been audited by other auditors whose report have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the said audited Subsidiaries are based solely on the Report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Sadbhav Group Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in the Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interest in Joint Ventures", notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of affairs of the Sadbhav Group as at 31st March 2012;
 - b) in the case of the Consolidated Profit and Loss Account, of the Profit of the Sadbhav Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Sadbhav Group for the year ended on that date.

For SHASHIKANT PATEL ASSOCIATES
Chartered Accountants
Firm Reg. No. 113672W

(S. D. PATEL)
PROPRIETOR
Membership No. 37671

Place : Ahmedabad
Date : May 28, 2012

Consolidated Balance Sheet as at March 31, 2012

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1503.68	1498.76
(b) Reserve and Surplus	2.2	115824.99	85725.26
		117328.67	87224.02
(2) Minority Interest			
		17455.79	20173.46
(3) Non-current Liabilities			
(a) Long Term Borrowings	2.3	311212.84	172289.26
(b) Deferred Tax Liabilities	2.4	2344.37	1606.99
(c) Other Long Term Liabilities	2.5	1290.06	2133.38
(d) Long Term Provisions	2.6	195.64	183.50
		315042.91	176213.13
(4) Current Liabilities			
(a) Short Term Borrowings	2.7	30345.17	23720.67
(b) Trade Payables	2.8	19724.36	16916.11
(c) Other Current Liabilities	2.9	38675.38	32689.79
(d) Short Term Provisions	2.10	18735.51	12605.95
		107480.42	85932.52
TOTAL		557307.80	369543.13
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
Tangible Assets	2.11	31140.42	24919.74
Intangible Assets	2.12	94098.47	93307.44
Capital Work In Progress	2.11	15.46	0.00
Intangible Assets under Development	2.12	261035.04	64642.25
		386289.39	182869.43
(b) Non-current Investments	2.13	2490.28	2004.05
(c) Long Term Trade Receivables	2.14	4366.43	2310.36
(d) Long Term Loan, Advances and Deposits	2.15	17371.07	45058.41
(e) Other Non Current Assets	2.16	1107.16	0.00
		25334.94	49372.82
(2) Current Assets			
(a) Current Investments	2.17	1529.03	607.48
(b) Inventories	2.18	8839.33	7356.82
(c) Trade Receivables	2.19	69406.33	56402.29
(d) Cash and Cash Equivalents	2.20	18013.51	13649.95
(e) Short-Term Loans and Advances	2.21	45421.77	52705.87
(f) Other Current Assets	2.22	2473.50	6578.47
		145683.47	137300.88
TOTAL		557307.80	369543.13

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

1 & 2

As per our Audit Report of even date attached

For Shashikant Patel Associates

Chartered Accountants
Firm Reg. No. 113672W

S. D. PATEL

Proprietor
Membership No. 37671

Place : Ahmedabad

Date : 28-05-2012

For and on behalf of Board

V. M. Patel

Managing Director

Nitin R. Patel

Executive Director

Girish N. Patel

Executive Director

Vijay Kalyani

Company Secretary

Consolidated Profit and Loss Statement for the Year Ended March 31, 2012

		(₹ in Lakhs)	
Particulars	Note No.	2011-2012	2010-2011
I Revenue from Operations	2.23	286632.91	232964.83
II Other Income	2.24	2729.09	2618.74
III Total Revenue (I+II)		289362.00	235583.57
IV Expenses :			
Cost of Material Consumed	2.25	32966.41	16026.14
Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade	2.26	0.00	0.00
Construction Expenses	2.27	196223.92	171359.52
Employee Benefits Expense	2.28	4617.40	3853.11
Finance Cost	2.29	15589.68	13989.49
Depreciation and amortization Expense		8604.19	7885.72
Other Expenses	2.30	11384.57	8378.63
Total Expenses		269386.17	221492.61
V Profit Before Tax (III-IV)		19975.83	14090.96
VI Tax Expense			
(1) Current Tax		7353.65	6529.60
(2) Deferred Tax		737.38	196.35
(3) Short/(Excess) Provision for taxation for earlier years		(11.35)	(341.64)
VII Profit for the period from continuing Operations (V-VI)		11896.15	7706.65
Add : Share of Loss Transferred to Minority interest		561.94	1571.76
Less : Share of Loss of Associates		229.00	0.00
Net Profit for the year		12229.09	9278.41
VIII Earning per Equity Share: (in Rupees)			
(1) Basic	2.31	8.14	6.60
(2) Diluted	2.31	8.08	6.53
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates

Chartered Accountants
Firm Reg. No. 113672W

V. M. Patel

Managing Director

Nitin R. Patel

Executive Director

S. D. PATEL

Proprietor
Membership No. 37671

Place : Ahmedabad

Date : 28-05-2012

Girish N. Patel

Executive Director

Vijay Kalyani

Company Secretary

Consolidated Cash Flow Statement for the Year 2011-2012

(₹ in Lakhs)

Particulars	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	11896.15	7706.65
Adjustments For :		
Interest Expenses	13063.03	12502.80
Depreciation	8604.19	7885.72
Dividend Income	(34.02)	(1.38)
Preliminary Expenses written off	0.00	35.52
Profit on sale of Assets	(119.16)	(378.83)
Loss on sale of Assets	173.57	212.01
Profit on sale current Investments	(115.19)	0.00
Stock Option Premium	402.46	210.49
Income Tax Provision	7342.30	6187.95
Foreign currency Fluctuation	287.61	0.00
Wealth Tax Provision	1.38	0.94
Deferred Tax Liabilities/(Assets)	737.38	196.35
	30343.55	26816.32
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	42239.70	34522.97
Adjustment For :		
Trade & other Receivable	(10846.70)	(15878.46)
Inventories	(1918.51)	(1521.73)
Work in Progress	436.00	0.00
Loans & Advances	(6517.27)	12665.42
Other Long Term Liabilities	(1090.41)	0.00
Short Term Provisions	15.24	0.00
Trade Payable	6072.14	654.06
	(13849.51)	(4080.71)
Cash generated from Operations	28390.19	30442.26
Tax Paid	(5440.92)	(5807.02)
	(5440.92)	(5807.02)
Net Cash From Operating Activities	22949.27	24635.24
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(17083.33)	(38204.00)
Sales of Fixed Assets	1358.42	1122.02
Payment made for Capital work in progress	(196353.66)	(72507.96)
Expenditure during construction period (pending allocation)	0.00	(11976.96)
Loan to Subsidiaries / Associates Companies	0.00	4040.88
Loan to Others	45700.31	(5909.01)
Investments	(715.23)	3.54
Investments in Fixed Deposits against Margin	0.00	99.53
Option premium paid	(1107.16)	0.00
Decrease / (Increase) in Other Bank Balances	110.88	(270.25)
Investments Purchased	0.00	0.00
Profit on sale current Investments	115.19	0.00
Proceeds from sale of Mutual Fund	0.00	35.25
Sales / Purchase of Investments	(921.55)	5501.30
Interest Received	2130.05	1704.02
Dividend Received	34.02	1.38
	(166732.06)	(116360.26)
Net Cash From Investing Activities	(166732.06)	(116360.26)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Borrowings	165233.14	141559.81
Repayment of Borrowings	(17510.72)	(86784.54)
Proceeds From Share Capital	246.00	12302.84
Addition in Capital Reserve	18277.48	31018.57
Interest Paid	(14782.54)	(13297.27)
Dividend Paid	(899.25)	(500.00)
Dividend Tax Paid	(149.35)	(83.04)
	148257.24	100136.12
Net Cash From Financing Activities	148257.24	100136.12
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	4474.44	8411.10
OPENING BALANCE OF CASH & CASH EQUIVALENTS	13379.70	4968.60
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	17854.14	13379.70
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	73.26	63.03
BALANCE IN CURRENT ACCOUNT WITH BANKS	2655.06	4051.42
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	15125.82	9265.25

Notes : 1. All figures in brackets are outflow.

