


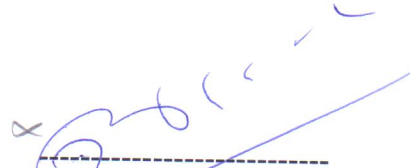
FORM A

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

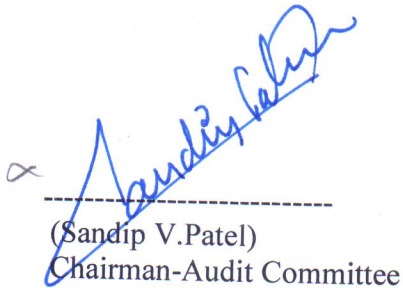
1.	Name of the Company:	Sadbhav Engineering Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period N.A.



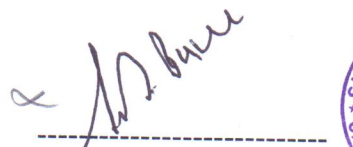
(Vishnubahi M. Patel)
Managing Director



(Nitin R. Patel)
Executive Director

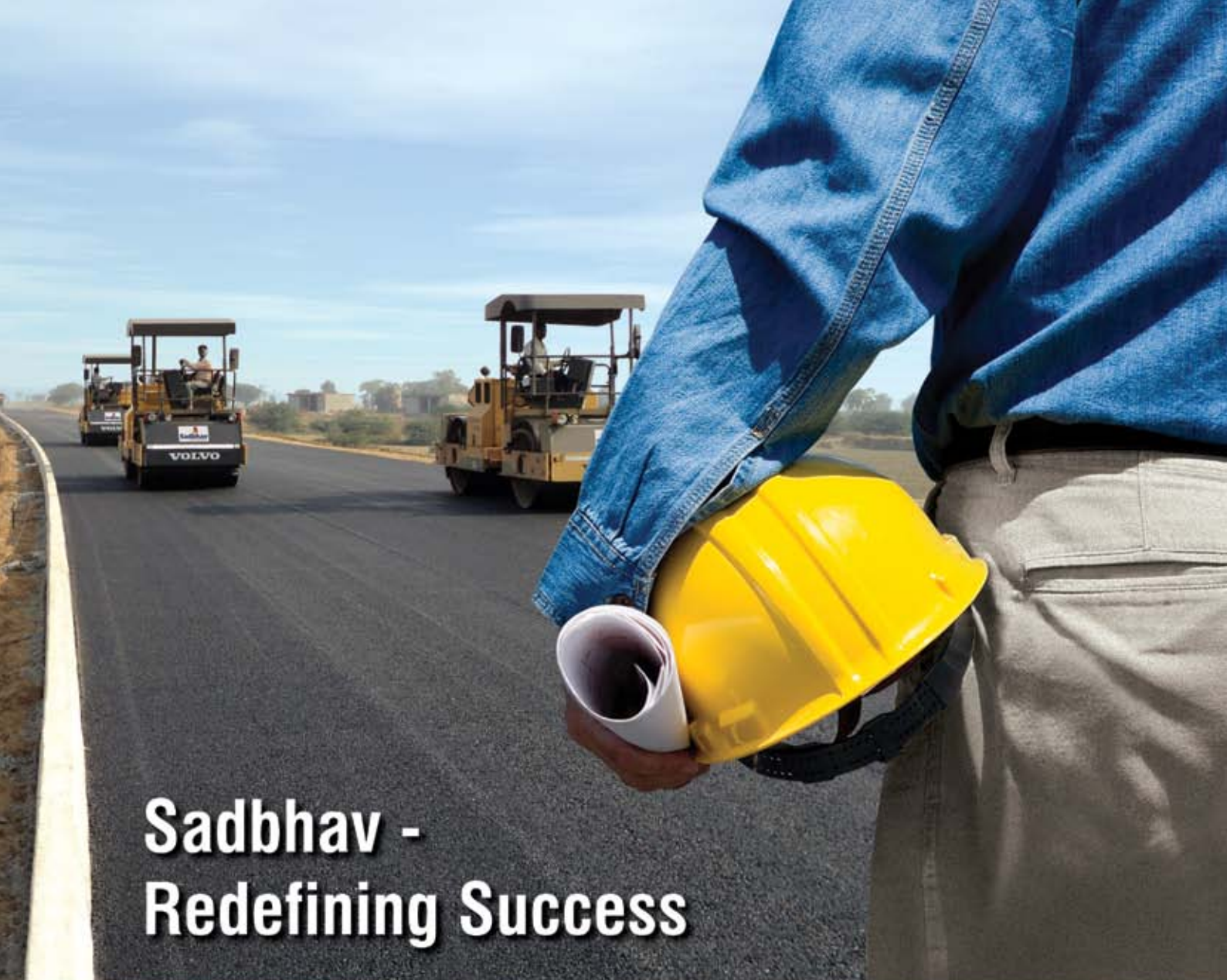


(Sandip V. Patel)
Chairman-Audit Committee



Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. -112171W
(Shashikant D. Patel)
Partner
Membership No : 037671





Sadbhav - Redefining Success



24th
ANNUAL REPORT
2012-2013





*“The woods are lonely, dark and deep
But I have have Promises to keep
and miles to go before I sleep !”*

- Robert Frost

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Message from Chairman

Chairman Leads the Way to Success...

Dear Stakeholders,

I present before you the Financial Report for the year 2012-13. The year has been a testing period not only for Sadbhav but all over the world, due to the melt down in the global economy.



As per the Mid-Year Economic Analysis, 2012-2013, Ministry of Finance Department of Economic Affairs Economic Division, the Indian economy after reporting a fairly robust growth of over 9 percent during 2005-08, moderated to a growth of 6.7 percent in 2008-09 because of the global financial crisis. Because there was fiscal and monetary space, timely stimulus allowed the economy to recover fairly quickly to a growth of 7.4 percent in 2009-10 and 8.4 percent in 2010-11. Since then, however, the fragile global economic recovery and a number of domestic factors have led to a slowdown once again.

Having achieved a GDP growth of 5.1 percent in 2010, the rate of growth in the global economy declined to 3.9 percent in 2011 & 3.1 percent in 2012 and is expected to grow by 3.1 percent in 2013, as per the World Economic Outlook released by the IMF in July 2013. The rate of growth of advanced economies declined from 3.0 percent in 2010 to 1.7 percent in 2011 & 1.2 percent in 2012 and is expected to grow by 1.2 percent in 2013.

Despite the grey scenario of the global economy, Sadbhav has presented a robust order book of ₹ 9602.48 crores as on 30th June, 2013 which stands at 5.3x of FY13 revenue out of which Transport sector contributes a major portion to the total order book at 65%, Irrigation sector contributes 15% and Mining sector forms 20% of the total order book. Our order book has been growing at a healthy CAGR of 22% during last 5 years.

For the financial year 2012-13, Revenue from Operations for the company was ₹ 1,811.00 crores and PAT was ₹ 74.07 crores on a standalone basis while the Revenue from Operations and PAT were ₹ 2,159.59 crores and ₹ 7.48 crores respectively on a consolidated basis. Sadbhav's standalone revenue has grown a healthy CAGR of 14.3% over the last 5 years and is expected to continue this upward momentum looking at its healthy order book. SEL has a net worth in excess of ₹ 800 crores with a debt to equity ratio of 0.7x.

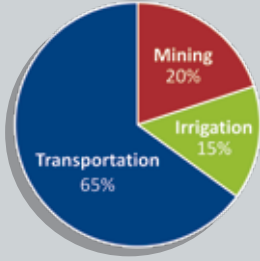
During FY13, the company has forayed into major EPC works of diverse segments - 8 in Irrigation, 3 in Mining and 2 in EPC Transport. I take pride in citing that we have bagged 2 Marquee BOT Projects due to which Sadbhav now has one of the largest domestic BOT project portfolios in roads and highways. 8 BOT projects out of 13 BOT projects are operational which provides strong internal source of funding for next level of growth. During FY13, the company has secured 2 large road BOT assets of ₹ 1,947.68 crores with 100% stake.

“Even with grey clouds looming over the world economy, the demand for infrastructure is always at a high.”

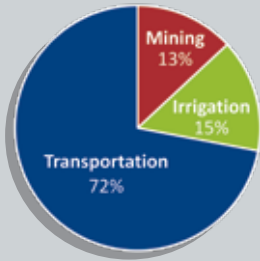


Total Order Book

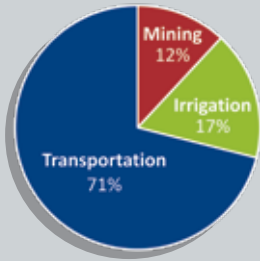
As on June 2013
(₹ 9,602.48 Crores)



As on June 2012
(₹ 7,213.66 Crores)



As on June 2011
(₹ 6,586.75 Crores)



It is said that the night is the darkest before dawn but our value of Respecting Quality & Time, year after year, has been the light house on the rough seas. Our valuable team of nearly 1740 extraordinary men and women who operate and maintain Sadbhav's high quality and execute projects on time are constantly striving to navigate the company on the rough seas of the stormy global economy.

With ongoing projects worth as on 30th June, 2013 approximately,
₹ 4,534.66 crores, in BOT Transport sector;
₹ 1,696.20 crores, in EPC Transport sector;
₹ 1,406.28 crores, in Irrigation sector;
₹ 1,965.34 crores, in Mining sector;

Sadbhav is assured that the storm will pass and we will together achieve new heights of success.

We cannot forget what the poet Robert Frost wrote,

“The woods are dark and deep; we have promises to keep and miles to go before we sleep.”

Thanking you,

Vishnubhai Patel



Corporate Information

BOARD OF DIRECTORS

- 1. Shri Vishnubhai M. Patel**
Chairman & Managing Director
- 2. Shri Shashin V. Patel**
Joint Managing Director
- 3. Shri Nitin R. Patel**
Executive Director
- 4. Shri Vikram R. Patel**
Executive Director
- 5. Shri Vasistha C. Patel**
Executive Director
- 6. Shri Amarsinh Vaghela**
Independent Director
- 7. Shri Sandip V. Patel**
Independent Director
- 8. Shri Atul N. Ruparel**
Independent Director
- 9. Shri Arun S. Patel**
Independent Director
- 10. Shri Hemendra C. Shah**
Independent Director

BOARD COMMITTEES

Audit Committee

- Shri Sandip V. Patel**
Chairman
- Shri Amarsinh J. Vaghela**
Member
- Shri Atul N. Ruparel**
Member
- Shri Arun S. Patel**
Member

Remuneration Committee

- Shri Atul N. Ruparel**
Chairman
- Shri Sandip V. Patel**
Member
- Shri Arun S. Patel**
Member
- Shri Hemendra C. Shah**
Member

Shareholders/Investor Grievance Committee

- Shri Amarsinh J. Vaghela**
Chairman
- Shri Sandip V. Patel**
Member
- Shri Nitin R. Patel**
Member

- Shri Vikram R. Patel**
Member

Finance and Investment Committee

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

BANKERS

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

COMPANY SECRETARY

Shri Vijay Kalyani

STATUTORY AUDITORS

Surana Maloo & Co.

WORKSHOP

Village Ognaj, Tal. Daskroi,
Dist. Ahmedabad.

REGISTERED OFFICE

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

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 (West),
Mumbai - 400 078.

"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"



Board of Directors

“If there is to be sustained growth, a country’s most important resource is its people.”

- Joseph Stiglitz, Nobel prize-winning economist

Sadbhav’s leaders are visionaries, whose positive attitude and strength, to face the most adverse economic storms, guide the team which is truly the driving force of the company. This team of dedicated people are a combination of talent and skills. It totals to about 1740 trained professionals, which includes engineers and workers.

Our people contribute substantially to the company’s growth by operating and maintaining Sadbhav’s high quality and execute projects on time. Today the team is constantly striving to navigate the company on the rough seas of the stormy global economy.





Mumbai-Nasik Highway

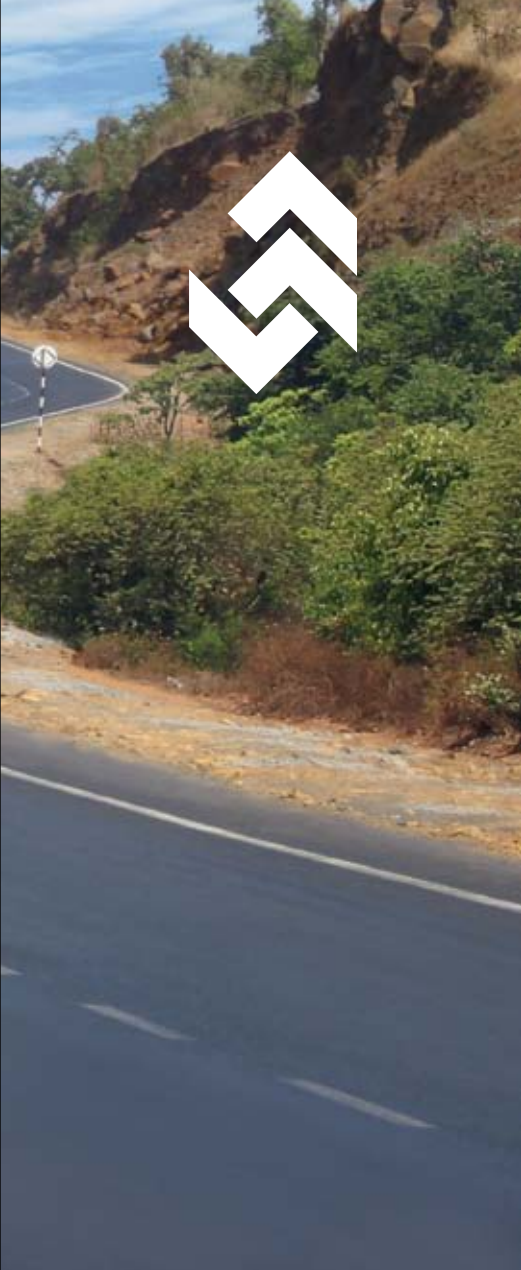


Dhule-Palesner NH-3



Bijapur-Hungund
NH-13
Karnataka State

“Road transport has been and will remain the most popular means of transport in our country. With an economy dominated by small businesses and relatively big market, roads and highways will always play a significant role in the country’s growth.”



A task force of sophisticated construction equipment manned by skilled workers teamed, with experienced professionals, Sadbhav effortlessly builds roads which reduce distance and bridges which are instrumental in connecting our nation.

Sadbhav has always been confident about delivering the best for the nation. We have successfully executed several projects for National Highway Authority of India (NHAI) and various state Governments. We have been awarded with cash bonus for NH-79 and appreciation from World Bank for timely and successful completion of Karnataka projects.

Our construction radius mainly covers constructing, widening & strengthening of roads & highways. Our major completed projects include, widening & strengthening of NH 15 (ADB funded) for 106 kms; early completion of Sardar Patel Ring Road, Ahmedabad - 76.21 kms and rehabilitating & upgrading carriageway for sections of NH 8, NH 79 & NH 76 for NHAI.

This year, Transport sector catered to 71% of Sadbhav's revenue & with 19 ongoing projects worth ₹ 6,230.86 crores, with a wide range of job works like Investigation, survey, design and construction of BRTS corridor, construction of cement concrete pavement, Improvement works, up-gradation strengthening, widening and rehabilitation of roads for NHAI, Greater Vishakapatnam Municipal Corporation, Surat Municipal Corporation, Jharkhand Govt. and Gujarat GIDC, Sadbhav can see the silver lining on the dark clouds of the global economy.



Structuring Roads which Lead to Success...





“India is an agricultural and populous country. About 70% of the people depend on agriculture. In order to grow food-crops to feed the growing millions, intensive farming is essential. Irrigation is, therefore, necessary for more production.”



In a country where 70% of the population depends on Agriculture, our expertise and execution capabilities have orchestrated Sadbhav as being the prime executor in many irrigation projects initiated by the Indian Government. Sadbhav has successfully contributed to Narmada Main Canal (NMC), which is one of the world's largest concrete lined canals, with a massive capacity of 40,000 cusecs, by playing a pivotal role in various phases of its execution.

Our accomplishment lies in successfully executing canal syphons across rivers, namely Watrak, Pushpavati, Khari and Banas. Our enormously multifaceted team of experts and workers has successfully executed a 13.87 km concrete lining project on the Kakrapar left bank, in a record 75 days, a feat which definitely demands applause.

Sadbhav's ability to redefine success through Irrigation is manifested with high points of successfully completing 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.

16% of Sadbhav's Revenue is attributed to Irrigation. 18 projects still under implementation worth an outstanding value ₹ 1406.28 crores, across the length and breadth of the country:

1. Omkareshwar Canal Project System Phase-III (MP)
2. Omkareshwar Canal Project Phase IV, from RD. 0.00 To 51.125 (40% share of SEL) (SEL-GKC JV) (MP)
3. Omkareshwar Canal Project Phase IV, from RD. 51.125 TO 125.00 (60% share of SEL) (SEL-GKC JV) (MP)
4. Karimnagar Gauravelly Canal Project (52% share of SEL) (SEL-GKC JV) (AP)
5. Karimnagar SRIPADA Yellampally Project (52% share of SEL) (SEL-GKC JV) (AP)
6. Excavation and Cement Concrete Lining of Baitarani Left Bank Canal (BLBC) From Rd 0.00 Km To Rd 9.00 Km (ODISSA)
7. AVR HNSS Package-2 (AP)
8. AVR HNSS Package-3 (AP)
9. AVR HNSS Package-8 (AP)
10. AVR HNSS Package-52 (AP)
11. AVR HNSS Package-53 (AP)
12. Halon Irrigation Project (MP)
13. Radhanpur Manpur SubBranch Canal (52% share of SEL) (SEL-GKC JV) (Gujarat)
14. Narmada Main Canal Service Road Package-7 (Gujarat)
15. Kutch Branch canal IR-2 (Gujarat)
16. Kutch Branch canal IR-3 (Gujarat)
17. Pipli Distributory, Vallabhipur Branch Canal (Gujarat)
18. Kutch Branch canal IR-4 (Gujarat)
19. Kutch Branch canal IR-8 (Gujarat)

Sadbhav is confident that it will redefine success through Irrigation.



Lining Canals to Irrigate Success...





GHCL



Lakhanpur



Amlohri

“The Mining industry in India is a major economic activity which contributes a significant GDP of around 10% to 11% to the economy of India. Even mining done on small scale contributes 6% to the entire cost of mineral production. Indian mining industry provides job opportunities to around 700,000 individuals.”



Sadbhav successfully marched into mining with excavation operations for companies such as Gujarat Heavy Chemicals Ltd., Gujarat Mineral Development Corporation, Gujarat Industries Power Company Ltd., Northern Coalfields Ltd. and Western Coalfields Ltd.

This year, Mining sector contributed 13% of Sadbhav's revenue. The expertise ranges from excavation of over burden to removal of lignite and coal. With a perfect synergy of highly skilled workers, engineers and equipment and 11 ongoing projects worth ₹ 1,965.34 crores for clients like,

1. G.H.C.L. Limited, Khadsaliya Lignite Mines Project, Bhavnagar, Gujarat
2. Lakhampur Open-Cast Mine Project Mahanadi Coalfield Limited, Orissa
3. G.I.P.C.L, Mangrol Lignite Mines Project, Surat, Gujarat
4. Khadia Open-Cast Mine Project, Northern Coalfield Limited, Uttar Pradesh
5. Navinkunada Open-Cast Mine Project, Majri Area, Western Coalfield Limited, Maharashtra
6. Gondudih Open-Cast Mine Project, Kusunda Area, Dhanbad Bharat Coking Coal Ltd, Jharkhand
7. Dhaibari Open-Cast Mine Project, CV Area, Dhanbad Bharat Coking Coal Ltd, Jharkhand
8. Maheshpur Open-Cast Mine Project, Govindpur Area, Dhanbad Bharat Coking Coal Ltd, Jharkhand
9. Amlohri Open-Cast Mine Project, Northern Coalfields Limited, Amlohri, M.P.

Sadbhav is confident in mining all obstacles on its path of success.



Mining Obstacles on the Way to Success...





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



Bijapur-Hungund NH-13
Tollway Plaza, Karnataka State



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

“The fast growing Indian economy has increased the demand for road infrastructure. Since it is not feasible to meet the entire requirement of up-gradation of the National Highways from public fund alone, the Government has taken a policy decision to involve private sector for the development of NH on Build-operate-transfer (BOT).”



Sadbhav Infrastructure Project Limited (SIPL), subsidiary of Sadbhav Engineering Limited, was incorporated in 2007 as an asset holding company for BOT projects of Sadbhav group. SIPL has participated rationally in the BOT opportunity, in the road sector, with ₹ 2.2 trillion PPP road infrastructure spaces, by understanding it and equipping itself with relevant capacity to execute it on time. We at Sadbhav, choose an approach which incorporates developing & constructing road projects with minimal sub-contracting.

Over the years Sadbhav, has successfully participated in equity and has also executed a significant portion of the EPC (engineering, procurement and construction) contracts.

A sizable asset base of Sadbhav is built in the road BOT projects. We take pride in citing that SEL is the solitary EPC contractor for most of the BOT projects to ensure timely and smooth completion of projects. This year we also bagged 2 Marquee BOT Projects which is one of the largest domestic BOT project portfolios in roads and highways. 8 BOT projects out of 13 BOT projects are operational which provides strong internal source of funding for next level of growth. During FY13, the company has secured 2 large road BOT assets of ₹ 1,947.68 crores with 100% stake.

Our BOT projects include, Dhule-Palasnur BOT (DPTL), Maharashtra Border Check Post BOT (MBCPNL), Lakhnadon-Seoni BOT (NSEL), Hyderabad-Yadgiri BOT Project (HYTPL), Mumbai Nashik Expressway BOT (MNEL), Sardar Patel Ring Road BOT (ARRIL), Rohtak-Panipat BOT Project (RPTPL), Aurangabad-Jalna BOT (AJTL), Bijapur-Hungund BOT Project (BHTPL), Gomati Chauraha-Udaipur BOT (SUTPL), Solapur-Bijapur (SBTPL), Rajsamanad-Bhilwara BOT (BRTPL) and Rohtak-Hisar BOT (RHTPL).

