

Ref: SIPL/2015-16/0019

5th December, 2015

<p>To The Dy Gen Manager Corporate Relationship Dept BSE Limited PJ Tower, Dalal Street, Mumbai- 400 001 Fax: 022-22722037-39 Equity Scrip Code: 539346</p>	<p>To National Stock Exchange of India Limited Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 Fax : 022-26598237-38 Equity Scrip Name: SADBHIN</p>
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Dear Sir,

Subject: Submission of Annual Report 2014-15

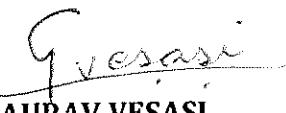
In compliance with the provisions of Listing Agreement/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we have herewith attached Annual Report for the FY – 2014-15 along with Form A.

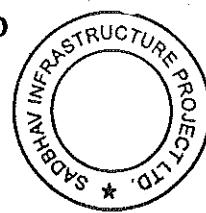
You are requested to take the same on record.

Thanking You

Yours Faithfully,

For SADBHAV INFRASTRUCTURE PROJECT LIMITED


GAURAV VESASI
COMPANY SECRETARY & COMPLIANCE OFFICER
MEMBERSHIP NO.: -F7544



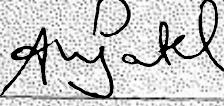
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Sadbhav Infrastructure Project Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	<p>Unqualified for standalone financial statement</p> <p>And</p> <p>Emphasis of Matter ("EOM") paragraph in consolidated financial statement:</p> <p>EOM regarding accounting of CENVAT credit and service tax charge on user services provided by Maharashtra Border Check Post Network Limited under the Concession agreement.</p>
4	Frequency of observation	First time



Vasistha C. Patel
Managing Director
(DIN: 00048324)



For, S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration No. 324982E
per Arpit K Patel
Partner
Membership No. 34032



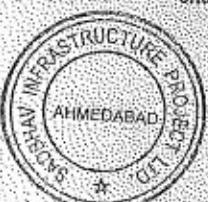
Varun Mehta
Chief Financial Officer




For, Manubhai & Shah
Chartered Accountants
ICAI Firm Registration No. 106041W
per K. C. Patel
Partner
Membership No. 30083

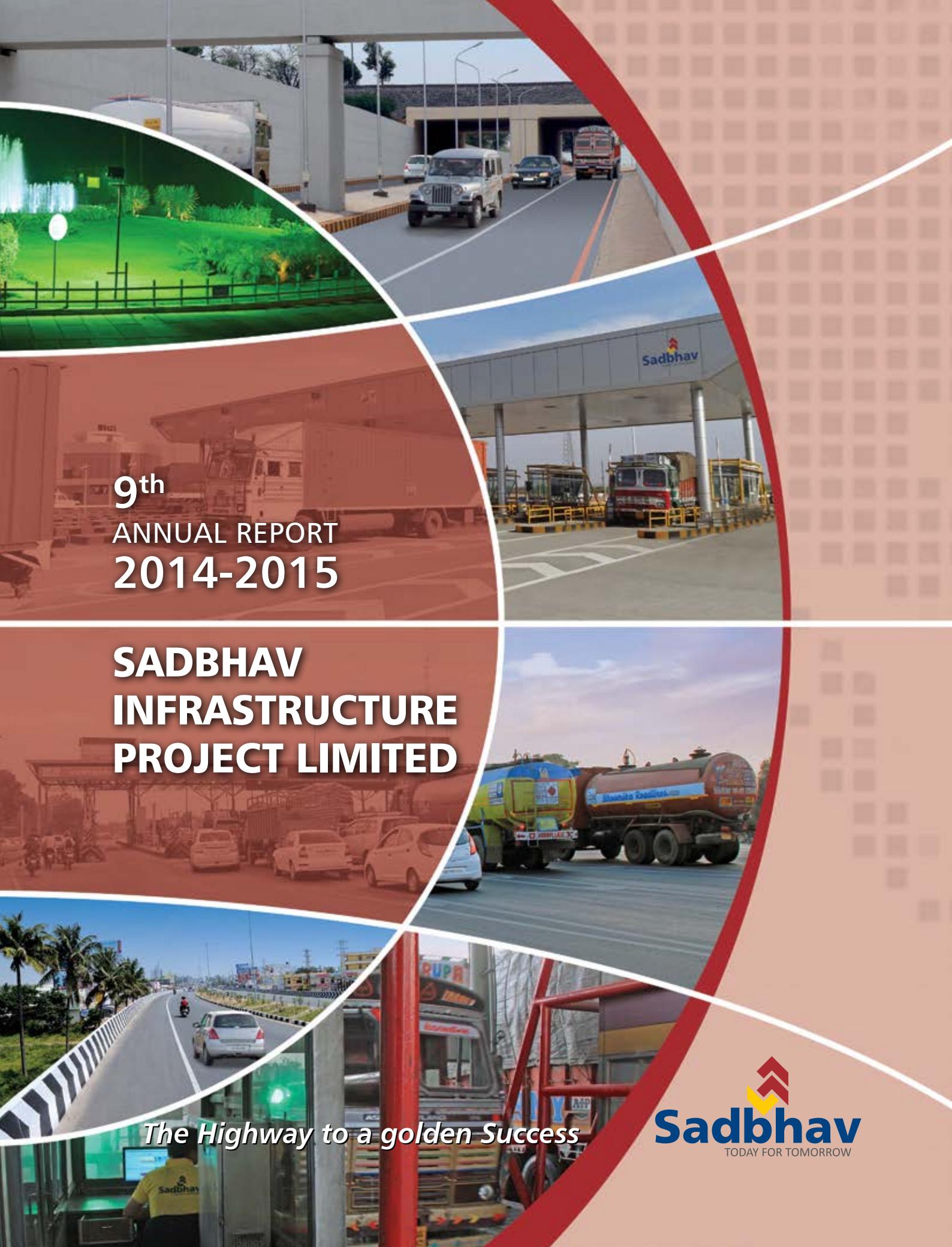


Sandip Patel
Chairman – Audit Committee



Date: 03.12.2015

Place: Ahmedabad



9th
ANNUAL REPORT
2014-2015

SADBHAV INFRASTRUCTURE PROJECT LIMITED

The Highway to a golden Success



Sadbhav
TODAY FOR TOMORROW

**“ Coming together is a beginning;
keeping together is progress;
working together is success.”**

- Henry Ford

Henry Ford's definition of success is extrusively climatic and so is SIPL's (Sadbhav Infrastructure Project Limited). Our journey started with designing and building a dream to provide the best physical infrastructure in nation. A mushroomed contribution towards progressiveness and a sense of achievement was realized as we treaded growth and establishment. Inclusion of our Management team along with our workforce envisioned the global strategy in local analogy. This continues to mark our way on the highway of success with passing of each milestone.



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- Financial Highlights

Sadbhav Infrastructure Project Limited has been linking the nation with their global standards since 2007. A subsidiary of Sadbhav Engineering Limited, with a vision to strive for perfection, mission to enhance and maintain the potential in providing our services and realize its multifarious objectives, SIPL stands true towards its endeavour to develop & service physical Infrastructure for better living and better transportation.



OUR VISION

Strive to become a Global Leader in Infrastructure Sphere by focusing on Leadership, People and Technology to deliver innovative and excellent Development, Operations and Maintenance Services.

OUR MISSION

- To initiate a proactive approach towards achieving our organizational goals by creating opportunities for expanding the organization to make global presence in the infrastructure sphere.
- Keep the interests of our internal and external stakeholders always on priority in an ethical and disciplined manner enabling us to be recognized as a people friendly organization.
- To provide transparent and boundary-less environment for our employees with opportunities to learn and develop so that they can “co-operate to compete”.
- Acquire and implement State-of-the-Art technology with an objective to provide environment-friendly, safe and cost effective services to our stakeholders.

Our **OBJECTIVE** is the summation of all deliverables in terms of implementations towards a successful value chain and a rocketed growth chart. It is to provide our beneficiaries, an improved performance with enhanced returns while continuing to alleviate our relationship with the promoters.

Board of Directors



“ Unity is strength. When there is teamwork and collective efforts, success can be achieved ”

We have earned our success on the basis of providing the services by being a benefactor towards everyone. Therefore, our team and their workings are the most crucial aspect to the strong foundation of sustainable growth of SIPL.

Corporate Information

BOARD OF DIRECTORS

1. **Mr. Vishnubhai M. Patel**
Chairman and Non-Executive Director
2. **Mr. Shashin V. Patel**
Non-Executive Director
3. **Mr. Vasistha C. Patel**
Managing Director
4. **Mr. Nitin R. Patel**
Non-Executive Director
5. **Mr. Sandip Patel**
Independent Director
6. **Mr. Mirat N. Bhadlawa**
Independent Director
(w.e.f. 22-10-2014)
7. **Mr. Arun S. Patel**
Independent Director
(w.e.f. 22-10-2014)
8. **Mr. Atul N. Ruparel**
Independent Director
(w.e.f. 22-10-2014)
9. **Mrs. Daksha N. Shah**
Independent Director
(w.e.f. 24-03-2015)
10. **Mr. Jagdish Joshipura**
Independent Director
(w.e.f. 13-04-2015)
11. **Mr. Jayant Goel**
Independent Director
(Up to 22-10-2014)
12. **Mr. Apurva Gupta**
Independent Director
(Up to 22-10-2014)
13. **Mr. Ravi Kapoor**
Independent Director
(Up to 22-10-2014)
14. **Mr. Narendra M. Patel**
Independent Director
(Up to 22-10-2014)



“ The fastest growing Indian economy has increased the demand for road infrastructure. Up-gradation of the National Highways from public funds alone are not sufficient. This has led the Government to take a policy decision to involve private sector for the development of National Highway on Build-operate-transfer (BOT). ”

COMPANY SECRETARY

Mr. Gaurav Vesasi

CHIEF FINANCIAL OFFICER

Mr. Varun Mehta

BOARD COMMITTEES

Audit Committee:

Mr. Arun S. Patel
Mr. Sandip V. Patel
Mr. Nitin R. Patel

Nomination and Remuneration Committee

Mr. Vishnubhai M. Patel
Mr. Atul N. Ruparel
Mr. Mirat N. Bhdawala

Shareholder/Investor grievance/ Stakeholder Relationship Committee

Mr. Nitin R. Patel
Mr. Vasistha C. Patel
Mr. Arun S. Patel
Mr. Sandip V. Patel

Finance and Investment Committee

Mr. Vishnubhai M. Patel
Mr. Vasistha C. Patel
Mr. Nitin R. Patel
Mr. Arun S. Patel

Corporate Social Responsibility Committee

Mr. Vasistha C. Patel - Chairman
Mr. Nitin R. Patel - Member
Mr. Sandip V. Patel - Member
Mr. Atul N. Ruparel - Member

Risk Management Committee

Mr. Nitin R. Patel
Mr. Vasistha C. Patel
Mr. Sandip V. Patel

IPO Committee

Mr. Vishnubhai M. Patel
Mr. Shashin V. Patel
Mr. Vasistha C. Patel
Mr. Nitin R. Patel

STATUTORY AUDITORS

Manubhai Shah & Co.
S R B C & Co. LLP

BANKERS

ICICI Bank
Indian Overseas Bank
Kotak Mahindra Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
Yes Bank

REGISTERED OFFICE

Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006.
Website : www.sadbhavinfra.co.in
CIN: L45202GJ2007PLC049808

CORPORATE OFFICE

“Sadbhav”, Nr. Havmor Restaurant,
B/H. Navrangpura Bus Stand,
Navrangpura, Ahmedabad - 380009.

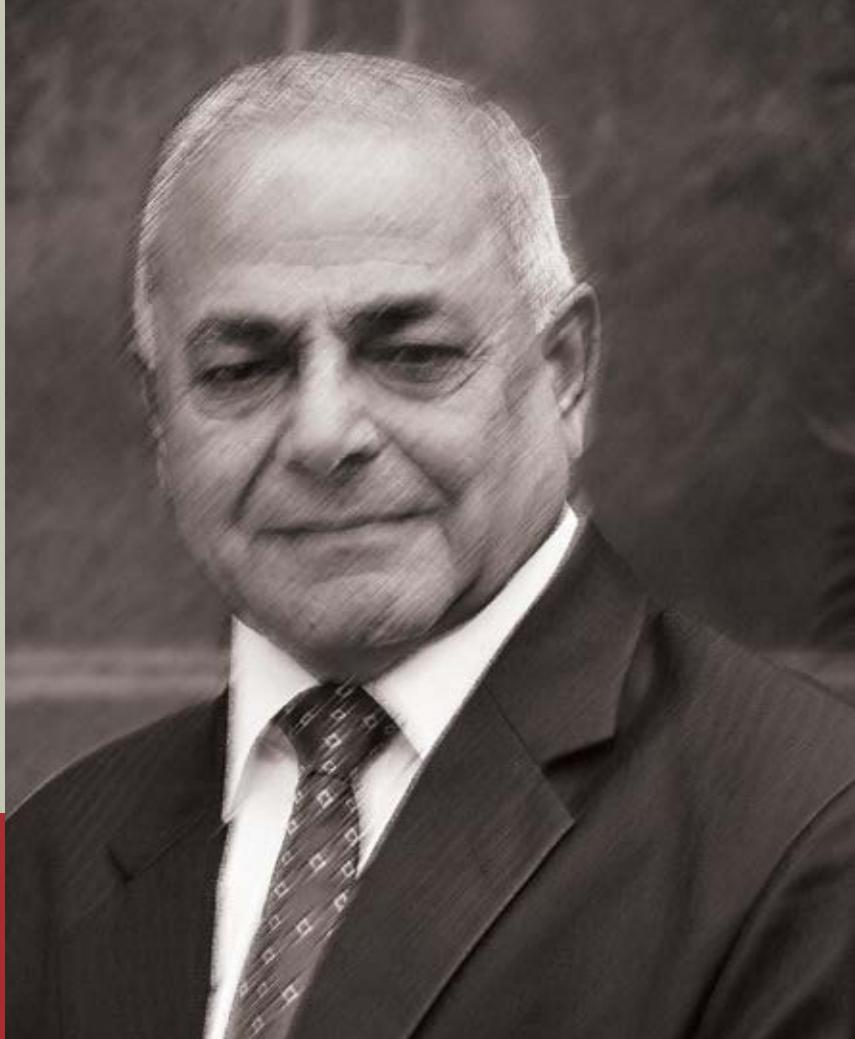
MUMBAI OFFICE

602/702, “C” Wing, Godrej Coliseum,
Nr. Lokmanya, Behind Everard Nagar,
Sion (East) Mumbai - 400022.

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.
(formely Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078.

***“ Striving for perfection in order
to establish a prominent position,
by exemplary performance,
state of art quality work, thereby
providing utmost satisfaction
to all the stakeholders.”***



Chairman's Message

Dear Shareholders,

Sadbhav Infrastructure Project Limited, a subsidiary of Sadbhav Engineering Limited, has been lauded with numerous amounts of project and an exponential growth and success rate since its incorporation in 2007. Amidst being one of the leading road BOT companies, your company also became the one in India that specialises in the development, operation and maintenance of highways, roads and related projects. Your company never ignored its responsibility towards the society and environment with a zest with its purpose as a developer and operator for highways, road and related projects on a BOT basis. Continuing to do so with the same attitude for immeasurable number of years, it therefore, gives me immense pleasure to present the financial report of your company for the year 2014-2015.

The present global economic scenario is not supportive of the organizations goal to fully acknowledge. Though, the strengthened

economic growth of India has brought in influx of trade and travel. This has given the Indian infrastructural parameter a boom by converting them into an imperative for establishing a harmony between a global strategy and a local approach. This has not only led your company to bag some of the most important contracts and projects but also synonymize and engrave its name in the market with a structured yet successful growth.

As a company with a focused strategy and integrated structure with presence across the entire road sector value chain, we are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects of values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. We are involved in the development, operation and maintenance of national and state highways and roads in several states in India including Maharashtra, Gujarat, Rajasthan, Karnataka,



- Operational
- Partially Operational
- Under Construction

 MBCPNL Project State
 Represents states where SIPL's projects are located

Projects Located in High Growth States, on Important Corridors

Haryana, Madhya Pradesh and Telangana and border check posts in the state of Maharashtra. All of our projects are also implemented and held through special purpose vehicles, including joint venture entities.

With a sizeable and diverse portfolio of PBOT projects located in high growth states and important corridors, we currently have six road projects which are fully operational, one is the partially operational border check posts while the remaining three projects are in various stages of development. Nine of the ten BOT projects are toll projects (including user fee for the border check posts in Maharashtra), while the remainder is an annuity project. Our operational projects cover approximately 1,531.16 lane kms and the projects under development cover approximately 1,061.48 lane kms. In addition, as of September 30, 2015, our Subsidiary MBCPNL completed 13 check posts and is developing 9 more check

posts for our MBCPNL Project.

In addition to the above projects, our Company has initiated the process to acquire from SEL, our corporate Promoter, 74.00% of the outstanding equity interest in MBHPL and 27.18% of the outstanding equity interest in DPTL. This restructuring is in accordance with the overall growth strategy to consolidate all BOT road projects to be developed by our Company, in which SEL, our corporate Promoter, has shareholding. Our Company has also agreed to acquire 60.00% of the outstanding equity interest in DPTL from HCC Concessions and HCC.

Generating revenues primarily from toll collection, user fee and annuity receipts, our company also provides operation and maintenance and advisory and project management services to our projects. For the financial year that ended on March 31, 2015,



Chairman's Message

our consolidated revenue from operations and net loss amounted to ₹ 5,002.99 million and ₹ 3,015.61 million, respectively. None the less, we believe, a significant benefit from the experience of and relationships established by SEL with record execution of projects with over 25 years of experience in construction activities in the transport, mining and irrigation sectors, has occurred since its incorporation in the 1988. I feel privileged to say that all the above would not have been possible if we, at SIPL, did not have a strong team of Engineering and Management and Project staff. As a resultant, gathering an excellent team of young professionals, who brought their comprehensive expertise, benefitted our company. Therefore, we have ensured that our employees gain ample opportunities for personal and professional growth.

Therefore, I take this opportunity to thank every stakeholder of SIPL, who plays an

important role in our success and aid us in our constant effort towards making a difference. We also place on record our appreciation for undaunted trust and unfathomable support of our customers, shareholders, lenders, partners and vendors shown towards the company. With your esteemed presence and garnered interest in the company's working, I thereby, on your as well as Board of Directors behalf, whole heartedly like to admire and thank the seamless efforts of the employees of SIPL on yet another impressive performance and pursuing their goal to establish trust amongst you for the financial year of 2015.

Thank you.