2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates

V. M. Patel

Nitin R. Patel

Chartered Accountants (Firm Reg. No. 113672W)

Managing Director

Executive Director

S. D. PATEL

Place : Ahmedabad

Girish N. Patel

Vijay Kalyani

Proprietor (Membership No. 37671)

Date : 28-05-2012

Executive Director

Company Secretary

Notes forming part of Consolidated Financial Statements

Corporate Information:

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

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

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

Note 1 : Significant Accounting Policies

(A) Principles of Consolidation:

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

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

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

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

Notes forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2012	Proportion of Ownership Interest as at 31-03-2011
1	Sadbhav Infrastructure Projects Ltd. (SIPL)	India	82.95 %	82.95 %
2	Nagpur-Seoni Expressway Ltd. (NSEWL)	India	90.00 % *	90.00 %

Information pertaining to Fellow Subsidiaries (Subsidiaries of SIPL)				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2012	Proportion of Ownership Interest as at 31-03-2011
1	Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	India	80.00 %	80.00 %
2	Aurangabad-Jalna Toll Way Ltd. (AJTWL)	India	100.00 %	51.00 %
3	Bijapur-Hungund Tollway Private Ltd. (BHPTL)	India	77.00 %	77.00 %
4	Hyderabad-Yadgiri Tollway Private Ltd. (HYTPL)	India	60.00 %	60.00 %
5	Maharashtra Border Check Post Network Ltd. (MBCPNL)	India	90.00 %**	90.00 %
6	Rohtak-Panipat Tollway Private Ltd. (RPTPL)	India	100.00 %	100.00 %

Information pertaining to Associates				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2012	Proportion of Ownership Interest as at 31-03-2011
1	Mumbai Nasik Expressway Ltd. (MNEL)	India	20.00 %	20.00 %
2	Dhule Palesner Tollway Ltd. (DPTL)	India	27.00 %***	27.00 %

* 51% SEL and 39% SIPL ** 63% SEL and 27% SIPL *** 26% SEL and 1% SIPL

Note : Aurangabad-Jalna Toll Way Limited converted to 100% fellow subsidiary w.e.f. 5th May, 2011.

(B) Basis of Preparation of Consolidated Financial Statements:

The Financial Statements of the Company are based on historical cost convention and prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) comprising the mandatory accounting standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

(C) Use of accounting Estimates:

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

(D) Recognition of contract revenue and expenses:

- (i) In case of Item rate contracts Revenue is recognized on the basis of physical measurement of work actually completed at the balance sheet date.
- (ii) In the case of lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management. Pending completion of milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue.
- (iii) Toll collection from users has been accounted when the amount is received. Income of monthly pass is recognized as and when it is received in entirety.
- (iv) Income from sale of services: In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs.

Notes forming part of Consolidated Financial Statements

- (v) Project Related Income: Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract costs.
- (vi) An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.
Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
 - Negotiation have reached at an advance stage such that it is probable that customer will accept the claim; and
 - The amount that is probable will be accepted by the customer can be measured reliably.
- (vii) Income from publicity rights are recorded on accrual basis.
- (viii) Profit/loss on sale of units of mutual funds and dividend income is recognized on realization basis.
- (ix) Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amount invested and the rate applicable.

(E) Tangible Assets:

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

(F) Depreciation:

- (i) Depreciation is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956, except Heavy Earthmoving Equipments, on which higher rate has been charged.
- (ii) In case of AJTWL, depreciation on Tangible Project Assets, other than Computers & other hardware related to tolling system are amortized on straight line basis, from the date on which such project asset is ready for use, till the end of concession period.
- (iii) Similarly, in case of ARRIL, Tangible Project Assets, as defined under Concession Agreement, are amortized on straight line basis, from the date on which such project asset is ready for use, till the end of concession period.
- (iv) Depreciation on Tangible Assets of remaining subsidiaries is provided using the Written Down Value method at rates prescribed under schedule XIV of the Companies Act, 1956.
- (v) In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

(G) Intangible Assets and Amortisation:

- (i) An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangibles are stated at cost, less accumulated amortisation and impairment losses, if any.
- (ii) Toll collection rights received from the authority against construction services rendered by the subsidiary companies on BOT basis include direct and indirect expenses on construction of roads, bridges etc.
- (iii) Toll collection rights received from the authority are amortised on straight line basis over a period beginning from the date of commencement of commercial operations till the end of concession period.
- (iv) Goodwill arising on consolidation is amortised on straight line basis, beginning from the date of acquisition of subsidiaries or commencement of commercial operations by subsidiaries, whichever is later, till the end of concession period.

(H) Intangible Asset under Development:

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

Notes forming part of Consolidated Financial Statements

(I) Impairment of Assets:

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

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

(J) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions
- (ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and charged to profit & Loss account and the premium or discount on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expenses for the period
- (iii) Non-monetary foreign currency items are carried at cost
- (iv) Foreign currency transactions are recorded in the reporting currency either on settlement or on year end by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the settlement or year end.

(K) Derivative Contracts:

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

(L) Investments:

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

(M) Grant:

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

(N) Employee Benefits:

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

(O) Borrowing Costs:

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

Notes forming part of Consolidated Financial Statements

(P) Segment Reporting Policies:

Identification of segments:

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

Allocation of common costs:

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

Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

(Q) Leases:

Where the Company is the lessee,

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

(R) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

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

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

(S) Provisions:

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

(T) Earning per share (EPS):

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

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

(U) Contingent Liabilities & contingent assets:

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

(V) Cash and Cash Equivalent:

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

(W) General:

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
Note 2. Notes on Accounts		
2.1 Share Capital		
(a) Authorised Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 150367800 (149875800) Equity shares of Re. 1/- each	1503.68	1498.76
(c) Reconciliation of No. of Shares:		
Outstanding at the beginning of the year (Nos.)	149875800	125000000
Addition during the year (Nos.)	492000	24875800
Outstanding at the end of the year (Nos.)	150367800	149875800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e) Shares held by each share holder holding more than 5% Equity shares of the company		
Name	No. of shares & (%)	No. of shares & (%)
Vishnubhai M. Patel	10763570 (7.16%)	15111070 (10.08%)
Shantaben V. Patel	14715375 (9.79%)	14715375 (9.82%)
Sadbhav Finstock Private Limited	16545275 (11%)	16545275 (11.04%)
(f) Shares reserved for Issue under ESOP @ Rs. 50/-per share (Face Value Re. 1/-) (Nos.)	1820000	2442000
The activity in the ESOP-2008 during the year ended March 31, 2012 and March 31, 2011 respectively, is set out below:		
Particulars	Year Ended March 31, 2012 (Figure in Nos)	Year Ended March 31, 2011 (Figure in Nos)
Option outstanding in the beginning of the year	2442000	0
Option granted during the year	0	2500000
Less : Exercised	492000	0
Less : Forfeited / Lapse	130000	58000
Option outstanding, end of the year	1820000	2442000
Option exercisable, end of the year	90500	0
As at March 31, 2012, 18,20,000 equity shares has been kept reserved for issue against the outstanding options. Out of which 90,500 shares are vested and are exercisable at any point of time before October 04, 2014 and the vesting schedule for remaining 17,29,500 option is as under:		
No of Option	Vesting Date	
For 576500 Option	04-10-12	
For 576500 Option	04-10-13	
For 576500 Option	04-10-14	
The exercise price of option is Rs. 50/- per option granted		