Amongst all the BOT projects of SEL, the Sardar Patel Ring Road BOT (ARRIL) became the 1st BOT to be operational.

With 13 BOT projects worth a total value of ₹ 12,033.46 crores, which require Design, engineering, finance, procurement, construction, operation and maintenance, modernization & computerization of Integrated Border check-posts, four Laning and up-gradation of Existing Highway, for various states and NHAI, under implementation, the team of Sadbhav is highly motivated to braze the Global Economic storm currently brewing in the near horizon.



Toll Booth Mumbai-Nasik
Maharashtra

Maintaining the path to success...





2012-2013 Key Figures

Net Profit
₹ 74.07
crores

Sales
₹ 1,811.00
crores

Operating Profit before
Tax and Non-recurring items
₹ 49.90 crores

“In the business world, the rear view mirror is always clearer than the windshield.”

- Warren Buffett

Financial Highlights	2012-13	2011-12	2010-11	2009-10	2008-09
Turnover	1871.94	2675.55	2209.17	1256.93	1062.48
Total Income	1882.29	2686.37	2228.67	1273.58	1074.17
Earning Before Depreciation, Interest and Tax (EBDIT)	216.69	290.28	225.79	137.65	108.31
Depreciation	31.82	27.44	26.86	23.25	15.68
Interest	84.37	65.11	42.69	33.09	21.39
Profit After Tax	74.07	140.56	119.59	53.84	63.29
Equity Dividend %	60%	60%	60%	40%	40%
Dividend Payout	10.53	10.49	10.49	5.83	5.85
Equity Share Capital	15.09	15.04	14.99	12.50	12.50
Stock Option Premium Outstanding	2.30	2.63	2.10	0.00	0.00
Reserve & Surplus	815.13	744.64	608.65	379.01	330.15
Net Worth	832.52	762.30	625.75	391.51	342.65
Gross Fixed Assets	514.78	443.50	371.52	332.21	260.65
Net Fixed Assets	330.26	288.07	229.76	210.09	154.55
Total Assets	2490.83	2139.41	1990.28	1420.13	831.39
Total Debt (Loan Fund)	765.17	460.23	396.07	423.87	211.11
Earning Per Share (In Rs.)	4.91	9.36	8.50	4.21	5.06
Book Value Per Share (In Rs.)	55.15	50.74	41.75	31.32	27.41
Weighted No. of Shares	150824388	150235175	140608299	127955167	125000000

Note:

1. Turnover Includes Performance Bonus (Net) received, if any.
2. Total Assets excluding Misc. Expenses.
3. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares.
4. Total Income means credit side of P&L after adjusting the Change in WIP.
5. EBDIT means PBT+Depreciation+Interest+Other Income.

Revenue by business
71% Roads & Highway,
16% Irrigation,
13% Mining

Order Book by business
 Transport Sector ₹ **6,620.09** crores,
 Irrigation ₹ **1,500.45** crores,
 Mining ₹ **2,022.15** crores

Dividend
60%





The visionaries of Sadbhav have unanimously agreed... to raise funds worth ₹ 92.60 crores by issuance of convertible warrants to the promoters group and ₹ 125.00 crores by issuance of equity shares along with detachable convertible warrants on Right Basis, at their Extra Ordinary General Meeting held on Monday, 29th July, 2013:



Notice

NOTICE is hereby given that the Twenty- Fourth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Monday, September 30, 2013 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, 2013, 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 Nitin R. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Amarsinh J. Vaghela who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Sandip V. Patel who retires by rotation and being eligible, offers himself for reappointment
6. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

7 To appoint Mr. Arunbhai S. Patel as Director of the Company

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

“RESOLVED THAT Mr. Arunbhai S. Patel who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 29, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director subject to retirement by rotation under the provisions of the Articles of Association of the Company.”

8 To appoint Mr. Hemendra C. Shah as Director of the Company

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

“RESOLVED THAT Mr. Hemendra C. Shah who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 02, 2013 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director subject to retirement by rotation under the provisions of the Articles of Association of the Company.”

9 To appoint Mr. Vasistha C. Patel as Director of the Company

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

“RESOLVED THAT Mr. Vasistha C. Patel who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 29, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director subject to retirement by rotation under the provisions of the Articles of Association of the Company.”

10 To appoint Mr. Vasistha C. Patel as Whole-time Director of the Company

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

Resolved that pursuant to the provisions of sections 198, 269, 302, 309,310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) subject to such approvals as may be necessary, consent of the company be and is hereby given for the appointment of Shri Vasistha C. Patel as the Whole-time director designated as Executive Director of the company for a period of five years from October 01, 2012 on the following terms and conditions including remuneration as mentioned below:-

(a) Salary:

Up to maximum of Rs. 8,00,000 per month, with authority to Board or a committee thereof, to fix the salary within the said maximum amount from time to time . The annual increments will be decided by the Board or a Committee thereof and will take in to account the company's performance.

(b) Commission

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

(c) Perquisites:

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

Category "A"

(1) Housing:

House Rent Allowance subject to a maximum of 60% of the salary or house accommodation shall be provided by the company and 10% of salary shall be recovered by way of rent.

Expenditure incurred by the company on his electricity, water and furnishing shall be evaluated as per Income tax Rules, 1962 subject to a ceiling of 10% of salary.

(2) Medical Reimbursement:

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

(3) Leave Travel Concession:

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

(4) Club Fees:

Subject to a maximum of two clubs. This will not include admission and life membership fee.

(5) Personal Accident Insurance :

Premium not to exceed Rs. 50,000 per annum.

Explanation

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

Category "B"

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

(1) Earned Privilege Leave:

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

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

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

(3) Gratuity:

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

Category "C"

Other facilities for performing the official duties, not considered as perquisites to Whole-time Director:-

(1) Free use of Company's car on Company's business and telephone at residence and mobile phone will not considered as perquisites.

(2) Personal long distance calls and use of car for private purpose shall be billed by the Company.

(3) Reimbursement of entertainment expenses, traveling and all other expenses actually and properly incurred for the purpose of Company's business.

Provided further that the aggregate of remuneration by way of salary, commission and perquisites etc. payable to Shri Vasistha C. Patel shall not exceed 5% of the Net Profit of the company in a financial year computed in the manner laid down under section 309(5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act”

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri Vasistha C. Patel as Whole-time Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule XIII of the Companies Act, 1956

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

11 To appoint Mr. Vikramkumar R. Patel as Director of the Company

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

“RESOLVED THAT Mr. Vikramkumar R. Patel who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 29, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director subject to retirement by rotation under the provisions of the Articles of Association of the Company.”

12 To appoint Mr. Vikramkumar R. Patel as Whole-time Director of the Company

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

Resolved that pursuant to the provisions of sections 198,269, 302, 309,310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) subject to such approvals as may be necessary, consent of the company be and is hereby given for the appointment of Shri Vikramkumar R. Patel as the Whole-time director designated as Executive Director of the company for a period of five years from October 01, 2012 on the following terms and conditions including remuneration as mentioned below:-

(a) Salary:

Up to maximum of Rs. 8,00,000 per month, with authority to Board or a committee thereof, to fix the salary within the said maximum amount from time to time. The annual increments will be decided by the Board or a Committee thereof and will take in to account the company’s performance.

(b) Commission

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

(c) Perquisites:

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

Category “A”

(1) Housing:

House Rent Allowance subject to a maximum of 60% of the salary or house accommodation shall be provided by the company and 10% of salary shall be recovered by way of rent.

Expenditure incurred by the company on his electricity, water and furnishing shall be evaluated as per Income tax Rules, 1962 subject to a ceiling of 10% of salary.

(2) Medical Reimbursement:

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

(3) Leave Travel Concession:

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

(4) Club Fees:

Subject to a maximum of two clubs. This will not include admission and life membership fee.

(5) Personal Accident Insurance :

Premium not to exceed Rs. 50,000 per annum.

Explanation

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

Category "B"

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

(1) Earned Privilege Leave:

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

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

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

(3) Gratuity:

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

Category "C"

Other facilities for performing the official duties, not considered as perquisites to Whole-time Director:-

- (1) Free use of Company's car on Company's business and telephone at residence and mobile phone will not considered as perquisites.
- (2) Personal long distance calls and use of car for private purpose shall be billed by the Company.
- (3) Reimbursement of entertainment expenses, traveling and all other expenses actually and properly incurred for the purpose of Company's business.

Provided further that the aggregate of remuneration by way of salary, commission and perquisites etc. payable to Shri Vikramkumar R. Patel shall not exceed 5% of the Net Profit of the company in a financial year computed in the manner laid down under section 309(5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act"

RESOLVED FURTHER THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri Vikramkumar R. Patel as Whole-time Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule XIII of the Companies Act, 1956.

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

Place : Ahmedabad
Date : August 13, 2013

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 statements pursuant to Section 173(2) of Companies Act, 1956 relating to special business are 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 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 16, 2013 to Saturday, September 21, 2013, 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.
8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended as on 31st March, 2006 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government, pursuant to Section 205C of the Companies Act, 1956.

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

Financial Year Ended	Date of declaration of Dividend	Last Date for Claiming Dividend
31-03-2006	21-09-2006	27-10-2013
31-03-2007	29-09-2007	04-11-2014
31-03-2008	27-09-2008	02-11-2015
31-03-2009	29-09-2009	04-11-2016
31-03-2010	08-09-2010	14-10-2017
31-03-2011	27-09-2011	02-11-2018

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

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

Director	Shri Nitin R. Patel	Shri Amarsinh J. Vaghela	Shri Sandip V. Patel
Date of Birth	August 4, 1968	April 5, 1946	August 2, 1977
Date of Appointment	August 1, 1999	July 5, 2005	June 27, 2006
Functional Expertise	Finance and Accounts, Audit, Taxation, Project Bidding and Execution, Cost Analysis.	Construction of Dam and Canal works	Taxation, Corporate Laws, Finance & Accounts
Qualifications	B. Com. A.C.A	B.E. (Civil)	B. Com., A.C.A., DISA(ICA)
Directorship in other companies	<ol style="list-style-type: none"> 1. Ahmedabad Ring Road Infrastructure Ltd 2. Aurangabad -Jalna Toll Way Ltd. 3. Nagpur- Seoni Express Way Ltd. 4. Sadbhav Quarry Works Pvt. Ltd. 5. Maharashtra Border Check Post Network Ltd. 6. Rotak-Panipat Tollway Pvt. Ltd. 7. Hyderabad-Yadgiri Tollway Pvt. Ltd. 8. Bijapur-Hungund Tollway Pvt. Ltd. 9. Sadbhav Infrastructure Project Ltd. 10. Dhule Palesner Toll Way Ltd. 11. Shreenathji-Udaipur Tollway Pvt. Ltd. 12. Solapur-Bijapur Tollway Pvt. Ltd. 13. Bhilwara-Rajsamand Tollway Pvt. Ltd. 14. Rohtak- Hissar Tollway Pvt. Ltd. 	None	Sadbhav Infrastructure Project Ltd.
Chairman/ Member of Committee in other companies	<ol style="list-style-type: none"> 1. Ahmedabad Ring Road Infrastructure Ltd. 2. Nagpur- Seoni Express Way Ltd. 	None	None
No. of Equity Shares held in the company	10800	8952	10000

Director	Shri Arunbhai S. Patel	Shri Vasistha C. Patel	Shri Vikramkumar R. Patel
Date of Birth	July 15, 1946	July 25, 1973	April 02, 1968
Date of Appointment	August 27, 2012	August 20, 2012	August 20, 2012
Functional Expertise	Experience in the field of Audit, Taxation, Accounts and Finance	Vast experience in execution of various infrastructure projects	More than 22 years of experience in construction industry, powered with entrepreneurship skill and motivation
Qualifications	Chartered Accountant	Civil Engineer	Commerce Graduate
Directorship in other companies	None	1. Sadbhav Infrastructure Project Limited 2. Maharashtra Border Check Post Net work Limited 3. Hyderabad-Yadgiri Tollway Private Limited 4. Rohtak-Panipat Tollway Private Limited 5. Bijapur-Hungund Tollway Private Limited 6. Dhule Palesner Tollway Limited 7. Shreenathji-Udaipur Tollway Private Limited 8. Solapur-Bijapur Tollway Private Limited 9. Rohtak-Hissar Tollway Pvt. Ltd.	Ahmedabad Ring Road Infrastructure Ltd.
Chairman/ Member of Committee in other companies	None	Sadbhav Infrastructure Project Limited	None
No. of Equity Shares held in the company	Nil	2002150	3408750

Director	Hemendra C. Shah
Date of Birth	May 02, 1952
Date of Appointment	May 02, 2013
Functional Expertise	Finance, Cost & Management Accounting, Banking, Merger & Acquisition, Business Restructuring & Fund Raising, Enterprise Risk Management, Taxation, Secretarial, Legal, Insurance and other related matters
Qualifications	Cost & Management Accountant (CMA), Company Secretary
Directorship in other companies	Wizard Fincap Ltd.
Chairman/ Member of Committee in other companies	None
No. of Equity Shares held in the company	Nil

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

Item No. 7

The Board of Directors of the Company has appointed, Mr. Arunbhai S. Patel as Additional Director of the Company on September 29, 2012. Pursuant to the provisions of Section 260 of the Companies Act 1956 read with Article 134 of Articles of Association of the Company, Mr. Arunbhai S. Patel, would hold the office up to the date of this Annual General Meeting.

The Company has received notice in writing from member along with the requisite deposit, proposing their candidature for the office of Directors of the Company, under the provisions of the Section 257 of the Act.

The details and brief resume of Mr. Arunbhai S. Patel has been given as part of the Notice. Keeping in view the experience, knowledge and expertise of Mr. Arunbhai S. Patel, his appointment as Director of the Company is recommended.

Except Mr. Arunbhai S. Patel none of the other Directors of the Company is, in in any way, concerned or interested in the resolution.

Item No. 8

The Board of Directors of the Company has appointed, Mr. Hemendra C. Shah as Additional Director of the Company on May 30, 2013 with effect from May 02, 2013. Pursuant to the provisions of Section 260 of the Companies Act 1956 read with Article 134 of Articles of Association of the Company, Mr. Hemendra C. Shah, would hold the office up to the date of this Annual General Meeting.

The Company has received notice in writing from member along with the requisite deposit, proposing their candidature for the office of Directors of the Company, under the provisions of the Section 257 of the Act.

The details and brief resume of Mr. Hemendra C. Shah has been given as part of the Notice. Keeping in view the experience, knowledge and expertise of Mr. Hemendra C. Shah, his appointment as Director of the Company is recommended.

Except Mr. Hemendra C. Shah none of the other Directors of the Company is, in in any way, concerned or interested in the resolution

Item No. 9 & 10

The Board of Directors of the Company has appointed Mr. Vasistha C. Patel as Additional Director of the Company on September 29, 2012. Pursuant to the provisions of Section 260 of the Companies Act 1956 read with Article 134 of Articles of Association of the Company, Mr. Vasistha C. Patel, would hold the office up to the date of this Annual General Meeting.

The Company has received notice in writing from member along with the requisite deposit, proposing their candidature for the office of Directors of the Company, under the provisions of the Section 257 of the Act.

Subject to shareholders' approval, the Board of Directors at their meeting held on November 09, 2012 have also appointed Shri Vasistha C. Patel as Whole-time Director designated as Executive Director of the Company for a period of five years from October 01, 2012 on terms and conditions including remuneration as set out in the proposed resolution. The said terms and conditions including remuneration has been recommended by the Remuneration Committee of Board of Directors. The Remuneration Committee, while approving the appointment and remuneration of Shri Vasistha C. Patel, took in to account his qualifications and more than 15 years experience in Construction Industry as well as the responsibilities to be shouldered by him and his past performance.

Your Directors are of the view that the appointment of Shri Vasistha C. Patel as Whole-time Director is in the interest of the Company and shareholders and accordingly recommend the proposed resolution by way of ordinary resolution for your approval .

Mr. Vasistha C. Patel, is also drawing remuneration as Managing Director from Sadbhav Infrastructure Project Limited, subsidiary of the Company. Therefore total remuneration drawn by Mr. Vasistha C. Patel should not be exceeded the higher maximum limit admissible from any one of the companies i.e. Sadbhav Engineering Ltd. or Sadbhav Infrastructure Ltd.

Mr. Vasistha C. Patel, is concerned or interested in the resolution which pertains to his appointment and remuneration payable to him. Further, Mr. Vishnubhai M. Patel and Mr. Shashin V. Patel being related to Mr. Vasistha C. Patel are deemed to be concerned or interested in the resolution. None of the other directors of the company is concerned or interested in the said resolution.

The proposed resolution and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Vasistha C. Patel as Whole-time Director designated as Executive director of the Company in terms of section 302 of Companies Act. 1956.

Item No. 11 & 12.

The Board of Directors of the Company has appointed Mr. Vikramkumar R. Patel as Additional Director of the Company on September 29, 2012. Pursuant to the provisions of Section 260 of the Companies Act 1956 read with Article 134 of Articles of Association of the Company Mr. Vikramkumar R. Patel, would hold the office up to the date of this Annual General Meeting.

The Company has received notice in writing from member along with the requisite deposit, proposing their candidature for the office of Directors of the Company, under the provisions of the Section 257 of the Act.

Subject to shareholders' approval, the Board of Directors at their meeting held on November 09, 2012 have also appointed Shri Vikramkumar R. Patel as Whole-time Director designated as Executive Director of the Company for a period of five years from October 01, 2012 on terms and conditions including remuneration as set out in the proposed resolution. The said terms and conditions including remuneration has been recommended by the Remuneration Committee of Board of Directors. The Remuneration Committee, while approving the appointment and remuneration of Shri Vikramkumar R. Patel, took in to account his qualifications and more than 22 years experience in construction industry, powered with entrepreneurship skill and motivation as well as the responsibilities to be shouldered by him and his past performance.

Your Directors are of the view that the appointment of Shri Vikramkumar R. Patel as Whole-time Director is in the interest of the Company and shareholders and accordingly recommend the proposed resolution by way of ordinary resolution for your approval.

Mr. Vikramkumar R. Patel, is also drawing remuneration as Managing Director from Ahmedabad Ring Road Infrastructure Limited, subsidiary of the Company. Therefore total remuneration drawn by Mr. Vikramkumar R. Patel should not be exceeded the higher maximum limit admissible from any one of the companies i.e. Sadbhav Engineering Ltd or Ahmedabad Ring Road Infrastructure Ltd.

Mr. Vikramkumar R. Patel, is concerned or interested in the resolution which pertains to his appointment and remuneration payable to him. Further, Mr. Vishnubhai M. Patel and Mr. Shashin V. Patel being related to Mr. Vikramkumar R. Patel are deemed to be concerned or interested in the resolution. None of the other directors of the company is concerned or interested in the said resolution.

The proposed resolution and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Vikramkumar R. Patel as Whole-time Director designated as Executive director of the Company in terms of section 302 of Companies Act. 1956.

Place : Ahmedabad
Date : August 13, 2013

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 Fourth Annual Report together with the audited statement of accounts for the year ended March 31, 2013.

Financial Results

(Rs. in crores)

	Stand Alone		Consolidated	
	Current Year 2012-2013	Previous Year 2011-2012	Current Year 2012-2013	Previous Year 2011-2012
Income from Operations	1810.99	2675.55	2159.59	2866.33
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	166.09	301.10	432.27	441.70
Less : Finance Cost	84.37	65.11	304.20	155.90
Depreciation and amortization Expense	31.82	27.44	170.69	86.04
Profit /(Loss) before Exceptional Item and Tax	49.90	208.55	(42.62)	199.76
Exceptional Items (Performance Bonus)	60.94	0	60.94	0
Profit /(Loss) Before Tax	110.84	208.55	18.32	199.76
Less : Current Tax	28.53	60.72	35.43	73.54
Deferred tax liability/(asset)	8.24	7.38	8.23	7.37
Add : Excess /(Short) provision for taxation of earlier years	0.00	0.11	0.21	0.11
Profit / (Loss) for the period from continuing Operations	74.07	140.56	(25.13)	118.96
Add:- Minority Interest	-	-	37.37	5.61
Less:- Share of Loss of Associates	-	-	(4.76)	2.29
Net Profit for the year	74.07	140.56	7.48	122.28
Balance brought forward from last year	373.74	263.66	290.96	199.17
Addition due to Increase in Stake	-	-	7.56	-
Amount available for Appropriations	447.81	404.22	306.00	321.45
Appropriations				
Transfer to General Reserve	7.50	14.00	7.50	14.00
Transfer to Debenture Redemption Reserve	0	6.00	-	6.00
Dividend on Preference Shares waived by Shareholders	-	-	(0.02)	-
Proposed Dividend	9.06	9.02	9.06	9.03
Tax on Proposed Dividend	1.47	1.46	1.47	1.46
Balance carried to Balance Sheet	429.78	373.74	287.99	290.96

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, 2013. The final dividend, if approved, will absorb a sum of Rs. 9.06 Crores and dividend tax of Rs. 1.47 Crores.

Business Overview

Standalone Basis

The total income from operations during the year under review was Rs. 1811.00 Crores against Rs. 2675.55 Crores for the previous year resulting the decline of 32.31%. Operating profit (PBDIT) for the current year is Rs. 166.09 Crores (Rs. 301.10 Crores in previous year) thereby resulting the decline of 44.83%. Net profit after Tax Expenses amounted to Rs. 74.07 Crores (Rs. 140.56 Crores in previous year) thereby resulting decline of 47.30%.

Consolidated Basis

As per the Consolidated Financial Statements, the Income from operations of the company, Operating profit (PBDIT), and Net profit for the year were Rs. 2153.34, 432.27 and 7.48 Crores respectively.