Vishnubhai Patel

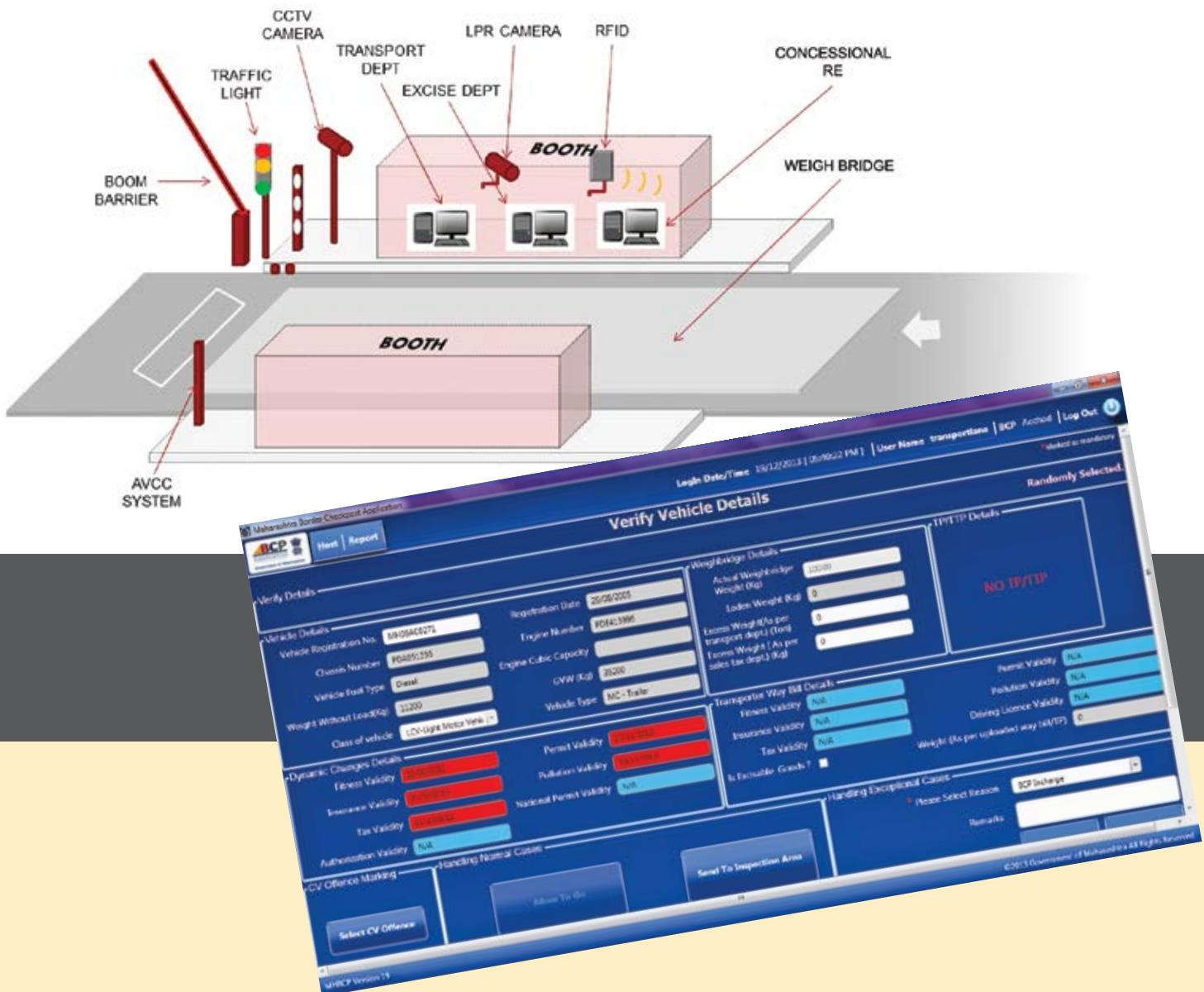


Connecting Nation with Global Technology

Sadbhav Infrastructure Project Limited is managing build-operating-transfer with advanced technology towards an efficient system of operations. The use of "automated" toll enforcement makes it a rather unique system of payment gateway with optimum security as it helps in keeping video logs, vehicle - traffic and toll collection records as well as their backup.



MBCPNL - System Layout



We believe we have a robust toll collections system to manage critical day-to-day toll collection and toll management of our projects. Classification of vehicles at our toll plazas is done both manually by the toll collector and also automatically using weight in motion technology and AVC cameras. Further, the entire process is monitored by supervisors using pan-tilt-zoom camera surveillance. Since a significant portion of the toll fees are paid in cash, we closely monitor the collection of toll fees in order to reduce toll collection leakage. In order to improve the efficiency and integrity of our toll projects, we continuously attempt to improve the internal processes and upgrade technology to manage any leakages, and to

streamline toll collection, route operations and maintenance processes. For example, we have implemented electronic toll collection ("ETC") systems for the RPTPL, BHTPL and HYTPL Projects. As a result of this continuous focus on efficiency and integrity in the maintenance and operation of the toll roads, we believe we are able to reduce operational costs and improve our operating efficiency.

At SIPL, our trained staff looks after the smooth workings of these inclusions of latest technology. Therefore, it has resulted in effective increase in toll collections and thus, a profitable future.

Notice

Notice is hereby given that the 9th Annual General Meeting of the shareholders of Sadbhav Infrastructure Project Limited will be held on Monday December 28, 2015 at Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad at 11.00 AM to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt :**
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr. Shashin V. Patel (DIN: 00048328) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, the appointment of M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad having Firm Registration No. 106041W as the joint statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the tenth Annual General Meeting be and is hereby ratified, and that their remuneration be determined by the Board of Directors of the Company on recommendation of Audit Committee."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, the appointment of M/s. S R B C & Co. LLP, Chartered Accountants having Firm Registration No. 324982E as the joint statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the tenth Annual General Meeting be and is hereby ratified, and that their remuneration be determined by the Board of Directors of the Company on recommendation of Audit Committee."

SPECIAL BUSINESS:

4 To appoint Mr. Arun Patel as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Arun Patel (DIN: 06365699), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 22nd October, 2014 to 21st October, 2019."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul Ruparel (DIN: 00485470), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for

independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 22nd October, 2014 to 21st October, 2019.”

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

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mirat Bhadlawala (DIN: 01027984), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 22nd October, 2014 to 21st October, 2019.”

7. To appoint Mrs. Daksha Shah as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Daksha Shah (DIN: 00376899), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 24th March, 2015 to 23rd March, 2020.”

8. To appoint Mr. Jagdish Joshipura as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jagdish Joshipura (DIN: 00260590), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who was appointed as an Additional Director pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 13th April, 2015 to 12th April, 2020.”

9. Ratification of Remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Jitendra Soni & Co., Cost Accountant in Practice having Firm Reg. No. 103339 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to ₹ 20,000 per annum respectively plus service tax applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

"RESOLVED FURTHER THAT any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to take all such steps as may be necessary to implement this resolution."

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

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

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

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

11. To authorize Board of Directors to make Investment on behalf of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board which expression shall also include a Committee thereof) for acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate including subsidiaries, joint ventures, associates whether in India or outside, which may or may not be subsidiary(ies) of the Company from time to time exceed up to a sum of ₹ 500 Crores (Rupees Five Hundred Crores only) over and above the 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalize the terms and conditions of such investments on behalf of the Company and to take such other steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any, as may be required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all agreements, deeds, applications, documents, and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.

12. To Approve Related Party Transactions

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

"RESOLVED THAT pursuant to section 188 of Companies Act, 2013 and subject to such approvals, consents and sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into related party transactions prescribed under section 188 of companies Act, 2013 and rules made thereunder from time to time as mentioned in explanatory statement annexed to the notice for the financial year 2015-16 and beyond.

"RESOLVED FURTHER THAT Pursuant to clause 49 of the listing agreement and subject to such approvals, consents and sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into material related party transaction as defined in clause 49 in listing agreement with stock exchanges in respect of providing of services and financial facilities to the related party as mentioned in explanatory statement annexed to the notice for the financial year 2015-16 and beyond."

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

Date : November 04, 2015

Place : Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office :

"Sadbhav House", Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006.
CIN : L45202GJ2007PLC049808

Gaurav Vesasi

Company Secretary
Membership No.: F7544

NOTES:

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

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

2. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.
3. The explanatory statements pursuant to Section 102 of Companies Act, 2013 relating to special business are annexed.
4. The information required under clause 49 of the Listing Agreement on Directors' reappointment/ appointment are given below and form part of the Notice.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
7. The Register of Members and Share Transfer Books will be closed from December 21, 2015 to December 28, 2015, both days inclusive, for the purpose of 9th Annual General Meeting of the Company.
8. Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be supplied on request.
9. Pursuant to the provisions of section 108 of the Act and other applicable provisions, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from place other than the venue of the Meeting ('remote e-voting').In addition, the facility of voting through Ballot Paper shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

Instructions for Members for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th December, 2015 at 9:00 AM and ends on 27th December, 2015 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st December, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.

(iv) Now Enter your User ID

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

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on attendance slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

(xi) Click on the EVSN **151118002** for Sadbhav Infrastructure Project Limited.

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

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

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

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

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

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

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

Director	Mr. Shashin V. Patel	Mr. Arun Patel	Mr. Atul Rupareli
Date of Birth	April 02, 1981	July 15, 1946	November 22, 1967
Date of Appointment	January 18, 2007	October 22, 2014	October 22, 2014
Functional Expertise	In field of Management Information System, Project bidding and execution	Finance and Accounts and Audit	Finance and Accounts and Audit
Qualifications	MBA	Chartered Accountant	Chartered Accountant
Directorship in other Companies	<ul style="list-style-type: none"> • Aurangabad – Jalna Tollway Limited • Bhilwara – Rajsamand Tollway Private Limited • Maharashtra Border Check Post Network Limited • Nagpur – Seoni Express Way Limited • Sadbhav Engineering Limited • Sadbhav Realty Private Limited • Shreenathji – Udaipur Tollway Private Limited 	<ul style="list-style-type: none"> • Ahmedabad Ring Road Infrastructure Limited • Aurangabad – Jalna Tollway Limited • Bhilwara – Rajsamand Tollway Private Limited • Bijapur – Hungund Tollway Private Limited • Maharashtra Border Check Post Network Limited • Nagpur – Seoni Express Way Limited • Rohtak – Panipat Tollway Private Limited • Sadbhav Engineering Limited • Shreenathji – Udaipur Tollway Private Limited 	<ul style="list-style-type: none"> • Ahmedabad Ring Road Infrastructure Limited • Hyderabad – Yadgiri Tollway Private Limited • Kutchh Gujarat Finstock Limited • Maharashtra Border Check Post Network Limited • Mysore – Bellary Highway Private Limited • Rohtak – Hissar Tollway Private Limited • Shreenathji – Udaipur Tollway Private Limited • Sadbhav Engineering Limited • Steps Corporate Services Private Limited
Chairman/ Member of Committee in other Companies	<ul style="list-style-type: none"> • Nagpur – Seoni Express Way Limited 	<ul style="list-style-type: none"> • Maharashtra Border Check Post Network Limited • Rohtak – Panipat Tollway Private Limited • Ahmedabad Ring Road Infrastructure Limited – Chairman • Aurangabad – Jalna Tollway Limited - Chairman • Nagpur – Seoni Express Way Limited • Bhilwara – Rajsamand Tollway Private Limited - Chairman • Shreenathji – Udaipur Tollway Private Limited • Bijapur – Hungund Tollway Private Limited 	<ul style="list-style-type: none"> • Maharashtra Border Check Post Network Limited - Chairman • Hyderabad – Yadgiri Tollway Private Limited • Ahmedabad Ring Road Infrastructure Limited • Rohtak – Hissar Tollway Private Limited • Shreenathji – Udaipur Tollway Private Limited • Mysore – Bellary Highway Private Limited
No. of Equity Shares held in the Company	704110	1885	Nil

Director	Mr. Mirat Bhadlawala	Mrs. Daksha Shah	Mr. Jagdish Joshipura
Date of Birth	March 7, 1974	May 8, 1945	March 5, 1951
Date of Appointment	October 22, 2014	March 24, 2015	April 13, 2015
Functional Expertise	Procurement, Negotiation, Contract Management, Marketing and Business Strategy	Micro-Finance Sector	Finance, Accounts, Recovery, Disbursement and appraisal matters
Qualifications	B. Com	Post Graduate Diploma in Business Administration	B.Com, B.Law Doctor of Philosophy (Management Finance) Chartered Accountant
Directorship in other Companies	<ul style="list-style-type: none"> • Aurangabad – Jalna Tollway Limited • Bhilwara – Rajsamand Tollway Private Limited • Hyderabad – Yadgiri Tollway Private Limited • Mysore – Bellary Highway Private Limited • Nagpur – Seoni Express Way Limited • Ramkrishna Petro Services Private Limited • Rohtak – Hissar Tollway Private Limited • Rohtak – Panipat Tollway Private Limited • Sadbhav Engineering Limited 	<ul style="list-style-type: none"> • Mona Investments Private Limited • Uni Fina Investments Private Limited • Pali Manor Private Limited • Saline Area Vitalisation Enterprise Limited • Pahal Financial Services Private Limited • Jacinth Finvest Limited • Altura Financial Services Limited 	<ul style="list-style-type: none"> • Chandan Steel Limited • MAS Financial Services Limited • MAS Rural Housing & Mortgage Finance Limited • Vivro Capital Advisors Private Limited
Chairman/ Member of Committee in other Companies	<ul style="list-style-type: none"> • Hyderabad – Yadgiri Tollway Private Limited • Rohtak – Panipat Tollway Private Limited • Aurangabad – Jalna Tollway Limited • Nagpur – Seoni Express Way Limited • Bhilwara – Rajsamand Tollway Private Limited • Rohtak – Hissar Tollway Private Limited • Mysore – Bellary Highway Private Limited 	–	–
No. of Equity Shares held in the Company	Nil	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Arun Patel on October 22, 2014 as an Additional Director of the Company.

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

Mr. Arun Patel has consented to act as Director and provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mr. Arun Patel for the office of Director of the Company.

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

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

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under :

Age	69 Years
Date of Appointment on Board	22nd October, 2014
Functional Expertise	Finance and Accounts and Audit
Qualifications	Chartered Accountant
Terms and Conditions of appointment	5 consecutive years with effect from 22nd October, 2014 to 21st October, 2019
Remuneration Paid	N.A.
Directorship in other Companies	<ul style="list-style-type: none"> • Ahmedabad Ring Road Infrastructure Limited • Aurangabad – Jalna Toll Way Limited • Bhilwara – Rajsamand Tollway Private Limited • Bijapur – Hungund Tollway Private Limited • Maharashtra Border Check Post Network Limited • Nagpur – Seoni Express Way Limited • Rohtak – Panipat Tollway Private Limited • Sadbhav Engineering Limited • Shreenathji – Udaipur Tollway Private Limited
Chairman / Member of Committee in other Companies	<ul style="list-style-type: none"> • Maharashtra Border Check Post Network Limited • Rohtak – Panipat Tollway Private Limited • Ahmedabad Ring Road Infrastructure Limited – Chairman • Aurangabad – Jalna Toll Way Limited - Chairman • Nagpur – Seoni Express Way Limited • Bhilwara – Rajsamand Tollway Private Limited - Chairman • Shreenathji – Udaipur Tollway Private Limited • Bijapur – Hungund Tollway Private Limited
Shareholding in the Company	1885 Shares
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	2

Except Mr. Arun Patel, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item Nos. 4 of the Notice for approval by the shareholders.

Item No. 5

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Atul Ruparel on October 22, 2014 as an Additional Director of the Company.

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

Mr. Atul Ruparel has consented to act as Director and provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mr. Atul Ruparel for the office of Director of the Company.

Mr. Atul Ruparel is independent of the management. The details and brief resume of Mr. Atul Ruparel has been given as part of the Notice.

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

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under :

Age	47 Years
Date of Appointment on Board	22nd October, 2014
Functional Expertise	Finance and Accounts and Audit
Qualifications	Chartered Accountant
Terms and Conditions of appointment	5 consecutive years with effect from 22nd October, 2014 to 21st October, 2019
Remuneration Paid	N.A.
Directorship in other Companies	<ul style="list-style-type: none"> • Ahmedabad Ring Road Infrastructure Limited • Hyderabad – Yadgiri Tollway Private Limited • Kutchh Gujarat Fintock Limited • Maharashtra Border Check Post Network Limited • Mysore – Bellary Highway Private Limited • Rohtak – Hissar Tollway Private Limited • Shreenathji – Udaipur Tollway Private Limited • Sadbhav Engineering Limited • Steps Corporate Services Private Limited
Chairman / Member of Committee in other Companies	<ul style="list-style-type: none"> • Maharashtra Border Check Post Network Limited - Chairman • Hyderabad – Yadgiri Tollway Private Limited • Ahmedabad Ring Road Infrastructure Limited • Rohtak – Hissar Tollway Private Limited - Chairman • Shreenathji – Udaipur Tollway Private Limited - Chairman • Mysore – Bellary Highway Private Limited - Chairman
Shareholding in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	-

Except Mr. Atul Ruparel, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The Board recommends the Ordinary Resolution set out at Item Nos. 5 of the Notice for approval by the shareholders.

Item No. 6

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Mirat Bhadlawala on October 22, 2014 as an Additional Director of the Company.

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

Mr. Mirat Bhadlawala has consented to act as Director and provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mr. Mirat Bhadlawala for the office of Director of the Company.

Mr. Mirat Bhadlawala is independent of the management. The details and brief resume of Mr. Mirat Bhadlawala has been given as part of the Notice.

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

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under :

Age	41 Years
Date of Appointment on Board	22nd October, 2014
Functional Expertise	Procurement, Negotiation, Contract Management, Marketing and Business Strategy
Qualifications	B.Com
Terms and Conditions of appointment	5 consecutive years with effect from 22nd October, 2014 to 21st October, 2019
Remuneration Paid	N.A.
Directorship in other Companies	<ul style="list-style-type: none"> • Aurangabad – Jalna Toll Way Limited • Bhilwara – Rajsamand Tollway Private Limited • Hyderabad – Yadgiri Tollway Private Limited • Mysore – Bellary Highway Private Limited • Nagpur – Seoni Express Way Limited • Ramkrishna Petro Services Private Limited • Rohtak – Hissar Tollway Private Limited • Rohtak – Panipat Tollway Private Limited • Sadbhav Engineering Limited
Chairman / Member of Committee in other Companies	<ul style="list-style-type: none"> • Hyderabad – Yadgiri Tollway Private Limited - Chairman • Rohtak – Panipat Tollway Private Limited - Chairman • Aurangabad – Jalna Toll Way Limited • Nagpur – Seoni Express Way Limited - Chairman • Bhilwara – Rajsamand Tollway Private Limited • Rohtak – Hissar Tollway Private Limited • Mysore – Bellary Highway Private Limited
Shareholding in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	2

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

The Board recommends the Ordinary Resolution set out at Item Nos. 6 of the Notice for approval by the shareholders.

Item No. 7

As per provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director.

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mrs. Daksha Shah on March 24, 2015 as an Additional Director of the Company in category of Woman Director.

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

Mrs. Daksha Shah has consented to act as Director and provided a declaration that she meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mrs. Daksha Shah for the office of Director of the Company.

Mrs. Daksha Shah is independent of the management. The details and brief resume of Mrs. Daksha Shah has been given as part of the Notice.

Copy of the draft letter for respective appointment of Mrs. Daksha Shah as Independent Director setting out the terms and conditions are available for inspection by member at the Registered Office of the Company.