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.2 Reserve and Surplus		
(a) Capital reserve		
As per Last Balance Sheet	31443.56	424.99
Addition during the year	18277.48	31018.57
	49721.04	31443.56
(b) Security Premium Account		
As per Last Balance Sheet	26929.25	14875.17
Addition during the year	590.89	13238.32
Less : Right Issue Expenses	0.00	1184.24
	27520.14	26929.25
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1214.80	614.80
Addition during the year	600.00	600.00
	1814.80	1214.80
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	210.49	0.00
Addition during the year	402.46	210.49
Less Shares issued during the year	349.81	0.00
	263.14	210.49
(e) General Reserves		
As per Last Balance Sheet	6010.18	4810.18
Addition during the year	1400.00	1200.00
	7410.18	6010.18
(f) Profit and Loss account		
As per Last Balance Sheet	19916.98	13487.17
Net Profit for the year	12229.09	9278.41
Appropriations:-		
Transfer to general reserves	1400.00	1200.00
Transfer to Debenture Redemption reserves	600.00	600.00
Proposed Dividend	903.77	899.25
Tax on Proposed Dividend	146.61	149.35
	29095.69	19916.98
Total	115824.99	85725.26
2.3 Long Term Borrowings		
(a) Bonds / Debentures (Secured)		
11.95% secured redeemable non-convertible debentures Life Insurance Corporation of India (300 debentures of Rs. 10 Lakhs each)	3000.00	3000.00
(b) Term Loans		
(i) (Secured)		
From Banks:-		
(a) Foreign Currency Term Loan (ECB)	56574.54	17611.76
(b) Rupee Term Loan	229720.60	136463.00
From Financial Institutions	412.92	10565.26
Secured by way of hypothecation of specific machineries and equipments purchased		
From others		
First Ranking	18232.25	0.00
(ii) Unsecured		
Loans and Advances from related parties (Subordinate Debt from Promoters, in terms of common Rupee Term Loan Agreement)	3272.53	4649.24
Total	311212.84	172289.26

Notes forming Part of the Consolidated financial statements

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

- A The debentures are secured by the first legal Registered Mortgage and charge on the specific movable fixed assets of the Company and specific immovable properties i.e. Bungalow (Manorama Retreat) and Flat (Abhimanyu) belonging to the Company. The security has been created on the said assets on 29th May, 2009 and same has been registered with Registrar of Company on 2nd June, 2009.
- B Term Loan from Bank availed by the Company (SEL) is secured by way of hypothecation of specific machineries and equipments purchased.
- C The term loan from Bank availed by SIPL is secured by:
- A first charge on all movable assets including intangible assets, book debts and other receivables of the company.
 - First charge on all bank accounts of the company.
 - Corporate guarantee of Sadbhav Engineering Limited. The guarantee shall fall off in case the credit rating of the company remains AA- for two consecutive years.
- D Rupee Term Loans and Foreign Currency Loans from banks availed by Subsidiaries are secured by:
- A first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
 - A First charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
 - A first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents and all funds from time to time deposited therein, including those arising out of realisation of Receivables and all permitted Investments or other securities representing all amounts credited thereto.
 - A first charge on all intangible assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
 - A first charge on assignment by way of security in:
 - All the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - The right, title and interest of the Company in, to and under all Clearances;
 - Charge/assignment on all the intangible assets of the Company (other than project assets) including by not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - All the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts;
 - Pledge of equity shares held by SEL, SIPL and other promoters of the respective Subsidiaries. Details of shares pledge are as under:

Particulars	Name of SPV	% of shares pledged
A pledge of 30% of the equity share capital held by SIPL and Patel Infra structure Private Limited ("Sponsors") in the share capital of the Company	ARRIL	30.00%
Pledge of 51% equity share capital of the company held by the Promoters, till payment of 75% of loan to each Rupee Lender and thereafter pledge of 26% equity share capital of the Company held by the Promoters.	AJTWL	51.00%
Pledge of equity shares held by SIPL and Montecarlo Limited aggregating to 51% (fifty one percent) of the paid up and voting equity share capital of the Company for a period up to COD.	BHTPL	51.00%
Pledge of equity shares held by SIPL and GKC Projects Limited aggregating to 51% (fifty one percent) of the paid up and voting equity share capital of the Company for a period up to Final Settlement Date.	HYTPL	51.00%
Subject to Applicable Law, a pledge by the Sponsors (i.e. Sadbhav Engineering Limited & SIPL) of the Shares constituting / representating at all times not less than 30% of the total shares of the Company.	MBCPNL	30.00%
Pledge of equity shares held by SIPL aggregating to 51% (fifty one percent) of the paid up and voting equity share capital of the Company for a period up to COD.	RPTPL	51.00%
A pledge of 30% of the equity share capital held by SEL, SIPL and SREI Venture Capital ("Sponsors") in the share capital of the Company	NSEWL	30.00%

Notes forming Part of the Consolidated financial statements

Notes:

- (a) The aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the Lenders and the Working Capital Lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- (b) The security interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement) unless such security is consented to by the authority pursuant to the Concession Agreement.

E Terms of Repayment:

- i Debentures are repayable on 23rd March 2014
- ii The Long Term Loans taken carry a floating interest rate ranging from 7.10% to 13.50%.
Interest payable on ECB is linked to LIBOR which is 215 basis points and 250 basis points over libor.

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

Repayable during the year Installments	No of	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2013-14	184	4051.01	412.92
2014-15	91	2693.70	---
2015-16	9	2231.50	---
2016-17	8	667.50	---

The term loan taken by SIPL is repayable in 4 annual installments commencing after 48 months from the date of 1st disbursement i.e. 06 March, 2012.

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

ARRIL

The First Ranking loan is repayable in 50 structured quarterly installments commencing from August 31, 2009. Term loans carry an average interest rate of 10.50 % to 12.00 % per annum.

The Second Ranking Rupee term loan is repayable in 52 structured quarterly installments commencing from August 31, 2011. Term Loan carry an average interest rate 12.75 % per annum.

AJTL

The principal amount of the loan is payable in 48 equal quarterly installments commencing from October 1, 2011. Term loans carry average interest rate of 11.00 % to 12.00 % per annum.

NSEWL

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

MBCPNL

The loan is repayable in 50 quarterly installments commencing after 15th quarter from first disbursement i.e. March 20, 2010. The term loans carry interest rates ranging from 12.00% to 13.25 % per annum.

BHTPL

Principal of Rupee Term loan is repayable in 37 equal quarterly installments commencing from the expiry of moratorium period (i.e. 14 quarters from first drawdown date, December 12, 2010). The loans carry interest of 10.50 % to 12.00 % per annum.

Foreign currency loan shall be repayable in unequal semi annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee lenders in accordance with the common Rupee Loan agreement. The company is paying effective interest rate of 6.64 % per annum.

HYTPL

Principal amount of each term loan shall be repayable in 47 equal quarterly installments commencing from the expiry of moratorium period (i.e. 33 months from initial drawdown date, September 29, 2010). Term loans carry interest of 12.00 % to 13.25 % per annum.

Foreign Currency Loan from Bank shall be repayable in unequal semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee lenders in accordance with common Rupee loan agreement. Interest at LIBOR + 470 basis points per annum is paid on the loan.

RPTPL

The principal amount of the loan shall be repayable in 43 quarterly installments commencing from 22 quarters from initial drawdown date (i.e. March 28, 2011). The term loans carry interest rate of 12.00 % to 13.25 % per annum.