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	19	10729.45	4498.59	6230.86
Irrigation	18	2235.14	828.86	1406.28
Mining Operation	11	2818.88	853.54	1965.34
Total	48	15783.47	6180.99	9602.48

The Company's order book (pending execution) shows work on hand amounting to Rs. 9602.48 Crores as on the June 30, 2013.

New Contracts / Projects

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

Transport Sector

1. Contract CC-42: Civil Works for construction of Depot cum Workshop, RCC elevated ramp, boundary wall, land development works etc. at Badli for Jahangir Puri-Badli Corridor (extension of line-2) of phase-III of Delhi MRTS by Delhi Metro Rail corporation Ltd. for contract price of Rs. 64.64 crores.
2. Contract CC- 43: Part design and Construction of elevated viaduct and three elevated stations viz. MIE, Bus Stand and City Park including architectural finishing, water supply, sanitary installation, drainage works and roofing works of stations on Mundka-Bahadurgarh Corridor of Phase-III of Delhi MRTS (Haryana Portion) by Delhi Metro Rail Corporation in the name of Joint Venture known as "Corsan Corviam Construcccion S.A.-Sadbhav Engineering Limited JV" for contract value of Rs. 221.86 crores. Company's share of interest/participation in the Joint Venture is 40%.
3. Contract CC- 47: Part design and Construction of elevated viaduct from Mundka to Tikri Border, (Chainage 16397.128 to 22703.647), siding at Tikri Border and four elevated stations viz. MIE, Ghevra, Tikri Kalan & Tikri Border including architectural finishing, water supply, sanitary installation, drainage and civil works related to E & M of Mundka-Bahadurgarh Corridor of Phase-III of Delhi MRTS (Delhi Portion) by the Chief General Manager (Tender), Delhi Metro Rail Corporation in the name of Joint Venture known as "Corsan Corviam Construcccion S.A.-Sadbhav Engineering Limited JV" for contract value of Rs. 249.65 crores. Company's share of interest/participation in the Joint Venture is 40%.

Irrigation Sector

1. Company was awarded 6 (Six) projects/ works by Sardar Sarovar Narmada Nigam Limited, Gandhinagar, Gujarat aggregating to Rs. 422.07 crores during the financial year 2012-13.
2. Execution of Halon Irrigation Project complete on Turnkey Basis including commissioning of entire system, operation and maintenance of complete commissioned system for three years for aggregating contract value of Rs. 245.61 crores jointly with Vaishnovi Constructions Nagpur. Company is leading the Joint Venture with 72% participation share i.e for Rs 176.84 crores.
3. Earthwork for deepening and widening of Parallel Lower Ganga Canal as per final stage theoretical lined sections (8900 Cusec capacity), The Chief Engineer Ram Ganga, Irrigation Department. Govt. of Uttar Pradesh, Kanpur for contract value of Rs. 132.95 crores.
4. Company was awarded 2 (Two) projects/ works by Sardar Sarovar Narmada Nigam Limited, Gandhinagar, Gujarat aggregating to Rs. 183.57 crores.

Mining Sector:

1. Bharat Coking Coal Limited (A Subsidiary of Coal India Ltd.) has awarded project for hiring of HEMM for removal of 248.93 LCM over burden (OB) and extraction of 72.17 LMT coal. to 'Sadbhav-Vishnusiva Joint Venture in the ratio of 75:25 for contact price of Rs. 210.49 crores
2. Bharat Coking Coal Limited (A Subsidiary of Coal India Ltd.) has awarded project for hiring of HEMM for removal of 397.34 LCM over burden OB, and extraction of 65.54 LMT of coal to Sadbhav-Annapurna Joint Venture in the ratio of 80:20. for contact price of Rs. 471.18 crores.
3. Northern Coalfields Limited (A subsidiary of Coal India Ltd.) Singrauli (M.P.) has awarded project for excavation of overburden of first dig (Solid) by hiring of equipment for the excavation of 100.00 Million BCM over burden (OB). The project is for contact price of Rs. 697.36 crores.

4. Uranium Corporation of India Ltd. Jharkhand has awarded project for Removal of Overburden/Waste and Extraction of Uranium Ore from Banduhurang Opencast Mine and transportation of ore to the ground hopper at Turamdih or any other specified area and overburden to the specific dump yard in compliance of all relevant status for aggregating contract value of Rs.173.14 Crores.

New BOT Projects

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

Project	SPV	Cost of Project (Rs. in Crores)	EPC contract (Rs. in Crores)	Concession Period
The DBFOMT (Annuity) project is for the existing State Highway (SH33 & SH3) from Malavalli to Pavagada (Approx length of 193.344 Kms) in the State of Karnataka (WAP-1)	Declared Lowest Bidder (L1). LOA is awaited	737.20	--	10 (Ten) years from appointed date
Four laning of Rajsamand-Bhilwara Section of NH-758 (from km 0.000 to km 87.250) under NHDP Phase IV in the State of Rajasthan on DBFOT (Toll) Basis.	Bhilwara-Rajsamand Toll Way Private Limited	676.10	603.00	30 (Thirty) years from appointed date
The project consists of "4-Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km)	Rohtak-Hissar Toll Way Private Limited	1271.58	1080.00	22 (Twenty Two) years from appointed date

BOT Projects under Implementation:

Name of the Company	Details of Project	Cost of the Project (Rs. in Crores)	Status as on 30 June, 2013 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	991.85	63	27
Rohtak-Panipat Tollway Private Ltd.	Four laning of Rohtak to Panipat Section of NH-71A from km 0.000 Km 63.30 of NH-10 to km 80.858 Km 83.50 of NH-1 in the state of Haryana (80.85 Kms) on BOT basis under NHDP Phase-III	1213.40	1087.74	-	100
Shreenathji-Udaipur Tollway Private Limited	Four Laning of Gomati Chauraha - Udaipur section of NH-8 (from Km 177/000 to Km 260/100) in the state of Rajasthan under NHDP Phase IV	1151.46	67.92	26	74
Solapur-Bijapur Tollway Private Limited	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.	1183.6	1.97	26	74

Revenue Generating BOT Project:

Name of the Company	Details of Project	Cost of the Project (Rs. in Crores)	Toll Revenue of the F.Y. 2012-13 (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	130.61	20	-
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	4-laning the present 76.21 km two-lane ring road around Ahmedabad city and its operation & maintenance.	500.80	72.47	-	80
Aurangabad-Jalna Tollway Ltd. (AJTL)	Widening the existing two-lane stretch of 65.80 kms to four lanes on Aurangabad Jalna Highway in state of Maharashtra and its operation and maintenance.	277.00	27.71	-	100

Nagpur-Seoni Expressway Ltd. (NSEL)	Rehabilitation and upgrading to four lane from km. 596/750 to km. 653/225 on NH-7 in the state of Madhya Pradesh under North-South Corridor (NHDP Phase II) on BOT-Annuity basis.	489.70	61.38	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	76.62	26	01
Bijapur-Hungund Tollway Private Ltd.	Four laning of Bijapur - Hungund Section of NH-13 from km 102.000 to km 202.000 (97.22Kms) in the state of Karnataka on Design, Build, Finance, Operate and Transfer ("DBFOT"), Toll basis.	1257.10	86.22	-	77
Hyderabad-Yadgiri Tollway Private Ltd.	Design, Engineering, Construction, Development, Finance, Operation and Maintenance of four laning of Hyderabad-Yadgiri Section from km 18.600 to km 54.000 (36.65Kms) of NH-202 in the state of Andhra Pradesh under NHDP Phase-III on DBFOT (Toll) Basis Package No. NHDP-III/ BOT/AP/04.	480.22	11.22	-	60

- In respect of NSEL expenditure to the extent of Rs. 294.88 Crore has been incurred. Project is under suspension and matter is subjudice.
- 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 :

(Rs. in crores)

Project	Project Cost	% of Involvement	Company's share	Work Completed as on 30/06/2013
Earth work excavation, forming embankment and construction of CD & CM works of main canal and distributory system of Gouravelly right side canal from km 0.000 to 47.725 and left side canal in Karimnagar District.	166.88	52%	86.78	47.68
Investigation, design and execution of Canal Network System including Earth work Excavation and Forming Embankment, Construction of CM & CD Works in Karimnagar Dist under Kodlmial, Potharam Surampet Lachupet.	99.31	52%	51.64	30.34
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.	165.54	50%	82.77	62.26
Improvement/Upgradation Strengthening/Widening of Govindpur-Sahibganj State Road Project (Govindpur-Jamtara Contract Package No. I) by Road construction Department, Govt. of Jharkhand.	229.91	50%	114.95	69.89
Execution of Omkareshwar right bank lift canal on "Turn Key"basis from RD 51.281 to 125.Km(excluding V.R.B. at RD 51.281 Km Wasvi-Sirsodia Road) by Narmada Development Division 20,M.P.	349.30	60%	209.58	98.84
Execution of Omkareshwar right bank lift canal including its distribution network 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.	519.93	40%	207.97	150.40
Work of EPC contract for construction of Radhanpur Sub Branch Canal, Manpura Sub Branch Canal, Distributaries & Minors of Radhanpur Branch Canal, RSBC & MSBC including Geo Tech investigation, Design of structures and Operation and maintenance for the same for five (5) years.	236.20	52%	122.82	38.05
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.	182.50	51%	93.07	52.51
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.	201.82	50%	100.91	8.21

SEL- Hindustan Construction Company Limited Joint Venture :

1. 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 executing entire EPC contract.

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)', 5,78,000 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. 15,03,67,800/- to Rs. 15,09,45,800/- 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 30, 2013, copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of subsidiary companies have not been attached to the Annual Accounts of the Company under Section 212 of Companies Act 1956. As required under the circular statement giving required details is given elsewhere in this Annual Report. The Company will keep these documents at the Registered Office of the Company and its subsidiaries and make them available upon the request by any shareholder of Company.

Consolidation of Accounts

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

Retirement by Rotation

Shri Nitin R. Patel, Shri Amarsinh J. Vaghela and Shri Sandip V. Patel, are the directors liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The directors recommend their re-appointment.

Appointment

Shri Arun S. Patel, Shri Vasistha C. Patel and Shri Vikramkumar R. Patel were appointed as Additional Directors on the Board w.e.f September 29, 2012. Shri Hemendrakumar C. Shah was also appointed as Additional Directors at the Board Meeting held on May 30, 2013 w.e.f May 02, 2013. In accordance with Section 260 of the Companies Act, 1956 and Article 134 of the Company's Articles of Association, they will cease to hold office at the forthcoming Annual General Meeting and are eligible for appointment. The Company has received notices under Section 257 of the Act, in respect of the above persons, proposing their appointment as a Directors of the Company.

Shri Vasistha C. Pate and Shri Vikramkumar R. Patel were also appointed as Whole-time Directors designated as Executive Directors of the Company for a period of five years w.e.f. October 01, 2012, subject to the approval of the Members.

Further details about these Directors are given in the Notice of the ensuing Annual General Meeting and the Explanatory Statement thereto being sent to the shareholders along with Annual Report.

Resignation

Shri Girish N. Patel, Executive Director and Shri Pravinkumar M. Ganatra, Independent Director of the Company have resigned from

the Board of Directors. The Board places on records its deep sense of appreciation on valuable contribution made by outgoing directors during their tenure on the Board.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts, accounting standards have been followed along with proper explanation relating to material departure;
- (ii) such accounting policies have been selected and applied consistently and have made judgments and estimates reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2013 and the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the accounts have been prepared on a 'going concern' basis.

Auditors :

M/s. Surana Maloo & Co., Chartered Accountants, the Statutory Auditors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors have recommended the re-appointment of M/s. Surana Maloo & Co., Chartered Accountants as 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.

Transfer To Investor Education and Protection Fund :

The Company has transferred a sum of Rs.3.05 lacs during the financial year 2012-13 to the Investor Education and Protection fund established by the Central Government, in compliance with Section 205C of the Companies Act,1956. The said amount represents unclaimed amount received against the application and allotment of equity shares during the IPO which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has send reminders to the applicants for submitting their claims for unclaimed IPO Refund Money.

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 : August 13, 2013

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, 2013 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	11,59,000
4	Option exercised	10,70,000
5	Total number of Shares arising as a results of exercise of Options	10,70,000
6	Options Lapsed	2,62,500
7	Variation in the terms of Options	NIL
8	Fund raised by the exercise of Option	Rs. 5,35,00,000
9	Total number of options in force	11,67,500

B. Employee wise details of options granted :

No Stock Options were granted to Directors and Senior Management Personnel during the year. The details of Options granted during the year 2010-11 and outstanding as at March 31, 2013 are as under :

i) To Senior Managerial Personnel :

Sr. No.	Name of Employees / Directors	Designation	No. options Outstanding
1	Nitin R. Patel	Executive Director	90000
2	Pravinkumar M. Ganatra	Director	22500
3	Amarsinh J. Vaghela	Director	12500
4	Sandip V. Patel	Director	5000
5	Atul N. Ruparel	Director	5000
6	P.K. Doshi	Director (Tech.)	50000
7	Anant N. Batavi	Chief Project Manager	23000
8	Vishwanathan R.	Sr. General Manager (Finance)	11000
9	Vijay J. Kalyani	Company Secretary	9000

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 90000 options are outstanding as at 31/03/2013.

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. 4.89)

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.

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.	72 Yrs.	Chairman & Managing Director	03-10-1988	1,80,00,000/- p.a.	45 Years	None	7.13
Mr. Shashin Vishnubhai Patel Qualification : MBA	32 Yrs.	Joint Managing Director	23-05-2000	60,00,000/- p.a.	13 years	None	3.54
Mr. Nitin R. Patel Qualification : CA	44 Yrs.	Executive Director	01-08-1999	76,95,000/- p.a.	21 years	Manubhai & Co., C.A.	-
Mr. P. K. Doshi* Qualification : Civil Engineer (ME)	47 Yrs.	Director (Tech.)	01-08-2010	82,75,000/- p.a.	21 Years	PWD-Rajasthan	0.03
Mr. Subodh V. Kamat* Qualification : B.E. Civil	61 Yrs.	Chief Executive Officer	22-11-2011	60,00,000/- p.a.	36 Years	Lanco-Infratech	-

Notes :

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

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

Board of Directors

The Board of Directors comprises of 10 (Ten) directors, its composition and category 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	12	2	2
Mr. Shashin V. Patel	Joint Managing Director	Executive Director	9	2	Nil
Mr. Girish N. Patel (Upto 24/08/2012)	Executive Director	Executive Director	Nil	Nil	Nil
Mr. Nitin R. Patel	Executive Director	Executive Director	13	2	Nil
Mr. Vikram R. Patel (From 29/09/2012)	Executive Director	Executive Director	1	Nil	Nil
Mr. Vasistha C. Patel (From 29/09/2012)	Executive Director	Executive Director	10	Nil	1
Mr. Pravinkumar M. Ganatra	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Amarsinh Vaghela	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Sandip V. Patel	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Atul N. Ruparel	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Arun S .Patel (From 29/09/2012)	Director	Independent, Non-Executive Director	Nil	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 2012-2013, 4 (Four) Board Meetings were held on 28/05/2012, 30/07/2012, 09/11/2012 & 11/02/2013.

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	2	-
Mr. Nitin R. Patel	4	Yes
Mr. Shashin V. Patel	4	Yes
Mr. Vikram R. Patel	2	-
Mr. Vasistha C. Patel	2	-
Mr. Pravinkumar M. Ganatra	2	-
Mr. Amarsinh Vaghela	4	Yes
Mr. Sandip V. Patel	4	Yes
Mr. Atul N. Ruparel	4	Yes
Mr. Arun S. Patel	2	Yes

Committees of the Board

Audit Committee

The composition of Audit Committee as on March 31, 2013 was as under -

Mr. Sandip V. Patel	Chairman
Mr. Amarsinh J. Vaghela	Member
Mr. Pravinkumar M. Ganatra	Member
Mr. Atul N. Ruparel	Member (From 09/11/2012)

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 2012-2013, Five meetings of the Audit Committee were held on May26, 2012, July 28, 2012, November 08, 2012, February 09, 2013 and February 11, 2013.

Attendance at Audit Committee meetings

Name of Director	Meetings attended
Mr. Sandip V. Patel	5
Mr. Pravinkumar M. Ganatra	2
Mr. Amarsinh J. Vaghela	5
Mr. Atul N. Ruparel (From 09/11/2012)	2

Remuneration Committee

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

Mr. Atul N. Ruparel	Chairman
Mr. Pravinkumar M. Ganatra	Member
Mr. Sandip V. Patel	Member
Mr. Arun S. Patel	Member (From 09/11/2012)

During the year 2012-2013, four meetings of Committee were held on May 26, 2012, June 25, 2012, October 15, 2012 and February 20, 2013 to review and revised the remuneration of Key Personnel in which following members were present.

Name of Director	Meetings attended
Mr. Atul N. Ruparel	4
Mr. Pravinkumar M. Ganatra	2
Mr. Sandip V. Patel	4
Mr. Arun S. Patel	1

Remuneration Policy

The remuneration committee reviews and recommends remuneration of Managing Director and Whole Time Directors and determines the detail terms and conditions of the Employees Stock Option Scheme in accordance with SEBI guidelines as and when required. The Non-Executive Directors are paid sitting fees of 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 2012-13 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, 2013	No. of outstanding Stock options*
Mr. Vishnubhai M. Patel	180.00	Nil	5 years from July 1, 2009	10763570	Nil
Mr. Girish N. Patel (up to 24-08-2012)	12.50	Nil	5 years from July 1, 2009	5391150	Nil
Mr. Nitin R. Patel	76.95	Nil	5 years from July 1, 2009	10800	90000
Mr. Shashin V. Patel	60.00	Nil	5 years from July 1, 2009	5339720	Nil
Mr. Vikramkumar R. Patel (From 01-10-2012)	15.00	Nil	5 years from October 01, 2012	3408750	Nil
Mr. Vasistha C. Patel (From 01-10-2012)	15.00	Nil	5 years from October 01, 2012	2002150	Nil
Mr. Pravinkumar M. Ganatra	Nil	20000	N.A.	839	22500
Mr. Amarsinh J. Vaghela	Nil	40000	N.A.	2702	12500
Mr. Sandip V. Patel	Nil	40000	N.A.	5000	5000
Mr. Atul N. Ruparel	Nil	40000	N.A.	5000	5000
Mr. Arun S. Patel	Nil	20000	N.A.	Nil	Nil

The Directors were not paid any allowance or perquisites in the year 2012-13, 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, 2013, 1,35,000 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 (Upto 24/08/2012)
Mr. Nitin R. Patel	Member (From 09/11/2012)
Mr. Vikram R. Patel	Member (From 09/11/2012)

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 3. No complaints were pending as on March 31, 2013.

During the year 2012-2013, four meetings of Committee were held on May 26, 2012, July 28, 2012, November 08, 2012 and February 09, 2013 in which following members were present.

Name of Director	Meetings attended
Mr. Amarsinh J. Vaghela	4
Mr. Girish N. Patel	2
Mr. Sandip V. Patel	4
Mr. Nitin R. Patel	4
Mr. Vikramkumar R. Patel	4

Other Committees

Finance and Investment Committee

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

General Body Meetings

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

Financial Year	Date	Time	Venue
2009-10	September 08, 2010	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2010-11	September 27, 2011	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2011-12	September 29, 2012	11.00 a.m.	Loins Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006

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

Date of AGM	Special Resolution Passed
September 08, 2010	Nil
September 27, 2011	Nil
September 29, 2012	<ul style="list-style-type: none"> Increase the remuneration of Mrs. Rajeshri R. Patel, holding place of profit under section 314 of the Companies Act. 1956

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

Date of AGM	Ordinary Resolution Passed
March 11, 2013	<ul style="list-style-type: none"> Appointment of Auditor M/s Surana Maloo & Co., Chartered Accountants in a casual vacancy caused by the resignation of M/s Shashikant Patel Associates, Chartered Accountants

No resolution was passed through postal ballot during 2012-13 nor is there any proposal to pass resolution through postal ballot.

Unclaimed Shares lying in Demat Suspense Account:

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

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

Disclosures

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

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 -

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

Disclosure of Related Party Transactions

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

Disclosure of Accounting Treatment

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

Disclosure on Risk Management

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

Code of Conduct

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

CEO/CFO Certificate

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

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2012-13, 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

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

General Shareholders Information

1. Annual General Meeting

Date and Time : September 30, 2013 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 16, 2013 to September 21, 2013 (both days inclusive) for payment of dividend.

4. Dividend payment date : between October 05, 2013 and October 10, 2013.

5. Stock Code

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

6. Listing on Stock Exchanges :

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

B: Debt Securities (Debentures)

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

INE226H07015- NCDS of Rs. 10 Lakh each
INE226H07023- NCDS of Rs. 100 Lakh each

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

Note : Annual listing fees for the year 2013-14 has been paid to the BSE and NSE

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 2012	158.95	137.10	164.95	137.00
May 2012	144.50	120.00	143.90	111.30
June 2012	148.45	118.00	148.50	118.50
July 2012	151.75	130.05	151.90	130.30
August 2012	139.00	110.70	141.00	127.95
September 2012	150.95	125.00	150.95	127.10
October 2012	156.15	136.95	165.00	136.00
November 2012	146.85	134.90	145.95	135.00
December 2012	140.00	127.00	139.50	126.65
January 2013	140.90	119.00	139.95	118.00
February 2013	133.40	105.55	133.45	106.05
March 2013	122.00	103.05	122.00	104.35

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

9. Share Transfer System

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

10. Shareholding as on March 31, 2013

a. Distribution of shareholding as on March 31, 2013

No. of shares	No. of shareholders	% to total	No of shares held	% to total
1 - 500	6658	85.54	1200140	0.7951
501 - 1000	463	5.95	345750	0.2291
1001 - 2000	244	3.14	344619	0.2283
2001 - 3000	96	1.23	243543	0.1613
3001 - 4000	40	0.51	144967	0.0960
4001 - 5000	44	0.57	200955	0.1331
5001 - 10000	65	0.84	482116	0.3194
Above 10000	173	2.22	147983710	98.03
Total	7783	100.00	150945800	100.000

b. Categories of shareholders as on March 31, 2013

Category	No. of shares	% to total
Promoters	71325880	47.43
Mutual Fund	36066003	23.89
Banks, Financial institutions, Insurance companies	300000	0.19
FII	28820583	19.09
Other private corporate bodies	10707742	7.09
Indian Public	3595674	2.38
NRI / OCB	129918	0.08
Total	150945800	100

11. Dematerialization of shares and liquidity :

99.99% of the Company's paid-up equity share capital has been dematerialized up to July, 2013. Trading in equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).