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under :

Age	70 Years
Date of Appointment on Board	March 24, 2015
Functional Expertise	Micro-Finance Sector
Qualifications	Post Graduate Diploma in Business Administration
Terms and Conditions of appointment	5 consecutive years with effect from 24th March, 2015 to 23rd March, 2020
Remuneration Paid	N.A.
Directorship in other Companies	<ul style="list-style-type: none"> • Mona Investments Private Limited • Uni Fina Investments Private Limited • Pali Manor Private Limited • Saline Area Vitalisation Enterprise Limited • Pahal Financial Services Private Limited • Jacinth Finvest Limited • Altura Financial Services Limited
Chairman / Member of Committee in other Companies	-
Shareholding in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	-

Except Mrs. Daksha Shah, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The Board recommends the Ordinary Resolution set out at Item Nos. 7 of the Notice for approval by the shareholders.

Item No. 8

Pursuant to the provisions of Section 161(1) of the Act read with provisions of Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Jagdish Joshipura on 13th April, 2015 as an Additional Director of the Company.

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

Mr. Jagdish Joshipura has consented to act as Director and provided a declaration that he meets the criteria for independence as provided in section 149(6) of the Act. The said director is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013. The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mr. Jagdish Joshipura for the office of Director of the Company.

Mr. Jagdish Joshipura is independent of the management. The details and brief resume of Mr. Jagdish Joshipura has been given as part of the Notice.

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

Further, the Disclosures under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Independent Director are as under :

Age	64 Years
Date of Appointment on Board	April 13, 2015
Functional Expertise	Finance, Accounts, Recovery, Disbursement and appraisal matters
Qualifications	B.Com, B.Law, Doctor of Philosophy (Management Finance), Chartered Accountant
Terms and Conditions of appointment	5 consecutive years with effect from 13th April, 2015 to 12th April, 2020
Remuneration Paid	N.A.
Directorship in other Companies	<ul style="list-style-type: none"> • Chandan Steel Limited • MAS Financial Services Limited • MAS Rural Housing & Mortgage Finance Limited • Vivro Capital Advisors Private Limited

Chairman / Member of Committee in other Companies	-
Shareholding in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	None
No. of Meetings of the Board attended during the year	-

Except Mr. Jagdish Joshipura, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

The Board recommends the Ordinary Resolution set out at Item Nos. 8 of the Notice for approval by the shareholders.

Item No. 9

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jitendra Soni & Co., Cost Accountant in Practice (Firm Reg. No. 103339), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016 at their meeting held on May 30, 2015.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2015-16 as set out in the resolution for the aforesaid services to be rendered by them.

Company received the clear cut mandate as regards the applicability of the Companies (Cost Records and Audit) Rules, 2014 vide Companies (Cost Records and Audit) Amendment Rules, 2014 which was notified on December 31, 2014. Therefore your director also propose to ratify the remuneration payable for the Financial Year 2015-16 as set out in the resolution.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

Item No. 10

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

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

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

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

Item No. 11

The Board of Directors of a Company has been permitted to make investments in the securities of other bodies corporate to the extent of 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher, in terms of Section 186 of the Companies Act, 2013, from time to time, for business purposes. However under Section 186 of the Companies Act, 2013, the Company being infrastructure company is exempted from the prescribed limits only in respect of giving loans, guarantees and providing securities and not for making investments in securities of other bodies corporate.

Section 186 provides that where the aggregate of investments made exceeds the prescribed limits, prior approval of the Members by way of a special resolution is required.

At present, the investments in securities are within the limit prescribed under section 186 of the Companies Act, 2013 but considering the increasing business operations and future growth plans of the Company which would require making investments in the securities of other bodies corporate, including subsidiaries, joint ventures, associates, over a period of time, exceeding the

higher of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, it is necessary to empower the Board to acquire by way of subscription, purchase or otherwise the securities of body corporate(s) in India or abroad, in exceed up to a sum of ₹ 500 Crores (Rupees Five Hundred Crores only) over and above the 60% of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is higher.

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

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

Item No. 12

During the Financial Year 2015-16, the Board of Directors of the Company expecting to enter into certain related party transactions with holding Company. As pursuant to section 188 of Companies Act, 2013 and subject to such approvals, consents and sanctions and permissions as may be necessary, consent of the members of the Company is required to enter into related party transactions prescribed under section 188 of companies Act, 2013 and rules made thereunder from time to time.

Further pursuant to the equity listing agreements ("Listing Agreement") entered into by the Company with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and applicable circulars and regulations issued by the Securities and Exchange Board of India ("SEBI"), any material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of a special resolution.

The details of Related Party Transactions are given here in below in a tabular format for kind perusal of the members :

Sr. No.	Name of the Related Party	Nature of Relationship	Amount (₹ in Crores)	Nature of transactions
1	Sadbhav Engineering Limited	Holding Company	584.723	Unsecured Loan Taken
2	Sadbhav Engineering Limited	Holding Company	77.956	Unsecured Loan converted into interest free Loan

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

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

Date : November 04, 2015
Place : Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office :
"Sadbhav House", Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006.
CIN : L45202GJ2007PLC049808

Gaurav Vesasi
Company Secretary
Membership No.: F7544

Directors' Report

To
The Members,

Your Directors have pleasure in submitting their 9th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

The Group's financial performances for the year under review along with previous year's figures are given hereunder:

(₹ in Million)

Particulars	2014 - 2015	2013 - 2014
Revenue from Operations	5002.99	3743.99
Other Income	285.88	215.89
Total Revenue	5288.87	3959.88
Profit Before Taxation	(3433.91)	(700.09)
Less: Provision for Taxation		
1. Current Tax	-	100.42
2. MAT Credit entitlement	-	-
3. Deferred Tax	0.22	(0.08)
4. Earlier Years' Tax	21.35	0.44
(Loss) after tax for the year before share of losses of minority interest	(3,455.48)	(800.88)
Less: Share of (Loss) attributable to Minority Interest	(302.09)	(404.63)
Add: Share of (Loss) of Minority Interest of Earlier Years	(279.63)	-
(Loss) for the year after minority interest	(3,433.02)	(396.25)
Add: Balance in Statement of Profit and Loss	(1305.31)	(909.01)
Less: Transfer to Debenture Redemption Reserve during the year	(109.21)	-
Total	(4847.54)	(1305.26)
Making Total amount available for appropriation which has been appropriated as follows:	-	-
1. Proposed Dividend	-	-
2. Corporate Dividend Tax	-	-
3. General Reserve	-	-
4. Balance at the end of the year	(4847.54)	(1305.26)

DIVIDEND:

During the year under review, your Company has incurred loss mainly on account of higher interest and finance charges & amortization of the project cost; your Directors do not recommend any dividend to the members of the Company for the year.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The total Income during the year has increased from ₹ 3959.88 Million to ₹ 5288.87 Million i.e. approx. 33.56% over the last year. The Loss before Tax has increased from ₹ 700.09 Million to ₹ 3433.91 Million. Your directors are hopeful to get better results in the upcoming years.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

Change in accounting policies during the year:

(i) Contractual obligation to restore the infrastructure to a specified level of serviceability:

During the year, the Group has reassessed the accounting treatment for Contractual Obligations to periodically maintain Project Asset as per the terms of the concession agreement, from recognizing the Major Maintenance Expense in the year of actual expenditure to recognize expense at the best estimate of the expenditure required to settle the present obligation at

the Balance Sheet date, in accordance with Accounting Standard (AS) -29 "Provisions, Contingent Liabilities and Contingent Assets". The same is reviewed at each balance sheet date and adjustments if any to the carrying amount is provided for accordingly.

The change in accounting policy has resulted in increase in expenses and corresponding increase in loss for the year ended March 31, 2015 by ₹ 35.86 Million.

(ii) Additional Concession Fees Payable to National Highways Authority of India (NHAI):

Post deferment of premium in the current year, the Group has reassessed the accounting treatment on premium payment to NHAI. In order to more appropriately present the Financials Statements, total premium payable of ₹ 22,629.71 Million as per the concession agreement has been capitalized as 'Intangibles Assets-Toll Collection Rights' and amortized over the period of service concession agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding obligation for committed premium has been recognized as liabilities. The total premium payable up to March 31, 2014 of ₹ 263.70 Million was charged to Statement of Profit and Loss. Due to change in accounting policy in the current year, the amount of premium payable of ₹ 263.70 Million after adjusting ₹ 110.38 Million (Net Amount ₹ 153.32 Million) towards actual amortization, has been written back in consolidated statement of profit and loss account as exceptional item. (Refer note 38)

Due to change in accounting policy, loss before tax for the year ended March 31, 2015 has decreased by ₹ 330.61 Million.

(iii) Treatment of Ancillary Cost of Borrowing during Construction Period:

With Effect from April 1, 2014, one of the Subsidiary, viz. MBCPNL has retrospectively revised the method of amortization of its ancillary borrowing cost over tenure of loan to capitalization of ancillary borrowing as part of project cost into the intangible assets. Management believes that this change would result in a more appropriate preparation or presentation of the financial statements of the enterprise and consistent with group accounting policy. The amortization portion of operational check posts have been charged off to statement of profit & loss account till March 31, 2014 as per the earlier basis to the extent of ₹ 8.38 Million has been written back during the year ended March 31, 2015. This change in accounting policy has resulted in decrease in ancillary borrowing cost expenses and corresponding decrease in loss for the year by ₹ 8.38 Million which has been disclosed under other income.

Had the Subsidiary continued to use the earlier method to charge off amortization of ancillary borrowing cost to consolidated statement of profit & loss for operation, the Loss for the current period would have been higher by ₹ 11.2 Million.

(iv) Depreciation:

Depreciation on fixed asset is calculated at the rates arrived at based on the useful lives estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 1st April 2014, the management has internally reassessed and changed, wherever necessary the useful lives and the residual value to compute depreciation, to conform to the requirements of the Companies Act, 2013 and other consideration, as applicable.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

M/s. Montecarlo Ltd., the minority Shareholder of the subsidiary Company Bijapur Hungund Tollway Private Limited, has filed Company Petition No. 78 of 2013 under sections 397,398 of the Companies Act, 1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders SIPL, SEL (Sadbhav Group) and the past and present Directors of the Company appointed by the Sadbhav Group. SIPL had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the Company Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, Sadbhav and the Company. The said Application was dismissed by the CLB by Order dated January 8, 2014. SIPL then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the January 8 Order. The Writ Petition was dismissed by Order dated August 14, 2014. SIPL has filed Letters Patent Appeal No.1070 of 2014 before the Division Bench of the Hon'ble Gujarat High Court against the August 14 Order, The Hon'ble Gujarat High Court has by Order dated September 18, 2014 continued the interim Orders passed during the pendency of the Writ Petition and further directed that the proceedings of Company Petition No. 78 of 2013 shall not proceed any further. The LPA is, pending hearing before the Hon'ble Gujarat High Court. There is no financial impact on the company in relation to the said litigation

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

Your Company has strong Internal Controls and Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect Company's Assets and Confidential information against financial losses and unauthorized use. Further, Company has appointed Internal Auditor and based on findings of internal audit report, the company further took action to strengthen control measures.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Name	CIN / GLN	Address of the Company	Holding / Subsidiary / Associate
Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Hyderabad Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Bijapur Hungund Tollway Private Limited	U45203GJ2010PTC059669	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
Sadbhav Engineering Limited	L45400GJ1988PLC011322	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Holding Company

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

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

JOINT STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Act and rules framed thereunder,

M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, having Firm Registration No. 106041W was appointed as joint statutory auditors of the Company from the conclusion of 8th annual general meeting till the conclusion of the 12th annual general meeting to be held on in the year 2018, subject to ratification of their appointment at every annual general meeting.

M/s. S R B C & CO LLP, Chartered Accountants, Ahmedabad, having Firm Registration No. 324982E was appointed as joint statutory auditors of the Company from the conclusion of 8th annual general meeting till the conclusion of the 13th annual general meeting to be held on in the year 2019, subject to ratification of their appointment at every annual general meeting.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

The Auditors' Report to the Shareholders does not contain any qualification. There were no reservations or adverse remarks made by the Auditors in their report. M/s. Ashish Shah & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor of the Company to conduct the secretarial audit for the FY-2014-15. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is attached as **Annexure-1** to this report.

AUDIT COMMITTEE:

The audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013. The composition of audit committee is given below:

1. Mr. Arun Patel
2. Mr. Sandip Patel
3. Mr. Nitin Patel

Members elect chairman in the meeting itself.

SHARE CAPITAL:

A) Issue of equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year under review.

B) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

C) Issue of employee stock options

The Company has not provided any Stock Option Scheme to the employees.

D) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has not bought back or provided for buyback of any of its securities during the year under review.

E) Issue of Bonus Shares

The company has issued 28,26,93,710 shares as bonus shares on 29th October, 2014.

F) Conversion of Compulsory Convertible Cumulative Preference Shares into Equity Shares

The Company has converted 2250774 Nos. of Compulsory Convertible Cumulative Preference Shares into 2262200 Nos. of Equity Shares.

G) Conversion of Compulsory Convertible Debentures into Equity Shares

The Company has converted 1100950 Nos. of Compulsory Convertible Debentures into 01 Equity Share.

H) Issue of Equity Shares

The company has issued 4,12,62,135 equity shares as fresh issue and an offer for sale of 3235762 Equity shares by Xander Investment Holding XVII Limited and 3235762 Equity Shares by Norwest Venture Partners VII-A-Mauritius under Initial Public Offer.

EXTRACT OF THE ANNUAL RETURN:

Extract of Annual Return of the Company in Form MGT-9 is attached as **Annexure-2**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars regarding conservation of energy, technology absorption and Foreign Exchange earnings and outgo pursuant to

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) (APPLICABLE TO EVERY COMPANY HAVING NET WORTH OF RUPEES FIVE HUNDRED CRORES OR MORE, OR TURNOVER OF RUPEES ONE THOUSAND CRORES OR MORE OR A NET PROFIT OF RUPEES FIVE CRORES OR MORE DURING ANY FINANCIAL YEAR):

The Company has developed and implemented the Corporate Social Responsibility initiatives during the year under review. The report on CSR activities is attached as **Annexure-3**.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Shashin V. Patel is liable to retire by rotation at the ensuing Annual General Meeting and being eligible to offer himself for reappointment. Mr. Vasistha C. Patel was re-appointed as Managing Director and Mr. Varun Mehta was appointed as Chief Financial Officer of the Company. Mr. Apurva Gupta, Mr. Jayant Goel, Mr. Narendra Patel and Mr. Ravi Kapoor resigned from the directorship of the company due to pre-occupation. Mr. Arun Patel, Mr. Atul Ruparel, Mr. Mirat Bhadlawala, Mrs. Daksha Shah and Mr. Jagdish Joshipura have been appointed as the Independent Directors subject to the approval of shareholders of the company in the General Meeting. Hence, the shareholders are requested to approve the appointment of above mentioned independent directors. There being no other changes in directorship during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

During the year under review, there was no employee who has drawn remuneration in excess of the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-4**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

There were Nine (9) Board Meetings held on 8th May, 2014, 26th May, 2014, 30th May, 2014, 4th September, 2014, 13th October, 2014, 22nd October, 2014, 29th October, 2014, 15th December, 2014 and 7th January, 2015 during the financial year 2014-15.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act 2013 are given in the notes no 11 and 13 to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Particulars of Contracts or arrangements with related parties are as attached **Annexure-5**.

VIGIL MECHANISM:

The Company has established a vigil mechanism by adopting Whistle Blower Policy.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

In accordance with the Clause 49 of the listing agreement, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy and constituted a Risk management Committee.

The Management has also envisaged the minimization procedure and its perception in respect of each identified risk.

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

ACKNOWLEDGEMENTS:

The Directors wish to express their appreciation of the support and cooperation of Government of Gujarat, AUDA, Bankers and Financial Institutions. Your Directors wish to place on record their appreciation of the employees of the Company at all levels for their commitment and continued support for the Company.

For and on behalf of the Board of Directors
Sadbhav Infrastructure Project Limited

Date : November 04, 2015
Place : Ahmedabad

Vishnubhai M. Patel
Chairman
DIN: 00048287

Vasistha C. Patel
Managing Director
DIN: 00048324

Annexure - 1

Form No. MR-3 Secretarial Audit Report for the Financial Year Ended 31st March, 2015

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

To,
The Members,
Sadbhav Infrastructure Project Limited

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

Based on my verification of the Sadbhav Infrastructure Project Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Infrastructure Project Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Company is not listed on the stock exchange. However, Company intend to get its shares listed on the Stock Exchange by following procedures prescribed under Regulations and Guidelines of Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- (vi) There are no laws which are specifically applicable to the Company.

Secretarial Standards for meetings of board of directors and for general meetings were issued and notified by The Institute of Company Secretaries of India on 23rd April, 2015 and same shall came into force from 1st July, 2015 and therefore, during the period under review we are not required to verify the compliances of secretarial standards for board meeting as well as for general meeting. Further Company is not listed on the stock exchange and therefore, provisions of listing agreement are not applicable to the Company.