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.4 Deferred Tax Liabilities (Net)		
As per accounting standard-22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Assets/Liabilities arising are as follows:-		
Opening Balance of deferred Tax Liability	1606.99	1407.98
Add : Deferred Tax Liability on depreciation	3828.28	209.97
Less : Provision/(Excess provision) of Gratuity	(7.64)	10.96
Less : Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	3,098.54	0.00
Closing Balance of Deferred Tax Liability	2344.37	1606.99
Deferred tax assets and liabilities in case of SPVs:		
In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the SPVs have an aggregate Deferred Tax Assets of Rs. 13354.55 Lakhs (Rs. 11437.31 Lakhs) and Deferred Tax Liabilities of Rs. 10205.81 Lakhs (Rs. 9042.62 Lakhs). However, as a matter of prudence deferred tax assets only to the extent of the amount of deferred tax liabilities have been recognised. Accordingly, there is no impact of the same on the financials of the respective SPVs for the year ended 31 March 2012.		
2.5 Other Long Term Liabilities		
(a) Advance Received From Clients	703.57	1063.33
(b) Security & Other Deposits from Sub-contractors	329.85	1070.05
(c) Advance Received for sale of Shares	0.00	0.00
(d) Other Liability-Miscellaneous Liability	9.55	0.00
(e) Interest Accrued But Not Due	247.09	0.00
Total	1290.06	2133.38
2.6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	195.64	183.50
Total	195.64	183.50
2.7 Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Banks	18240.17	10405.19
Unsecured		
From Banks	2500.00	8018.26
From Related parties	8505.00	5269.39
From Others	1100.00	27.83
Total	30345.17	23720.67
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Trade Payables for Goods & Services	19724.36	16916.11
Total	19724.36	16916.11

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Loan from Banks	6441.83	3804.08
Loan from Financial Institutions	742.96	918.76
(b) Sundry Creditors for Capital Goods	2129.62	2029.05
(c) Sundry Creditors for Expenses	1940.01	1595.06
(d) Other Payable for Investments	150.62	0.00
(e) Interest Accrued but not due on Loans	1387.13	1115.24
(f) Unclaimed Dividend *	2.50	2.32
(g) Statutory Dues	3762.20	1243.54
(h) Book overdraft	11.40	0.00
(i) Advances Received from Clients	10425.82	17069.28
(j) Security & Other Deposits from Sub-contractors	11610.90	4517.70
(k) Unpaid IPO & Right Issue Money	0.27	1.77
(l) Miscellaneous Liabilities	70.13	392.99
Total	38675.38	32689.79

* There was no amount outstanding as on 31.03.2012, which is required to be transferred to Investor Education and Protection Fund (IEPF)

2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	15.24	0.00
(b) Proposed Dividend	902.21	899.25
(c) Tax on Proposed Dividend	146.36	149.35
(d) Provision for FBT	24.83	24.83
(e) Provision for Wealth Tax	1.38	0.97
(f) Provision for Income Tax	17645.49	11531.55
Total	18735.51	12605.95

2.11 Tangibles Assets (₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction/ Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction/ Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land Free Hold	235.77	231.94	0.00	467.71	0.00	0.00	0.00	0.00	467.71	235.77
Building	1271.85	1226.90	0.00	2498.75	170.69	53.60	0.00	224.29	2274.46	1101.16
Furniture	275.91	71.85	0.00	347.76	80.87	25.46	0.00	106.33	241.42	195.04
Office Equipments	497.43	44.85	0.00	542.27	216.25	65.60	0.00	281.85	260.43	281.18
Machineries	35786.25	1655.52	2728.36	34713.41	13059.84	2579.90	1320.30	14319.44	20393.97	22726.41
Vehicles	844.51	130.73	61.84	913.40	464.33	122.44	57.07	529.70	383.70	380.18
Wind Mills *	0.00	5085.19	0.00	5085.19	0.00	5.88	0.00	5.88	5079.31	0.00
Assets Not put to use	0.00	2039.42	0.00	2039.42	0.00	0.00	0.00	0.00	2039.42	0.00
Total	38911.72	10486.39	2790.20	46607.91	13991.98	2852.88	1377.37	15467.49	31140.42	24919.74

* Wind Mills includes Borrowing cost capitalised amounting to Rs. 31.51 Lakhs in accordance with AS -16 "Borrowing Cost"

Notes forming Part of the Consolidated financial statements

2.12 Tangibles Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction / Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction / Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Computer Software	617.97	17.69	0.00	635.66	530.52	82.39	0.00	612.91	22.74	87.45
Toll Rights	102074.96	2453.42	0.00	104528.38	11906.68	5346.86	0.00	17253.53	87274.84	90168.28
Goodwill	3051.71	4125.83	0.00	7177.54	0.00	376.65	0.00	376.65	6800.89	3051.71
Total	105744.64	6596.93	0.00	112341.57	12437.20	5805.90	0.00	18243.10	94098.47	93307.44

2.11 Capital Work in Progress

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction / Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction / Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Toll Plaza	0.00	4.67	0.00	4.67	0.00	0.00	0.00	0.00	4.67	0.00
Advertisement Hoardings	0.00	10.79	0.00	10.79	0.00	0.00	0.00	0.00	10.79	0.00
Total	0.00	15.46	0.00	15.46	0.00	0.00	0.00	0.00	15.46	0.00

2.12 Intangible Assets under Development

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions	Deduction / Adjustments	Up to 31.03.2012	Up to 01.04.2011	For Current Year	Deduction / Adjustments	Up to 31.03.2012	As on 31.03.2012	As on 31.03.2011
Road Development Expenditure	34147.61	149716.11	0.00	183863.72	0.00	0.00	0.00	0.00	183863.72	34147.61
Road and Check Post Development Work	9140.37	12678.76	0.00	21819.13	0.00	0.00	0.00	0.00	21819.13	9140.37
Building Development Work	873.66	3744.62	0.00	4618.28	0.00	0.00	0.00	0.00	4618.28	873.66
Computerisation and Check Post Integration Work	1389.00	5987.57	0.00	7376.57	0.00	0.00	0.00	0.00	7376.57	1389.00
Railway Authorities	55.31	0.00	0.00	55.31	0.00	0.00	0.00	0.00	55.31	55.31
Project Upfront Fees	7000.00	0.00	0.00	7000.00	0.00	0.00	0.00	0.00	7000.00	7000.00
Expenditure during construction period (Pending Allocation)	12036.30	21681.26	2513.43	36230.99	0.00	0.00	0.00	0.00	36230.99	12036.30
Electrical Fittings	0.00	71.04	0.00	71.04	0.00	0.00	0.00	0.00	71.04	0.00
Total	64642.25	193879.36	2513.43	261035.04	0.00	0.00	0.00	0.00	261035.04	64642.25
Grand Total	209298.61	210978.15	5303.63	419999.99	26429.18	8658.78	1377.37	33710.59	386289.40	182869.43
Previous Year	149214.82	132270.81	72187.02	209298.61	19209.11	7945.06	724.99	26429.18	182869.43	--

1. Out of total depreciation for the year Rs. 54.59 Lakhs (Rs. 59.34 Lakhs) in respect of MBCPNL and BHTPL is included in "Expenditure during construction period (Pending allocation)"
2. Additions in assets during the year includes allocation of pre operative expenses to related assets
3. The Company has adopted an option under para 46A of AS 11, inserted by Notification No. G.S.R. 225(E) dated 31st March 2009 by Ministry of Corporate Affairs.
4. Intangible Assets under Development' includes foreign exchange loss of Rs. 465.67 Lakhs (Previous Year Nil) from BHTPL, Rs. 2453.42 Lakhs (Previous Year Rs. 1500.65 Lakhs) from NSEL and gain of Rs. 59.38 Lakhs (Previous Year Nil) from HTPL.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.13 Non-current Investments		
Trade Investment - Investment in Equity Instruments (Unquoted) :-		
In Subsidiary company		
Sadbhav Mining Limitada, Mozambique (No. of Shares and face value not defined as per local laws applicable to the company)	0.00	0.80
	0.00	0.80
In Associate companies:-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. (SPV) 10400000 (10400000) Fully Paid up Equity Shares of Rs. 10/- each Entire 1,04,00,000 (1,04,00,000) shares held in Mumbai Nasik Expressway Ltd., are pledged with the lenders of Mumbai Nasik Expressway Ltd.	1208.51	1040.00
(b) Dhule Palesner Tollway Ltd. 11739000 (6461000) Fully Paid up Equity Shares of Rs. 10/- each 68,850 (68,850) Shares have been pledged out of 1,17,39,000 (64,61,000) shares held in Dhule-Palesner Tollway Ltd. with lenders	821.54	670.95
(c) Share application Money with Dhule-Palesner Tollway Ltd.	13.50	0.00
Total	2043.55	1710.95
Others		
(a) 25000 (25000) Fully Paid up Equity Shares of Saket Projects Ltd. of Rs. 10/- each	2.50	2.50
(b) 900 (900) Fully Paid up Equity Shares of Ocean Bright Corp., Hongkong of HK\$ 1/- each	0.06	0.06
(c) 9.5% 20 (20) Bonds of Yes Bank of Rs. 10,00,000/- each	200.00	200.00
(d) Bond of Sardar Sarovar Narmada Nigam Limited	89.92	69.92
(e) 12.5% 10 (0) Nos Debentures of Srei Equipment Finance Ltd. of Rs. 10,00,000/- each.	100.00	0.00
(f) Investment in NSC-Pledge with Collector Chindwada	0.30	0.15
(g) Land at cost	53.95	19.67
Total	446.73	292.30
Total	2490.28	2004.05
2.14 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)	4366.43	2310.36
Total	4366.43	2310.36
2.15 Long Term Loans and Advances		
Unsecured, considered good		
(a) Advances for Goods and Services	2389.77	2009.13
(b) Advances to Sub Contractors	1035.15	0.00
(c) Advances to Suppliers for Fixed Assets	698.16	36094.02
(d) Group Gratuity Fund	133.65	104.35
(e) Advance against Purchase of Shares - others	146.88	0.00
(f) Sub-ordinate Debts - to related parties	9975.55	4779.30
(g) Interest Receivable - from related parties	1037.58	620.46
(h) Security & Other Deposits	1954.32	1451.15
Total	17371.07	45058.41