12. Transfer of unclaimed amount received against the applications and allotment of equity shares during the IPO to Investor Education and Protection Fund :

During the year under review, the Company has credited Rs. 3.05 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

13. SEBI Complaints Redress System (SCORES) :

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

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

As at March 31, 2013, 11,73,500 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, 2013.

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

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

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

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

For Sadbhav Engineering Limited

Place : Ahmedabad,
Date : May 30, 2013

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, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

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

Place : Ahmedabad
Date : May 30, 2013

S. D. Patel
PARTNER
Membership No. 37671

Management Discussion & Analysis

The company presents its annual report for the year 2012-13 and the view for the future based on the current business milieu which may vary due to future economic, political and other development on the Global as well as Indian facade.

1. ECONOMIC SCENARIO

As per the Mid-Year Economic Analysis, 2012-2013, Ministry of Finance Department of Economic Affairs Economic Division, the Indian economy after reporting a fairly robust growth of over 9 per cent during 2005-08, moderated to a growth of 6.7 per cent in 2008-09 because of the global financial crisis. Because there was fiscal and monetary space, timely stimulus allowed the economy to recover fairly quickly to a growth of 8.4 per cent in 2009-10 and 2010-11. Since then, however, the fragile global economic recovery and a number of domestic factors have led to a slowdown once again.

Having achieved a GDP growth of 5.1 percent in 2010, the rate of growth in the global economy declined to 3.8 per cent in 2011 and is expected to decline further to 3.3 percent in 2012, as per the World Economic Outlook released by the IMF in October 2012. The rate of growth of advanced economies declined from 3.0 per cent in 2010 to 1.6 percent in 2011 and is expected to decline further to 1.3 per cent in 2012.

2. INDUSTRY SYNOPSIS

As per Moody's Investor's Service, "India's budget for the next fiscal year offers a "realistic" plan to meet the country's fiscal deficit target. India's fiscal consolidation plans, could pave the way for monetary easing, thereby helping revive economic growth of the country. This plan of modest fiscal consolidation is a realistic effort to correct India's macroeconomic imbalances. It seeks to meet its fiscal deficit target of 4.8 percent of gross domestic product by raising revenue to fund a dash for growth."

The Indian Government plans new and innovative instruments to mobilise funds for investment in infrastructure sector. Such as, encouraging Infrastructure Debt Funds (IDF), Infrastructure tax-free bond of ` 50,000 crore in 2013-14, Build roads in North eastern states and connect them to Myanmar with assistance from WB & ADB.

3. OPPORTUNITIES AND STRENGTHS

The Indian Government plans a regulatory authority for road sector and 3000 kms of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh will be awarded in the first six months of 2013-14.

The average annual growth rate of agriculture and allied sector was 3.6% during XI Plan as against 2.5% and 2.4% in IX and X plans respectively.

In the medium to long term need to reduce our country's dependence on imported coal. The Government plans to devise a PPP policy framework with Coal India Limited as one of the partners.

Sadbhav's long-standing understanding, knowledge and execution ability, of infrastructure development and a successful track record in this field, encourages us to make the most of this opportunity paved by our Government.

The present horizon of the world is blurred by the Global Economic storm, but we at Sadbhav we believe in being calm and strong and patient. Meet failure with courage. In danger, in adversity, we cling to our principles and dreams to achieve higher levels of growth. The team of Sadbhav has and always will strive to navigate towards growth by altering risks into Opportunities.

4. SEGMENT WISE PERFORMANCE

As on March 31, 2013 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, 2013 amounted to Rs. 1804.81 crores whereas revenue of "Power Generation" Segment amounted to Rs. 6.19 crores.

(b) Segment Results

Profit before interest and tax of "Construction & Engineering" Segment for the year ended March 31st, 2013 amounted to Rs. 211.80 crores whereas of "Power Generation" Segment amounted to Rs. 4.88 crores.

(c) Capital Employed

The capital employed of "Construction & Engineering" Segment for the year ended March 31st, 2013 amounted to Rs. 832.52 crores whereas of "Power Generation" Segment amounted Rs. Nil.

5. OUTLOOK

With the Indian Government planning new and innovative instruments to mobilise funds for investment in infrastructure sector, this industry can foresee a considerable growth.

At present Sadbhav is implementing a large number of projects. Our focus on our core sectors of roads and highways, irrigation and mining operations will remain undaunted, ensuring quality execution.

Sadbhav will also keep an eye on the opportunities in infrastructure development like ports, pipelines and airports where we can utilize our skills and equipment.

6. RISKS AND CHALLENGES

The under the weather scenario of the global economy is by and far the biggest challenge for Sadbhav. Apart from this there are several hurdles that obstruct the smooth running of the Company. Concerns 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 as great obstacles on the path of growth of the Construction Industry. We also cannot over look that Roads and highways are prone to major time-cost over-runs. Land acquisition and removal of encroachments continue to be major challenges in project Completion.

7. MINIMIZING RISKS

We at Sadbhav believe that a stitch in time, save nine, as a result risk management is a supreme and fundamental part of our 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. We have a in place reporting and control mechanism to ensure timely availability of information which assists preventive risk management. All vital functions and divisions independently monitor risk related within their prospective areas of operations.

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

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

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

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

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

9. FINANCIAL OVERVIEW

(a) Income Analysis

The Company's revenues for the current year stood at Rs.1810.99 crores as against Rs.2675.55 crores in the previous year, thereby registering a decline of 32.31%.

(b) Expense Analysis

Manufacturing and Construction expenses

Material consumed for the year ended March 31st, 2013 amounted to Rs.268.38 crores, construction expenses decreased from Rs.1916.20 crores incurred during 2011-12 to Rs.1251.29 crores.

Depreciation, Interest and Finance cost

Depreciation during 2012-13 amounted to Rs.31.82 crores as against Rs.27.44 crores recorded in 2011-12. Finance cost increased from Rs.65.11 crores in 2011-12 to Rs.84.37 crores in 2012-13.

(c) Profit Analysis

EBDITA during 2012-13 stood at Rs.166.09 crores as against Rs.301.10 crores recorded during 2011-12. Profit after tax for 2012-13 stood at Rs.74.07 crores as compared to Rs.140.56 crores during 2011-12.

(d) Net Worth

The company also saw a rise in the Net worth from Rs.762.31 crores in 2011-12 to Rs.832.52 crores in 2012-13.

(e) Dividend

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

10. HUMAN RESOURCE DEVELOPMENT

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

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

11. CAUTIONARY STATEMENT

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

Independent Auditor's Report

To,
The Members of,
Sadbhav Engineering Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sadbhav Engineering Limited ("the company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of section 274(1) (g) of the Act.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2013

Annexure to Independent Auditors' Report

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

1. In respect of its fixed assets:

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

2. In respect of its inventories:

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

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

- a) The Company has given loan to four subsidiaries. In respect of the said loan, the maximum amount outstanding at any time during the year is Rs. 8032.25 lacs and the year-end balance is Rs. 7889.98 lacs.
- b) In our opinion and according to the information and explanations given to us, interest has been charged on loan except in case of one company 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 one company covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved was Rs. 52.30 Lacs and the balance at the year end was Rs. 52.30 Lacs.
- f) The rate of interest and other terms and conditions of loan taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- g) The principal amount is repayable on demand and therefore the question of overdue amounts does not arise.

4. In respect of Internal Control:

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

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

- a) In our opinion and according to the information and explanations given to us, the Particulars of contracts or arrangements

that need to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

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

6. In respect of deposits from public:

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

7. In respect of internal audit system:

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

8. In respect of maintenance of cost records:

We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- c) The disputed statutory dues aggregating to Rs.1303.03 Lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs. in Lakhs)
01.	The Custom Act, 1962	Custom duty	2001-2002	Commissioner (Appeal)	104.95
02.	Service Tax Act, 1994	Service Tax	2005-2006	CESTAT, Ahmedabad	67.29
03.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	In Process of Filing of Appeal before Appropriate Authority	545.05
04.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	In Process of Filing of Appeal before Appropriate Authority	19.84
05.	The Income Tax Act, 1961	Income Tax	2004-05 to 2009-10	Commissioner (Appeal)	565.90
				TOTAL	1303.03

10. In respect of accumulated losses and cash losses:

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

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

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

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

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

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

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

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

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

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

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

16. In respect of application of term loans:

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

17. In respect of fund used:

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

18. In respect of preferential allotment of shares:

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

19. In respect of securities created for debentures:

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

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

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

21. In respect of fraud:

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

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2013

Balance Sheet as at March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2013	As at 31-03-2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1509.46	1503.68
(b) Reserve and Surplus	2.2	81742.41	74726.96
		83251.87	76230.64
(2) Non-current Liabilities			
(a) Long Term Borrowings	2.3	31215.94	13056.63
(b) Deferred Tax Liabilities	2.4	3169.17	2345.31
(c) Other Long Term Liabilities	2.5	7819.19	7541.88
(d) Long Term Provisions	2.6	226.85	182.83
		42431.15	23126.65
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	36095.69	27224.10
(b) Trade Payables	2.8	32906.60	32129.43
(c) Other Current Liabilities	2.9	33003.86	36670.44
(d) Short Term Provisions	2.10	21393.90	18559.69
		123400.05	114583.66
TOTAL		249083.07	213940.95
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	32943.07	28784.24
(ii) Intangible Assets	2.12	83.39	22.74
		33026.46	28806.98
(b) Non-current Investments	2.13	53845.28	32873.21
(c) Long Term Trade Receivables	2.14	4167.79	4366.43
(d) Long Term Loans, Advances and Deposits	2.15	15196.31	7303.43
		73209.38	44543.07
(2) Current Assets			
(a) Current Investments	2.16	0.00	354.29
(b) Inventories	2.17	10219.02	8839.33
(c) Trade Receivables	2.18	73649.15	74741.69
(d) Cash and Cash Equivalents	2.19	2175.51	5633.81
(e) Short-Term Loans and Advances	2.20	55236.10	49230.61
(f) Other Current Assets	2.21	1567.45	1791.17
		142847.23	140590.90
TOTAL		249083.07	213940.95

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

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Profit and Loss Statement for the Year Ended March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	2012-2013	2011-2012
I Revenue from Operations	2.22	181099.80	267554.91
II Other Income	2.23	1034.78	1082.06
III Total Revenue (I+II)		182134.58	268636.97
IV Expenses :			
Cost of Material Consumed	2.24	26838.35	32966.41
Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	2.25	0.00	0.00
Construction Expenses	2.26	125128.73	191620.53
Employee Benefits Expense	2.27	4280.74	4002.31
Finance Cost	2.28	8436.97	6511.19
Depreciation and amortization Expense		3182.25	2743.90
Other Expenses	2.29	9277.25	9937.36
Total Expenses		177144.29	247781.70
V Profit Before Exceptional Items and Tax (III-IV)		4990.29	20855.27
VI Exceptional Items (Performance Bonus)	2.47	6093.98	0.00
VII Profit Before Tax		11084.27	20855.27
VIII Tax Expense			
(1) Current Tax		2853.56	6072.14
(2) Deferred Tax		823.86	738.32
(3) Short/(Excess) Provision for taxation for earlier years		(0.51)	(11.35)
IX Profit/(Loss) for the period from continuing Operations (V-VI)		7407.36	14056.16
X Earning per Equity Share: (in Rupees)			
(1) Basic	2.30	4.91	9.36
(2) Diluted	2.30	4.89	9.28
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Cash Flow Statement for the Year 2012-2013

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	7407.36	14056.16
Adjustments For :		
Finance Expenses (Net of Interest Income)	7560.00	5549.10
Depreciation & Amortisation	3182.25	2743.90
Profit on sale of Assets	(82.78)	(119.45)
Loss on sale of Assets	57.73	173.57
Stock Option Premium	377.68	402.46
Income Tax Provision	2853.05	6060.79
Foreign Exchange Loss	36.75	198.68
Deferred Tax Liabilities/(Assets)	823.86	738.32
	14808.54	15747.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	22215.90	29803.53
Adjustment For :		
(Increase)/Decrease of Trade & other Receivable	1496.20	(10323.88)
(Increase)/Decrease Inventories	(1379.69)	(1918.51)
(Increase)/Decrease Loans & Advances	(3366.41)	6918.72
Increase/(Decrease) Trade Payable & other Payables	(7436.31)	(9911.53)
	(10686.21)	(15235.20)
Cash generated from Operations	11529.69	14568.33
Tax Paid	(4948.38)	(4062.34)
	(4948.38)	(4062.34)
Net Cash From Operating Activities	6581.31	10505.99
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(7202.24)	(9988.10)
Sales of Fixed Assets	248.57	1358.71
Investments in Subsidiary Companies	(20541.92)	500.40
Investments in Associate Companies	(451.10)	(540.80)
Other Investments	320.24	(474.49)
Advance Recd. from subsidiary against sale of shares in other subsidiaries	451.10	41.20
Loan to Subsidiary Companies	(5583.07)	(1917.56)
(Increase)/Decrease in Other FD	(1375.83)	110.88
Interest Received	913.92	808.62
	(33220.34)	(10101.15)
Net Cash From Investing Activities	(33220.34)	(10101.15)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Fresh Capital including Premium	289.00	246.00
Proceeds From Borrowings	26830.50	6483.93
Repayment of Borrowings	(7376.26)	(4798.42)
Net Increase in Working Capital Loan	11503.97	2316.72
Interest Paid	(8396.26)	(6317.97)
Dividend Paid	(905.14)	(899.25)
Dividend Tax Paid	(140.65)	(149.35)
Transfer Investor Protection & Education Fund	(0.26)	0.00
	21804.90	(3118.34)
Net Cash From Financing Activities	21804.90	(3118.34)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(4834.13)	(2713.48)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	5474.44	8187.92
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	640.31	5474.44
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	32.46	21.54
BALANCE IN CURRENT ACCOUNT WITH BANKS	607.60	386.08
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	0.25	5066.82

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

As per our Audit Report of even date attached
For Surana Maloo & Co.
Chartered Accountants (Firm Reg. No. 112171W)

For and on behalf of Board
V. M. Patel
Managing Director
Nitin R. Patel
Executive Director

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

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Corporate Information:

The Company, Sadbhav Engineering Limited is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, 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 through Wind Power Project.

Note 1. Significant Accounting Policies:

a) Basis of Preparation

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

b) Use of accounting Estimates:

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

c) Inventories:

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

Work in progress is valued at contract rates.

d) Cash and Cash Equivalent:

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

e) Cash Flow Statement

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

f) Depreciation and Amortisation

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

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

years and software used at Project sites are amortised over the project completion period.

g) Recognition of contract revenue and expenses:

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

h) Other Income

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

i) Fixed Assets (Tangible / Intangible)

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

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

j) Impairment of Assets:

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

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

k) Foreign Currency Transactions and Translations:

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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

Non monetary foreign currency items are carried at cost.

l) Investments:

Trade Investments are the investments made to enhance the Company's business interest. Investments are either classified as current or 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) Employee Benefits:

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

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

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

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

n) Employee Share Based payment

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

o) Borrowing Costs:

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

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

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

p) Earning per share (EPS):

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

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

q) Income Taxes:

Tax Expenses comprise Current Tax and Deferred Tax.

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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

r) Impairment of Assets

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

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) 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

u) 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.

v) Derivative Contracts:

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

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

w) Insurance Claims

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

x) Service Tax Input Credit

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

y) Operating Cycle

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

z) 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 31-03-2013	As at 31-03-2012
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 150945800 (150367800) Equity shares of Re.1/- each with voting rights	1509.46	1503.68
(c) Reconciliation of Nos. of Equity shares with voting rights:		
Outstanding at the beginning of the year (Nos.)	150367800	149875800
Addition during the year towards ESOP (Nos.)	578000	492000
Outstanding at the end of the Year (Nos.)	150945800	150367800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company		
Name	No.of shares & (%)	No.of shares & (%)
Vishnubhai M. Patel	10763570 (7.13)	10763570 (7.16)
Shantaben V. Patel	14715375 (9.75)	14715375 (9.79)
Sadbhav Finstock Private Limited	16545275 (10.96)	16545275 (11.00)
(f) Shares reserved for Issue under ESOP @Rs.50/- per share (Face Value Re.1/-) (Nos.)	1167500	1820000
The activity in the ESOP-2008 during the year ended March 31, 2013 and March 31, 2012 respectively, is set out below:		
Particulars	As at March 31, 2013 (Figure in Nos)	As at March 31, 2012 (Figure in Nos)
Option outstanding in the beginning of the Year	18,20,000	24,42,000
Option granted during the Nine Months	-	-
Less: Exercised	5,78,000	4,92,000
Less: Forfeited / Lapse	74,500	1,30,000
Option outstanding at March 31, 2013	11,67,500	18,20,000
Option exercisable at March 31, 2013	75,500	90,500
As at March 31, 2013, 11,67,500 equity shares have been kept reserved for issue against the outstanding options. Out of which 75,500 shares are vested and are exercisable at any point of time within three years from the date of vesting. The vesting schedule for remaining 10,92,000 option is as under:		
No of Option	Vesting Date	
For 5,46,000 Option	04-10-2013	
For 5,46,000 Option	04-10-2014	
The exercise price of option is Rs. 50/- per option granted.		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.2 Reserve and Surplus		
(a) Capital reserve	345.00	345.00
Closing Balance	345.00	345.00
(b) Security Premium Account		
As per Last Balance Sheet	27520.15	26929.26
Addition during the year	694.18	590.89
Closing Balance	28214.33	27520.15
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1814.80	1214.80
Addition during the year	0.00	600.00
Closing Balance	1814.80	1814.80
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	263.14	210.49
Addition during the year	377.68	402.46
Less: Transferred to Security Premium Account	410.96	349.81
Closing Balance	229.86	263.14
(e) General Reserves		
As per Last Balance Sheet	7410.18	6010.18
Addition during the year	750.00	1400.00
Closing Balance	8160.18	7410.18
(f) Profit and Loss account		
As per Last Balance Sheet	37373.69	26366.10
Net Profit for the year	7407.36	14056.16
Appropriations:-		
Transfer to general reserves	750.00	1400.00
Transfer to Debenture Redemption reserves	0.00	600.00
Proposed Dividend (Re. 0.60 per share)	905.70	902.21
Tax on Proposed Dividend	147.11	146.36
Closing Balance	42978.24	37373.69
Total	81742.41	74726.96

2.3 Long Term Borrowings

(a) Bonds/Debentures

(Secured)

11.95% secured redeemable non-convertible debentures	0.00	3000.00
--	------	---------

Life Insurance Corporation of India (300 debentures of Rs.10 Lakhs each)

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. These debentures are repayable on 23/03/2014

Secured redeemable non-convertible debentures	12740.00	0.00
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ICICI Bank (130 debentures of Rs. 1 Crore each)

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

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
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Rate of interest of above NCD is ICICI Bank base rate plus spread of 1.75%

Repayment Schedule of Debentures is as under:

Repayable during the year	No of Installments	Maturity Amount
2014-15	4	1040.00
2015-16	4	1300.00
2016-17	4	2600.00
2017-18	4	7800.00

(b) Term Loans

Secured

From Banks:-

(a) Foreign Currency Term Loan (ECB) 10610.60 8513.52

(b) Rupee Term Loan 7422.87 1130.19

(Secured by way of hypothecation of specific machineries and equipments purchased)

From Financial Institutions 442.47 412.92

(Secured by way of hypothecation of specific machineries and equipments purchased)

Total	31215.94	13056.63
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Repayable during the year	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2014-15	154	9857.73	139.00
2015-16	143	3057.69	151.56
2016-17	125	2134.02	151.92
2017-18	4	596.81	-
2018-19	4	596.81	-
2019-20	4	596.80	-
2020-21	4	596.80	-
2021-22	4	596.80	-

Interest Payable on Rupee Term Loan from Banks & Financial Institutions is ranging from 8.47% 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	2345.31	1606.99
Add : Deferred Tax Liability on depreciation	834.00	730.68
Less : Provision/(Excess provision) of Gratuity	10.14	(7.64)
Closing Balance of Deferred Tax Liability	3169.17	2345.31

2.5 Other Long Term Liabilities

(a) Advance Received From Clients	571.01	703.57
(b) Security & Other Deposits from Sub-contractors	290.84	322.52
(c) Advance Received for sale of Shares	6957.34	6506.24
(d) Other Liability-Miscellaneous Liability	0.00	9.55

Total	7819.19	7541.88
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Advance towards sale of shares Rs. 6957.34 Lakh (6506.24 Lakh) disclosed under 'other long term liabilities' represents payment received from subsidiary (SIPL) and consequential economic interest / ownership rights thereunder in respect of some of the SPVs. The Company is in the process of obtaining regulatory approvals to get such shares transferred in its subsidiary (SIPL)'s name.