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

I further report that

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

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

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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

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

For, Ashish Shah & Associates

Place : Ahmedabad
Date : May 30, 2015

Ashish Shah
Company Secretary in practice
FCS No.: 5974 • CP No.: 4178

Annexure - A

To,
The Members,
Sadbhav Infrastructure Project Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Ashish Shah & Associates

Place : Ahmedabad
Date : May 30, 2015

Ashish Shah
Company Secretary in practice
FCS No.: 5974 • CP No.: 4178

Annexure - 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015 of
Sadbhav Infrastructure Project Limited

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

I. REGISTRATION AND OTHER DETAILS:

CIN:	L45202GJ2007PLC049808	
Foreign Company Registration Number/GLN	Not Applicable	
Registration Date [DDMMYY]	18/01/2007	
Name of the Company	Sadbhav Infrastructure Project Limited	
Category of the Company [Pl. tick]	<input checked="" type="checkbox"/> Public Company <input type="checkbox"/> Private Company	
Sub Category of the Company [Please tick whichever are applicable]	1. Government Company 2. Small Company 3. One Person Company 4. Subsidiary of Foreign Company 5. NBFC 6. Guarantee Company 7. Limited by shares <input checked="" type="checkbox"/> 8. Unlimited Company 9. Company having share capital 10. Company not having share capital 11. Company Registered under Sec. 8	

Name and Registered Office Address of Company and Contact Details:

Address	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge		
Town / City	Ahmedabad		
State	Gujarat		
Pin Code	380006		
Country Name	India		
Country Code	91		
Telephone (With STD Area Code Number)	079-26463384		
Fax Number	079-26400210		
Email Address	Gaurav.Vesasi@sadbhav.co.in		
Website	www.sadbhavinfra.co.in		
Name of the Police Station having jurisdiction where the registered office is situated	Ellisbridge Police Station		
Address for correspondence, if different from address of registered office:	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380 006		
Whether shares listed on recognized Stock Exchange(s)	Yes		
If yes, details of stock exchanges where shares are listed	SN	Stock Exchange Name	Code
	1.	The Bombay Stock Exchange Limited	539346
	2.	The National Stock Exchange of India Limited	SADBHIN

Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given

Registrar & Transfer Agents (RTA):-	Link Intime India Private Limited	
Address	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West)	
Town / City	Mumbai	
State	Maharashtra	
Pin Code	400 078	

Telephone (With STD Area Code Number)	022-25946970
Fax Number	+91 7926400210
Email Address	rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
Development, construction as well as operation & Maintenance of infrastructure projects and related consulting and advisory services.	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled - 11

Sr. No.	Name of the Company	CIN/GLN	Address of the Company	Holding/ Subsidiary/ Associates	% of Shares Held	Applicable Section
1	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	94	2(87)
2	Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	-----Do-----	Subsidiary Company	100	2(87)
3	Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	-----Do-----	Subsidiary Company	100	2(87)
4	Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	-----Do-----	Subsidiary Company	100	2(87)
5	Hyderabad-Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	-----Do-----	Subsidiary Company	100	2(87)
6	Bijapur-Hungund Tollway Private Limited	U45203GJ2010PTC059669	-----Do-----	Subsidiary Company	77	2(87)
7	Rohtak-Panipat Tollway Private Limited	U45202GJ2010PTC059322	-----Do-----	Subsidiary Company	100	2(87)
8	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	-----Do-----	Subsidiary Company	78	2(87)
9	Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	-----Do-----	Subsidiary Company	100	2(87)
10	Rohtak-Hissar Tollway Private Limited	U45203GJ2013PTC074446	-----Do-----	Subsidiary Company	100	2(87)
11	Sadbhav Engineering Limited	L45400GJ1988PLC011322	-----Do-----	Holding Company	NIL	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]					No. of Shares held at the end of the year [As on 31-March-2015]					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
A. Promoter's											
(1) Indian											
a) Individual/HUF	194020	-	194020	0.75	2134220	-	2134220	0.69	-0.06		
b) Central Govt	-	-	-	-	-	-	-	-	-		
c) State Govt(s)	-	-	-	-	-	-	-	-	-		
d) Bodies Corp.	21884856	-	21884856	84.15	240733427	-	240733427	77.42	-6.73		
e) Banks / FI											
f) Any other											

Sub-total (A)(1):-	22078876	-	22078876	84.90	242867647	-	242867647	78.10	-6.80
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	22078876	-	22078876	84.90	242867647	-	242867647	78.10	-6.80
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) (Trusts)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	3621004	3621004	13.92	64715244	-	64715244	20.81	6.89
b) Individuals									-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	68000	40770	108770	0.42	26000	10	26010	0.01	-0.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	198520	-	198520	0.76	3332180	22000	3354180	1.08	0.32
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	266520	3661774	3928294	15.10	68073424	22010	68095434	21.90	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	266520	3661774	3928294	15.10	68073424	22010	68095434	21.90	6.80
C. Shares held by Custodian for GDRs & ADRs									-
Grand Total (A+B+C)	22345396	3661774	26007170	100	310941071	22010	310963081	100	-

ii) Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Sadbhav Engineering Limited	21884856	84.15	10	240733427	77.42	25.07	-6.73
Vishnubhai Patel	100010	0.38	Nil	1100110	0.35	0.35	-0.03
Shashin Patel	64010	0.25	Nil	704110	0.23	0.23	-0.02
Rajesreeben Patel	30000	0.12	Nil	330000	0.11	Nil	-0.01
Total	22078876	84.9		242867647	78.11		-6.79

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

Particulars	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Sadbhav Engineering Limited						
At the beginning of the year	01.04.2014		21884856	84.15	21884856	84.15
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	22.10.2014	Preference Shares converted into Equity	1	Negligible	21884857	84.15
	29.10.2014	Bonus Shares Allotment	218848570	70.38	240733427	77.42
At the end of the year	31.03.2015				240733427	77.42
Vishnubhai M. Patel						
At the beginning of the year	01.04.2014		100010	0.38	100010	0.38
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	1000100	0.32	1100110	0.35
At the end of the year	31.03.2015				1100110	0.35
Shashin Patel						
At the beginning of the year	01.04.2014		64010	0.25	64010	0.25
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	640100	0.21	704110	0.23
At the end of the year	31.03.2015				704110	0.23
Rajeshreeben Patel						
At the beginning of the year	01.04.2014		30000	0.12	30000	0.12
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	300000	0.10	330000	0.11
At the end of the year	31.03.2015				330000	0.11

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

For Each of the Top 10 Shareholders	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Xander Investment Holding XVII Limited						
At the beginning of the year	01.04.2014		1810502	6.96	1810502	6.96
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	22.10.2014	Preference Shares converted into Equity	1131100	0.36	2941602	0.95
	29.10.2014	Bonus Shares Allotment	29416020	9.46	32357622	10.41
At the end of the year	31.03.2015				32357622	10.41
NORWEST VENTURE PARTNERS VII-A MAURITIUS						
At the beginning of the year	01.04.2014		1810502	6.96	1810502	6.96

Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	22.10.2014	Preference Shares converted into Equity	1131100	0.36	2941602	0.95
	29.10.2014	Bonus Shares Allotment	29416020	9.46	32357622	10.41
At the end of the year	31.03.2015				32357622	10.41
Vikram Patel						
At the beginning of the year	01.04.2014		50000	0.19	50000	0.19
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	500000	0.16	550000	0.18
At the end of the year	31.03.2015				550000	0.18
Vasistha C. Patel						
At the beginning of the year	01.04.2014		50000	0.19	50000	0.19
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	500000	0.16	550000	0.18
At the end of the year	31.03.2015				550000	0.18
Girish N. Patel						
At the beginning of the year	01.04.2014		40000	0.15	40000	0.15
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	400100	0.13	440100	0.14
At the end of the year	31.03.2015				440100	0.14
Nitinkumar R. Patel						
At the beginning of the year	01.04.2014		36010	0.14	36010	0.14
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	360100	0.12	396110	0.13
At the end of the year	31.03.2015				396110	0.13
Narendra Patel						
At the beginning of the year	01.04.2014		22510	0.08	22510	0.08
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	225100	0.07	247610	0.08
At the end of the year	31.03.2015				247610	0.08
Pradeepkumar Dosi						
At the beginning of the year	01.04.2014		10000	0.04	10000	0.04

Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	100000	0.03	110000	0.04
At the end of the year	31.03.2015				110000	0.04
Girishbhai D. Patel						
At the beginning of the year	01.04.2014		7010	0.03	7010	0.03
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	70100	0.02	77110	0.02
At the end of the year	31.03.2015				77110	0.02
Parul Shah						
At the beginning of the year	01.04.2014		7000	0.02	7000	0.02
Date wise Increase/ Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	70000	0.02	77000	0.02
At the end of the year	31.03.2015				77000	0.02

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Vishnubhai M. Patel						
At the beginning of the year	01.04.2014		100010	0.38	100010	0.38
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	1000100	0.32	1100110	0.35
At the end of the year	31.03.2015				1100110	0.35
Vasistha Patel						
At the beginning of the year	01.04.2014		50000	0.19	50000	0.19
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	500000	0.16	550000	0.18
At the end of the year	31.03.2015				550000	0.18
Shashin Patel						
At the beginning of the year	01.04.2014		64010	0.25	64010	0.25

Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	640100	0.21	704110	0.23
At the end of the year	31.03.2015				704110	0.23
Nitinkumar Patel						
At the beginning of the year	01.04.2014		36010	0.14	36010	0.14
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	29.10.2014	Bonus Shares Allotment	360100	0.12	396110	0.13
At the end of the year	31.03.2015				396110	0.13
Arun Patel						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Atul Ruparel						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Mirat Bhadlawala						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Daksha Shah						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Jagdish Joshipura						
At the beginning of the year	01.04.2014		-	-	-	-

Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Sandip Patel						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Varun Mehta						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-
Gaurav Vesasi						
At the beginning of the year	01.04.2014		-	-	-	-
Date wise Increase/ Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2015		-	-	-	-

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year including Working Capital Loan and premium payable			-	
i) Principal Amount	2,650.00	4063.059	-	6,713.06
ii) Interest due but not paid		226.72	-	226.72
iii) Interest accrued but not due	11.64		-	11.64
Total (i+ii+iii)	2,661.64	4,289.78	-	6,951.42
Change in Indebtedness during the financial year including Working Capital Loan and premium payable			-	
* Addition	4,362.00	5,847.23	-	10,209.23
* Reduction		(4,343.24)	-	(4,343.24)
Net Change	4,362.00	1,503.99	-	5,865.99
Indebtedness at the end of the financial year including Working Capital Loan and premium payable			-	
i) Principal Amount	7,012.00	5,567.05	-	12,579.05
ii) Interest due but not paid		118.38	-	118.38
iii) Interest accrued but not due	66.12		-	66.12
Total (i+ii+iii)	7,078.12	5,685.43	-	12,763.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

SN.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Vasistha C. Patel - Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000/-	30,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission - as % of profit - others, specify...	As decided by the Board	
5	Others, please specify	-	
	Total (A)	30,00,000/-	30,00,000/-
	Ceiling as per the Act - As per Schedule 5 (Part II)	42,00,000/-	42,00,000/-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Independent / Non-Executive Director					
1	Independent Directors	Arun Patel	Atul Ruparel	Mirat Bhadlawala	Jagdish Joshipura	Daksha Shah	Sandip Patel
	Fee for attending board	-	-	-	-	-	-
	committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	Vishnubhai Patel	Shashin Patel	Nitin Patel	-	-	-
	Fee for attending board	-	-	-	-	-	-
	committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act						

C. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel (Amount in ₹)			
		CEO	CS	CFO	Total
		-	Mr. Gaurav Vesasi	Mr. Varun Mehta	
1	Gross salary		-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6,40,000	17,80,000	24,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	--	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	6,40,000	17,80,000	24,20,000

VII. Penalties / Punishment / Compounding of Offences: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Sadbhav Infrastructure Project Limited

Vasistha C. Patel
Managing Director
DIN: 00048324

Vishnubhai M. Patel
Chairman
DIN: 00048287

Annexure - 3 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Company recognizes that as an responsible corporate entity its functions and operations have an impact on society and on the environment. In addition to ensuring that operations are conducted efficiently and in a manner that meets governmental environmental standards, the Company is committed in ensuring that the communities where it operates also benefits and develops together.

Company with an intention to actively participate in the development of the communities where projects are located, which contributes to social and political stability in the areas where it operates.

2. The Composition of the CSR Committee:

Mr. Vasistha Patel - Chairman and member

Mr. Nitin Patel - Member

Mr. Sandip Patel - Member

Mr. Atul Ruparel - Member

3. Average net profit of the company for last three financial years: ₹ 21,03,20,000

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 42,06,400

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year : ₹ 59,87,373

(b) Amount unspent, if any : Nil

(c) Manner in which the amount spent during the financial year is detailed below:

- 1.) ₹ 16,00,000/- has been spent for Pandit Deendayal Upadhyay Institute of Medical Science, Research and Human Resources.
- 2.) ₹ 43,87,373/- has been spent for development of Government School at Chakkarpur, Gurgaon.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For, Sadbhav Infrastructure Project Limited

Chairman of CSR Committee and Director

Vasistha C. Patel

Managing Director

DIN : 00048324

Annexure - 4

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15;

Name of the Directors	Designation	Remuneration of the directors (₹ in Lakhs)	Median remuneration of the employees (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Mr. Vasistha C. Patel	Managing Director	30.00	4.45	7:1

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

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Mr. Vasistha C. Patel	Managing Director	NIL	Profit before Tax decreased by 5816.93% and profit after tax decreased by 10454.83% in the financial year 2014-2015
Mr. Varun Mehta	Chief Financial Officer	10	
Mr. Gaurav Vesasi	Company Secretary	5	

(iii) The percentage increase in the median remuneration of employees in the financial year 2014-2015;

The median remuneration of employee in the financial year 2014-15 was ₹ 4.45 Lakhs (₹ 0.44 Lakhs in financial year 2013-14). There was increase of 911.36 % in median remuneration of employee.

(iv) There were 30 employees on the rolls of company as on March 31, 2015

(v) The explanation on the relationship between average increase in remuneration and company performance;

The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Total remuneration of Key Managerial Personnel increased by 4.09% from ₹ 4.65 Lakhs in 2013-14 to ₹ 4.84 Lakhs in 2014-15 whereas profit before tax decreased by 5816.93% to ₹ (611.14) Lakhs in 2014-15 (₹ 10.69 Lakhs in 2013-14).

(vii) Variation in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer;

a. Variations in the market capitalization of the company: As the securities of the company were listed on September 16, 2015, hence comparison in the variation of the data is not applicable.

b. The Company had came out with Initial Public offer (IPO) in 2015 at a price of ₹ 103/- per equity shares of ₹ 10/- each.

(viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 11% whereas the increase in the managerial remuneration for the same financial year was 4.09%.

(ix) The key parameters for any variable component of remuneration availed by the directors;

There are no variable components in remuneration package availed by the directors.

(x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; - None

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

Annexure - 5

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis—Nil

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:.
- (e) Justification for entering into such contracts or arrangements or transactions:
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

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

Sr. No.	Name of the Related Party	Nature of Relationship	Duration of the contracts/ arrangements/ transactions	Terms of the contracts or arrangements or transaction including the value (₹ in Crores)	Date(s) of approval by the Board	Amount Paid/ Received in advance	Nature of transactions
1	Sadbhav Engineering Limited	Holding Company	Facility is repayable by borrower on demand/call notice from lenders	1000.00	N.A.	NIL	Financial facilities as per MOU dated 20.12.2014
2	Ahmedabad Ring Road Infrastructure Limited	Subsidiary Company	Continue to remain valid till the time same is terminated by a notice of the said effect given by either party to the other.	1.20 per year	22.10.2014	NIL	Management Service Agreement dated 04.11.2014
3	Sadbhav Engineering Limited	Holding Company	Remain valid for 11 years from the Agreement date	77.95	N.A.	NIL	As per loan agreement dated 20.10.2014
4	Ahmedabad Ring Road Infrastructure Limited	Subsidiary Company	Expiry of 90 days from the Long Stop Date	62.00	22.10.2014	NIL	As per Share Purchase Agreement dated 03.11.2014
5	Hyderabad-Yadgiri Tollway Private Limited	Subsidiary Company	Terminated at any time on or after First Completion Date by mutual written consent of the Seller and Buyer	13.10	N.A.	NIL	As per Share Purchase Agreement as amended by way of third amendment dated 08.12.2014
6	Sadbhav Engineering Limited	Holding Company	On any day within 5 working days of the completion of the conditions precedent pursuant to Clause 3.1 of the agreement	8.19	N.A.	NIL	As per Share Purchase Agreement dated 03.11.2014 (DPTL)

7	Sadbhav Engineering Limited	Holding Company	On any day within 5 working days of the completion of the conditions precedent pursuant to Clause 3.1 of the agreement	0.03	N.A.	NIL	As per Share Purchase Agreement dated 03.11.2014 (MBHPL)
8	Sadbhav Engineering Limited	Holding Company	The term sheet shall remain valid till the definitive documents are executed.	72.00	N.A.	NIL	As per binding term sheet for Purchase of Equity Shares dated January, 2015
9	Sadbhav Engineering Limited	Holding Company	On any day within 5 working days of the completion of the conditions precedent pursuant to Clause 3.1 of the agreement	0.005	N.A.	NIL	As per Share Purchase Agreement dated 04.11.2014 (MBCPNL)
10	Rohtak-Hissar Tollway Private Limited	Subsidiary Company	Continue to remain valid till the time same is terminated by a notice of the said effect given by either party to the other.	50.00	N.A.	NIL	As per MOU dated 22.11.2014
11	Bhilwara-Rajsamand Tollway Private Limited	Subsidiary Company	Continue to remain valid till the time same is terminated by a notice of the said effect given by either party to the other.	50.00	N.A.	NIL	As per MOU dated 22.11.2014
12	Aurangabad Jalna Tollway Limited	Subsidiary Company	1 year from the date of commencement date.	1.13	N.A.	NIL	As per Routine Maintenance Contract dated 06.12.2014
13	Nagpur Seoni Express Way Limited	Subsidiary Company	The contract is terminated as per the Terms of the contract.	5.95	N.A.	NIL	As per Operation & Maintenance Contract dated 01.04.2014

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

For, Sadbhav Infrastructure Project Limited

Vasistha C. Patel
Managing Director
DIN : 00048324

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 facets of its functioning and its interactions with stakeholders. To create a culture of corporate governance, the company has adopted practices such as constitution of various Board Committees for effective internal control system, adequate and timely compliance, fair representation of professionally qualified, non-executive and independent directors on the Board, disclosure of material information, effective management control, etc. The company is committed to achieve good corporate governance for betterment of sustainable growth and enhancement of stakeholders' value. The Company is proposed to be listed on Stock Exchange and therefore company has complied with all the mandatory norms and disclosures that are in compliance with the requirement of clause 49 of the Listing Agreement with the Stock Exchanges.

A. BOARD OF DIRECTORS

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors including Independent Directors. The Board is headed by the Non-Executive Chairman, Mr. Vishnubhai M. Patel who is also promoter of the company. As on March 31, 2015, the Board comprised of nine directors which include one Executive Director and eight Non-Executive Directors including five Independent Directors. To comply with the requirements of Clause 49 of the Listing Agreement and as per provisions of Section 149(1) of the Companies Act, 2013 and Rules made there under, the company has appointed Mrs. Daksha Shah a woman director as an Independent Director on the Board of the Company.

The composition of Board of Directors is as under.