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.16 Other Non Current Assets		
Unamortised Option Premium	1107.16	0.00
Total	1107.16	0.00
2.17 Current Investments		
Trade : Un-quoted		
Bonds of Sardar Sarovar Narmada Nigam Limited	354.29	0.00
Units of Mutual funds	1174.74	607.48
Aggregate Value of Un-Quoted Investment Rs. 1529.03 Lakhs (Rs. 607.48 Lakhs)		
Total	1529.03	607.48
2.18 Inventories		
(a) Construction Materials	7477.39	5532.31
(b) Work in Progress	929.59	1365.59
(c) Stores & Spares	432.35	458.92
(All Valued at Cost or Net Realizable Value, whichever is less, as certified by the Management)		
Total	8839.33	7356.82
2.19 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months	4210.13	3781.90
(b) Other Debts		
(i) Due from Companies in which director of the company is director	10985.46	10759.83
(ii) Due from Others	54210.74	41860.56
Total	69406.33	56402.29
2.20 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	73.26	63.03
(b) Balance with Banks		
(i) In Current Accounts	2655.06	4051.42
(ii) In Fixed Deposit	15125.82	9265.25
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 12 Months Maturity		
(i) For Margin Money	3.50	3.50
(ii) Other than Margin Money *	30.42	141.91
(b) In Other Fixed Deposits *	122.68	120.74
(c) In Current Accounts		
(i) Unclaimed Dividend	2.50	2.32
(ii) Unpaid Right Issue Money	0.01	1.52
(iii) Unpaid IPO Money	0.26	0.26
Total	18013.51	13649.95

* Fixed Deposit includes Rs. 153.10 (262.65) Pledged with Central and various State Governments/Undertakings

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2012	As at 31-03-2011
2.21 Short-term Loans and Advances		
Unsecured, considered good		
(a) Advances		
(i) Advances for goods and Services	11472.88	23438.95
(ii) Advance to Sub Contractors	208.10	0.00
(iii) Advances to Officers	3.33	0.00
(iv) Advances to Others	129.20	94.80
(v) Share Application Money	0.00	1050.30
(b) Advance Fringe Benefit Tax	24.35	24.34
(c) Advance Income Tax	15804.50	11592.92
(d) Advance Sales Tax & Service Tax	2048.69	2030.78
(e) Prepaid Expenses	1502.69	1841.69
(f) Security & Other Deposits	14228.03	10833.92
(g) Loan for Mining License	0.00	1798.17
Total	45421.77	52705.87
2.22 Other Current Assets		
(a) Interest Accrued & Due on Fixed Deposits with Banks	6.47	0.00
(b) Interest Accrued But Not Due on Fixed Deposits with Banks	231.36	129.39
(c) Income Tax Refund Receivable	0.00	340.91
(d) Excise Claim Receivable	0.00	257.97
(e) Receivable Against Sale of Machineries	1178.20	1187.59
(f) Grant Receivable from AUDA	642.40	4647.36
(g) Unamortised Option Premium	192.64	0.00
(h) Recoverable in Cash or kind - Due from others	222.43	15.25
Total	2473.50	6578.47

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2011-2012	2010-2011
2.23 Revenue from Operations		
Contracts Receipt		
EPC Contract Income	272155.40	221028.20
Revenue from Toll Collection	10075.28	8711.22
Sale of Services		
Advisory and Project Management Fees	1848.18	216.00
Annuity Income	1992.47	2826.18
Other Operating Income	561.58	183.23
Total	286632.91	232964.83
2.24 Other Income		
(a) Interest Income		
(i) From Subsidiaries	43.06	1038.07
(ii) From Current Investments	1.01	0.00
(iii) From Non-Current Investments	1483.45	10.67
(iv) From Others	710.97	799.25
(b) Dividend Income on current Investments	34.02	24.24
(c) Profit on sale of Current Investment	115.19	35.25
(d) Profit on Sale of Assets	119.16	378.83
(e) Other Non-operating Income		
(i) Foreign Exchange Gain	0.55	231.90
(ii) Miscellaneous Income	221.68	100.53
Total	2729.09	2618.74
2.25 Cost of Material Consumed		
Opening Stock	5532.31	4231.66
Add Purchase	34911.49	17326.79
	40443.80	21558.45
Less Closing Sock of Material	7477.39	5532.31
Total	32966.41	16026.14
2.26 Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade		
Closing Work-in-Progress	929.59	1365.59
Less : Opening Work-in-Progress	929.59	1365.59
Total	0.00	0.00
2.27 Construction, Toll Plaza and Road Maintenance Expenses		
Labour Expenses	178000.17	154684.85
Diesel & Oil Expenses	14132.00	13487.76
Stores Consumed	344.11	256.16
Repairs & Maintenances-Construction Machineries	1307.15	1253.02
Transportation Expenses	138.37	229.74
Machinery Rent	251.33	212.99
Electricity Expenses	167.33	163.15
Land Rent	170.66	119.97
Site Establishment Expenses	506.94	459.44
Mess Expenses	332.62	255.76
Operation & Maintenance Expenses	510.20	175.88
Toll Plaza and Road Maintenance Expenses	363.04	60.80
Total	196223.92	171359.52

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2011-2012	2010-2011
2.28 Employee Benefits Expense		
Salary & Wages	3638.12	3012.16
Contribution to PF and Other Funds	130.68	86.85
Group Gratuity Fund Expenses	39.78	63.65
Expense on Employee Stock Option Scheme	402.46	210.49
Directors' Remuneration	279.00	337.50
Staff Welfare expenses	127.36	142.46
Total	4617.40	3853.11
2.29 Finance Cost		
Interest Costs		
On Term Loans	11851.48	10512.71
Interest on Taxes	202.48	8.72
Others	1999.26	2370.37
Other Borrowing Costs	1248.30	1072.33
Foreign Exchange Loss	288.16	25.36
Total	15589.68	13989.49
2.30 Other Expenses		
Rent Expenses	129.03	122.62
Rates & Taxes	6549.76	4415.50
Vehicle Rent	112.29	105.29
Running & Maintenance of Vehicles	75.06	80.61
Repairs & Maintenances-Building & Others Assets	56.79	55.63
Insurance	271.75	361.27
Electricity Charges	66.57	16.65
Postage & Telephone	83.76	62.36
Stationary & Printing	66.58	74.53
Traveling & Conveyance Expenses	137.34	140.94
Directors' Traveling & Conveyance Expenses	16.49	11.59
Legal & Consultation Fees & Expenses	2301.77	1870.99
Donation Expenses	73.20	123.48
Other Bank Charges	57.10	176.56
Auditors Remuneration	34.20	24.95
Loss on Sales of Assets & Asset Written Off	173.57	211.67
Miscellaneous Expenses	730.65	502.17
Prior Period Adjustment	448.66	21.82
Total	11384.57	8378.63