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	226.85	182.83
Total	226.85	182.83
2.7 Short-Term Borrowings		
Secured		
Loans repayable on demand		
Short Term Loan from Banks	28613.37	15320.38
Overdraft due to Issuance of Cheques	1130.77	2919.79
Secured by		
a Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
b First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and second charge on machineries owned by the company.		
c Personal Guarantee of Shri Vishnubhai M. Patel, Shri Shashinbhai V. Patel, Smt. Shantaben V. Patel, Shri Girishbhai N. Patel.		
Unsecured		
From Banks	2500.00	2500.00
From Related parties		
From Directors	3799.25	6483.93
From Others - (From company in which Directors are Directors)	52.30	0.00
Total	36095.69	27224.10
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	32906.60	32129.43
Total	32906.60	32129.43
* As per information available with the company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues outstanding more than 45 days on account of principal amount together with interest and accordingly no additional disclosures have been made.		
2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Secured		
Non Convertible Debentures	3260.00	0.00
Loan from Banks	5188.02	4056.77
Loan from Financial Institutions	538.77	542.96
(b) Sundry Creditors for Capital Goods	48.62	2191.56
(c) Interest Accrued but not due on Loans	218.95	214.99
(d) Unclaimed Dividend *	5.50	2.50
(e) Statutory Dues	2406.78	2314.91
(f) Advances Received from Clients **	21307.63	27344.47
(g) Unpaid IPO & Right Issue Money	0.01	0.27
(h) Miscellaneous Liabilities	29.58	2.01
Total	33003.86	36670.44
* Note :-There was no amount outstanding as on 31.03.2013, which is required to be transferred to Investor Education and Protection Fund (IEPF)		
** Advance Received from Clients includes Rs. 16206.57 Lakh (16918.65 Lakh) from subsidiaries		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	6.99	6.08
(b) Proposed Dividend	905.67	902.21
(c) Tax on Proposed Dividend	146.92	146.36
(d) Provision for FBT	0.00	24.83
(e) Provision for Wealth Tax	1.93	1.38
(f) Provision for Income Tax	20332.39	17478.83
Total	21393.90	18559.69

Fixed Assets

2.11 Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Deduction	Adjstments of Foreign Exc	Up to 31.03.2013	Up to 01.04.2012	For the Current Year	Deduction/ Adjustments	Up to 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land-Free Hold	221.95	56.52	0.00	-	278.47	0.00	0.00	0.00	0.00	278.47	221.95
Building	1633.24	7.42	0.00	-	1640.66	124.64	29.18	0.00	153.82	1486.84	1508.60
Furniture	201.93	276.51	0.00	-	478.44	62.15	21.49	0.00	83.64	394.80	139.78
Office Equipment	452.63	44.84	0.00	-	497.47	229.60	55.12	0.00	284.72	212.75	223.02
Machineries	33422.18	7247.47	464.38	423.00	40628.27	14085.01	2721.57	255.45	16551.13	24077.14	19337.18
Vehicles	657.82	118.70	33.00	-	743.52	422.83	67.61	18.41	472.03	271.49	234.99
Wind Mills	5085.19	0.00	0.00	0.00	5085.19	5.88	268.50	0.00	274.38	4810.81	5079.31
Assets Not put to use	2039.42	1393.04	2021.69	-	1410.77	0.00	0.00	0.00	0.00	1410.77	2039.42
Total Tangible Assets	43714.36	9144.50	2519.07	423.00	50762.79	14930.11	3163.47	273.86	17819.72	32943.07	28784.25

2.12 In Tangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Deduction	Adjstments of Foreign Exc	Up to 31.03.2013	Up to 01.04.2012	For the Current Year	Deduction/ Adjustments	Up to 31.03.2013	As on 31.03.2013	As on 31.03.2012
Computer Software	635.66	79.43	0.00	-	715.09	612.91	18.79	0.00	631.70	83.39	22.74
Total Amount Rs.	44350.02	9223.93	2519.07	423.00	51477.88	15543.02	3182.26	273.86	18451.42	33026.46	28806.99
Previous Year	37152.13	9988.10	2790.20	0.00	44350.03	14176.50	2743.90	1377.37	15543.03	28806.99	-

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

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.13 Non-current Investments (at cost)		
Trade Investment		
Investment in Equity Instruments (Unquoted) :-		
In Subsidiary companies		
(a) Nagpur Seoni Expressway Ltd.		
2,44,80,000 (2,44,80,000) Fully Paid up Equity Shares of Rs. 10/- each	2448.00	2448.00
1,44,00,000 (1,44,00,000) Shares have 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.		
(b) Sadbhav Infrastructure Project Ltd. 2,18,84,856 (2,00,49,940)		
Fully Paid up Equity Shares of Rs. 10/- each	38472.99	25972.99
26,00,717 (NIL) Shares have been pledged out of 2,18,84,856 (2,00,49,940) shares held in Sadbhav Infrastructure Project Ltd. with ICICI Bank		

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
(c) Maharashtra Border Check Post Network Ltd. 31,440 (31,440) Fully Paid up Equity Shares of Rs. 10/- each 14997 (14997) Shares have been pledged out of 31,440 (31,440) shares held in Maharashtra Border Check Post Network Ltd. with the lenders of Maharashtra Border Check Post Network Ltd.	1832.64	1832.64
(d) Shreenathji Udaipur Tollway Private Limited 53,93,242 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	539.32	0.00
(e) Solapur-Bijapur Tollway (P) Limited 13,000 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	1.30	0.00
(f) Bhilwara Rajsamand Tollway Private Limited 13,000 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	1.30	0.00
	43295.55	30253.63
Investment in Debt Securities (Unquoted) :-		
In Subsidiary companies		
Sadbhav Infrastructure Project Limited-Compulsory Convertible Debentures 1100950 (Nil) No. of Debentures of Rs. 681.23/- each Interest rate 0.01% per annum	7500.00	0.00
Each CCD shall be automatically converted upon the earlier to occur of (i) the Final Adjustment Date Or (ii) the closing of an initial public offering of the Equity Shares of SIPL, in either case without the payment of any additional consideration, into the number of Fully Paid Equity Shares determined by dividing the Initial purchase price by the Conversion price in effect at the time of conversion. There shall be no partial conversion of CCDs. The Conversion price shall initial be the Initial Purchase Price and shall be adjusted and readjusted from time to time as provided.		
In Associate companies:-		
(a) Equity Participation in Mumbai Nasik Expressway Ltd. 1,04,00,000 (1,04,00,000) 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. 1,63,80,000 (1,17,39,000) Fully Paid up Equity Shares of Rs. 10/- each 68,850 (68,850) Shares has been pledged out of 1,17,39,000 (64,61,000) shares held in Dhule Palesner Tollway Ltd with lenders	1638.00	1173.90
(c) Share application Money with Dhule Palesner Tollway Ltd.	0.00	13.00
	2678.00	2226.90
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	58.18	89.92
[e] 12.5% 10 (10) Nos Debentures of Srei Equipment Finance Ltd. of Rs. 10,00,000/- each.	100.00	100.00
[f] Investment in NSC	10.99	0.20
	371.73	392.68
Total	53845.28	32873.21

Aggregate Value of Un-Quoted Investment Rs. 53845.28 (32873.21) Lakh
(NSC pledged with Post master-Bhubaneshwar & Collector Chhindawada)

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.14 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)	4167.79	4366.43
Total	4167.79	4366.43

2.15 Long Term Loans and Advances		
Unsecured, considered good		
(a) Loan to Subsidiary Companies	7889.98	2306.91
(b) Advances for Goods and Services	4387.23	2414.13
(c) Advances to Suppliers for Fixed Assets	1592.62	620.58
(d) Group Gratuity Fund	208.00	133.65
(e) Security & Other Deposits	1118.48	1828.16
Total	15196.31	7303.43

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	2012-13		2011-12	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Maharashtra Border Check Post Network Ltd.	247.08	247.08	247.08	247.08
Nagpur - Seoni Expressway Ltd.	142.27	-	142.27	142.27
Sadbhav Infrastructure Project Limited	5,441.19	5,441.19	3,838.80	1,917.56
Shreenathji Udaipur Tollway Pvt. Ltd.	2,157.30	2,157.30	-	-

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

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

2.16 Current Investments		
Trade : Un-quoted		
Bonds of Sardar Sarovar Narmada Nigam Limited	0.00	354.29
Total	0.00	354.29

2.17 Inventories		
(a) Construction Materials	8840.76	7477.39
(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)	448.67	432.35
Total	10219.02	8839.33

2.18 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months	12973.96	1383.95
(b) Other Debts		
(i) Due from Companies in which director of the company is a Director	6392.75	21139.48
(ii) Due from Others	54282.44	52218.26
Total	73649.15	74741.69

Notes forming Part of the financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.19 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	32.46	21.54
(b) Balance with Banks		
(i) In Current Accounts	607.60	386.08
(ii) In Fixed Deposit - original maturity of 3 months or less	0.25	5066.82
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity*	1526.19	153.10
(b) In earmarked accounts		
(i) For Margin Money	3.50	3.50
(ii) Unclaimed Dividend	5.50	2.50
(iii) Unpaid Right Issue Money	0.01	0.01
(iv) Unpaid IPO Money	0.00	0.26
Total	2175.51	5633.81
Balance with bank include deposits of Rs. 1037.12 (33.92) Lakh with remaining maturity of more than 12 months from the balance sheet date.		
* Fixed Deposit includes Rs. 1150.41 (153.10) Lakh Pledged with Central and various State Governments/ Undertakings		
2.20 Short-term Loans and Advances		
<u>Unsecured, considered good</u>		
(a) Advances		
(i) Advances for goods and Services	13681.11	15803.42
(ii) Advances to Officers	1.53	3.33
(iii) Advances to Others	102.37	108.12
(b) Advance Fringe Benefit Tax	0.00	24.35
(c) Advance Income Tax	20552.31	15603.42
(d) Advance Sales Tax & Service Tax	2225.61	2048.69
(e) Prepaid Expenses	3033.75	1449.18
(f) Security & Other Deposits	15639.42	14190.10
Total	55236.10	49230.61
2.21 Other Current Assets		
(a) Interest Accrued But Not Due on Investment	19.01	92.71
(b) Receivable against Sale of Assets	1233.20	1178.20
(c) Others		
Recoverable in Cash or Kind		
(i) Due from Subsidiaries	305.89	297.83
(ii) Due from others	9.35	222.43
Total	1567.45	1791.17

Notes forming Part of the financial statements

(₹ in Lakhs)

	2012-2013	2011-2012
2.22 Revenue from Operations		
Contracts Receipt	181099.80	267160.76
Other Operating Income	0.00	394.15
Total	181099.80	267554.91
2.23 Other Income		
(a) Interest Income		
(i) From Subsidiary	69.44	43.06
(ii) From Current Investments	236.81	470.27
(iii) From Non -Current Investments	110.08	31.13
(iv) From Others	423.89	262.47
(b) Profit on sale of Current Investment	0.00	0.29
(c) Profit on Sale of Assets	82.78	119.16
(d) Miscellaneous Income	111.78	155.68
Total	1034.78	1082.06
2.24 Cost of Material Consumed		
Opening Stock	7477.39	5532.31
Add Purchase	28198.02	34911.49
	35675.41	40443.80
Less Closing Stock of Material	8837.06	7477.39
Total	26838.35	32966.41
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	108709.46	174337.43
Power & Fuel	12640.49	14231.92
Stores Consumed	273.09	344.11
Repairs & Maintenances-Construction Machineries	1732.74	1307.15
Transportation Expenses	195.91	138.37
Machinery Rent	546.70	251.33
Land Rent	141.28	170.66
Site Establishment Expenses	597.72	506.94
Mess Expenses	291.34	332.62
Total	125128.73	191620.53
2.27 Employee Benefits Expenses		
Salary & Wages	3320.20	3073.70
Contribution to PF and Other Funds	115.61	103.59
Group Gratuity Fund Expenses	31.26	28.45
Expense on Employee Stock Option Scheme [Refer Note No 2.1 (f)]	377.68	402.46
Directors' Remuneration	317.94	279.00
Staff Welfare expenses	118.05	115.11
Total	4280.74	4002.31
2.28 Finance Cost		
Interest Expenses		
(i) On Borrowings	7343.07	4977.23
(ii) On Taxes	111.66	168.37
Other Borrowing Costs	945.49	1166.91
Foreign Exchange Loss	36.75	198.68
Total	8436.97	6511.19

Notes forming Part of the financial statements

(₹ in Lakhs)

	2012-2013	2011-2012
2.29 Other Expenses		
Rent Expenses	109.64	118.76
Rates & Taxes	6273.57	6543.12
Vehicle Rent	134.07	112.29
Running & Maintenance of Vehicles	63.72	64.71
Repairs & Maintenances		
Building	47.62	36.33
Other assets	24.04	20.46
Insurance	239.50	237.42
Electricity Expenses-Head Office	19.12	12.35
Postage & Telephone	78.79	77.03
Stationary & Printing	54.89	45.87
Traveling & Conveyance Expenses, incl. Foreign Traveling Expenses		
Rs. NIL (Rs. NIL)	142.38	115.51
Directors' Traveling & Conveyance Expenses	28.87	16.49
Legal & Consultation Fees & Expenses	1153.40	1256.02
Donation to Bhartiya Janata Party	21.00	0.00
Donation Expenses-Others	61.18	72.82
Bank Charges	24.15	49.12
Auditors Remuneration (Refer Note No. 2.45)	24.98	21.48
Loss on Sales of Assets & Assets Written Off	57.73	173.57
Miscellaneous Expenses	697.76	515.35
Prior Period Adjustment (Refer Note No. 2.46)	20.84	448.66
Total	9277.25	9937.36

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 31/03/2013	As at 31/03/2012
Nominal Value of Equity Share (Re per share)	1.00	1.00
For Basic EPS :		
Number of Equity Shares at the beginning of the year	150367800	149875800
Addition during the year on allotment of shares under ESOP-2008 Scheme	578000	4,92,000
Number of Equity Shares at end	1509,45,800	1503,67,800
Weighted Average number of Equity Shares	1508,24,388	1502,35,175
For Diluted :		
Weighted Average number of Equity Shares as per above working	1508,24,388	1502,35,175
Add: On Grant of Stock Option under ESOP-2008	7,31,573	11,84,978
Weighted Average number of Dilutive Equity Shares	151555960.7	1514,20,153

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	7407.36	14056.16
Weighted Average number of Equity Shares	1508,24,388	1502,35,175
Basic EPS (Rs.)	4.91	9.36
Diluted EPS		
Net Profit after Tax	7,407.36	14,056
Weighted Average number of Diluted Equity Shares	1515,55,961	1514,20,153
Basic EPS (Rs.)	4.89	9.28

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	2012-2013	2011-2012
(a) Amount of Contract Revenue recognised as revenue during the period	181099.80	267160.76
(b) Disclosure in respect of Contract in Progress at the reporting date		
(i) Contract cost incurred and recognised profit less recognised losses upto the reporting date	506784.75	451719.24
(ii) Advances Received	21286.03	27287.10
(iii) Retention Amount	13784.78	12949.89
(c) Amount due from Customers for Contract in Progress	70416.06	72417.32
(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) The dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries Rs.104.95 (Rs.104.95) & Interest of Rs. 174.05 (Nil). The Company has filed the Appeal to Commissioner of Customs against the said order , hence no provision is made in the books of accounts
- (ii) 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. 28850 Lakhs (Rs. 10500 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) Company has received order of the Commissioner of service tax on 01st April, 2013 wherein Commissioner upheld the demand of Rs. 199.13 lakhs (Rs. 199.13 Lakhs) and impose penalty of Rs. 345.92 Lakhs (Nil). Company is in the process of filing of appeal before appropriate authority hence no provision has been made.
- (iii) Company has received Show-Cause Notice on 13th April, 2013 for imposing penalty of Rs. 19.84 Lakhs (Nil) under Rule 26 of the Central Excise Rules, 2002. Company is in the process of filing of appeal before appropriate authority hence no provision has been made.
- (iv) 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.
- (v) During the year Company has received Income Tax Assessment order u/s 143(3) r.w.s. 153A dated 28.03.2013 for the FY 2004-05 to FY 2009-10 and Income Tax Assessment order u/s 143(3) r.w.s. 153B(1)(b) for the FY 2010-11 dt. 28.03.2013. As per the Order additional Income Tax liability including interest for all the seven financial years was Rs. 565.90 Lacs. The company has filed the appeal with higher authority. Hence no provision has been made in the books of accounts.

B Capital & other Commitments

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

	As at 31/03/2013	As at 31/03/2012
(i) Loan Commitments	0.00	11500.00
(ii) Sub Ordinate Debt/Equity Shares in Subsidiary Companies	83249.84	33240.47

- C During the year ended March 31, 2013 the amount of per share dividend recognised as distribution to equity share holders is Rs. 0.60 (0.60) which comes to Rs. 905.67 Lakhs (Rs. 902.21 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 changes are as under:

Particulars	Outstanding	
	As at March 31, 2013	As at March 31, 2012
Currency Option-Repayment		
- Equivalent INR	14521.08	4865.96
- Equivalent USD	288.64	105.54
Interest Swap		
- Equivalent INR	3974.40	2005.11
- Equivalent USD	73.87	39.20

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2013		As at March 31, 2012	
	USD	INR	USD	INR
Interest Payable on Loan	Nil	Nil	9.78	500.51

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	2012-2013	2011-2012
Employer's Contribution to Provident Fund	96.98	92.78

(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, 2013.

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

	2012-2013	2011-2012
(a) Present Value Funded Obligations	208.00	133.65
(b) Fair Value of Plan Assets	208.00	133.65
(c) Liability Recognized in the Balance Sheet	18.85	49.17

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

	2012-2013	2011-2012
(a) Current Service Cost	36.54	39.78
(b) Interest on obligation	15.47	10.53
(c) Expected Return on plan assets	(14.73)	(9.58)
(d) Net Actuarial Losses / (Gains) recognized in the year	(6.03)	(26.69)
(e) Past Service Cost	0.00	0.00
(f) Losses/Gain on curtailment & Settlement	0.00	0.00
NET GRATUITY COST	31.25	14.04

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

	2012-2013	2011-2012
(a) Opening Defined Benefit Obligation	182.83	163.58
(b) Service Cost for the year	36.54	39.78
(c) Interest Cost for the year	15.47	13.91
(d) Actuarial Losses/ (Gain)	(6.37)	(24.60)
(e) Benefits Paid	(1.63)	(9.84)
Closing Defined Benefit obligation	226.84	182.83

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

	2012-2013	2011-2012
(a) Opening fair value of plan assets	133.66	90.86
(b) Expected Return	14.73	12.96
(c) Actuarial Gains	(0.34)	2.08
(d) Contribution by the employer	61.58	37.59
(e) Benefits paid	(1.63)	(9.83)
Closing fair value of the plan assets	208.00	133.66

(v) Major Category of plan assets as a percentage of total plan assets as on 31-03-2013 are as under:

	2012-2013	2011-2012
(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:**

	2012-2013	2011-2012
(a) Discount Rate as on 31-03-2013	8.10%	8.50%
(b) Expected return on plan assets at 31-03-2013	9.00%	9.00%
(c) Proportion of employees opting for early retirement		
- At Younger Ages	--	5.00%
- At Older Ages	--	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 employment are given in consolidated financial statements.

2.36 List of Related Parties

Subsidiaries :

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

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

Associate Companies

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

Joint Ventures:

SEL-GKC JV

Key Management Personnel (KMP):

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

Relatives of KMP:

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

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

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Quarry Works Pvt.Ltd., Sadbhav Public Charitable Trust, Bhavna Engineering Co., Saakar Infra Nirman Pvt. Ltd.

(₹ in Lakhs)

Transactions	Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Personnel and Enterprises over which Relatives of Key Managerial Persons having significant influence	TOTAL
Sub contracting Income	77377.50	2971.46	23233.95	---	---	103582.91
	(149701.80)	(26232.79)	(15658.45)	(--)	(--)	(191593.04)
Receiving of services	114.61	---	---	---	---	114.61
	(89.34)	(--)	(--)	(--)	(--)	(89.34)
Sub contracting Expenditure	---	---	---	---	12095.77	12095.77
	(--)	(--)	(--)	(--)	(4265.82)	(4265.82)
Remuneration	---	---	---	329.79	---	329.79
	(--)	(--)	(--)	(315.00)	(--)	(315.00)
Interest Expenses	---	0.00	---	296.35	2.56	298.90
	(---	(--)	(--)	(194.64)	(15.20)	(209.84)
Rent & Service charges	---	---	---	---	6.75	6.75
	(--)	(--)	(--)	(--)	(6.75)	(6.75)
Fixed Assets Purchases/(sales)	---	---	---	---	---	0.00
	(--)	(--)	(--)	(--)	(--)	0.00

Other Expenses	254.16	0.00	---	---	---	254.16
	(297.18)	(0.29)	(--)	(--)	(--)	(297.47)
Sale of Share	---	---	---	---	---	0.00
	(--)	(--)	(--)	(--)	(--)	0.00
Advance received during the year for Sale of shares	451.10	---	---	---	---	451.10
	(--)	(--)	(--)	(--)	(--)	(--)
Loan given during the year	9104.58	---	---	---	---	9104.58
	(9124.80)	(--)	(--)	(--)	(--)	(9124.80)
Interest Recd. On Loan	69.12	---	---	---	---	69.12
	(43.06)	(--)	(--)	(--)	(--)	(43.06)
Loan Received During the Year	---	---	---	2289.00	51.00	2340.00
	(--)	(--)	(--)	(5790.44)	(--)	(5790.44)
Mobilization Advance Received during the year	9750.00	0.00	395.93	---	---	10145.93
	(4750.00)	(--)	(587.59)	(--)	(--)	(5337.59)
Deposit repaid during the year	10462.08	319.46	839.33	5204.25	376.28	17201.41
	(25289.81)	(4616.06)	(739.65)	(793.73)	(2626.03)	(34065.28)
Mobilization Adv Given during the year	---	---	---	---	703.49	703.49
	(--)	(--)	(--)	(--)	(154.96)	(154.96)
Security Deposit - Retention Deducted during the year - Receivable	3295.88	319.46	1191.72	---	---	4807.06
	(6718.00)	(1089.61)	(870.96)	(--)	(--)	(8678.57)
Security Deposit - Retention Deducted from Sub Conct - Payable	---	---	---	---	978.94	978.94
	(--)	(--)	(--)	(--)	(433.88)	(433.88)
Donation Given	---	---	---	---	12.50	12.50
	(--)	(--)	(--)	(--)	(--)	(--)
Dividend Paid during the year	---	0.00	---	165.49	262.47	427.96
	(--)	(--)	(--)	(152.30)	(274.72)	(427.02)
Balance Receivable at the year end	6698.64	4920.86	3223.74	---	---	14843.24
	(10668.98)	(10943.32)	(3531.26)	(--)	(--)	(25143.56)
Balance Payable at the year end	---	---	---	---	494.49	494.49
	(--)	(--)	(--)	(--)	(136.85)	(136.85)
Closing Balance: Loan Given during year	7889.98	---	---	---	---	7889.98
	(2306.91)	(--)	(--)	(--)	(--)	(2306.91)
Closing Balance: Mobilization Advance Received	16206.57	0.00	1339.70	---	0.00	17546.27
	(16918.65)	(--)	(1783.10)	(--)	(--)	(18701.75)
Closing Balance: Mobilization Advance Given	---	---	---	---	446.84	446.84
	(--)	(--)	(--)	(--)	(56.11)	(56.11)
Closing Balance: Security Deposit - Receivable	2203.85	901.15	1626.98	---	---	4731.98
	(4330.53)	(1333.99)	(1135.90)	(--)	(--)	(6800.42)
Closing Balance: Security Deposit - Payable	---	---	---	---	997.33	997.33
	(--)	(--)	(--)	(--)	(393.41)	(393.41)
Closing Balance: Loan Received during year	---	---	---	3765.30	52.30	3817.60
	(--)	(--)	(--)	(5122.20)	(--)	(5122.20)
Closing Balance: Advance Received for Sale of Shares	6957.34	---	---	---	---	6957.34
	(6506.24)	(--)	(--)	(--)	(--)	(6506.24)

NOTE:-

1. Sub-contracting income from subsidiaries includes Rs. 10075.00 Lacs (Rs.51226.67 Lacs) , Rs. 20783.06 lacs (Rs. 27316.52 Lacs) and Rs. 38959.66 Lacs (Rs.50328.14 Lacs) from Bijapur Hungud Tollway Ltd , Maharashtra Border Checkpost Networks

Ltd. and Rohtak Panipat Tollway Ltd. respectively and at the year end Rs. NIL (Rs. 5273.41 Lacs), Rs. 2988.57 Lacs (Rs. 934.12 Lacs) and Rs. 349.50 (Rs. Nil) are receivable respectively from the above parties.