Name	Designation	Category	No. of Directorship held in other Public Limited Companies	No. of Committee Membership in other companies	No. of Committee Chairmanship in other companies
Mr. Vishnubhai M. Patel (DIN: 00048287)	Chairman & Non-Executive Director	Promoter, Non-Executive Director	5	3	Nil
Mr. Vasistha C. Patel (DIN: 00048324)	Managing Director	Executive Director	2	5	Nil
Mr. Shashin V. Patel (DIN: 00048328)	Director	Non-Independent, Non-Executive Director	4	1	Nil
Mr. Nitin R. Patel (DIN: 00466330)	Director	Non-Independent, Non-Executive Director	4	6	Nil
Mr. Sandip Patel (DIN: 00449028)	Director	Independent, Non-Executive Director	1	2	Nil
Mr. Mirat N. Bhadllawala (DIN: 01027984) (From 22/10/2014)	Director	Independent, Non-Executive Director	3	4	3
Mr. Arun S. Patel (DIN: 06365699) (From 22/10/2014)	Director	Independent, Non-Executive Director	5	7	3
Mr. Atul N. Ruparel (DIN: 00485470) (From 22/10/2014)	Director	Independent, Non-Executive Director	4	2	4
Mrs. Daksha Shah (DIN: 00376899) (From 24/03/2015)	Director	Independent, Non-Executive Director	3	Nil	Nil
Mr. Jayant Goel (DIN: 01925642) (Upto 22/10/2014)	Director	Independent, Non-Executive Director	Nil	Nil	Nil
Mr. Apurva Gupta (DIN: 02066684) (Upto 22/10/2014)	Director	Independent, Non-Executive Director	Nil	Nil	Nil

Mr. Ravi Kapoor (DIN: 00003847) (Upto 22/10/2014)	Director	Independent, Non-Executive Director	7	Nil	Nil
Mr. Narendra M. Patel (DIN: 01196313) (Upto 22/10/2014)	Director	Independent, Non-Executive Director	Nil	Nil	Nil

B. 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 under review, 9 (nine) Board Meetings were held on 08/05/2014, 26/05/2014, 30/05/2014, 04/09/2014, 13/10/2014, 22/10/2014, 29/10/2014, 15/12/2014 & 07/01/2015.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel	7	Yes
Mr. Vasistha C. Patel	5	Yes
Mr. Shashin V. Patel	6	Yes
Mr. Nitin R. Patel	8	Yes
Mr. Sandip Patel	2	-
Mr. Mirat N. Bhadlawala (From 22/10/2014)	2	-
Mr. Arun S. Patel (From 22/10/2014)	2	-
Mr. Atul N. Ruparel (From 22/10/2014)	-	-
Mrs. Daksha Shah (From 24/03/2015)	-	-
Mr. Jayant Goel (Upto 22/10/2014)	5	-
Mr. Apurva Gupta (Upto 22/10/2014)	2	-
Mr. Ravi Kapoor (Upto 22/10/2014)	4	-
Mr. Narendra M. Patel (Upto 22/10/2014)	-	-

C. EVALUATION OF BOARD PERFORMANCE

During the year, the Nomination and Remuneration Committee has carried out evaluation of Board's performance, its committees and individual Directors, including the Chairman of the Board. The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance issues, etc. Performance of individual Directors and the Board Chairman was also carried out in terms of attendance, contribution at the meetings, circulation of sufficient documents to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

D. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, a separate meeting of Independent Directors was held on January 07, 2015, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors,
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Your company has conducted the familiarization program for Independent Directors of the Company. The program was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The detailed familiarization programme for Independent Directors is available on the website of the company at <http://www.sadbhavinfra.co.in/en/pdf/familiarization-programme.pdf>

F. COMMITTEES OF THE BOARD

The company has constituted/re-constituted certain committees of the Board of Directors which are required to be constituted under the provisions of Companies Act, 2013 as well as listing agreement entered into with the stock exchanges. The details of the said committees are given below.

(1) Audit Committee

During the year under review, the company has re-constituted Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013. Names of members of audit committee, number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Arun S. Patel (From 22/10/2014)	Member	Independent, Non-Executive Director	4	1
Mr. Sandip V. Patel (From 22/10/2014)	Member	Independent, Non-Executive Director	4	1
Mr. Nitin R. Patel (From 22/10/2014)	Member	Non-Independent, Non-Executive Director	4	4
Mr. Vasistha C. Patel (Upto 22/10/2014)	Member	Executive Director	4	3
Mr. Ravi Kapoor (Upto 22/10/2014)	Member	Independent, Non-Executive Director	4	3
Mr. Jayant Goel (Upto 22/10/2014)	Member	Independent, Non-Executive Director	4	3
Mr. Apurv Gupta (Upto 22/10/2014)	Member	Independent, Non-Executive Director	4	1

As the securities of the company were listed on September 16, 2015, the requirements of listing agreement related to audit committee were not applicable to the company and hence, the meetings of the audit committee were held as per Section 177 of the Companies Act, 2015.

During the year 2014-15, four meetings of the Audit Committee were held on 08/05/2014, 26/05/2014, 30/05/2014 and 28/10/2014. The Chairman of the meeting was elected by the members of the committee in respective meeting.

The terms of reference stipulated by the Board to the Audit Committee are as contained under Section 177 of the Companies Act, 2013.

The secretary of the company acts as the secretary to the committee.

(2) Nomination and Remuneration Committee

The company has renamed the Compensation Committee as "Nomination and Remuneration Committee" in compliance with the provisions of Section 178 of the Companies Act, 2013 and listing agreement. Names of members of nomination and remuneration committee, number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vishnubhai M. Patel (From 22/10/2014)	Member	Promoter, Non-Executive Director	1	1
Mr. Atul N. Ruparel (From 22/10/2014)	Member	Independent, Non-Executive Director	1	1
Mr. Mirat N. Bhadlawala (From 22/10/2014)	Member	Independent, Non-Executive Director	1	1

During the year under review, one meeting of Nomination and Remuneration Committee was held on 22/10/2014. The Chairman of the meeting was elected by the members of the committee in respective meeting.

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained under Section 178 of the Companies Act, 2013 and Clause 49 of Listing Agreement.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high caliber executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

i) Remuneration to Non-Executive Directors

During the year 2014-15, no sitting fees have been paid to the Non-Executive Directors. However, with effect from 20.05.2015, Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

ii) Remuneration to Managing Director

As on 31st March, 2015, Mr. Vasistha C. Patel was the Managing Director on the Board. The Nomination and Remuneration Committee has recommended the remuneration of Managing Director to the Board of Directors in its meeting held on October 22, 2014 and the same has been further recommended by the Board of Directors to the shareholders for their approval in its meeting held on October 22, 2014.

Mr. Vasistha C. Patel, Managing Director was paid remuneration of ₹ 2.50 lacs per month by way of salary for the financial year ended on 31st March, 2015. Mr. Vasistha C. Patel, Managing Director was also entitled to receive commission on profit as well as other perquisites as determined by the Board of Directors and approved by shareholders in the Extra Ordinary General Meeting held on October 22, 2014.

The Company has entered into agreement with Mr. Vasistha C. Patel for his employment for a period of three years. Either party to an agreement is entitled to terminate the agreement by giving not less than 90 days' notice in writing to the other party.

Details of the remuneration paid to executive and non-executive directors during the year 2014-15

Name of Directors	Salary (₹ in Lakhs)	Sitting Fees (₹ in Lakhs)	Terms of Appointment	No. of equity shares held as on March 31, 2015
Mr. Vishnubhai M. Patel	Nil	Nil	Nil	1100110
Mr. Vasistha C. Patel	2.5	Nil	3 years from January 01, 2015	550000
Mr. Shashin V. Patel	Nil	Nil	Nil	704110
Mr. Nitin R. Patel	Nil	Nil	Nil	396110
Mr. Sandip Patel	Nil	Nil		Nil
Mr. Mirat N. Bhadlawala (From 22/10/2014)	Nil	Nil	5 years from October 22, 2014	Nil
Mr. Arun S. Patel (From 22/10/2014)	Nil	Nil	5 years from October 22, 2014	Nil
Mr. Atul N. Ruparel (From 22/10/2014)	Nil	Nil	5 years from October 22, 2014	Nil
Mrs. Daksha Shah (From 24/03/2015)	Nil	Nil	5 years from March 24, 2015	Nil
Mr. Jayant Goel (Upto 22/10/2014)	Nil	Nil		N.A.
Mr. Apurva Gupta (Upto 22/10/2014)	Nil	Nil		N.A.
Mr. Ravi Kapoor (Upto 22/10/2014)	Nil	Nil		N.A.
Mr. Narendra M. Patel (Upto 22/10/2014)	Nil	Nil		N.A.

(3) Stakeholders Relationship Committee

The company has renamed the Shareholder/Investor Grievance Committee as "Stakeholders Relationship Committee" in compliance with the provisions of Section 178 of the Companies Act, 2013 and listing agreement. Names of members of stakeholders relationship

committee, number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Nitin R. Patel (From 22/10/2014)	Member	Non-Independent, Non-Executive Director	—	—
Mr. Vasistha C. Patel (From 22/10/2014)	Member	Executive Director	—	—
Mr. Arun S. Patel (From 22/10/2014)	Member	Independent, Non-Executive Director	—	—
Mr. Sandip V. Patel (From 22/10/2014)	Member	Independent, Non-Executive Director	—	—

No meeting of Stakeholders Relationship Committee was held during the year 2014-15.

The terms of reference stipulated by the Board to the Stakeholders Relationship Committee are as contained under Section 178 of the Companies Act, 2013 and Clause 49 of Listing Agreement.

The committee reviews all matters connected with securities transfer and redresses investor complaints. The company investigates into the complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities. The company also oversees the performance of Registrar & Transfer Agent, Link Intime India Pvt. Limited and issue of duplicate certificates and new certificates on split/consolidation/renewal as well as any other matter related to stakeholders complaint.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was NIL. No complaints were pending as on March 31, 2015.

(4) Finance and Investment Committee

The Board has re-constituted Finance Committee as “Finance and Investment Committee” comprising of Mr. Vishnubhai M. Patel, Mr. Vasistha C. Patel, Mr. Nitin R. Patel and Mr. Arun Patel, to review investment of funds, approval of short terms and/or long terms loans, banking transactions and any other matters related to finance and investments of the company.

Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

(5) Corporate Social Responsibility Committee

During the year 2014-15, in compliance with the provisions of Section 135 of the Companies Act, 2013, the company has constituted Corporate Social Responsibility Committee (known as “CSR Committee”) for the purpose of activities to be undertaken by the company towards the Corporate Social Responsibility (CSR). The committee comprised of four members which includes independent directors as members. The committee headed by Mr. Vasistha C. Patel as a Chairman and Mr. Nitin Patel, Mr. Sandip Patel and Mr. Atul Ruparel as members of the committee. The Board of Directors have approved Corporate Social Responsibility Policy. During the year under review, one meeting of CSR Committee was held on 07/01/2015 to monitor the CSR policy of the company.

(6) Risk Management Committee

In compliance of listing agreement, the company has constituted the Risk Management Committee comprising of Mr. Nitin Patel, Mr. Vasistha C. Patel and Mr. Sandip Patel as members of the committee. The committee has been delegated powers to monitor and review risk management plans. The Committee meets as and when the need to review the management plans.

(7) IPO Committee

For the purpose of raising of fund by way of Public Issue and to complete various legal statutory and procedural formalities, including appointment of various intermediaries, filing of documents with SEBI, Stock Exchanges, ROC or any other regulatory authority, the company has constituted IPO Committee during the year 2014-15. The committee comprised of Mr. Vishnubhai M. Patel, Mr. Shashin Patel, Mr. Vasistha C. Patel and Mr. Nitin Patel as members of the committee. During the year 2014-15, two meetings of IPO Committee were held on 30/11/2014 and 03/12/2014.

G. GENERAL BODY MEETINGS

Annual General Meetings of last three years' were held as under:

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2013-14	Friday, September 05, 2014 (2:00 PM)	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006	Yes – Approval for creating security under Section 180(1)(a) of the Companies Act, 2013 – Approval for the company's borrowing limit under Section 180(1)(c) of the Companies Act, 2013
2012-13	Friday, September 20, 2013 (11:00 AM)	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006	No
2011-12	Saturday, July 28, 2012 (11:00 AM)	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006	Yes – Increase in limits under Section 372A of the Companies Act, 1956 – To alter the Articles of Association of the Company

Details of Special Resolution passed by the company at its Extra Ordinary General Meeting are as under:

Date of AGM	Special Resolution Passed
May 17, 2014	• Authority to directors for raising funds by way of issuance of non-convertible debentures
June 25, 2014	• Alteration of Articles of Association
October 22, 2014	• Reappointment of Mr. Vasisthakumar C. Patel as Managing Director of the company • To issue bonus shares of the company • Reclassification of the Authorized Capital of the company • To increase the share capital of the company • To offer equity shares of the company • To amend Articles of Association of the company • Approval for the company's borrowing limit under Section 180(1)(c) of the Companies Act, 2013 • Approval for creating security under Section 180(1)(a) of the Companies Act, 2013
December 15, 2014	• Authority to directors for raising funds by way of issuance of non-convertible debentures
January 09, 2015	• Authority to directors for raising funds by way of issuance of non-convertible debentures

No resolution was passed through postal ballot during 2014-15 and there is no any proposal to pass resolution through postal ballot.

H. DISCLOSURES

(1) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arms' length pricing basis. Suitable disclosures as required by the Accounting Standard [AS 18] have been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

(2) Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board members and senior management personnel have affirmed their compliance with code.

(3) Prohibition of Insider Trading

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Board of Directors of the Company has approved the Code of Conduct in its meeting held on August 14, 2015. The said Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company. The code is uploaded on the website of the company at <http://www.sadbhavinfra.co.in/en/pdf/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf>

(4) Whistle Blower Policy

In compliance of the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a vigil mechanism called 'Whistle Blower Policy', for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct

to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern.

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

By Post : Chairman of Audit Committee

Sadbhav Infrastructure Project Limited
"Sadbhav House", Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad- 380006

The Whistle Blower Policy is also disclosed on the website of the company at <http://www.sadbhavinfra.co.in/en/pdf/whistle-blower-policy.pdf>

(5) Management Discussion and Analysis

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

(6) Subsidiary Companies

In accordance with Clause 49 V(D) of the Listing Agreement, the policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website www.sadbhavinfra.co.in

(7) Disclosure of Accounting Treatment

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

(8) Disclosure of 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 the risk occurred is regularly assessed and proper steps are being taken by the management to minimize the risk.

(9) CEO/CFO Certificate

The Chief Executive Officer and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chief Executive Officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

(10) Means of Communication

During the year 2014-15, the requirements of listing agreement were not applicable to the company as the securities of the company have been listed on September 16, 2015. However, after listing of securities on the stock exchanges, the company is committed to intimate the stock exchanges about the declaration of financial results as well as publication of the same. Company is also adhered to disseminate to the shareholders all price sensitive information or clarification on the decisions taken by the Board.

(11) General Shareholders Information

1. Annual General Meeting

Date and Time : Monday, December 28, 2015 at 11:00 AM
Venue : Lions Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

2. Financial Calendar : April 01 to March 31

3. Book Closure Date : December 21st December, 2015 to December 28th, 2015 (both days inclusive) for the purpose of AGM

4. Stock Code

Script Code at BSE : 539346
Trading Symbol at NSE : SADBHIN
ISIN No. : INE764L01010

5. Listing on Stock Exchanges

Equity Shares

: The Bombay Stock Exchange Limited
The National Stock Exchange of India Limited

Debt Securities (Debentures)

Following Redeemable Secured Non-convertible Debentures of the Company are listed on Wholesome Debt Market at BSE.

INE764L07017 – 702703 NCDs of ₹ 1000/- each
INE764L07025 – 702702 NCDs of ₹ 1000/- each
INE764L07033 – 480 NCDs of ₹ 10,00,000/- each
INE764L07041 – 480 NCDs of ₹ 10,00,000/- each
INE764L07058 – 640 NCDs of ₹ 10,00,000/- each
INE764L07066 – 800 NCDs of ₹ 10,00,000/- each
INE764L07074 – 500 NCDs of ₹ 10,00,000/- each
INE764L07082 – 700 NCDs of ₹ 10,00,000/- each

Debenture Trustee

: IL&FS Turst Company Limited

IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

GDA Trusteeship Limited

GDA House, Plot No.85, Bhusari Colony (Right), Kothrud, Pune – 411 038.

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

6. Market Price Data

As the equity shares of the company have been listed on September 16, 2015, the market price data of the company during the year 2014-15 is not available.

7. Registrar & Transfer Agent

: Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
Ph: 022-2596 7878

8. Share Transfer System

At present, 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.

9. Shareholding as on March 31, 2015

a. Distribution of shareholding as on March 31, 2015

No. of shares	No. of Shareholders	% to total	No of Shares held	% to total
1 - 500	1	1.96	10	0.00
501 - 1000	0	0.00	0	0.00
1001 - 2000	0	0.00	0	0.00
2001 - 3000	0	0.00	0	0.00
3001 - 4000	0	0.00	0	0.00
4001 - 5000	0	0.00	0	0.00
5001 - 10000	4	7.84	26000	0.01
Above 10000	46	90.20	310937071	99.99
Total	51	100.00	310963081	100.00

b. Categories of shareholders as on March 31, 2015

Category	No of Shares	% to total
Promoter	242867647	78.10
Mutual Fund	-	-
Banks, Financial Institutions, Insurance companies	-	-
FII	-	-
Other private corporate bodies	-	-
Indian Public	3380190	1.09
NRI / OCB	64715244	20.81
Total	310963081	100.00

10. Dematerialization of shares and liquidity

The company has allotted 41262135 equity shares on September 10, 2015 in demat mode only. 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). Approximately 99.99% of the equity shares have been dematerialized.

11. SEBI Complaints Redress System (SCRORES)

Company has made registration on the centralized web based complaints redressal system of SEBI i.e. SCORES. Investors complaints are processed on the centralized web based complaints redressal system. The salient features of the systems are Centralized 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.

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

The details of conversion of preference shares and debentures are as under.

Particulars	Conversion Date	No. of Shares/ Debentures	No. of Equity Shares after conversion
Nil	-	-	-

13. Address for Correspondence : 'Sadbhav House', Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006
Ph.: 079-26463384, Fax: 079-26400210

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 Infrastructure Project Limited

Place : Ahmedabad,
Date : November 04, 2015

Vasistha C. Patel
Managing Director
(DIN: 00048324)

Management Discussion & Analysis

Along with predictions of the future based on the foundation of existing scenario, the company presents its annual report of SIPL (Sadbhav Infrastructure Project Limited) for the year 2014-15. It is inclusive of consideration of the derivatives such as economic standing, political situation and all the other global developments.

1. ECONOMIC

A report published by an esteemed organization such as United Nations, states that a number of economies have encountered various country-specific challenges, including structural imbalances, infrastructural bottlenecks, increased financial risks and ineffective macroeconomic management, as well as geopolitical and political tensions. United States Economy showed promising results in the second quarter as opposed to its slowdown in the first quarter. Therefore, developing countries and economies in transition have seen a more divergent growth. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost, registering a growth rate of 7.3%. A financial survey conducted by World Bank states that Indian economy is becoming the world's fastest growing major economy from the fourth quarter of 2014, replacing China's. Its growth is expected to continue at 7-7.5% despite the global downturn. The long-term growth prospective of the Indian economy is moderately positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.

2. INDIAN ROAD SECTOR

Currently, India has the world's second-largest road network of ~ 4.7 m km. National highways constitutes only 2% of the total network however they carry ~ 40% of the traffic. Out of these national highways, only 24% are 4 lane or more which provides a huge opportunity for growth to the Company. Your company will continue to focus on roads and highways sector and moreover on BOT segment. Over the past few years, the Indian road sector was faced with numerous challenges such as delays in land acquisitions, forest/environmental clearances, delays in financial closure, reduction in traffic growth, etc. However, with the change in the Central Government, it has provided an array of hope and we have already witnessed several positive reforms in the road sector. FY2016 Union Budget increased the allocation by 3x from ₹ 308 bn in FY2015 to ₹ 856 bn in FY2016. There has been a significant pick-up in project awards and execution. Some of the important decisions taken by the Central Government/NHAI/RBI are –

- De-linking of forest and environmental clearances
- 100% exit clause for the developers after 2 years of project completion
- Deferment of premium for affected projects
- Classification of road projects as "secured" by Lenders
- One time fund infusion for languishing projects
- Extension of concession period for languishing projects for reasons attributable to NHAI
- Exclusion of land acquisition and other allied costs from total project costs so as to empower MORTH
- Amendment in the MCA so as to improve cashflows and project delivery
- RBI's 5/25 funding mechanism
- Fast track dispute resolution

A fewer restrictions on foreign direct investment (FDI) for infrastructure projects has increased the pace of infrastructural developments. Provision of Tax holidays for developers of most types of infrastructure projects, some of which are of limited duration is also present. Opening up of the infrastructure sector through PPPs is an added advantage to the investors.