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2011-12	2010-11
2.31 Working of Earning Per Share		
Basic EPS		
Net Profit after Tax	12229.09	9278.41
Weighted Average number of Equity Shares	150,235,175	140,608,299
Basic EPS (Rs.)	8.14	6.60
Diluted EPS		
Net Profit after Tax	12229.09	9,278.41
Weighted Average number of Diluted Equity Shares	151,420,153	142,076,382
Basic EPS (Rs.)	8.08	6.53

2.32 Contingent Liabilities and commitments

A Contingent Liabilities

Contingent liabilities of the Company is as under:

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

1. Demand of Custom duty towards import of Machineries Rs. 104.95 (Rs. 104.95)
2. The Regional Transport Officer, Surat (RTO) issued a notice for payment of road tax and penalty under the Bombay Motor Vehicles Act, 1958 on forty (40) dumpers used by the Company at the excavation of mining sites around Surat. The Company filed a Special Civil application in the Gujarat High Court against the Commissioner of Transport and the RTO. The Gujarat High Court directed Company to deposit the road tax (without penalty). The Company has complied with the order and has deposited Rs. 49.20 Lakhs. The hearing of the matter has not yet commenced before authority. The Company has not made provision for penalty in its Books of Accounts.
3. Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs. 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 balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court. The matter is pending before the Civil Court, Nagpur. Company has not made any provision for the said liability in its Books of Accounts.

(ii) Guarantees

Company has given corporate guarantee to banks for Rs. 10500 Lakhs (Rs. 21200 Lakhs) against the finance facility given by the banks to subsidiary companies.

(iii) Other Money for which the company is contingently liable

- (i) Demand under Service Tax Act, 1994 Rs. 67.29 Lakhs (Rs. 67.29 Lakhs)
- (ii) During the year Company has Received Show cause cum Demand Notice of Rs. 199.13 Lakhs under the Service Tax Act, 1994
- (iii) With regards to insertion of explanations with retrospective effect from 01-04-2000 in section 80-IA (4) of the Income Tax Act, 1961 read with sub section (13), the Company has received Notice under section 148 of the Income Tax Act, 1961 in Financial Year 2009-10 for re-opening of assessment from Assessment Year 2003-04 to 2007-08, against which Company has filed a Special Civil Applications in the High Court of Gujarat. High Court of Gujarat has quashed the Notice issued under section 148 for the Assessment Year 2003-04 & 2004-05 and for remaining assessment years it has directed the department of Income Tax to complete the assessments without serving the notice of demand on the company. Accordingly Income Tax Department has completed the assessments from A.Y. 2005-06 to 2007-08 and intimated to the company without serving notice of demand. Further, the company has filed writ petition with High Court of Gujarat for challenging constitutional validity for insertion of explanations with retrospective effect and writ has been admitted. At present the matter is sub judies, hence quantification of liability can not be ascertained.

B Capital & other Commitments

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

	2011-12	2010-11
(i) Capital Commitments	95660.87	187241.01
(ii) Loan Commitments	11500.00	18000.00
(iii) Other Commitments		
(a) Sub Ordinate Debt/Equity Shares in Rohtak Panipat Tollway Private Limited	13381.00	18200.00
(b) Sub Ordinate Debt/Equity Shares in Hyderabad Yadgiri Tollway Private Limited	801.37	4200.00
(c) Sub Ordinate Debt in Maharashtra Border Check Post Network Limited	14698.15	19968.87
(d) Sub Ordinate Debt/Equity Shares in Dhule Palasner Tollway Limited	4359.95	4338.05

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

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

Particulars	Outstanding As at March 31, 2012	Outstanding As at March 31, 2011
Index Swap	1469.43	1849.30
Currency Option-Repayment (Amount in Lakhs)		
- Equivalent INR	37943.00	8745.01
- Equivalent USD	755.77	195.86
Interest Swap (Amount in Lakhs)		
- Equivalent INR	18455.08	11467.31
- Equivalent USD	361.88	256.83

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2012		As at March 31, 2011	
	USD	INR	USD	INR
Loan Payable	394.44	20178.17	Nil	Nil
Interest Payable on Loan	9.78	500.51	13.57	669.39

2.34 Employee Benefits

(a) Defined Benefit Plan:

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

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

The following tables sets out the funded status of the gratuity plan and the amount recognised by the company's financial statements as at March 31, 2012.

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

	2011-12	2010-11
(a) Present Value Funded Obligations	159.72	176.66
(b) Fair Value of Plan Assets	144.03	96.77
(c) Liability Recognized in the Balance Sheet	64.85	79.89

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

	2011-12	2010-11
(a) Current Service Cost	53.33	45.33
(b) Interest on obligation	11.61	8.24
(c) Expected Return on plan assets	(10.29)	(6.63)
(d) Net Actuarial Losses / (Gains) recognized in the year	(28.59)	25.03
(e) Past Service Cost	0.27	Nil
(f) Adjustment	(0.20)	Nil
NET GRATUITY COST	26.12	71.97

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

	2011-12	2010-11
(a) Opening Defined Benefit Obligation	176.65	99.98
(b) Service Cost for the year	53.32	45.33
(c) Past Service cost	0.27	0.00
(d) Interest Cost for the year	14.99	8.24
(e) Actuarial Losses/ (Gain)	(26.49)	26.38
(f) Benefits Paid	(9.84)	(3.27)
Closing Defined Benefit obligation	208.89	176.66

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

	2011-12	2010-11
(a) Opening fair value of plan assets	96.77	58.74
(b) Adjustment to the opening fund	0.20	0.00
(c) Expected Return	13.67	6.55
(d) Actuarial Gains	2.08	1.45
(e) Contribution by the employer	41.15	32.59
(f) Benefits paid	(9.83)	(2.56)
Closing fair value of the plan assets	144.04	96.77

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2012 are as under:**

	2011-12	2010-11
(a) Government of India Securities	--	--
(b) High Quality Corporate Bonds	--	--
(c) Equity Shares of Listed Companies	--	--
(d) Property	--	--
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance	--	--

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

	2011-12	2010-11
(a) Discount Rate as on 31-03-2012		
For SEL	8.50%	8.50%
For Subsidiaries	8.50%	8.25%
(b) Expected return on plan assets at 31-03-2012	9.00%	9.00%
(c) Proportion of employees opting for early retirement		
- At Younger Ages For SEL	5.00%	5.00%
- At Older Ages For SEL	1.00%	1.00%
(d) Annual increase in salary cost	6.00%	6.00%

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

2.35 Segment Information:

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

Statement Showing details of Segment Reporting

(₹ in Lakhs)