2. Sub-contracting Income from Associates included Rs. 2971.46 lacs (Rs.25,766.65 Lacs) from Dhule Palesner Tollway Ltd and at the year end Rs. 4920.86 Lacs (Rs. 10934.75 Lacs) are receivable.
3. Sub-Contract Expenditure of relatives of Key Managerial Personnel and Enterprice over which Relatives of Key Managerial Persons have Significant Influence includes Rs. 8830.95 Lacs (Rs.3550.13 Lacs) payable to Sarjan Infracon Pvt. Ltd. and Rs. 2225.85 Lacs (Rs.NIL) to Saakar Infra Nirman Pvt. Ltd., at the year end Rs. 231.82 Lacs (Rs. 110.75 Lacs) and Rs. Nil (Rs. 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 (Omkareshwar Project)	Jointly Controlled Operation	60%
4	SEL-GKC (Karimnagar Project)	Jointly Controlled Operation	52%
5	SEL-GKC (Omkareshwar Project)	Jointly Controlled Operation	40%
6	SEL-GKC (Managuru Project)	Jointly Controlled Operation	51%
7	SEL-GKC (BSHP-II)	Jointly Controlled Operation	50%
8	SEL-GKC (Govindpur Project)	Jointly Controlled Operation	50%
9	SEL-Annapurna (Basantimata Project)	Jointly Controlled Operation	80%
10	SEL-Vishnushiva (Maheshpur Project)	Jointly Controlled Operation	75%
11	SEL-Vaishnovi	Jointly Controlled Operation	72%

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		2012-2013 Value (%)	2011-2012 Value (%)
(i)	Imported	0 (0.00%)	5.50 (0.02%)
(ii)	Indigenous	29111.44 (100%)	34305.02 (99.98%)
Total		29111.44	33310.52

2.41 C.I.F. Value of Imports:

(₹ in Lakhs)

Particulars		2012-2013	2011-2012
(i)	Spares Parts	0	0
(ii)	Construction Material (Bitumen)	0.00	5.50
(iii)	Capital goods (Machineries)	417.70	1199.73

2.42 Expenditure in Foreign currencies:

(₹ in Lakhs)

Particulars		2012-2013	2011-2012
(i)	Traveling Expenses	0.00	0.00
(ii)	Interest	601.14	390.45
(iii)	Professional Fess	1.10	1.55
(iv)	Dividend	154.88	206.50
(v)	Sponsorship Fees	0.00	13.35

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	257,36,658	40	154.42	2011-12
	(343,39,806)	(36)	(206.04)	(2010-11)
Non Resident Indians	77,246	141	0.46	2011-12
	(76,671)	(108)	(0.46)	(2010-11)
Total	258,13,904	181	154.88	2011-12
	(344,16,477)	(144)	(206.50)	(2010-11)

2.44 Borrowing Cost:

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

2.45 Payment to Auditors:

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
(i) For Audit	16.86	14.03
(ii) For Taxation matters	3.37	2.81
(iii) For other services	4.49	4.43
(iv) Reimbursement of Expenses	0.26	0.21
Total	24.98	21.48

2.46 Prior Period Adjustments (Net)

The Details of Prior Period Adjustments are as under:- (₹ in Lakhs)

	2012-2013	2011-2012
Prior Period Expenses:		
Material Consumed	0.00	14.32
Construction Expenses	64.59	0.00
Group Gratuity Contribution	(20.59)	0.00
Rates & Taxes	0.00	460.80
Interest Paid	0.00	8.53
Prior Period Income:		
Interest Income	23.17	34.99
Total	20.83	448.66

2.47 Exceptional Item pertains to the Performance Bonus received on early execution of work contracts.

Bonus Received/Income Rs. 10973.98 Lakh
Bonus Expenses Rs. 4880.00 Lakh
Net Bonus Income Rs. 6093.98 Lakh

2.48 Some of the Balances of Advance to Contractors, Debtors & Advance received from clients are subject to confirmatin from parties.

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

2.50 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.

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

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director
Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director
Vijay Kalyani
Company Secretary

Consolidated Balance Sheet

Independent Auditors' Report on the Consolidated Financial Statements

To,
To the Board of Directors of
Sadbhav Engineering Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying financial statements of SADBHAV ENGINEERING LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) In the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

6. We did not audit the financial statements / consolidated financial statements of certain subsidiaries, whose financial statements / consolidated financial statements reflect total assets of Rs. 515841.84 lakh as at March 31, 2013, total revenues of Rs. 37772.07 lakh and net cash used in amounting to Rs. 7564.35 lakh for the year ended on that date. These financial statements / consolidated financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.
7. We draw attention to Note no. 2.40 to the Consolidated Financial Statements relating to amortization of intangible assets on straight line method for the reason stated in the said notes.

Our opinion is not qualified in respect of other matters.

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

S. D. PATEL
PARTNER
Membership No. 37671

Place : Ahmedabad
Date : May 30, 2013

Consolidated Balance Sheet as at March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	As at 31-03-2013	As at 31-03-2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	1509.46	1503.68
(b) Reserve and Surplus	2.2	119509.92	115824.99
		121019.38	117328.67
(2) Minority Interest			
		15567.40	17455.79
(3) Non-current Liabilities			
(a) Long Term Borrowings	2.3	405412.29	311212.84
(b) Deferred Tax Liabilities	2.4	3167.72	2344.37
(c) Other Long Term Liabilities	2.5	1123.67	1290.06
(d) Long Term Provisions	2.6	241.27	195.64
		409944.95	315042.91
(4) Current Liabilities			
(a) Short Term Borrowings	2.7	37318.48	30345.17
(b) Trade Payables	2.8	35377.93	33275.27
(c) Other Current Liabilities	2.9	23796.37	25124.47
(d) Short Term Provisions	2.10	21588.14	18735.51
		118080.92	107480.42
TOTAL		664612.66	557307.79
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	35424.19	31140.42
(ii) Intangible Assets	2.12	284953.90	94098.47
(iii) Capital Work In Progress	2.11	87.70	15.46
(iv) Intangible Assets under Development	2.12	163462.42	261035.04
		483928.21	386289.39
(b) Non-current Investments	2.13	2453.93	2490.28
(c) Long Term Trade Receivables	2.14	4167.79	4366.43
(d) Long Term Loan, Advances and Deposits	2.15	20826.02	17371.06
(e) Other Non Current Assets	2.16	3227.13	1107.16
		30674.87	25334.93
(2) Current Assets			
(a) Current Investments	2.17	818.54	1529.03
(b) Inventories	2.18	10219.02	8839.33
(c) Trade Receivables	2.19	71005.47	69406.33
(d) Cash and Cash Equivalents	2.20	7347.16	18013.51
(e) Short-Term Loans and Advances	2.21	55008.67	45421.77
(f) Other Current Assets	2.22	5610.71	2473.50
		150009.57	145683.47
TOTAL		664612.66	557307.79

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

1 & 2

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Consolidated Profit and Loss Statement for the Year Ended March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	2012-2013	2011-2012
I Revenue from Operations	2.23	215959.34	286632.91
II Other Income	2.24	3820.84	2729.09
III Total Revenue (I+II)		219780.18	289362.00
IV Expenses :			
Cost of Material Consumed	2.25	26838.35	32966.41
Changes in Inventory of finished goods, Work-in-Progress and Stock-in-trade	2.26	0.00	0.00
Construction Expenses	2.27	133544.37	196211.57
Employee Benefits Expense	2.28	5319.85	4617.40
Finance Cost	2.29	30420.39	15589.68
Depreciation and amortization Expense		17069.29	8604.19
Other Expenses	2.30	10850.07	11396.92
Total Expenses		224042.32	269386.17
V Profit Before Exceptional Items and Tax (III-IV)		(4262.14)	19975.83
VI Exceptional Items (Performance Bonus)		6093.98	0.00
VII Profit Before Tax		1831.84	19975.83
VIII Tax Expense			
(1) Current Tax		3543.25	7353.65
(2) Deferred Tax		823.35	737.38
(3) Short/(Excess) Provision for taxation for earlier years		(21.50)	(11.35)
IX Profit for the period from continuing Operations (V-VI)		(2513.26)	11896.15
Add: Share of Loss Transferred to Minority interest		3737.57	561.94
Less : Share of Loss of Associates		476.15	229.00
Net Profit for the year		748.16	12229.09
X Earning per Equity Share: (in Rupees)			
(1) Basic	2.31	0.50	8.14
(2) Diluted	2.31	0.49	8.08
Significant accounting policies & Notes on Accounts forming part of Financial Statements	1 & 2		

As per our Audit Report of even date attached

For and on behalf of Board

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

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. Patel
Executive Director

Vijay Kalyani
Company Secretary

Consolidated Cash Flow Statement for the Year 2012-2013

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after Tax as per Profit and loss account	(2513.26)	11896.15
Adjustments For :		
Interest Expenses	27161.23	13063.03
Depreciation & Amortisation	17069.29	8604.19
Dividend Income	(247.93)	(34.02)
Profit on sale of Assets	(82.78)	(119.16)
Loss on sale of Assets	140.87	173.57
Profit on sale Mutual funds & Investments	(335.55)	(115.19)
Stock Option Premium	377.68	402.46
Income Tax Provision	3521.75	7342.30
Sundry balances written back	(628.02)	0.00
Excess Provision written back	(2.50)	0.00
Foreign currency Fluctuation	164.94	287.61
Deferred Tax Liabilities/(Assets)	823.35	737.38
	47962.33	30342.17
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	45449.07	42238.32
Adjustment For :		
(Increase)/Decrease of Trade & other Receivable	(6661.36)	(10846.70)
(Increase)/Decrease in Inventories	(1379.69)	(1918.51)
Work in Progress	0.00	436.00
(Increase)/Decrease Loans & Advances	(4253.01)	31059.81
Increase/(Decrease) Trade Payable, Provisions & other Liabilities	(5879.73)	4998.35
	(18173.79)	23728.95
Cash generated from Operations	27275.28	65967.27
Tax Paid	(6055.45)	(5440.92)
	(6055.45)	(5440.92)
Net Cash From Operating Activities	21219.83	60526.35
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(7630.65)	(17083.33)
Sales of Fixed Assets	350.34	1358.42
Payment made for Capital work in progress	(72.24)	(15.46)
Increase in Intangible Assets completed/under development	(101708.22)	(196338.20)
Other Investments	1210.23	459.51
Increase/(Decrease) in Long Term Advances	(3375.57)	8123.22
Option premium paid	0.00	(1107.16)
(Increase)/Decrease in Other FD	(1375.83)	110.88
Profit on sale current Investments & Mutual funds	335.55	115.19
Sales/Purchase of Investments	0.00	(921.55)
Interest Received	3094.22	2130.05
Dividend Received	247.93	34.02
	(108924.24)	(203134.41)
Net Cash From Investing Activities	(108924.24)	(203134.41)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Borrowings	101377.41	157398.16
Repayment of Borrowings	(10460.79)	(17510.72)
Net Increase in Working Capital Loan	11503.97	7834.98
Proceeds/Payment to Minority Interest	0.00	(2157.54)
Proceeds From Share Capital	289.00	246.00
Share Issue Expenses	(12.50)	0.00
Addition in Capital Reserve	2570.93	18277.48
Grant Received	1339.28	0.00
Interest Paid	(30255.45)	(14782.54)
Transfer Investor Protection & Education Fund	(0.26)	0.00
Dividend Paid	(899.21)	(899.25)
Dividend Tax Paid	(146.36)	(149.35)
	75306.03	148257.24
Net Cash From Financing Activities	75306.03	148257.24
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(12398.38)	5649.18
OPENING BALANCE OF CASH & CASH EQUIVALENTS	19028.88	13379.70
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	6630.50	19028.88
COMPONENTS OF CASH & CASH EQUIVALENTS		
CASH ON HAND	172.63	73.26
BALANCE IN CURRENT ACCOUNT WITH BANKS	1964.23	2655.06
BALANCE IN FIXED DEPOSITS NOT KEPT AS MARGIN	3675.10	15125.82
INVESTMENT IN MUTUAL FUNDS	818.54	1174.74

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

As per our Audit Report of even date attached

For and on behalf of Board

For Surana Maloo & Co.

V. M. Patel

Nitin R. Patel

Chartered Accountants (Firm Reg. No. 112171W)

Managing Director

Executive Director

S. D. PATEL

Place : Ahmedabad

Vasistha C. Patel

Vijay Kalyani

Partner (Membership No. 37671)

Date : 30-05-2013

Executive Director

Company Secretary

Notes on Accounts 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.

Principles of Consolidation:

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

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

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

Notes on Accounts forming part of Consolidated Financial Statements

Information pertaining to Subsidiaries				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2013	Proportion of Ownership Interest as at 31-03-2012
1	Sadbhav Infrastructure Projects Ltd. (SIPL)	India	84.15 %	82.95 %
2	Nagpur-Seoni Expressway Ltd. (NSEWL)	India	90.00 %*	90.00 %

Information pertaining to Step-down Subsidiaries (Subsidiaries of SIPL)				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2013	Proportion of Ownership Interest as at 31-03-2012
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. (BHTPL)	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 %
7	Solapur Bijapur Toll Way Private Ltd. (SBTPL)	India	100.00%***	–
8	Shreenathji Udaipur Tollway Private Limited (SUTPL)	India	100.00%***	–
9	Bhiwara Rajsamand Toll Way Private Ltd. (BRTPL)	India	100.00%***	–

Information pertaining to Associates				
Sr. No.	Name	Country of Incorporation	Proportion of Ownership Interest as at 31-03-2013	Proportion of Ownership Interest as at 31-03-2012
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 74% SIPL **** 26% SEL and 1% SIPL
 Note : AJTL converted to 100% subsidiary of SIPL w.e.f. 5th May, 2011.

Note -1 Significant Accounting Policies

a) Basis of Preparation of Consolidated Financial Statements:

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

b) Use of accounting Estimates:

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

c) Inventories:

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

Work in progress is valued at contract rates.

Notes forming part of Consolidated Financial Statements

d) Cash and Cash Equivalent:

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

e) Cash Flow Statement

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

f) Recognition of contract revenue and expenses:

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

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

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

g) Other Income

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

h) Tangible Assets:

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

i) Depreciation:

- (i) Depreciation is provided for all assets except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956.
- (ii) In case of AJTWL, depreciation on Tangible Project Assets, other than Computers & other hardware related to tolling

Notes forming part of Consolidated Financial Statements

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.
- (vi) 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.

j) Intangible Assets and Amortisation:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) Software used at Head office and work-shop are amortised over a period of three years and software used at Project sites are amortised during the project completion period.

k) 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.

l) Impairment of Assets:

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

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

m) Foreign Currency Transactions:

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

Notes forming part of Consolidated Financial Statements

n) 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.

o) 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.

p) 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.

q) 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.

r) Employee Share Based payment:

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

s) Borrowing Costs:

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

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

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

t) 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.

u) 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".

Notes forming part of Consolidated Financial Statements

v) **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.

w) **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.

x) **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.

y) **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.

z) **Insurance Claims:**

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

aa) **Service Tax Input Credit:**

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

bb) **Operating Cycle:**

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

cc) **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 31-03-2013	As at 31-03-2012
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 150945800 (150367800) Equity shares of Re.1/- each with voting rights	1509.46	1503.68
(c) Reconciliation of No.of Shares:		
Outstanding at the beginning of the year (Nos.)	1503,67,800	1498,75,800
Addition during the year (Nos.)	5,78,000	4,92,000
Outstanding at the end of the year (Nos.)	1509,45,800	1503,67,800
(d) Rights of Shareholders and Repayment of Capital:		
(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.		
(ii) Each holder of equity shares is entitled to one vote per share.		
(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e) Shares held by each share holder holding more than 5% Equity shares of the company		
Name	No.of shares & (%)	No.of shares & (%)
Vishnubhai M. Patel	10763570 (7.13%)	10763570 (7.16%)
Shantaben V. Patel	14715375 (9.75%)	14715375 (9.79%)
Sadbhav Finstock Private Limited	16545275 (10.96%)	16545275 (11.00%)
(f) Shares reserved for Issue under ESOP @Rs.50/-per share (Face Value Re.1/-) (Nos.)	1167500	1820000
The activity in the ESOP-2008 during the year ended March 31, 2013 and March 31, 2012 respectively, is set out below:		
Particulars	Year Ended March 31, 2013 (Figure in Nos)	Year Ended March 31, 2012 (Figure in Nos)
Option outstanding in the beginning of the year	1820000	2442000
Option granted during the year	0	0
Less: Exercised	578000	492000
Less: Forfeited / Lapse	74500	130000
Option outstanding , end of the year	1167500	1820000
Option exercisable, end of the year	75500	90500
As at March 31, 2013, 11,67,500 equity shares have been kept reserved for issue against the outstanding options. Out of which 75,500 shares are vested and are exercisable at any point of time within three years from the date of vesting. The vesting schedule for remaining 10,92,000 option is as under:		
No of Option	Vesting Date	
For 546000 Option	04-10-13	
For 546000 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 31-03-2013	As at 31-03-2012
2.2 Reserve and Surplus		
(a) Capital reserve		
As per Last Balance Sheet	49721.04	31443.56
Add/(Less) during the year	2570.93	18277.48
	52291.97	49721.04
(b) Security Premium Account		
As per Last Balance Sheet	27520.14	26929.25
Addition during the year	694.18	590.89
	28214.32	27520.14
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1814.80	1214.80
Addition during the year	0.00	600.00
	1814.80	1814.80
(d) Shares Options Outstanding Account		
As per Last Balance Sheet	263.14	210.49
Addition during the year	377.68	402.46
Less : Shares issued during the year	410.96	349.81
	229.86	263.14
(e) General Reserves		
As per Last Balance Sheet	7410.18	6010.18
Addition during the year	750.00	1400.00
	8160.18	7410.18
(f) Profit and Loss account		
As per Last Balance Sheet	29095.69	19916.98
Net Profit for the year	748.16	12229.09
Addition due to Increase in stake	755.94	0.00
Appropriations:-		
Transfer to general reserves	750.00	1400.00
Transfer to Debenture Redemption reserves	0.00	600.00
Dividend on Preference Shares waived by Shareholders	(1.81)	0.00
Proposed Dividend	905.70	903.77
Tax on Proposed Dividend	147.11	146.61
	28798.79	29095.69
Total	119509.92	115824.99

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) 0.00 3000.00

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.

above debentures are Repayable on 23/03/2014

Secured redeemable non-convertible debentures 12740.00 0.00

ICICI Bank (130 debentures of Rs. 1 Crore each)

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

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
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Rate of interest of above NCD is ICICI Bank base rate plus spread of 1.75%

Repayment Schedule of Debentures is as under:

Repayment During The Year	No of Instalments	Maturity Amount
2014-15	4	1040
2015-16	4	1300
2016-17	4	2600
2017-18	4	7800

(b) Term Loans

(i) (Secured)

From Banks:-

(a) Foreign Currency Term Loan (ECB)	86704.21	56574.54
(b) Rupee Term Loan	280086.74	229720.60
From Financial Institutions	442.47	412.92
Secured by way of hypothecation of specific machineries and equipments purchased		
From others	19858.11	18232.25
First Ranking		
(ii) Unsecured		
Loans and Advances from related parties	5580.76	3272.53
(Subordinate Debt from Promoters, in terms of common Rupee Term Loan Agreement)		

Total

405412.29

311212.84

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

Notes forming Part of the Consolidated financial statements

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;

- vi 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
Pledged by SIPL	ARRIL	30.00%
Pledged by SIPL	AJTWL	51.18%
Pledged by SIPL	BHTPL	51.00%
Pledged by SIPL	HYTPL	51.01%
Pledged by SIPL	MBCPNL	0.02%
Pledged by SEL	MBCPNL	29.99%
Pledged by SIPL	RPTPL	51.00%
Pledged by SIPL	SBTPL	51.00%
Pledged by SEL	SIPL	10.00%
Pledged by SEL	NSEWL	30.00%

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 8.47% to 9.80%.