3. OVERVIEW

SIPL, a subsidiary of Sadbhav Engineering Ltd., was incorporated in 2007 and is now one of the leading roads and highways BOT companies in India that specialises in the development, operation and maintenance of highways, roads and related projects. SIPL owns a project portfolio consisting of ten BOT projects of which six projects are fully operational, one is partially operational and the remaining three projects are in various stages of completion. As on 31.03.15, Average residual life of portfolio stands at 18 years and 9 month which is one of the highest in the industry and thereby ensuring revenue visibility over a long period of time. These projects are implemented and held through special purpose vehicles, including joint venture entities. We, SIPL, are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. We are also involved in the development, operation and maintenance of national and state highways and roads in several states in India including Maharashtra, Gujarat, Rajasthan, Karnataka, Haryana, Madhya Pradesh and Telangana and border check posts in the state of Maharashtra. SEL, which also functions as a corporate promoter for the company, has an established track record of executing projects with over 25 years of experience in construction activities in the transport, mining and irrigation sectors since its incorporation in 1988. We apply the focus on assets

primarily in states where the company currently has operations. primarily because GDP of these states over last 20 years is far higher than average India's GDP. We believe these regions present low risks for toll collection. Your company enjoys the benefit of being present in the entire value chain of BOT roads projects thereby reducing reliance on third parties and also increasing the profitability by retaining the margins. Traffic and EPC consultants are appointed to carry out detailed study of the traffic growth and the road structure and In-house financial and traffic estimates of the assets are arrived at before helping in submitting rational bids for the asset. Lenders are approached for achievement of Financial Closure (FC) of the project and then EPC contractors are finalized before the appointed date and initial work on the project is carried out. To ensure diligent monitoring, and other than the engineers appointed by NHAI and Lenders, SIPL also appoints a marquee engineer who gives monthly tracking of the work being carried out on the project. The company had a total of 1,338 employees who do not belong to a union. Therefore, the experience of any kind of work stoppage, strike, demonstration or other labour disturbances from them was not faced by us. Your company has successfully completed the Initial Public Offering in September, 2015 by raising ₹ 4916 mn out of which ₹ 4250 mn is by way of primary issuance of shares. The operational projects cover approximately 1,531.16 lane kms and the projects under development cover approximately 1,061.48 lane kms. In addition to that, as on date, our subsidiary MBCPNL completed 14 check posts and is developing 10 more check posts for the same aforementioned project.

In addition to the above projects, our Company has initiated the process to acquire from SEL, SIPL's corporate promoter, 74.00% of the outstanding equity interest in MBHPL and 27.18% of the outstanding equity interest in DPTL. This restructuring is in accordance with our overall growth strategy to consolidate all BOT road projects to be developed by the company, in which SEL has shareholding. The company has also agreed to acquire 60.00% of the outstanding equity interest in DPTL from HCC Concessions and HCC. The project portfolio will hence increase to 12 BOT projects, with seven fully operational projects, one partially operational border check posts project and four projects in various stages of development. During 2014-15, company has completed acquisition of stakes from JV partner in 2 SPVs namely ARRIL and HYPTL.

4. OPPORTUNITIES & STRENGTHS

We therefore believe that the industrial activities in these regions will continue to grow substantially which will lead to an increase in the traffic, and our business will be able to benefit from it. We also believe that the strategic locations of our projects in high economic growth areas strengthen the stability of our revenue and our ability to close financing arrangements for the projects. Sizeable and diverse portfolio of projects in several states in India has led to effective toll collection and toll management systems. A timely execution and an integrated management team for the project has added to our strengths. Out of total NHDP program of 46902 kms, length of 13878 kms is yet to be awarded as on 30.09.15. Your company looks forward to capture the immense growth opportunity in the Indian road sector. Also, your company is poised to participate in the innovative structures which are current evolving in the country such as Hybrid Annuity model, infrastructure investment trust, etc.

6. RISKS & CHALLENGES

The management of company has identified the risk in two categories i.e. (1) Internal and Business Risk and (2) External Risk. The successful completion of projects depends on our joint venture partners & EPC contractors and is therefore, sometimes, contingent on their performance. These projects are high valued contracts. Some of these entail a penalty for delay in completion of the project on time. These may adversely affect our profitability. Also, cost overrun due to problems of land acquisitions, removal of encroachment and complying with environmental standard and our insurance coverage may not adequately protect us against possible risk of loss. Delay due to sub-contactor's performance and shortage in supply of raw materials can postpone projects and eventually result in delay of the payment. Non-maintenance / break-down, mishandling of machines and equipment of pose a major risk towards non execution of projects and liability towards the organization. A temporary setback is faced by the organization if any key managerial personnel were to leave.

Any negligence towards health and safety of workforce and employees can affect our performance. An additional financial burden on the company, due to repayment and interest on external commercial borrowings, which is required to be made in fluctuating foreign currency, also contributes towards internal risks faced by the organization.

External Risks beyond the control of Management are identified in various ways. Any change in the government policy, political situation, regulatory environment and civil disturbances will have adverse effect on company's business. Natural risks like adverse weather condition, fire, floods, earthquakes etc. However these risks are passed on by taking the Insurance Coverage from Insurance Company. Changes in the tax structure of sales tax, VAT, entry tax, RTO tax etc. also play a major role. An increase or decrease or withdrawal of tax benefits and other incentives by the Government will have an impact on our net income. An increased competition from large national and international organizations is also an area of concern. Deviation from estimated traffic volume may affect future earnings in case of toll based BOT projects.

7. MINIMIZING RISK

A risk management exercise not only identifies risks, but also reduces risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of the Company's business operations which are reviewed periodically by the Directors of the Company. This provides a window for quick decisions. SIPL, a subsidiary of

Sadbhav Engineering Ltd., manoeuvres to supply materials effectively and keep the cost escalation risk to a minimum. Before entering into any joint venture agreement we thoroughly analyse the prospective venture partners' past performances and credentials. We plan elaborately to execute all our projects before the scheduled time. We have a proven track record of completing work within the stipulated time. An unhindered flow for project execution was led by long term arrangement with suppliers for requisite raw materials for the tenure of the project. We have a full-fledged team of technical experts at our workshop, who are responsible for the repairs and maintenance of the equipment. Therefore, work without stoppages or no significant labour disruptions during its operational history was paved way for by our extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation polices to protect against losses caused to workmen through accident. Most of the critical work is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from them. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results even from the downturn of economic situations.

8. SEGMENT WISE PERFORMANCE

As on March 31, 2015 the Company has only one reportable business segment, that of infrastructure development. A segment wise performance on consolidated basis is given in the note no. 2.37 to the consolidated financial statements.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

SIPL with Sadbhav Engineering Ltd. as its promoter has internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations. Also the protection of resources, assets and accurate reporting of financial transactions as criteria, is fulfilled. This system of internal control 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 ERP system of the company is already operative. It connects all sites with the corporate office, and by providing real time information to the top brass of the company. With this comes better management and control of all the processes.

10. FINANCIAL OVERVIEW

We generate revenues primarily from toll collection, user fee and annuity receipts. The company also provides operation, maintenance, advisory and project management services for our projects. For the financial year ended March 31, 2015, our consolidated revenue from operations and net loss amounted to ₹ 5,002.99 million and ₹ 3,433.02 million, respectively. Company's total revenue has increased by 33.56% from ₹ 3959.88 mn in FY2013-14 to ₹ 5288.87 mn in FY2014-15. This increase is primarily due to full year of tolling for RPTPL (CoD was achieved in January-2014) and start of toll collection for additional check posts in MBCPNL. Cash EBITDA for the Company has increased by 47.24% from ₹ 2519.37 in FY2013-14 to ₹ 3709.62 mn in FY2014-15.

11. HUMAN RESOURCE DEVELOPMENT

A major part of the company strategy is satiated towards our employees whose relentless support and devotion took our company to great heights. We realize that they are responsible for our existence as well as our goodwill. Therefore, as a responsibility towards them, we look after their social amenities like Medical, PF, Gratuity, LTA etc. The Human Resource team strives to attract the best possible talent and groom it to fulfill vision and mission of the Company. SIPL, a subsidiary of Sadbhav Engineering Ltd. recognizes the potential of each employee and provides them the right opportunity to grow. Regular in-house and external training which includes knowledge and skill development are provided to enhance their progress. We strive to maintain a professional, value-driven work environment where every employee feels satisfied and appreciated. Our positive approach towards competency development allows us to attract, retain and build the best team.

12. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections and approximate estimate may be "forward looking statements" set in the framework meaning of applicable securities laws and regulations. Actual results may 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 of 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 Infrastructure Project Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sadbhav Infrastructure Project Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss, and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 (I) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Arpit K. Patel

Partner

Membership Number: 34032

Place of Signature : Ahmedabad

Date : May 30, 2015

For, Manubhai & Shah

Chartered Accountants

ICAI Firm Registration Number: 106041W

per K. C. Patel

Partner

Membership Number: 30083

Place of Signature : Ahmedabad

Date : May 30, 2015

Annexure to Independent Auditors' Report

Annexure referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Sadbhav Infrastructure Project Limited for the year ended March 31, 2015

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (ii) According to the information and explanation given to us, the nature of the activities of the Company did not require it to hold inventories during the year. Accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to thirteen Companies covered in the register maintained under section 189 of the Companies Act, 2013. In respect of the loans granted are re-payable on demand except subordinate debts in the nature of promoter's contribution which are recoverable on achievement of certain financial performance of respective investee entities. In respect of the loans granted, the principal amount is repaid as demanded (other than subordinate debt) during the year, thus there is no default on the part of the parties to whom the money has been lent. The payment of interest has been regular, payable annually, by borrowers at the discretion of the Company.
(b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Roads and other infrastructure projects, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. According to the information and explanation given to us there are no dues payable on account of Employee's State Insurance, customs duty, excise duty and cess during the year.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the records of the Company, the dues outstanding of service tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Million)	Period to which amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	40.98	FY 2009-10 and FY 2010-11	CESTAT Ahmedabad

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company accumulated losses at the end of the financial year are less than fifty per cent of its net worth. Further, the Company has incurred cash losses during the current year and it has not incurred any cash loss during the preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank or debenture holders. The Company has not borrowed any sum from financial institutions.

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For, S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E

per Arpit K. Patel
 Partner
 Membership Number: 34032

Place of Signature : Ahmedabad
 Date : May 30, 2015

For, Manubhai & Shah
 Chartered Accountants
 ICAI Firm Registration Number: 106041W

per K. C. Patel
 Partner
 Membership Number: 30083

Place of Signature : Ahmedabad
 Date : May 30, 2015

Balance Sheet as at March 31, 2015

		(₹ in Million)	
	Note No.	March 31, 2015	March 31, 2014
I Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	3 109.63	282.58
(b) Reserves and surplus	4	5 326.29	8 036.03
		8 435.92	8 318.61
(2) Non Current liabilities			
(a) Long- term borrowings	5	7 331.56	2 550.00
(b) Long- term provisions	6	0.77	0.49
		7 332.33	2 550.49
(3) Current liabilities			
(a) Short- term borrowings	7	4 887.49	4 163.06
(b) Trade payables	8	282.76	216.97
(c) Other current liabilities	9	1 102.93	675.68
(d) Short- term provisions	6	0.03	0.03
		6 273.21	5 055.74
Total		22 041.46	15 924.84
II Assets			
(1) Non-current assets			
(a) Tangible Assets	10	12.84	14.06
(b) Non- current investments	11	4 143.58	3 133.16
(c) Deferred tax assets (net)	12	-	0.22
(d) Loans and advances	13	13 528.37	10 416.26
(e) Other non-current assets	15	482.40	329.05
		18 167.19	13 892.75
(2) Current assets			
(a) Trade receivables	14	408.42	597.79
(b) Cash and bank balance	16	36.08	10.81
(c) Loans and advances	13	3 116.84	1 370.91
(d) Other Current assets	15	312.93	52.58
		3 874.27	2 032.09
Total		22 041.46	15 924.84

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Manubhai & Shah
Chartered Accountants
ICAI Firm Registration No.: 106041W**

**K. C. Patel
Partner
Membership No. 30083**

**Date : 30 May, 2015
Place : Ahmedabad**

**For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E**

**Arpit K. Patel
Partner
Membership No. 34032**

**Date : 30 May, 2015
Place : Ahmedabad**

**For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited**

**Vasistha C. Patel
Managing Director
DIN : 00048324**

**Gaurav Vesasi
Company Secretary**

**Date : 30 May, 2015
Place : Ahmedabad**

**Vishnubhai M. Patel
Director
DIN : 00048287**

**Varun Mehta
Chief Financial Officer**

Profit and Loss Statement for the Year Ended March 31, 2015

		(₹ in Million)	
	Note No.	March 31, 2015	March 31, 2014
I Revenue from Operations	17	701.07	911.77
II Other income	18	371.98	246.57
III Total Revenue (I+II)		1 073.05	1 158.35
IV Expenses			
(a) Operating expenses	19	493.57	461.45
(b) Employee benefit expenses	20	42.37	29.59
(c) Other expenses	22	109.44	128.71
Total Expenses (a+b+c)		645.38	619.75
V Profit before Finance costs, depreciation and tax expense (III-IV)		427.67	538.60
(a) Finance cost	21	1 037.52	526.77
(b) Depreciation	10	1.29	1.14
(Loss) / Profit before tax (a+b)		(611.14)	10.69
VI Tax expense			
(a) Current Tax		-	3.99
(b) Deferred Tax - Charge		0.22	(0.07)
(c) Adjustment of tax relating to earlier years		21.32	0.66
Total Tax Expense		21.54	4.58
VII Net (Loss) / Profit after tax (V-VI)		(632.68)	6.11
Earnings per share [Nominal Value of share ₹ 10/-] (31 March 2014: ₹ 10/-)	23		
(1) Basic and Diluted		(2.04)	0.02

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Manubhai & Shah
Chartered Accountants
ICAI Firm Registration No.: 106041W**

**For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E**

**For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited**

**K. C. Patel
Partner
Membership No. 30083**

**Arpit K. Patel
Partner
Membership No. 34032**

**Vasistha C. Patel
Managing Director
DIN : 00048324**

**Vishnubhai M. Patel
Director
DIN : 00048287**

**Gaurav Vesasi
Company Secretary**

**Varun Mehta
Chief Financial Officer**

**Date : 30 May, 2015
Place : Ahmedabad**

**Date : 30 May, 2015
Place : Ahmedabad**

**Date : 30 May, 2015
Place : Ahmedabad**

Cash Flow Statement for the Year Ended March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before Taxation	(611.14)	10.69
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation	1.29	1.14
Interest Expenses and other finance costs	1 037.52	526.77
Profit on Sale of units of Mutual Funds	(0.04)	-
Sundry Creditors write back	(0.09)	-
Interest Income	(371.85)	(236.19)
Provision for Diminution in Value of Investment	-	0.37
Profit on sale of current investments	-	(0.26)
Dividend on current investments	-	(0.03)
Operating profit before working capital changes	55.69	302.49
Movement in Working Capital:		
(Increased) in other current assets	12.37	289.01
Decreased / (Increased) in Trade Receivables	189.37	(483.46)
Decreased / (Increased) in Loans and Advances	21.24	(1.25)
Increased in Trade Payables	65.88	41.58
(Decreased) / Increased in Current Liabilities and Provisions	(98.89)	111.02
Increase / (Decreased) in Non Current Liabilities and Provisions	0.28	(0.10)
Cash generated from / (used in) operations	245.94	259.29
Direct taxes paid	(42.03)	(81.42)
Net cash flow from/(used in) operating activities (A)	203.91	177.87
CASH FLOWS FROM INVESTMENTS ACTIVITIES		
Investments in subsidiaries and others	(477.43)	(773.67)
Short term Loan Given	(3 153.32)	(147.14)
Short term loan received back	313.92	103.53
Sub-Ordinate Debt Given	(3 786.52)	(2 828.21)
Sub-Ordinate Debt Received back	1 584.22	545.85
Purchase of Land	(2.88)	-
Investments in bank deposits (having original maturity of more than three months)	(21.08)	-
Purchase of Mutual Fund Unit	(29.50)	(244.24)
Redemption of Mutual Fund Unit	29.54	244.54
Purchase of Fixed Assets	(0.06)	-
Purchase of non-current investments (including share application money and advance against share purchase)	(127.01)	-
Interest received	100.15	-
Net cash flow (used in) investing activities (B)	(5 569.96)	(3 099.34)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses/ Initial Public Offer Expenses	(66.18)	-
Proceeds from Long Term Borrowings	4 900.00	-
Proceeds from Short Term Borrowings	5 847.23	5 038.93
Repayment of Short Term Borrowings	(4 343.24)	(1 801.48)
Interest and other finance costs	(967.57)	(315.40)
Net cash generated from financing activities (C)	5 370.24	2 922.04
Net increase in cash and cash equivalents (A+B+C)	4.19	0.56
Cash and cash equivalents at beginning of the year	10.81	10.25
Cash and cash equivalents at end of the year	15.00	10.81

Cash Flow Statement for the Year Ended March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Notes:		
1 Components of Cash and Cash Equivalents		
Cash on Hand	0.46	0.00
Balance with Scheduled Banks		
on Current Accounts	14.54	10.81
Cash and cash equivalents at end of the year	15.00	10.81
2 The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement" notified in Companies (Accounting Standards) Rules, 2006.		
3 The above cash flow does not include non cash items.		
4 Figures in brackets represent outflows.		

Summary of significant accounting policies - Refer note 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Manubhai & Shah Chartered Accountants ICAI Firm Registration No.: 106041W	For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No.: 324982E	For and on behalf of Board of Directors Sadbhav Infrastructure Project Limited
K. C. Patel Partner Membership No. 30083	Arpit K. Patel Partner Membership No. 34032	Vasistha C. Patel Managing Director DIN : 00048324
		Gaurav Vesasi Company Secretary
Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad
		Varun Mehta Chief Financial Officer

Notes to financial statements for the year ended March 31, 2015

1. Corporate Information

Sadbhav Infrastructure Project Limited ('the Company') is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes development of infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements in the form of subsidiaries, jointly controlled entities and associates.

The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

In terms of Reserve Bank of India directive with regards to Systematically Important Core Investment Companies (Reserve Bank) Directions, 2011, the Company is not required to be registered with Reserve Bank of India as on March 31, 2014 based on eligibility criteria.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis, under the historical cost convention.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

c. Depreciation on tangible fixed assets

Upto March 31, 2014, the depreciation on Tangible Assets is provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act 2013. In respect of fixed assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. All categories of assets costing less than ₹ 5,000 each is fully depreciated in the year of purchase.

d. Impairment

I. The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company's impairment tests of Investments are based on value in use. The Company has used expected future cash flows of projects in respect of SPV's which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

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

Notes to financial statements for the year ended March 31, 2015

e. 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.

f. Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings and premium payable on redemptions and discount on issue of debenture.