	Construction & Engineering		BOT (Toll & Annuity)		Others		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue								
External Revenue	272541.75	220916.75	12235.18	11537.40	1855.98	487.31	286632.91	232941.46
Inter-Segment Revenue	-	-	-	-	-	-	-	-
Total	272541.75	220916.75	12235.18	11537.40	1855.98	487.31	286632.91	232941.46
Segment Expense	239595.04	190402.21	1228.12	1836.04	1774.83	586.50	242597.99	192824.75
Segment Result								
Operating Profit	32946.71	30514.54	11007.06	9701.36	81.15	(99.19)	44034.92	40116.71
Less : Interest & other finance expense	6511.19	2829.07	8289.89	7884.10	788.60	2065.71	15589.68	12778.88
Interest Income	763.87	0.44	(654.02)	-	2128.64	677.54	2238.49	677.98
Other Income	230.10	110.68	-	217.75	260.50	127.70	490.60	456.13
Unallocated Corporate Expense	-	-	-	-	-	-	2594.31	8029.78
Unallocated Corporate Income	-	-	-	-	-	-	-	1534.52
Profit before Depreciation and Tax	27429.49	27796.59	2063.15	2035.01	1681.69	(1359.66)	28580.02	21976.68
Depreciation and Amortisation	2659.44	2542.93	5854.80	5105.33	11.37	166.01	8525.61	7814.27
Unallocated Depreciation	-	-	-	-	-	-	78.58	71.45
Profit Before Tax	24770.05	25253.66	(3791.65)	(3070.32)	1670.32	(1525.67)	19975.83	14090.96
Current Tax	-	-	-	-	-	-	7353.65	6529.60
Deferred Tax	-	-	-	-	-	-	737.38	196.35
Short / (Excess) provision of Taxtion of Earlier Years	-	-	-	-	-	-	(11.35)	(341.64)
Profit after Tax	24770.05	25253.66	(3791.65)	(3070.32)	1670.32	(1525.67)	11896.15	7706.65
Add : Share of Loss Trabsfered to Minority Interest	-	-	-	-	-	-	561.94	1571.76
Less : Share of Loss of Associates	-	-	-	-	-	-	229.00	0.00
Net Profit for the Year	24770.05	25253.66	(3791.65)	(3070.32)	1670.32	(1525.67)	12229.09	9278.41
ASSETS								
Segment Assets	192516.68	138894.91	412893.99	97867.12	5103.11	23314.46	610513.78	260076.49
Unallocated Segment Assets	-	-	-	-	-	-	2028.49	953.13
Segment Liabilities	118732.72	60610.20	323783.78	85481.20	-	77177.92	442516.50	223269.32
Capital Work In Progress	-	-	15.46	258.05	-	125368.48	15.46	125626.53
Depreciation and Amortisation	2659.44	2542.93	5854.80	5105.33	11.37	166.01	8525.61	7814.27
Unallocated Depreciation	-	-	-	-	-	-	78.58	71.45
Non Cash Expenses other than depreciation and amortisation	511.96	21.82	-	-	-	-	511.96	21.82

Footnotes:

1. Segment Assets Exclude the following:-
 - a. Advance payment of Income Tax of Rs. 15804.50 Lakhs (Rs. 11592.92 Lakhs) and Advance payment for FBT Rs. 24.35 Lakhs (24.34 Lakhs)
2. Segment Liability Exclude the following:-
 - a. Provision of Income Tax of Rs. 17645.49 Lakhs (Rs. 11531.55 Lakhs) and Provision for FBT of Rs. 24.83 Lakhs (Rs. 24.83 Lakhs)
 - b. Deferred Tax Liabilities of Rs. 2344.37 Lakhs (Rs. 1606.99 Lakhs)

2.36 List of Related Parties

Associate Companies

Mumbai Nasik Expressway Ltd., Dhule Palesner Tollway Ltd.,

Joint Ventures:

SEL-GKC JV

Key Management Personnel:

Shri Vishnubhai M. Patel, Shri Girish N. Patel, Shri Nitin R. Patel, Shri Shashinbhai V. Patel, Smt. Rajeshriben Patel

Relatives of Key Management Personnel:

Smt. Shantaben V. Patel, V. M. Patel (HUF), Shri Vikram R. Patel, Shri Vasistha C. Patel

Enterprises owned or significantly influenced by key management personnel or their relatives:

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Sadbhav Public Charitable Trust,

Details of Related Party Transactions:

(₹ in Lakhs)

Transactions	Associates	Key Managerial Persons	Relative of Key Personnel and Enterprises owned or significantly influenced by key management personnel or their relatives	Joint Venture
Sub contracting Income	26232.79	---	---	15658.45
	(19611.66)	(--)	(--)	(6303.01)
Interest Received	---	---	---	---
	(--)	(--)	(2.68)	(--)
Balance Receivable at the year end	10943.32	-	15.88	3531.26
	(7857.05)	(-)	(--)	(1551.48)
Sub contracting Expenditure	---	---	4265.82	---
	(--)	(--)	(2841.39)	(--)
Remuneration Paid	---	347.50	---	---
	(--)	(354.35)	(--)	(--)
Interest Paid	---	194.64	15.20	---
	(17.08)	(--)	(--)	(--)
Rent & Service charges	---	---	6.75	---
	(--)	(--)	(6.75)	(--)
Fixed Assets Purchases / (sales)	---	---	---	---
	(--)	(--)	(36.74)	(--)
Other Expenses	0.29	---	---	---
	(0.39)	(-)	(4.50)	(--)
Balance Payable at the year end	---	4.13	136.85	---
	(--)	(--)	(222.67)	(--)
Loan Received during the year	---	---	---	---
	(--)	(--)	(3480.80)	(--)
Loan Payable outstanding at the year end	---	---	---	---
	(--)	(--)	(4835.29)	(--)
Loan given during the year	---	---	1331.69	---
	(--)	(--)	(--)	(--)
Loan Receivable Outstanding at the year end	---	---	---	---
	(--)	(--)	(--)	(--)
Deposit Received during the year	976.80	5790.44	2995.73	1331.55
	(3358.02)	(--)	(133.64)	(1357.24)
Deposit repaid during the year	4616.06	793.73	2626.03	739.65
	(3300.23)	(--)	(226.92)	(719.75)
Closing Balance: Deposits Received	1333.99	---	337.30	1239.66
	(2305.56)	(--)	(50.45)	(802.32)

Dividend Paid during the year	---	152.30	274.72	---
	(26.99)	(135.18)	(75.00)	(-)
Investment in Share Capital	---	---	20.30	---
	(-)	(-)	(-)	(-)
Share Application Money Given	---	---	342.05	---
	(-)	(-)	(-)	(-)
Share Application Money Refunded	---	---	391.95	---
	(-)	(-)	(-)	(-)
Sub-ordinate Loan Given	---	---	3548.00	---
	(-)	(-)	(-)	(-)
Contractual Income and Sale of Services	---	---	16.00	---
	(-)	(-)	(-)	(-)
Sub Ordinate Loan Receivable Outstanding at the year end	---	---	8604.00	---
	(-)	(-)	(-)	(-)
Closing Balance Share application pending allotment	---	---	0.50	---
	(-)	(-)	(-)	(-)
Interest Income from Sub-ordinate debt	---	---	643.63	---
	(-)	(-)	(-)	(-)
Interest Receivable at Year end	---	---	1037.58	---
	(-)	(-)	(-)	(-)
Dividend Paid during the year	---	152.30	274.72	---
	(26.99)	(135.18)	(75.00)	(-)

(figures in bracket show previous year amount)

2.37 Intra-group Turnover and Profits on BOT Construction Contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets “toll collection rights” against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

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

The revenue and profit in respect of these transactions during the year is Rs. 180929.23 Lakhs (Previous Year Rs. 95417.83 Lakhs) and Rs. 23289.47 Lakhs (Previous Year Rs. 13412.98 Lakhs) respectively.

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

Particulars		As at 2011-12	As at 2010-11
1	Amount of Contract Revenue Recognised as revenue during the period	272155.40	220916.75
2	Disclosure in respect of Contract in Progress at the reporting date		
	(a) Contract cost incurred and recognised profit less recognised losses upto the reporting date	457477.94	332034.44
	(b) Advances Received	15199.08	19230.52
	(c) Retention Amount	8650.60	6178.74
3	Amount due from Customers for Contract in Progress	35669.61	34563.86
4	Amount due to Customers for Contract in Progress	0.00	0.00

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

Sr. No.	Name of Joint Venture	Description of Interest	% of Involvement
1	SEL-GKC (Radhanpur-manpura)	Jointly Controlled Operation	52%
2	SEL-GKC (Vishakhapatnam Project)	Jointly Controlled Operation	50%
3	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	60%
4	SEL-GKC (Karimnagar Project)	Jointly Controlled Operation	52%
5	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	40%
6	SEL-GKC (Managuru Project)	Jointly Controlled Operation	51%
7	SELL-GKC (BSHP-II)	Jointly Controlled Operation	50%
8	SELL-GKC (Govindpur Projects)	Jointly Controlled Operation	50%

2.40 Revised Schedule VI and Previous year figures

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of the revised schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of Balance sheet.