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

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

Repayable during the year	No of Installments	Maturity Profile of Term Loans	
		From Banks	From Financial Institutions
2014-15	154	9857.73	139.00
2015-16	143	3057.69	151.56
2016-17	125	2134.02	151.92
2017-18	4	596.81	--
2018-19	4	596.81	--
2019-20	4	596.80	--
2020-21	4	596.80	--
2021-22	4	596.80	--

The term loan taken by SIPL carries a floating interest rate which is 13.25% as on the date of balance sheet. This loan is repayable in 4 annual installments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

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

ARRIL

The First Ranking loan is repayable in 50 structured quarterly installments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021. Term loans carry an average interest rate of 10.50% to 12.75% per annum.

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

Notes forming Part of the Consolidated financial statements

NSEWL

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

MBCPNL

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

BHTPL

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

Foreign currency loan shall be repayable in unequal semi annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee lenders in accordance with the common Rupee Loan agreement. The company is paying interest of LIBOR + 4.70 basis points per annum

HYTPL

Principal amount of each term loan shall be repayable in 47 equal quarterly installments commencing from the expiry of moratorium period (i.e. 33 months from initial drawdown date, 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.

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

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.

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

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
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	2344.37	1606.99
Add : Deferred Tax Liability on depreciation	833.01	3828.28
Less : Provision/(Excess provision) of Gratuity	9.66	(7.64)
Less : Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	0.00	3,098.54
Closing Balance of Deferred Tax Liability	3167.72	2344.37

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. 24561.98 Lakhs (Rs. 13352.50 Lakhs) and Deferred Tax Liabilities of Rs. 15248.36 Lakh (10204.70 Lakh). 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 2013.

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.5 Other Long Term Liabilities		
(a) Advance Received From Clients	571.01	703.57
(b) Security & Other Deposits from Sub-contractors	305.93	329.85
(c) Advance Received for sale of Shares	0.00	
(d) Other Liability-Miscellaneous Liability	0.00	9.55
(e) Interest Accrued but not Due	246.73	247.09
Total	1123.67	1290.06
2.6 Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	241.27	195.64
Total	241.27	195.64
2.7 Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Banks	28613.37	15320.38
Overdraft due to Issuance of Cheques	1276.89	2919.79
Secured by		
a Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
b First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and second charge on machineries owned by the company.		
c Personal Guarantee of Shri Vishnubhai M. Patel, Shri Shashinbhai V. Patel, Smt. Shantaben V. Patel, Shri Girishbhai N. Patel.		
Unsecured		
From Banks	2500.00	2500.00
From Related parties	3775.92	8505.00
From company in which Directors are Directors	52.30	0.00
From Others	1100.00	1100.00
Total	37318.48	30345.17
2.8 Trade Payables		
(a) To Micro, Small and Medium Enterprises *	0.00	0.00
(b) Others	35377.93	33275.27
Total	35377.93	33275.27
* 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 31-03-2013	As at 31-03-2012
2.9 Other Current Liabilities		
(a) Current Maturities of Long term debts		
Non Convertible Debentures	3260.00	0.00
Loan from Banks	9885.83	6441.83
Loan from Financial Institutions	538.77	742.96
(b) Sundry Creditors for Capital Goods	178.99	2129.62
(c) Other Payable for Investments	0.00	150.62
(d) Interest Accrued but not due on Loans	1586.39	1387.13
(e) Interest Accrued and due on Loans	23.33	0.00
(f) Unclaimed Dividend *	5.50	2.50
(g) Statutory Dues	3185.92	3762.20
(h) Book overdraft	0.00	11.40
(i) Advances Received from Clients	5102.05	10425.82
(j) Unpaid IPO & Right Issue Money	0.01	0.27
(k) Miscellaneous Liabilities	29.58	70.12
Total	23796.37	25124.47

* Note :-There was no amount outstanding as on 31.03.2013, which is required to be transferred to Investor Education and Protection Fund (IEPF)

2.10 Short-Term Provisions		
(a) Provision for Employee Benefits	8.54	15.24
(b) Proposed Dividend	905.67	902.21
(c) Tax on Proposed Dividend	146.92	146.36
(d) Provision for FBT	0.00	24.83
(e) Provision for Wealth Tax	1.93	1.38
(f) Provision for Income Tax	20525.08	17645.49
Total	21588.14	18735.51

Fixed Assets

2.11 Tangibles Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01-04-2012	Additions during the year	Adjustment/ deductions during the year	Adjustment/ on Account of Foreign Exchange	As at 31-03-2013	As at 01-04-2012	For the year	Adjustment/ deductions during the year	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Land Free Hold	467.71	110.48	-	-	578.19	-	-	-	-	578.19	467.71
Building	2498.76	29.29	-	-	2528.05	224.31	67.91	-	292.21	2235.84	2274.46
Machineries	34725.94	7453.73	684.15	423.00	41918.51	14323.91	2795.63	296.00	16823.54	25094.96	20393.97
Furniture	347.76	290.39	-	-	638.15	106.33	41.13	-	147.46	490.69	241.42
Vehicles	913.41	196.93	38.69	-	1071.66	529.70	112.69	18.41	623.99	447.67	383.70
Computer	67.06	29.97	-	-	97.03	44.78	18.32	-	63.09	33.94	-
Office Equipments	462.66	52.52	-	-	515.18	232.58	57.28	-	289.86	225.32	260.43
Wind Mills	5085.19	-	-	-	-	5.88	268.50	-	274.38	4810.81	5079.31
Assets Not put to use	2039.42	1393.04	2021.69	-	-	-	-	-	-	1410.77	2039.42
**Advertisement hoarding under Disposal	-	96.00	-	-	96.00	-	-	-	-	96.00	-
Total (i)	46607.91	9652.34	2744.53	423.00	47442.77	15467.48	3361.45	314.41	18,514.53	35424.19	31140.42
Previous Year	-	-	-	-	-	-	-	-	-	-	-

Notes forming Part of the Consolidated financial statements

2.12 Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01-04-2012	Additions during the year	Adjustment/ deductions during the year	Adjustment/ on Account of Foreign Exchange	As at 31-03-2013	As at 01-04-2012	For the year	Adjustment/ deductions during the year	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Goodwill	7177.54	-	-	-	7177.54	376.65	344.76	-	721.41	6456.13	6800.89
Computer Software	635.66	79.43	-	-	715.09	612.91	18.79	-	631.70	83.39	22.74
Toll Rights	104528.38	203846.37	-	-	308374.75	17253.53	13392.29	-	30645.83	277728.92	87274.84
Toll Plaza Booth Work	-	685.60	-	-	685.60	-	0.14	-	0.14	685.46	-
Total (ii)	112341.57	204611.40	-	-	316952.98	18243.10	13755.98	-	31999.08	284953.90	94098.47
Previous Year	-	-	-	-	-	-	-	-	-	-	-

2.11 Capital Work in Progress

Advertisement Hoardings	10.79	42.12	45.84	-	7.07	-	-	-	-	7.07	10.79
Toll Plaza Building	-	80.63	-	-	80.63	-	-	-	-	80.63	4.67
Total (iii)	10.79	122.75	45.84	-	87.70	-	-	-	-	87.70	15.46
Previous Year	-	-	-	-	-	-	-	-	-	-	-

2.12 Intangible assets under development

Toll Plaza Booth Work	4.67	707.30	685.60	-	26.37	-	-	-	-	26.37	-
Road Development Expenditure	183863.64	55824.41	151598.58	-	88089.47	-	-	-	-	88089.47	183863.72
Expenditure during construction period (Pending Allocation)	36230.96	20965.24	30411.87	-	26784.33	-	-	-	-	26784.34	36230.99
Railway Authorities	55.31	-	-	-	55.31	-	-	-	-	55.31	55.31
Road and Check Post Development Work	21819.13	14417.85	10178.72	-	26058.25	-	-	-	-	26058.25	21819.13
Building Development Work	4618.28	5877.56	3544.25	-	6951.58	-	-	-	-	6951.58	4618.28
Computerisation and Check Post Integration Work	7376.57	5708.42	3731.35	-	9353.64	-	-	-	-	9353.64	7376.57
Other Direct Capital Expenses	71.04	530.38	241.59	-	359.83	-	-	-	-	359.83	71.04
Project Upfront Fees	7000.00	-	1216.37	-	5783.63	-	-	-	-	5783.63	7000.00
Total (iv)	261039.60	104031.16	201608.35	-	163462.41	-	-	-	-	163462.42	261035.04
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Total (i)+(ii)+(iii)+(iv)	419999.87	318417.65	204398.72	423.00	527945.86	33710.58	17117.43	314.41	50513.61	483928.20	386289.39
Previous Year	209298.61	210978.15	5303.63	-	419999.99	26429.18	8658.78	1377.37	33710.59	386289.40	-

Note: 1. Out of total depreciation charged for the year, ₹48.13 Lakhs (₹54.59 lakhs) has been capitalised under the head "Expenditure during construction period (pending allocation)".
2. The company has adopted an option under para 46A of AS 11 - "The Effect of Changes in Foreign Exchange Rates", inserted by notification no G.S.R. 914(E) dated December 29, 2011 issued by Ministry of Corporate Affairs, and accordingly the exchange difference arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of asset. During the year company has added ₹. 2916.80 Lakh (previous year 2859.71 Lakh) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹. 6825.43 Lakh (previous year 4201.89 Lakh).

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.13 Non-current Investments		
(A) Trade Investment		
Investment in Equity Instruments (Unquoted) :-		
In Subsidiary company		
(a) Nagpur Seoni Expressway Ltd.		
24480000 (24480000) Fully Paid up Equity Shares of Rs. 10/- each	0.00	0.00
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.		
(b) Sadbhav Infrastructure Project Ltd.		
20049940 (20049940) Fully Paid up Equity Shares of Rs. 10/- each	0.00	0.00

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
(c) 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 Maharashtra Border Check Post Network Ltd. with the lenders of Maharashtra Border Check Post Network Ltd.	0.00	0.00
Shreenathji Udaipur Tollway Private Limited 53,93,242 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	0.00	0.00
Solapur-Bijapur Tollway (P) Limited 13,000 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	0.00	0.00
Bhilwara Rajsamand Tollway Private Limited 13,000 (Nil) Fully Paid up Equity Shares of Rs. 10/- each	0.00	0.00
Total	0.00	0.00
Investment in Debt Securities (Unquoted) :-		
In Subsidiary companies		
Sadbhav Infrastructure Project Limited-Compulsory Convertible Debentures 1100950 (Nil) No. of Debentures of Rs. 681.23/- each Interest rate 0.01% per annum Each CCD shall be automatically converted upon the earlier to occur of (i) the Final Adjustment Date Or (ii) the closing of an initial public offering of the Equity Shares of SIPL, in either case without the payment of any additional consideration, into the number of Fully Paid Equity Shares determined by dividing the Initial purchase price by the Conversion price in effect at the time of conversion. There shall be no partial conversion of CCDs. The Conversion price shall initial be the Initial Purchase Price and shall be adjusted and readjusted from time to time as provided.	0.00	0.00
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.	2028.20	1208.51
(b) Dhule Palesner Tollway Ltd. 16380000 (11739000) Fully Paid up Equity Shares of Rs. 10/- each 68,850 (68,850) Shares have been pledged out of 1,63,80,000 (1,17,39,000) shares held in Dhule Palesner Tollway Ltd with lenders	0.00	821.54
(c) Share application Money with Dhule Palesner Tollway Ltd.	0.00	13.50
Total	2028.20	2043.55
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	58.18	89.92
(e) 12.5% 10 (0) Nos Debentures of Srei Equipment Finance Ltd. of Rs. 10,00,000/- each	100.00	100.00
(f) Investment in NSC	10.99	0.30
(g) Land at cost	53.95	53.95
Total	425.68	446.73

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
(B) Non Trade Investments (Unquoted)		
Fixed Deposit (VAT)	0.05	19.67
Aggregate Value of Un-Quoted Investment Rs. 2453.93 Lakhs (Rs. 2490.28 Lakhs)		
Total	2453.93	2490.28
2.14 Long Term Trade Receivables		
Trade Receivables (Unsecured considered good)	4167.79	4366.43
Total	4167.79	4366.43
2.15 Long Term Loans and Advances		
Unsecured, considered good		
(a) Loan to Related Party	1371.55	1371.55
(b) Advances for Goods and Services	4387.23	2389.77
(c) Advances to Sub Contractors	0.00	1035.15
(d) Advances to Suppliers for Fixed Assets	1613.87	698.16
(e) Group Gratuity Fund	208.00	133.65
(f) Advance against Purchase of Shares - others	146.88	146.88
(g) Sub-ordinate Debts - to related parties	9844.00	8604.00
(h) Interest Receivable - from related parties	2116.44	1037.58
(i) Security & Other Deposits	1138.05	1954.32
Total	20826.02	17371.06
2.16 Other Non Current Assets		
Unamortised Option Premium	914.54	1107.16
Ancillary cost of arranging the Borrowings	2312.59	0.00
Total	3227.13	1107.16
2.17 Current Investments		
Trade : Un-quoted		
Bonds of Sardar Sarovar Narmada Nigam Limited	0.00	354.29
Units of Mutual funds	818.44	1174.74
Investment in NSC	0.10	0.00
Aggregate Value of Un-Quoted Investment Rs.818.54 Lakh (Rs.1529.03 Lakh)		
Total	818.54	1529.03
2.18 Inventories		
(a) Construction Materials	8840.76	7477.39
(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)	448.67	432.35
Total	10219.02	8839.33
2.19 Trade Receivables		
Trade Receivables (Unsecured considered good)		
(a) Debts outstanding for more than six months	15135.17	4210.13
(b) Other Debts		
(i) Due from Companies in which director of the company is director	0.00	10985.46
(ii) Due from Others	55870.30	54210.74
Total	71005.47	69406.33

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
2.20 Cash and Bank Balance		
(A) Cash and Cash Equivalents		
(a) Cash On Hand	172.63	73.26
(b) Balance with Banks		
(i) In Current Accounts	1964.23	2655.06
(ii) In Fixed Deposit original maturities of 3 months or less	3675.10	15125.82
(B) Other Bank Balances		
(a) In Fixed Deposit of more than 3 Months Maturity	1526.19	153.10
(b) In earmarked accounts		
(i) For Margin Money	3.50	3.50
(ii) Unclaimed Dividend	5.50	2.50
(iii) Unclaimed Right Issue Money	0.01	0.01
(iv) Unclaimed IPO Money	0.00	0.26
Total	7347.16	18013.51
* Balance with bank include deposits of Rs. 1037.12 (33.92) Lakh with remaining maturity of more than 12 months from the balance sheet date.		
* Fixed Deposit includes Rs. 1150.41 (153.10) Pledged with Central and various State Governments / Undertakings.		
2.21 Short-term Loans and Advances		
Unsecured, considered good		
(a) Advances		
(i) Advances for goods and Services	13957.69	11472.88
(ii) Advances to Officers	1.53	3.33
(iii) Advances to Others	724.46	129.20
(b) Advance Fringe Benefit Tax	0.00	24.35
(c) Advance Income Tax	21217.79	15804.50
(d) Advance Sales Tax & Service Tax	2519.71	2048.69
(e) Prepaid Expenses	3147.82	1502.69
(f) Security & Other Deposits	13439.67	14228.03
Loan :-		
(i) To Related Parties	0.00	0.00
Total	55008.67	45421.77
2.22 Other Current Assets		
(a) Interest Accrued But Not Due on Investment	25.76	237.83
(b) Receivable from NHAI	7.75	0.00
(c) Receivable Against Sale of Assets	1233.20	1178.20
(d) Grant Receivable	642.40	642.40
(e) Unamortised Option Premium	192.62	192.64
(f) Ancillary cost of arranging the Borrowings	156.77	0.00
(g) Contract Work In Progress	3013.79	0.00
(h) Asset held for sale	21.15	0.00
(i) Recoverable in Cash or Kind Due from others	317.27	222.43
Total	5610.71	2473.50

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2012-2013	2011-2012
2.23 Revenue from Operations		
Contracts Receipt		
EPC Contract Income	189915.00	272155.40
Revenue from Toll Collection	19761.93	10075.28
Sale of Services		
Advisory and Project Management Fees	12.00	1848.18
Annuity Income	6137.99	1992.47
Other Operating Income- Advertisement Income	132.42	561.58
Total	215959.34	286632.91
2.24 Other Income		
(a) Interest Income		
(i) From Related Parties	1057.56	43.06
(ii) From Current Investments	450.11	470.27
(iii) From Non-Current Investments	110.08	1483.45
(iv) From Others	1476.47	241.71
(b) Dividend Income on current Investments	247.93	34.02
(c) Profit on sale of Current Investment	335.55	115.19
(d) Profit on Sale of Assets	82.78	119.16
(e) Other Non-operating Income		
(i) Foreign Exchange Gain	0.00	0.55
(ii) Miscellaneous Income	60.36	221.68
Total	3820.84	2729.09
2.25 Cost of Material Consumed		
Opening Stock	7477.39	5532.31
Add Purchase	28198.02	34911.49
	35675.41	40443.80
Less Closing Sock of Material	8837.06	7477.39
Total	26838.35	32966.41
2.26 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
2.27 Construction, Toll Plaza and Road Maintenance Expenses		
Labour Expenses	116119.95	178000.17
Power & Fuel	12871.96	14132.00
Stores Consumed	273.09	344.11
Repairs & Maintenances-Construction Machineries	1732.74	1307.15
Transportation Expenses	195.91	138.37
Machinery Rent	605.81	251.33
Land Rent	141.28	170.66
Site Establishment Expenses	597.72	506.94
Mess Expenses	291.34	332.62
Operation & Maintenance Expenses	273.99	510.20
Toll Plaza and Road Maintenance Expenses	440.58	363.04
Total	133544.37	196211.57

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2012-2013	2011-2012
2.28 Employee Benefits Expense		
Salary & Wages	4278.87	3638.12
Contribution to PF and Other Funds	155.18	130.68
Group Gratuity Fund Expenses	36.32	39.78
Expense on Employee Stock Option Scheme	377.68	402.46
Directors' Remuneration	317.94	279.00
Staff Welfare expenses	153.86	127.36
Total	5319.85	4617.40
2.29 Finance Cost		
Interest Expenses		
On Borrowings	28238.45	13848.13
On Taxes	127.85	202.48
Others	95.48	2.61
Other Borrowing Costs	1793.67	1248.30
Foreign Exchange Loss	164.94	288.16
Total	30420.39	15589.68
2.30 Other Expenses		
Rent Expenses	127.97	129.03
Rates & Taxes	6487.10	6549.76
Vehicle Rent	135.27	112.29
Running & Maintenance of Vehicles	64.19	75.06
Repairs & Maintenances	0.00	
Building	47.62	36.33
Others Assets	33.44	20.46
Insurance	301.41	271.75
Electricity Charges	22.02	78.92
Postage & Telephone	95.53	83.76
Stationary & Printing	87.53	66.58
Traveling & Conveyance Expenses	170.15	137.34
Directors' Traveling & Conveyance Expenses	28.87	16.49
Legal & Consultation Fees & Expenses	2123.79	2301.77
Donation to Bhartiya Janata Party	21.00	0.00
Donation Expenses	62.36	73.20
Other Bank Charges	24.15	57.10
Auditors Remuneration	44.37	34.20
Loss on Sales of Assets & Asset Written Off	140.87	173.57
Miscellaneous Expenses	811.59	730.65
Prior Period Adjustment	20.84	448.66
Total	10850.07	11396.92

Notes forming Part of the Consolidated financial statements

(₹ in Lakhs)

	2012-2013	2011-2012
2.31		
Basic EPS		
Net Profit after Tax	748.16	12229.09
Weighted Average number of Equity Shares	1508,24,388	1502,35,175
Basic EPS (Rs.)	0.50	8.14
Diluted EPS		
Net Profit after Tax	748.16	12,229.09
Weighted Average number of Diluted Equity Shares	1515,55,961	1514,20,153
Basic EPS (Rs.)	0.49	8.08

2.32 During the Financial year 2011-12, the executive committee of NHAI had decided to award Provisional Commercial Operation date (PCOD) w.e.f. 21.10.2010 instead of eligible PCOD w.e.f. 25.05.2010 in the case of NSEL. The company (NSEL) had requested to NHAI for review of PCOD which was under consideration.

During the Financial year 2011-12, the company had communicated to NHAI for review of the PCOD and fixing semi-annual Annuity Income. The same was considered by the NHAI positively and awarded PCOD w.e.f. 25.05.2010 in the 137th Executive Committee meeting held on 01.03.2013. Further NHAI has approved semi annual annuity amount of Rs. 1919.80 lakh.

Due to change in our earlier estimation of the semi annual annuity Income and PCOD, net revenue to the statement of Profit & Loss has been higher by Rs. 2298.39 lakh in the current Financial year.

2.33 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 The dy. Commissioner of Custom has passed the order for Demand of Custom duty towards import of Machineries Rs. 104.95 (Rs. 104.95) & Interest of Rs. 174.05 (Nil). The Company has filed the Appeal to Commissioner of Customs against the said order, hence no provision is made in the books of accounts.
- 2 Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of 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. 28850 Lakhs (Rs. 10500 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) Company has received order of the Commissioner of service tax on 01st April, 2013 wherein Commissioner upheld the demand of Rs. 199.13 lakhs (Rs. 199.13 Lakhs) and impose penalty of Rs. 345.92 Lakhs (Nil). Company is in the process of filing of appeal before appropriate authority hence no provision has been made.
- (iii) Company has received Show-Cause Notice on 13th April, 2013 for imposing penalty of Rs. 19.84 Lakhs (Nil) under Rule 26 of the Central Excise Rules, 2002. Company is in the process of filing of appeal before appropriate authority hence no provision has been made.
- (iv) Service Tax demand of Rs. 434.80 Lakhs (Nil) not acknowledge as debts in regards to recovery of CENVAT credit on input services availed during the Financial Year 2009-10 and 2010-11 against the subsidiary. Subsidiary has received order from commissioner of Service tax on May 10, 2013 and the subsidiary is in process of filing an appeal against the order with the authority.
- (v) 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.