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

g. Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

I. Income from sale of services

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. 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 year as stated in the 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. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

II. Contractual 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 reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unearned Revenue".

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

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

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when 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.

III. Dividend

Dividend income is recognized when the company's right to receive payment is established by the reporting date.

Notes to financial statements for the year ended March 31, 2015

IV. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

i. Foreign Currency Transactions

I. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

II. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

III. Exchange Difference

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the year in which they arise.

j. Retirement and other employee benefits

I. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

II. The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the year in which they occur in the statement of profit and loss.

III. Compensated absences which accrue to the employees, and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

k. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Notes to financial statements for the year ended March 31, 2015

I. Segment Reporting

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 business unit that offers different services, the risk return profile of individual business unit, the organizational structure and internal reporting system of the company. The analysis of geographical segments is not required as the company's operations are within single geographical segment i.e. India.

Allocation of common costs

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

Unallocated items

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

Segment Policies

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

m. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting dividend on cumulative preference shares and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

n. Provisions, Contingent liabilities and Contingent Assets

I. A provision is recognized when the company 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 and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

II. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

o. Cash and Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term investments with an original maturity of three months or less.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference share dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effect of all dilutive potential equity shares.

q. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

Notes to financial statements for the year ended March 31, 2015

3 Share Capital

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Authorised shares (No. of Shares in actual)		
403,000,000 (31 March 2014: 30,000,000) Equity Shares of ₹ 10/- each	4 030.00	300.00
Nil (31 March 2014: 3,000,000) 0.01% Compulsory Convertible	-	30.00
Cumulative Preference Shares (CCPS) of ₹ 10/- each		
	4,030.00	330.00
Issued, Subscribed and Fully Paid Up (No. of Shares in actual)		
310,963,081 (31 March 2014: 26,007,170) Equity Shares of ₹ 10/- each	3 109.63	260.07
Nil (31 March 2014: 2,250,774) 0.01% Compulsory Convertible	-	22.51
Cumulative Preference Shares (CCPS) of ₹ 10/- each		
Total Issued , Subscribed and Fully Paid Up	3,109.63	282.58

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
At the beginning of the year	26,007,170	260.07	26,007,170	260.07
Issued during the year				
- Bonus Shares	282,693,710	2,826.94	-	-
- Conversion of CCPS	2,262,200	22.62	-	-
- Conversion of CCD	1	0.00	-	-
Outstanding at the end of the year	310,963,081	3,109.63	26,007,170	260.07
Preference Shares- CCPS				
At the beginning of the year	2,250,774	22.51	2,250,774	22.51
Conversion during the year	(2,250,774)	(22.51)	-	-
Outstanding at the end of the year	-	-	2,250,774	22.51

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual 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.

(c) Terms of conversion of Compulsory Convertible Cumulative Preference Shares (CCPS) up to Conversion of Equity Shares:

Each CCPS shall be convertible, at the option of the holder thereof at any time into such number of fully paid Equity Shares determined by dividing the Initial Purchase Price by the Conversion Price in effect at the time of conversion. However, each Preference Share shall automatically be converted into Equity Shares, at the then effective Conversion Price applicable to such Preference Share at the earlier of (i) the tenth anniversary of the Closing Date i.e. 23rd September 2010 and (ii) immediately prior to the closing of an initial public offering of the Equity Shares.

Each Preference Share shall entitle the holder thereof to receive, out of funds legally available, Cumulative cash dividends at the rate of 0.01% per annum of the face value. The preference share holders have waived their right to received dividend up to date of Conversion of CCPS into equity shares.

Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCPS.

(d) Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet:

The Company has issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10:1 by utilizing ₹ 2,826.94 Million from Securities Premium Account as per the resolution of Board meeting dated October 29, 2014.

(e) Shares held by holding company:

Out of issued, subscribed and paid up equity capital 240,733,427 shares (Previous Year 21,884,856 shares) are held by Sadhbhav Engineering Limited - holding company.

Notes to financial statements for the year ended March 31, 2015

(f) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of ₹ 10/- each fully paid				
Sadbhav Engineering Limited	240,733,427	77.42%	21,884,856	84.15%
Xander Investment Holding XVII Ltd	32,357,622	10.41%	1,810,502	6.96%
Norwest Venture Partners VII-A Mauritius	32,357,622	10.41%	1,810,502	6.96%
CCPS of ₹ 10/- each fully paid				
Xander Investment Holding XVII Ltd	-	-	1,125,387	50.00%
Norwest Venture Partners VII-A-Mauritius	-	-	1,125,387	50.00%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4 Reserves and Surplus

(₹ in Million)

	March 31, 2015	March 31, 2014
4.1 Securities premium account		
Balance as per the last year Financial Statement	7 464.50	7 464.50
Add: Addition during the year		
Premium on Conversion of CCDs	750.00	-
Less: Utilisation during the year		
Conversion of CCPS into Equity Shares	(0.11)	-
Issue of Bonus Shares	(2 826.94)	-
Closing Balance	5,387.45	7,464.50
4.2 Debenture Redemption Reserve		
Balance as per the last year Financial Statement	-	-
Add : Transfer from surplus of statement of Profit & Loss	109.21	-
Closing Balance	109.21	-
4.3 Surplus in the statement of profit and loss		
Balance as per the last year financial statements	571.52	565.41
Less : (Loss)/Profit for the year	(632.68)	6.11
Less : Transfer to Debenture Redemption Reserve during the year	(109.21)	-
Closing Balance	(170.37)	571.52
Total Reserves and Surplus (4.1 + 4.2 + 4.3)	5,326.29	8,036.03

5 Long Term Borrowing

(₹ in Million)

	March 31, 2015	March 31, 2014
Debentures		
2,000 (31 March 2014: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000,000 each (Secured)	2 000.00	-
Add: Accrued amount of Premium on Redemption	25.38	-
	2 025.38	-
1600 (31 March 2014: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000,000 each (Secured)	1 600.00	-
Add: Accrued amount of Premium on Redemption	16.69	-
	1 616.69	-
1,405,405 (31 March 2014: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000 each (Secured)	1 405.41	-
Add: Accrued amount of Premium on Redemption	64.52	-
	1 469.93	-

Notes to financial statements for the year ended March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Nil (31 March 2014: 11,00,950) 0.01% Compulsory Convertible Debentures of ₹ 681.23 each (Unsecured) (Refer Note (d) below)	-	750.00
Term Loan		
Indian Rupee Loan from Bank (Secured)	1 800.00	1 800.00
Loan from Holding Company		
Interest free loan from related party (Unsecured) (Refer Note 27)	779.56	-
	7,691.56	2,550.00
Less: Current maturities of long-term borrowings (Refer Note No.9)	(360.00)	-
	7,331.56	2,550.00

Notes:

(a) 2,000 Redeemable Non-Convertible Debentures (NCD) are Secured by:

(i) first ranking charge created on 1,071,198 Shares of the Company in the Rohtak Panipat Tollway Private Limited; (ii) the Corporate Guarantee by Sadbhav Engineering Limited (The Holding Company); (iii) first and exclusive mortgage over the Mortgaged Property, in accordance with the respective Security Documents.

(b) 1,600 Redeemable, Non Convertible debentures (NCD) are secured by:

(i) an unconditional, irrevocable and continuing Corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of SEL by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% of SPV shareholding i.e. DPTL. However, till the shares of DPTL are transferred in the name of SIPL, 56% of shares of ARRIL would be pledged. (iv) WCDL facility of to the extent of next repayment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD atleast 20 days before each redemption payment date for amount which are due in next 20 days.

(c) 1,405,405 Redeemable Non Convertible debentures (NCD) are secured by:

(i) Pledge of 19.46% shareholding in the company held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee from Promotor i.e. Mr. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company. NCD has been issued at discount.

(d) 11,00,950 Compulsory Convertible Debentures up to Convension of Equity Share:

The Company had issued 1,100,950 unsecured 0.01% Compulsory Convertible Debentures (CCDs) of ₹ 681.23/- each to Sadbhav Engineering Limited (SEL) the holding company, which were convertible as under:

Each CCDs shall be automatically converted upon the earlier of (i) the final adjustment date as per shareholder's agreements and (ii) the date of closing of an initial public offering of the Equity Shares (such date, the "Conversion Date").

0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into equity share as per Board Resolution dated October 22, 2014 . Pursuant to the conversion, the Company has issued 1 equity share against 1,100,950 CCDs.

(e) Term Loan from Bank is secured by:

(i) A first charge on all movable assets including intangible assets, book debts and other receivables of the company.
(ii) First charge on all bank accounts of the company.
(iii) 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.

(f) Terms of Repayment for:

(i) 2,000 Redeemable Non-Convertible Debentures (NCDs)

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of Year 3 and Year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the

Notes to financial statements for the year ended March 31, 2015

debentures for which Put option is exercised.

(ii) 1,600 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	18-Apr-18
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of Year 3 and Year 4 shall have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

(iii) 1,405,405 Redeemable Non Convertible debentures (NCD)

NCD is having a floating interest rate carrying from 6% to 6.33% which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.

The Company shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the Minimum Yield on the entire Facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(iv) Rupee Loan from ICICI Bank Limited:

The long term loan from the bank as at March 31, 2015 of ₹ 1,800 Million, (March 31, 2014 ₹ 1,800 Million) carrying a floating interest rate of 13.50%. The loan is repayable in 4 annual instalments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

The Company has rights to pre-pay the loan amount before reset date (i.e. date falling at the end of 12 months from the date of first Disbursement and thereafter the date falling at the end of 12 months from the last Reset Date, as the case may be) along with prepayment premium. The Company needs to mandatory prepay the loan amount in case the Company receive proceeds from the (i) initial public offering of the Company, (ii) securitization of revenues of (a) the projects undertaken by the Company, and/or (b) project companies, that may be received by the Company; and (iii) disposal of assets of the projects or divestment of investments of the Company in the projects. In case of mandatory prepayment, the premium shall not be applicable if the above option is made on reset date.

(v) Interest free loan from Sadbhav Engineering Limited, Holding Company:

Pursuant to the conversion of CCCPS into equity shares, The Company has entered into a Memorandum of Understanding with SEL, whereby SEL has given a commitment to keep the loan balance of ₹ 779.56 Million in SIPL for a period of 11 years from the date of conversion of CCCPS.

6 Provisions	Long - term		Short - term	
	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)
Provision of Gratuity (Refer Note 24)	0.77	0.49	0.03	0.03
	0.77	0.49	0.03	0.03

7 Short Term Borrowings	(₹ in Million)	
	March 31, 2015	March 31, 2014
Loans repayable on demand		
Loans from related parties (unsecured) (Refer Note 27)	4 677.49	3 953.06
Interest free Loan - Others (unsecured)	110.00	110.00
Working Capital Demand Loan from Bank (unsecured)	100.00	100.00
	4 887.49	4 163.06

Notes:

- (a) Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited i.e. the Holding company . The Working Capital Demand Loan is repayable within 90 days of borrowing and carrying interest of 11.65% p.a.
- (b) Loan from related parties carries interest from 9.75% to 11% p.a. and is repayable on demand.
- (c) Interest free loan from others is repayable on demand.

Notes to financial statements for the year ended March 31, 2015

8 Trade Payables

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Micro, Small and Medium Enterprise (Refer Note 30)	-	-
Others	282.76	216.97
	282.76	216.97

9 Other current liabilities

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Current maturities of long-term borrowings	360.00	-
Advance from Customer	181.90	207.88
Due to Bank in Current Account (Cheque Overdrawn)	-	0.13
Unearned Revenue (Refer Note 29)	129.94	200.87
Interest accrued but not due on borrowing	66.12	11.64
Interest accrued and due on borrowing* (Refer Note 27)	118.38	226.72
Employee Emoluments Payable	2.21	1.93
Statutory Dues payable	24.38	26.51
Other Payable (Refer note no.11(a))	220.00	-
	1 102.93	675.68

* Subsequent to year end, the amount is paid to lenders.

10 Tangible Assets

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at April 1, 2014	Additions	As at March 31, 2015	As at April 1, 2014	For the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
(a)	Building - Residential Flat	13.48	-	13.48	1.76	0.59	2.35	11.13	11.72
(b)	Office Equipment	0.10	-	0.10	0.05	0.04	0.09	0.01	0.05
(c)	Furniture and Fixtures	3.43	-	3.43	1.14	0.63	1.77	1.66	2.28
(d)	Computer	0.04	0.06	0.10	0.03	0.03	0.06	0.04	0.01
	Total	17.05	0.06	17.11	2.98	1.29	4.27	12.84	14.06
	Previous Year	17.05	-	17.05	1.84	1.14	2.98	14.06	

11 Non-current Investments

	No. of Shares March 31, 2015	No. of Shares March 31, 2014	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)
Trade Investments				
(valued at cost unless stated otherwise)				
Unquoted equity Shares				
Investment in subsidiaries (No. of Shares in actual including held by nominees)				
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL) of ₹ 10/- Each (refer note (a) below)				
	10,460,000	8,368,000	1,036.80	416.80
Aurangabad Jalna Tollway Limited (AJTL) of ₹ 10/- Each	1,971,053	1,971,053	835.73	835.73
Bijapur Hungund Tollway Private Ltd.(BHTPL) of ₹ 10/- Each	77,739,200	77,739,200	777.39	777.39
Hyderabad Yadgiri Tollway Private Ltd.(HYTPL) of ₹ 10/- Each	3,247,283	1,948,430	173.24	103.94
Rohtak Panipat Tollway Private Limited (RPTPL) of ₹ 10/- Each	2,186,445	2,186,445	217.74	217.74
Maharashtra Border Check Post Network Ltd.(MBCPNL) of ₹ 10/- Each	38,910	13,510	280.13	96.99
Solapur-Bijapur Tollway Private Limited (SBTPL) of ₹ 10/- Each (refer note 32)	-	37,000	-	0.37
Shreenathji-Udaipur Tollway Private Limited (SUTPL) of ₹ 10/- Each	20,743,237	15,349,995	207.43	153.50
Bhilwara-Rajsamand Tollway Private Limited (BRTPL) of ₹ 10/- Each	17,340,000	12,831,600	173.40	128.32
Rohtak-Hissar Tollway Private Limited (RHTPL) of ₹ 10/- Each	10,768,000	7,968,320	107.68	79.68
Nagpur Seoni Expressway Limited (NSEL) of ₹ 10/- Each (refer note (b) below)	47,999,840	47,999,840	316.77	316.77
	4,126.31	3,127.23		

Notes to financial statements for the year ended March 31, 2015

Investment in associates (No. of Shares in actual)					
Dhule Palenser Tollway Limited (DPTL) of ₹ 10/- Each		1,439,200	630,000	14.39	6.30
				14.39	6.30
				4,140.70	3,133.53
Less: Provision for Diminution in Value of Investment (refer note 32)				-	0.37
Total (a)				4,140.70	3,133.16
Investment in Property (At Cost unless stated otherwise)					
Cost of Land				2.88	-
Total (b)				2.88	-
Total (a+b)				4,143.58	3,133.16

Notes:

(a) In terms of Share Purchase Agreement (SPA) dated November 3, 2014, between Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") and Patel Infrastructure Private Limited ('PIPL'), SIPL has acquired 2,092,000 shares of Ahmedabad Ring Road Infrastructure Project Limited ('ARRIL') from PIPL for purchase consideration of ₹ 620 Million. As at reporting date, the Company has paid an amount of ₹ 400 Million to PIPL toward purchase consideration and has received necessary approval in terms of SPA whereby condition precedents for conclusion of transaction are complied. As both the parties have complied with terms of SPA, Company has accounted the transaction in the books as at March 31, 2015. Subsequent to reporting date, SIPL has paid the balance purchase consideration of ₹ 220 Million and 1,464,400 equity shares has been transferred from PIPL to the Company. The transfer formalities of 627,600 equity shares are in process as shares held by PIPL are pledged with lenders of ARRIL.

(b) In terms of Share Purchase Agreement dated September 22, 2010, between Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") and Sadbhav Engineering Limited ('SEL'), SIPL has acquired 24,479,940 shares of Nagpur Seoni Expressway Limited (NSEL) from SEL. NSEL has received approval from National Highway Authority of India ('NHAI') for transfer of shares from SEL to SIPL on April 3, 2013. As at reporting date, the transfer formalities of 14,400,000 Shares are in process as shares held by SEL are being pledged with lender of NSEL.

(c) The Company has pledged following equity shares from its holding in various SPVs, in favour of lenders for term loan facilities availed by the respective SPVs.

	March 31, 2015			March 31, 2014		
	Total Shares Held	Shares Pledged	% of Shares Pledged	Total Shares Held	Shares Pledged	% of Shares Pledged
ARRIL (Refer Note (a) above)	10,460,000	8,367,940	80.00%	8,368,000	2,510,400	30.00%
AJTL	1,971,053	1,008,816	51.18%	1,971,053	1,008,816	51.18%
BRTPL	17,340,000	8,834,400	50.95%	12,831,600	5,034,516	39.24%
BHTPL	77,739,200	20,212,192	26.00%	77,739,200	10,759,980	13.84%
HYTPL	3,247,283	1,656,355	51.01%	1,948,430	993,888	51.01%
MBCPNL	38,910	28,453	73.13%	13,510	3	0.02%
NSEL (Refer Note (b) above)	47,999,840	14,400,000	30.00%	47,999,840	14,400,000	30.00%
RHTPL	10,768,000	5,491,681	51.00%	7,968,320	4,063,844	51.00%
RPTPL	2,186,445	2,186,285	99.99%	2,186,445	1,115,087	51.00%
SUTPL	20,743,237	10,579,052	51.00%	15,349,995	7,828,498	51.00%
SBTPL	-	-	-	37,000	18,870	51.00%

Notes to financial statements for the year ended March 31, 2015

12 Deferred Tax Asset (net)

In accordance with Accounting Standard 22 "Accounting for Taxes on Income". The components of Deferred Tax Assets and Liability are as under:- (₹ in Million)

	March 31, 2015	March 31, 2014
Deferred Tax Liability		
Difference in book and tax depreciation	0.22	0.09
Deferred Tax Liability	0.22	0.09
Deferred Tax Assets		
Expenditure debited in statement of profit and loss but allowed under income tax Act in subsequent years	0.22	0.31
Deferred Tax Asset	0.22	0.31
Deferred Tax Asset (Net)	-	0.22

Note: As on date, the Company has deferred tax asset of ₹ 198.20 million for business lossess and unabsorbed depreciation, however, as a matter of prudence and in the absence of virtual certainty, deferred tax assets has been recognised only to the extent of Deferred Tax Liability in the books and accordingly, deferred tax is nil as on date of balance sheet.