2.41 Details of Subsidiary Companies

(Pursuant to General Circular No:2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 of Ministry of Corporate Affairs, Government of India) (₹ in Lakhs)

Name of Subsidiary Company	Sadbhav Infrastructure Projects Ltd.	Nagpur-Seoni Expressway Ltd.	Ahmedabad Ring Road Infrastructure Ltd.*	Aurangabad-Jalna Tollway Ltd.*	Rohtak-Panipat Tollway Pvt. Ltd.*	Hyderabad-Yadgiri Tollway Pvt. Ltd.*	Bijapur-Hungund Tollway Pvt. Ltd.*	Maharashtra Border Check Post Network Ltd.*	Total
Capital	2642.31	4800.00	1046.00	197.11	218.64	324.74	2740.00	5.00	11973.80
Reserves	66822.54	(3362.58)	1168.99	1754.30	1974.09	1402.91	21514.61	(0.96)	91273.90
Total Assets	88778.53	33488.45	42041.95	23843.88	57113.08	43000.93	128045.22	70399.01	486711.05
Total Liabilities	19313.68	32051.03	39826.96	21892.47	54920.35	41273.28	103790.61	70394.97	383463.35
Investments (except in case of investment in the subsidiaries)	618.78	0.05	854.04	0.00	10.28	154.28	209.39	0.00	1846.82
Turnover	7391.14	1992.47	7545.28	2697.43	0.00	0.00	0.00	0.00	19626.32
Profit Before Tax	3872.70	(2297.75)	(985.76)	(1067.47)	(4.65)	(1.04)	(18.61)	(0.22)	(502.80)
Provision for Tax	1280.70	0.00	(0.13)	0.00	0.00	0.00	0.00	0.00	1280.57
Profit After Tax	2592.00	(2297.75)	(985.63)	(1067.47)	(4.65)	(1.04)	(18.61)	(0.22)	(1783.37)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

As per our Audit Report of even date attached

For and on behalf of Board

For Shashikant Patel Associates

Chartered Accountants
Firm Reg. No. 113672W

V. M. Patel

Managing Director

Nitin R. Patel

Executive Director

S. D. PATEL

Proprietor
Membership No. 37671

Place : Ahmedabad

Date : 28-05-2012

Girish N. Patel

Executive Director

Vijay Kalyani

Company Secretary

SADBHAV ENGINEERING LIMITED

Registered Office : 'Sadbhav House', Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.

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 certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the 23rd Annual General Meeting of the Company held on Saturday, September 29, 2012 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad- 380006 11.00 A.M.

Member's / 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

Registered Office : 'Sadbhav House', Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.

P R O X Y F O R M

DP Id	
Client ID	

Folio No.	
No. of Shares	

I / We _____
of _____ being a Member / Members
of **Sadbhav Engineering Ltd.** hereby appoint Mr. / Ms. _____
of _____ or failing
him / her Mr. / Ms. _____
of _____ as my / our Proxy to
attend and vote for me / us and on my / our behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on Saturday,
September 29, 2012 at 11.00 A.M. and at any adjournment(s) thereof.

Signed this _____ day of _____ 2012

Please
affix Re 1/-
Revenue
Stamp

PROXY FORM MUST REACH COMPANY'S REGISTERED
OFFICE NOT LATER THAN 48 HOURS BEFORE THE
COMMENCEMENT OF THE MEETING

FOR OFFICE USE ONLY

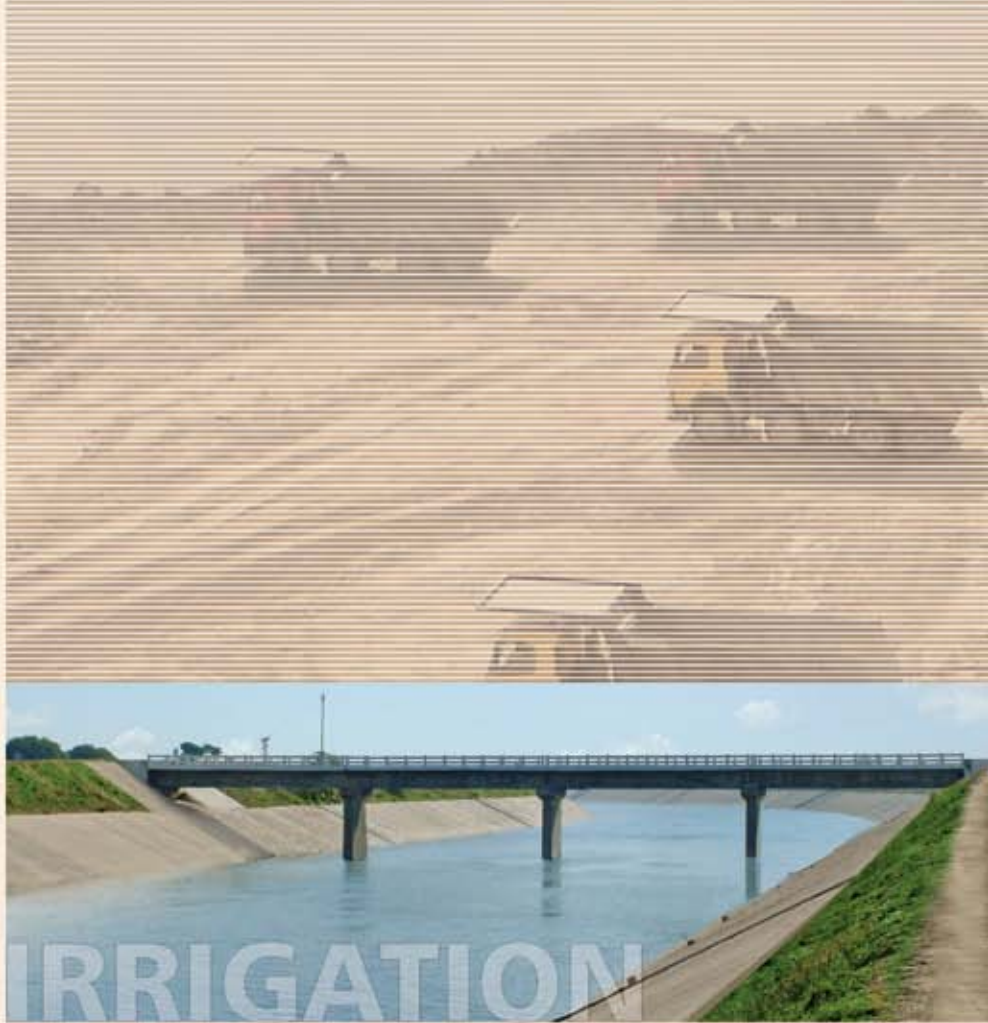
DATE OF RECEIPT

Awards, Recognitions & Achievements



Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India, presenting the Award to Mr. Vishnubhai Patel

- ◆ Awarded as the Most Admired Developer (Transport Sector Category) at the 4th Infrastructure Today Awards 2011 in association with KPMG held on 9th December, 2011 in New Delhi.
- ◆ Received Letter of Appreciation from Mr. Cuang Z. Chen, Sector Manager, Transport, World Bank for the quality of work done on Hattigudur to Bidar, Package U3 road project.
- ◆ Our Company has been awarded the “Excellence Award” by the Institute of Economic Studies (IES) for ‘Excellence in Quality, Innovation and Management’ on October 15, 2005.
- ◆ Sadbhav has achieved Commercial Operational Date (COD) on April 09, 2012 for Bijapur-Hungund Road Project one year before the scheduled 4 laning Date and became eligible for Performance Bonus of Rs. 91.50 crores.
- ◆ Sadbhav has achieved Commercial Operational Date (COD) on January 17, 2012 for Dhule-Palesner Road Project five months before the scheduled 4 laning Date and became eligible for Performance Bonus of Rs. 18.23 crores.



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.



SADBHAV ENGINEERING LIMITED

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