- (vi) During the year Company has received Income Tax Assessment order u/s 143(3) r.w.s. 153A dated 28.03.2013 for the FY 2004-05 to FY 2009-10 and Income Tax Assessment order u/s 143(3) r.w.s. 153B(1)(b) for the FY 2010-11 dt. 28.03.2013. As per the Order additional Income Tax liability including interest for all the seven financial years was Rs. 565.90 Lacs. The company has filed the appeal with higher authority. Hence no provision has been made in the books of accounts.

B Capital & other Commitments

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

	2012-2013	2011-2012
(a) The followings are the estimated amount of contractual commitments of the company:		
Sub Ordinate Debt/Equity Shares in Subsidiary Companies	83249.84	33240.47

(b) Commitment-Derivative contract

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

Particulars	Outstanding As at March 31, 2013	Outstanding As at March 31, 2012
Index Swap	6048.73	1469.43
Currency Option-Repayment (Amount in Lakhs)		
- Equivalent INR	81351.59	37943.00
- Equivalent USD	1545.47	755.77
Interest Swap (Amount in Lakhs)		
- Equivalent INR	27380.19	15455.08
- Equivalent USD	477.79	361.88

Un-hedged Foreign Currency Exposure

Particulars	As at March 31, 2013		As at March 31, 2012	
	USD	INR	USD	INR
Loan Payable	368.35	20034.49	394.44	20178.17
Interest Payable on Loan	Nil	Nil	9.78	500.51

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, 2013.

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

	2012-2013	2011-2012
(a) Present Value Funded Obligations	228.55	159.72
(b) Fair Value of Plan Assets	228.55	144.03
(c) Liability Recognized in the Balance Sheet	34.82	64.85

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

	2012-2013	2011-2012
(a) Current Service Cost	49.62	53.33
(b) Interest on obligation	17.58	11.61
(c) Expected Return on plan assets	(19.89)	(10.29)
(d) Net Actuarial Losses / (Gains) recognized in the year	(8.52)	(28.59)
(e) Past Service Cost	(3.59)	0.27
(f) Adjustment	(1.32)	(0.20)
Net Gratuity Cost	33.88	26.12

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

	2012-2013	2011-2012
(a) Opening Defined Benefit Obligation	208.89	176.65
(b) Service Cost for the year	49.62	53.32
(c) Past Service cost	(3.59)	0.27
(d) Interest Cost for the year	17.58	14.99
(e) Actuarial Losses/ (Gain)	(13.64)	(26.49)
(f) Benefits Paid	(1.80)	(9.84)
(g) Opening Provision for Gratuity	6.29	-
Closing Defined Benefit obligation	263.35	208.89

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

	2012-2013	2011-2012
(a) Opening fair value of plan assets	144.04	96.77
(b) Adjustment to the opening fund	(0.01)	0.20
(c) Expected Return	16.05	13.67
(d) Actuarial Gains	0.03	2.08
(e) Contribution by the employer	70.24	41.15
(f) Benefits paid	(1.80)	(9.83)
Closing fair value of the plan assets	228.55	144.04

(v) **Major Category of plan assets as a percentage of total plan assets as on 31-03-2013 are as under** (₹ in Lakhs)

	2012-2013	2011-2012
(a) Government of India Securities	--	--
(b) High Quality Corporate Bonds	--	--
(c) Equity Shares of Listed Companies	--	--
(d) Property	--	--
(e) Policy administered by L.I.C. of India	100%	100%
(f) Bank Balance	--	--

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

	2012-2013	2011-2012
(a) Discount Rate as on 31-03-2013		
For SEL	8.10%	8.50%
For Subsidiaries	8.1% to 8.20%	8.50%
(b) Expected return on plan assets at 31-03-2013	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% to 7%	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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue								
External Revenue	189296.10	272541.75	26032.34	12235.18	630.90	1855.98	215959.34	286632.91
Inter-Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Total	189296.10	272541.75	26032.34	12235.18	630.90	1855.98	215959.34	286632.91
Segment Expense	170694.97	239595.04	2823.07	1228.12	29.85	1774.83	173547.89	242597.99
Segment Result								
Operating Profit	18601.13	32946.71	23209.27	11007.06	601.05	81.15	42411.45	44034.92
Less: Interest & other finance expense	8436.97	6511.19	21983.42	8289.89	0.00	788.60	30420.39	15589.68
Interest Income	840.22	763.87	2323.44	(654.02)	0.00	2128.64	3163.66	2238.49
Other Income	68.12	230.10	589.06	0.00	0.00	260.50	657.18	490.60
Unallocated Corporate Expense	-	-	-	-	-	-	3004.75	2594.31
Unallocated Corporate Income	-	-	-	-	-	-	-	-
Profit before Depreciation and Tax	11072.50	27429.49	4138.35	2063.15	601.05	1681.69	12807.15	28580.02
Depreciation and Amortisation	2807.96	2659.44	13887.04	5854.80	268.50	11.37	16963.50	8525.61
Unallocated Depreciation	-	-	-	-	-	-	105.79	78.58
Profit Before Tax and Exceptional Items	8264.54	24770.05	(9748.69)	(3791.65)	332.55	1670.32	(4262.14)	19975.83
Exceptional Items (Performance Bonus)	6093.98	0.00	0.00	0.00	0.00	0.00	6093.98	0.00
Profit Before Tax	14358.52	24770.05	(9748.69)	(3791.65)	332.55	1670.32	1831.84	19975.83
Current Tax	-	-	-	-	-	-	3543.25	7353.65
Deferred Tax	-	-	-	-	-	-	823.35	737.38
Short/(Excess) provision of Taxation of Earlier Years	-	-	-	-	-	-	(21.50)	(11.35)
Profit after Tax	14,358.52	24,770.05	(9,748.69)	(3,791.65)	332.55	1,670.32	(2513.26)	11896.15
Add: Share of Loss Transferred to Minority Interest	-	-	-	-	-	-	3737.57	561.94
Less: Share of Loss of Associates	-	-	-	-	-	-	476.15	229.00
Net Profit for the Year	14358.52	24770.05	(9748.69)	(3791.65)	332.55	1670.32	748.16	12229.09
ASSETS								
Segment Assets	224804.89	192516.68	500967.85	412893.99	4822.72	5103.11	730595.46	610513.78
Unallocated Segment Assets	-	-	-	-	-	-	2372.86	2028.49
Segment Liabilities	142284.02	118732.72	402822.91	323783.78	4810.81	0.00	549917.74	442516.50
Capital Work In Progress	0.00	0.00	87.70	15.46	0.00	0.00	87.70	15.46
Intangible Assets Under Development	0.00	0.00	64759.58	966.98	0.00	0.00	64759.58	966.98
Depreciation and Amortisation	2807.96	2659.44	13887.04	5854.80	268.50	11.37	16963.50	8525.61
Unallocated Depreciation	-	-	-	-	-	-	0.00	0.00
Non Cash Expenses other than depreciation and amortisation	381.81	511.96	320.15	0.00	0.00	0.00	701.96	511.96

Footnotes:

1. Segment Assets Exclude the following:-

- Advance payment of Income Tax of Rs. 21294.79 Lacs (Rs. 15804.50 Lacs) and Advance payment for FBT Rs. Nil (24.35 Lacs)

2. Segment Liability Exclude the following:-

- Provision of Income Tax of Rs. 20528.08 Lacs (Rs. 17645.49 Lacs) and Provision for FBT of Rs. Nil (Rs. 24.83 Lacs)
- Deferred Tax Liabilities of Rs. 3167.72 Lacs (Rs. 2344.37 Lacs)

2.36 List of Related Parties

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

Joint Ventures : SEL-GKC JV, SEL-Annapurna JV, SEL-Vishnushiva JV

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

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

Enterprises owned or significantly influenced by KMP or their relatives :

Sarjan Infracon Pvt. Ltd., Veer Procon Ltd., Sadbhav Finstock Pvt. Ltd., Sadbhav Quarry Works Pvt. Ltd., Sadbhav Public Charitable Trust, Bhavna Engineering Co., Saakar Infra Nirman Pvt. Ltd.

Details of Related Party Transactions :

(₹ in Lakhs)

Transactions	Associates	Key Managerial Persons	Relatives of KMP & Enterprises over which Relatives of KMP having significant influence	Joint Venture	TOTAL
Sub contracting Income	2971.46	---	---	23522.55	26494.01
	(26232.79)	(0.00)	(0.00)	(15658.45)	(41891.24)
Interest Received	---	---	1198.33	---	1078.94
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sale of Service	---	---	12.00	---	12.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sub contracting Expenditure	---	---	12095.77	---	12095.77
	(0.00)	(0.00)	(4265.82)	(0.00)	(4265.82)
Remuneration Paid	---	362.29	---	---	362.29
	(0.00)	(347.50)	(0.00)	(0.00)	(347.50)
Interest Paid	---	296.35	2.56	---	298.91
	(0.00)	(194.64)	(15.20)	(0.00)	(209.84)
Rent & Service charges	---	---	6.75	---	6.75
	(0.00)	(0.00)	(6.75)	(0.00)	(6.75)
Fixed Assets Purchases / (sales)	---	---	---	---	0
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Other Expenses	---	---	---	---	0
	(0.29)	(0.00)	(0.00)	(0.00)	(0.29)
Loan Received during the year	---	2289.00	51.00	---	2340
	(0.00)	(5790.44)	(2313.00)	(0.00)	(8103.44)
Loan given during the year	---	---	127.41	---	127.41
	(0.00)	(0.00)	(1331.69)	(0.00)	(1331.69)
Security Deposit - Retention Deducted during the year - Receivable	319.46	---	---	1191.72	1511.18
	(976.80)	(0.00)	(0.00)	(743.95)	(1720.75)
Security Deposit - Retention Deducted from Sub Conct - Payable	---	---	978.94	---	978.94
	(0.00)	(0.00)	(577.50)	(0.00)	(577.50)
Deposit repaid during the year	319.46	5204.25	376.28	839.33	6739.32
	(4616.06)	(793.73)	(2626.03)	(739.65)	(8775.47)
Dividend Paid during the year	---	165.49	262.47	---	427.96
	(0.00)	(152.30)	(274.72)	(0.00)	(427.02)
Donation given during the year	---	---	12.50	---	12.5
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Mobilization Given during the year	---	---	703.49	---	703.49
	(0.00)	(0.00)	(105.23)	(587.60)	(692.83)
Mobilization Advance Received during the year	---	---	---	395.93	395.93
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Investment	---	---	17.85	---	17.85
	(0.00)	(0.00)	(20.30)	(0.00)	(20.30)
Share Application Money Given	---	---	---	---	0
	(0.00)	(0.00)	(342.05)	(0.00)	(342.05)

Share Application Money Refunded	---	---	---	---	0
	(0.00)	(0.00)	(391.95)	(0.00)	(391.95)
Sub-ordinate Given	---	---	1240.00	---	1240
	(0.00)	(0.00)	(3548.00)	(0.00)	(3548.00)
Contractual Income and Sale of Services	---	-	0.00	---	0
	(0.00)	(0.00)	(16.00)	(0.00)	(16.00)
Interest Income from Sub-ordinate debt	---	---	---	---	0
	(0.00)	(0.00)	(643.63)	(0.00)	(643.63)
Trade Receivable Reversed	---	---	3.97	---	3.97
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Balance Receivable at the year end	4920.36	---	24.05	3223.74	8156.01
	(10943.32)	(0.00)	(15.88)	(3531.26)	(14490.46)
Balance Payable at the year end	---	4.34	494.49	---	494.49
	(0.00)	(4.13)	(136.85)	(0.00)	(140.98)
Closing Balance: Loan Received during year	---	3765.30	52.30	---	3817.6
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Closing Balance: Loan Given during year	---	---	1371.55	---	1371.55
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Closing Balance: Mobilization Advance Received	---	---	---	1339.70	1339.7
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Closing Balance: Mobilization Advance Given	---	---	446.84	---	446.84
	(0.00)	(0.00)	(44.77)	(1783.10)	(1827.87)
Closing Balance: Security Deposit - Receivable	901.15	---	---	1626.98	2528.13
	(1333.99)	(0.00)	(0.00)	(543.44)	(1877.43)
Closing Balance: Security Deposit - Payable	---	---	997.33	---	997.33
	(0.00)	(0.00)	(292.53)	(0.00)	(292.53)
Sub Ordinate Loan Receivable Outstanding at the year end	---	-	9844.00	---	9844
	(0.00)	(0.00)	(8604.00)	(0.00)	(8604.00)
Closing Balance Share application pending allotment	---	---	---	---	0
	(0.00)	(0.00)	(0.50)	(0.00)	(0.50)
Interest Receivable at Year end	---	---	2116.44	---	1989.3
	(0.00)	(0.00)	(1037.58)	(0.00)	(1037.58)

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

The revenue and profit in respect of these transactions during the year is Rs. 77377.50 Lakhs (Previous Year Rs. 180929.23 Lakhs) and Rs. 10195.96 Lakhs (Previous Year Rs. 23289.47 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 2012-13	As at 2011-12
1	Amount of Contract Revenue Recognised as revenue during the period	186901.21	272155.40
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	518900.63	457477.94
	(b) Profits (less recognized losses) upto reporting	4280.64	
	(c) Advances Received	24350.03	15199.08
	(d) Retention Amount	13900.18	8650.60
3	Amount due from Customers for Contract in Progress	73429.85	35669.61
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%
9	SEL-Annapurna (Basantimata Project)	Jointly Controlled Operation	80%
10	SEL-Vishnushiva (Maheshpur Project)	Jointly Controlled Operation	75%
11	SEL-Vaishnovi	Jointly Controlled Operation	72%

2.40 According to the Management, the intangible Assets of the Subsidiaries to be amortized is in the form of right to operate the project road, and hence proper amortization method should be based on use of such contactual right rather than use of underline tangible asset. This right is consumed through passage of time and hence SLM methof of amortization is more appropriate. The accumulated amount of amortization under straight line method is higher than the amortization computed in terms of notification No. GSR/298 (E) dated April 17, 2012 issued by the Ministry of Corporate Affairs.

2.41 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.

2.42 Details of Subsidiary Companies

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

Name of the Subsidiary Company	Nagpur-Seoni Expressway Ltd.	Sadbhav Infrastructure Project Ltd.	Ahmedabad Ring Road Infrastructure Ltd.*	Aurangabad-Jalna Toll Way Ltd.*	Rohtak-Panipat Tollway Pvt. Ltd.*	Hyderabad-Yadgiri Tollway Pvt. Ltd.*	Bijapur-Hungund Tollway Pvt. Ltd.*	Maharastra Border Check Post Network Ltd.*	Shreenathji-Udaipur Tollway Pvt. Ltd.*	Solapur Bijapur Tollway Pvt. Ltd.*	Bhilwara-Rajsamand Tollway Pvt. Ltd.*	Total
Capital	4800.00	2825.80	1046.00	197.11	218.64	324.74	2740.00	5.00	2074.32	5.00	5.00	14241.61
Reserves	(1948.70)	80299.13	356.21	623.32	1969.65	(184.32)	19768.44	(972.19)	(70.66)	(0.71)	(13.69)	99826.48
Total Assets	34538.79	123170.30	39858.41	22768.82	104709.18	48645.14	121767.71	100388.65	10613.36	757.55	25.67	607243.58
Total Liabilities	31687.49	40045.37	38456.30	21948.39	102520.89	48504.72	99259.27	101355.84	8609.70	753.26	34.36	493175.59
Investments(except in case of investment in the subsidiaries)	0.05	736.15	718.22	0.00	10.28	34.28	9.39	0.00	0.00	0.00	0.00	1508.37
Turnover	6137.99	8992.20	7375.93	2774.46	0.00	1121.74	8622.22	0.00	0.00	0.00	0.00	35024.54
Profit Before Taxation	1606.56	1666.13	(812.78)	(1130.98)	(4.44)	(1587.23)	(7589.01)	(971.23)	(70.66)	(0.71)	(13.69)	(8908.04)
Provision for Taxation	192.69	495.37	0.00	0.00	0.00	0.00	(19.87)	0.00	0.00	0.00	0.00	668.19
Profit After Taxation	1413.87	1170.76	(812.78)	(1130.98)	(4.44)	(1587.23)	(7569.14)	(971.23)	(70.66)	(0.71)	(13.69)	(9576.23)
Proposed Dividend	0	0	0	0	0	0	0	0	0	0	0	0.00

* Subsidiary of Sadbhav Infrastructure Project 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 Surana Maloo & Co.
Chartered Accountants
Firm Reg. No. 112171W

V. M. Patel
Managing Director

Nitin R. Patel
Executive Director

S. D. PATEL
Partner
Membership No. 37671

Place : Ahmedabad
Date : 30-05-2013

Vasistha C. 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 24th Annual General Meeting of the Company held on Monday, September 30, 2013 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 24th ANNUAL GENERAL MEETING of the Company to be held on Monday,
September 30, 2013 at 11.00 A.M. and at any adjournment(s) thereof.

Signed this _____ day of _____ 2013

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



Sadbhav's initiative to save Environment



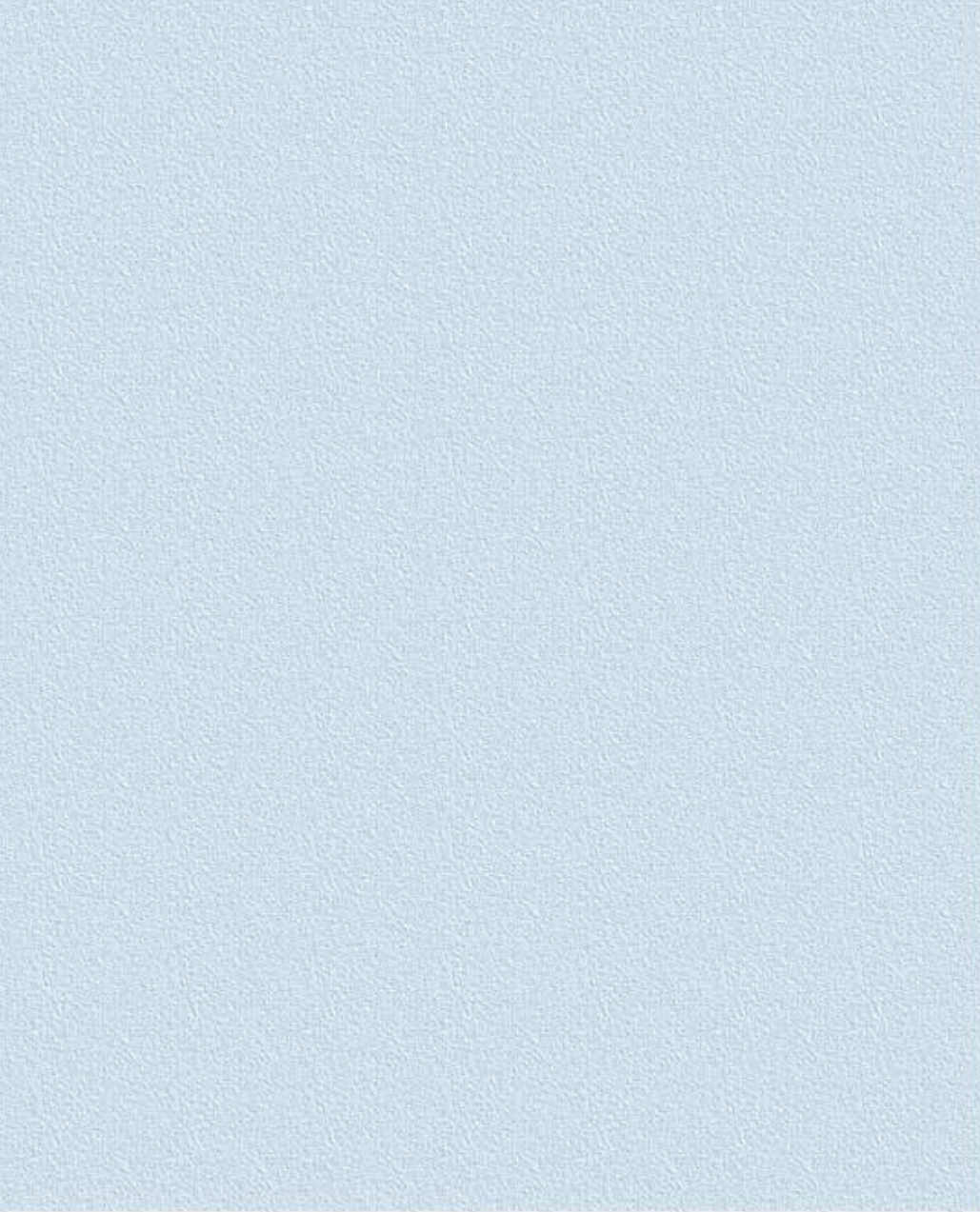
With the growing concerns for the environment, Sadbhav Engineering Limited has undertaken measures to reduce the GHG emissions by conceptualizing and installation of 7.2 MW wind power project in village Vindhiya of Taluka Bhachau in District Kutch of the state of Gujarat, with efficient utilization of the available wind energy through adoption of the latest, efficient and modern technology.



It involves Total installation of Four (4) Wind Turbine Generators of 1.8 MW each (4 Units of VESTAS Make V100 WTG)

The project is expected to reduce 141,764 tCO₂e over the first crediting period of 7 years with an annual average emission reduction of 20,252 tCO₂e.

The Project has already received approval from Ministry of Environment & Forests Government of India and is successfully registered with UNFCC under the Clean Development Mechanism of Kyoto Protocol.



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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