13 Loans and Advances

(₹ in Million)

	(Unsecured, considered good unless stated otherwise)		Long - term		Short - term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
a Deposits (Refer note 28(i))	2.51	2.51	0.02	0.03		
b Loans and advances to related parties (Refer Note 27)						
Unsecured Loan Receivable	-	137.16	2,663.33	1,163.81		
Advance against share purchases (Refer Note 1 Below)	267.81	450.94	-	-		
Sub-ordinate debt (Refer Note 2 & 3 Below)	13,134.92	9,704.39	-	-		
Others	-	-	14.18	2.47		
Total	13,402.73	10,292.49	2,677.51	1,166.28		
c Advances recoverable in cash or kind						
Unsecured considered good	-	-	14.19	29.82		
d Inter corporate Loans	-	-	418.80	170.00		
e Others						
Advance income tax (Net of provision)	117.76	97.05	-	-		
Prepaid expenses	-	-	0.21	0.43		
Tax credits and receivables	5.37	24.21	6.11	4.35		
Total	123.13	121.26	6.32	4.78		
Total (a+b+c+d+e)	13,528.37	10,416.26	3,116.84	1,370.91		

Note:

1.) Advance towards Shares Purchase represents payment made to the holding company, Sadhbhav Engineering Limited (SEL) towards purchase of equity shares and consequential economic interest /ownership rights in Dhule Palenser Tollway Limited (DPTL) and Mumbai Nasik Express Way Limited (MNEL). The Company is in the process of obtaining regulatory / lenders approvals to get such shares transferred in its own name.

The Company has agreed to acquired 20% equity share of Mumbai Nasik Expressway Limited (MNEL) from SEL as per Share purchase agreement dated September 22, 2010. Further, the Company has executed a binding term sheet dated January 22, 2015 with SEL and Gammon Infrastructure Projects Limited, pursuant to which SEL has agreed to transfer 20% of MNEL shares to the Company, which the Company intends to sell to Gammon Infrastructure Projects Limited for an aggregate consideration of ₹ 720.00 million.

The Company has also agreed to acquire 39% equity shareholding of Dhule Palenser Tollway Limited (DPTL) from SEL as per agreement dated September 22, 2010 and November 3, 2014. As at year end, Company has paid part consideration to SEL to purchase the shareholding. Further, Subsequent to year end, the Company has agreed to acquire additional equity share of DPTL from HCC Concessions Limited and Hindustan Construction Company Limited as per share purchase agreement dated April 16, 2015 whereby Company has agreed to acquire 100% shareholding in DPTL. The transactions are subject to lender's approval.

2.) The infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support

Notes to financial statements for the year ended March 31, 2015

and Equity Contribution Agreement of the respective SPV entity. These sub-ordinate debt has been given interest free except sub-ordinate debt of ₹ 1,124 Million as at 31 March 2015 (31 March 2014: ₹ 1,124 Million) given to Dhule Palesnar Tollway Limited on which interest of ₹ 414.89 Million as at 31 March 2015 (31 March 2014: ₹ 303.62 Million) has accrued as per terms of the Loan Agreement with lenders of Dhule Palesnar Tollway Limited.

3.) The sub-ordinate debt including accrued interest is recoverable on fulfilment of financial performance/obligation as per terms and conditions of Loan Agreement with lenders of the respective SPV entities.

14 Trade Receivables (Unsecured, considered good) (Refer Note 27)

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment	64.27	2.24
Other receivables	344.15	595.55
	408.42	597.79
Trade receivables include:		
Dues from subsidiaries	403.72	594.32
Dues from associates	4.70	3.47
	408.42	597.79

15 Other Assets

	(₹ in Million)			
	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unbilled Revenue (Refer Note 29)	-	-	-	12.36
Interest receivable on Unsecured loans/sub-ordinate debt to related parties (Refer Note 27 and note a below)	414.89	329.05	184.96	31.29
Interest receivable on fixed deposit with bank	-	-	0.92	-
Interest receivable from others	-	-	40.20	8.93
Initial Public Issue Expenses (Refer note (b) below)	-	-	66.18	-
Unamortised discount on issue of NCDs	67.51	-	20.67	-
	482.40	329.05	312.93	52.58

Notes:

- (a) Interest receivable on Sub Ordinate Debts is recoverable on fulfilment of financial performance/obligation as per terms and conditions of the loan agreement with lenders of Dhule Palesnar Tollway Limited.
- (b) The Company is in the process of an Initial Public Offer ('IPO') in respect of its Equity Shares. As per the offer agreement between the Company and the selling shareholders, all expenses incurred in connection to the Company's IPO will be borne by the Company and each of the selling shareholders in proportion to the Equity shares allotted by the Company in the fresh issue and transferred by each selling shareholder in Offer for Sale, respectively. Thus, the expenses incurred by the Company in connection to the IPO upto March 31, 2015, have been shown as 'Unamortised Share Issue Expenses' in Other Current Assets. The Company will adjust the expense against the Securities premium balance in the next financial year upon the finalisation of the proportion between the Company and the Selling Shareholders.

16 Cash and Bank Balance

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Cash on hand	0.46	0.00
Balance with bank	14.54	10.81
In current accounts	15.00	10.81
Other bank balance		
Deposits with original maturity for more than 3 months but less than 12 months (refer note below)	21.08	-
	36.08	10.81

Note: Fixed deposit is lying with the Yes bank in the name of SIPL ITCL Designated Account as per terms of Debenture trust cum mortgage deed towards Debt servicing reserve of Redeemable Non Convertible debentures (NCD) of ₹ 1 405.41 Million.

Notes to financial statements for the year ended March 31, 2015

17 Revenue from Operations (Refer Note No 27)	(₹ in Million)	
	March 31, 2015	March 31, 2014
Contractual Income		
Engineering, Procurement & Construction (EPC) and Other Contract Income (Refer Note No 29)	478.44	541.96
Operational and Maintenance Income	122.64	8.48
Sale of Service		
Advisory, Project and Toll Management Fees	99.99	361.33
	701.07	911.77
18 Other income	(₹ in Million)	
	March 31, 2015	March 31, 2014
Interest income on:		
Loans to related parties	210.87	119.87
Sub-ordinate debts to related parties	123.64	116.32
Inter Corporate Loan	34.74	10.09
Fixed Deposit	1.02	-
Income Tax Refund	1.27	-
Others	0.31	-
Profit on Sale of units of Mutual Funds	0.04	0.26
Dividend on Current Investments	-	0.03
Sundry Balances written back	0.09	-
	371.98	246.57
19 Operating expenses	(₹ in Million)	
	March 31, 2015	March 31, 2014
Construction Contract charges to Sub-contractors	370.48	445.43
Operation and maintenance charges to sub-contractors	112.37	6.37
Toll management charges to sub-contractor	10.72	9.65
	493.57	461.45
20 Employee benefit expenses	(₹ in Million)	
	March 31, 2015	March 31, 2014
Salaries, allowances, bonus and leave expenses (including managerial remuneration) (Refer Note No 27)	41.48	29.29
Provident Fund	0.42	0.17
Gratuity Expenses (Refer Note No 24)	0.29	0.12
Staff welfare expenses	0.18	0.01
	42.37	29.59
21 Finance Cost	(₹ in Million)	
	March 31, 2015	March 31, 2014
Interest on:		
Loan from bank and others	877.52	523.11
Others	0.81	0.82
Other Finance Cost:		
Premium on redemption of Non convertible debentures	106.60	-
Amortisation of discount on issue of Non convertible debentures	17.22	-
Bank Charges and other finance costs	35.37	2.84
	1,037.52	526.77

Notes to financial statements for the year ended March 31, 2015

22 Other Expenses

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Electricity Expenses	1.67	0.62
Rent	1.12	0.90
Rates and Taxes	6.71	0.03
Repairing & maintenance	0.22	1.26
Insurance	0.18	0.44
Stamp Duty and Filing Fees	29.23	-
Travelling Expenses	3.98	1.88
Communication Expense	0.90	-
Legal and Professional Fees	52.47	31.79
Auditors' Remuneration (Refer below)	1.03	0.90
CSR expenditure (Refer Note No 34)	5.99	-
Interest receivable written off	-	22.65
Non-current Investments Written off (Refer Note No 32)	(0.37)	-
Less: Adjustment against Provision for Diminution in Value of Investment	0.37	-
Provision for Diminution in Value of Investment (Refer Note No 32)	-	0.37
Waiver of subordinate debt (Refer Note No 32)	-	66.02
Miscellaneous Expenses	5.94	1.85
	109.44	128.71
Payment to auditors	(₹ in Million)	
	March 31, 2015	March 31, 2014
Towards		
Statutory Audit Fees	0.85	0.70
Certification Fees	-	0.03
Consolidation of Financial Statements	0.16	0.15
Reimbursement of Expenses	0.02	0.02
	1.03	0.90

Note:

The Company has also paid ₹ 5.07 Million (previous year: Nil) to auditors for professional fee for services rendered in respect of Initial Public offering (IPO) of the Company. The Expenses is currently lying as Initial Public Issue Expenses in the Other Assets (also refer note 15).

Notes to financial statements for the year ended March 31, 2015

23 Earning Per Share (EPS)	(₹ in Million)	
	March 31, 2015	March 31, 2014
(i) Basic (Loss) / Earning Per Share		
(Loss) / Profit after tax for the year available for Equity Shareholders	(a) (632.68)	6.12
Weighted average number of equity shares outstanding during the year	(b) 30,96,98,728	30,87,00,880
(Loss) / Earnings Per Shar (Basic)	(c = b/a) (2.04)	0.02
(ii) Diluted (Loss) / Earning Per Share		
(Loss) / Profit after tax for the year available for Equity Shareholders	(632.68)	6.12
Add : Interest on Compulsory Convertible Debenture (Net of Tax)	0.03	0.05
Net (Loss) / Profit after tax for calculation of Diluted EPS	(d) (632.65)	6.17
Weighted average number of equity shares outstanding during the year	(e) 30,96,98,728	30,87,00,880
(Loss) / Earnings Per Share (Diluted)	(f=d/e) (2.04)	0.02

Notes:

- Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPs.
- 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited ('CCDs') have been converted into one equity share as per Board Resolution dated October 22, 2014.
- The Company issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per the resolution of Board Meeting dated October 29, 2014.

24 Employee Benefits :

The disclosures of employee benefits as defined in the Accounting Standard 15 are as below.

Defined Benefit Plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last drawn salary) for each completed year of service. The scheme is un-funded.

The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Accounting Standard, AS 15. Gratuity has been recognized in the financial statements as per details given below:

	(₹ in Million)	
Amount recognized in the statement of profit and loss	March 31, 2015	March 31, 2014
Current service cost	0.20	0.18
Interest cost	0.04	0.03
Net Actuarial (Gain) / Losses	0.05	(0.09)
Net amount recognized	0.29	0.12
Balance Sheet		
Liability recognised in the Balance Sheet	0.80	0.51
Liability in the Balance Sheet	0.80	0.51
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	0.51	0.39
Current service cost	0.20	0.18
Actuarial (Gain) / Losses	0.05	(0.09)
Interest cost	0.04	0.03
Closing defined benefit obligation	0.80	0.51
Principal Actuarial assumptions at the Balance Sheet Date		
Discount rate	7.80%	9.10%
Annual increase in salary cost*	6.00%	6.00%
Employee turnover rate	1% to 5% base on Age Band	5.00%

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

Notes to financial statements for the year ended March 31, 2015

25 Leases

Office space at Ahmedabad is obtained on operating leases. During the year, the Company has incurred ₹ 1.01 Million (Previous year ₹ 1.01 Million) (inclusive of service tax) towards rent for office space. There are no sub-leases and the leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

26 Segment information

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns and internal reporting system.

The Company's operations predominately relates to Contract Income and Project Operations, Management & Advisory services.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.

Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.

(₹ in Million)

	Contract Income		Project Operations, Management and Advisory Services		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue						
External Revenue	601.08	550.44	88.70	351.20	689.78	901.64
Others	-	-	-	-	11.29	10.13
Total Revenue	601.08	550.44	88.70	351.20	701.07	911.77
Expenses	(505.96)	(464.44)	(25.16)	(19.00)	(531.12)	(483.44)
Results						
Segment Results	95.12	86.00	63.54	332.20	158.66	418.20
Others	-	-	-	-	0.56	0.48
Unallocated Corporate Expense	-	-	-	-	(104.82)	(127.79)
Operating Profit					54.40	290.89
Unallocated						
Finance Costs	-	-	-	-	(1 037.52)	(526.77)
Other income including Finance income	-	-	-	-	371.98	246.57
Profit before tax					(611.14)	10.69
Other Information						
Segment Assets	417.42	574.21	64.75	49.61	482.17	623.82
Unallocated Asset	-	-	-	-	21 559.29	15 301.02
Total Assets	417.42	574.21	64.75	49.61	22 041.46	15 924.84
Segment Liabilities	594.60	625.08	-	-	594.60	625.08
Unallocated Liabilities	-	-	-	-	13 010.94	6 981.14
Total Liabilities	594.60	625.08	-	-	13 605.54	7 606.22
Unallocated depreciation	-	-	-	-	1.29	1.14
Unallocated Non Cash Expenses other than Depreciation	-	-	-	-	-	89.04

Notes:

The Secondary Segment i.e. Geographical Segment is not a reportable segment as per Accounting Standard - 17, hence the details thereof are not given.

Notes to financial statements for the year ended March 31, 2015

27 Related Party disclosures

Name of Related Parties and related party relationship

(a) Related Parties where control exists

Holding Company	Sadbhav Engineering Limited (SEL)
Subsidiaries	Ahmedabad Ring Road Infrastructure Limited (ARRIL) Aurangabad Jalna Toll Way Limited (AJTL) Bijapur Hungund Tollway Private Limited (BHTPL) Hyderabad Yadgiri Tollway Private Limited (HYTPL) Rohtak Panipat Tollway Private Limited (RPTPL) Maharashtra Border Check Post Network Limited (MBCPNL) - (Through board control & contractual economic interest till November 11, 2014) Nagpur Seoni Express Way Limited (NSEWL) Shreenathji-Udaipur Toll way Private Limited (SUTPL) Bhilwara-Rajsamand Toll way Private Limited (BRTPL) Rohtak Hissar Tollway Private Limited (RHTPL)

(b) Related parties with whom transactions have taken place during the year

Key management personnel (KMP)	Mr. Vasistha C Patel, Managing Director
Enterprises over which the company having significant influence	Dhule Palesnar Tollway Limited (DPTL)
Enterprises over which holding company is able to exercise significant influence	Mumbai Nasik Express Way Limited (MNEL)
Fellow Subsidiary	Mysore-Bellary Highway Pvt. Ltd. (MBHPL)
Enterprise having significant influence under contract	Norwest Venture Partners VII-A-Mauritius (Norwest) up to 22 October, 2014 Xander Investment Holding XVII Limited (Xander) up to 22 October, 2014

Note:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(c) Transactions with Related Parties during the year

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Interest expense on CCDs														
	SEL	0.04	0.08	-	-	-	-	-	-	-	-	-	-	-	-
2	Unsecured Loan Taken														
	SEL	5 847.23	4 466.11	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	43.82	-	-	-	-	-	-	-	-	-	-
3	Unsecured Loan repaid (Including Interest)														
	SEL	4 749.38	1 262.93	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	199.28	145.69	-	-	-	-	-	-	-	-	-
4	Conversion of SEL CCDs in to Equity														
	SEL	750.00	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Issue of Bonus Share														
	SEL	2 188.49	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vasistha C Patel	-	-	-	-	-	-	-	-	-	-	-	-	5.00	-
	Vishnubhai Patel	-	-	-	-	-	-	-	-	-	-	-	-	10.00	-
	Shashin V Patel	-	-	-	-	-	-	-	-	-	-	-	-	6.40	-

Notes to financial statements for the year ended March 31, 2015

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	Nitin Patel	-	-	-	-	-	-	-	-	-	-	-	-	3.60	-
	Girish Patel	-	-	-	-	-	-	-	-	-	-	-	-	4.00	-
	Vikram Patel	-	-	-	-	-	-	-	-	-	-	-	-	5.00	-
	Rajshree Patel	-	-	-	-	-	-	-	-	-	-	-	-	3.00	-
	Norwest Venture Partners VII-A-Mauritius (Norwest)	-	-	-	-	294.16	-	-	-	-	-	-	-	-	-
	Xander Investment Holding XVII Limited (Xander)	-	-	-	-	294.16	-	-	-	-	-	-	-	-	-
6	Conversion of CCCPS into Equity Shares (Including Security Premium)														
	Norwest Venture Partners VII-A-Mauritius (Norwest)	-	-	-	-	500.00	-	-	-	-	-	-	-	-	-
	Xander Investment Holding XVII Limited (Xander)	-	-	-	-	500.00	-	-	-	-	-	-	-	-	-
7	Unsecured Loan converted in to Interest free Loan														
	SEL	779.56	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest Expense														
	SEL	491.12	250.20	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	5.84	26.43	-	-	-	-	-	-	-	-	-	-
9	Investments made during the year														
	BHTPL	-	-	-	-	566.41	-	-	-	-	-	-	-	-	-
	BRTPPL	-	-	-	-	127.95	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	8.09	-	-	-	-	-	-	-
	RHTPL	-	-	-	-	79.68	-	-	-	-	-	-	-	-	-
10	Purchase of Share														
	SEL	310.14	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Share Application Money given														
	DPTL	-	-	-	-	-	-	8.10	-	-	-	-	-	-	-
	SBTPL	-	-	-	-	153.47	-	-	-	-	-	-	-	-	-
12	Share Application Money Refunded														
	SBTPL	-	-	-	-	153.47	-	-	-	-	-	-	-	-	-
13	Advance for purchase of investments														
	SEL	127.01	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Unsecured Loan Given														
	AJTL	-	-	367.30	314.92	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	-	111.69	-	-	-	-	-	-	-	-	-	-
	BRTPPL	-	-	63.75	35.38	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	174.50	303.85	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	1 710.00	449.35	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	39.57	-	-	-
	NSEL	-	-	32.40	307.13	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	31.70	59.57	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	485.30	114.25	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	29.16	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	-	23.60	-	-	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2015

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
15	Proceeds from unsecured loan given including interest														
	AJTL	-	-	159.97	233.87	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	-	215.00	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	51.97	35.38	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	15.40	380.12	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	97.53	106.40	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	38.67	-	-	-
	DPTL	-	-	-	-	-	-	12.36	11.63	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	1.41	1.41	-	-	-	-
	NSEL	-	-	5.68	520.00	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	20.98	59.57	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	4.91	43.60	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	101.00	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	-	45.23	-	-	-	-	-	-	-	-	-	-
16	Sub Ordinate Debt Given														
	AJTL	-	-	-	5.58	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1 311.26	513.26	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	-	139.60	-	-	-	-	-	-
	HYTPL	-	-	192.70	328.47	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	2.00	652.37	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	634.99	59.57	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	-	449.95	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	415.85	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	1 645.57	-	-	-	-	-	-	-	-	-	-	-
17	Sub ordinate Debt received back														
	BHTPL	-	-	-	80.00	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	664.92	-	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	305.30	50.00	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	349.83	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	614.00	-	-	-	-	-	-	-	-	-	-	-
18	Sub ordinate Debt written off														
	SBTPL	-	-	-	66.01	-	-	-	-	-	-	-	-	-	-
19	Sale of Services (Including Contract Revenue) (excluding service tax)														
	AJTL	-	-	15.50	12.00	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	254.17	300.83	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	16.50	18.00	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	-	75.00	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	1.20	1.20	-	-	-	-	-	-
	HYTPL	-	-	24.12	12.53	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	220.63	788.29	-	-	-	-	-	-	-	-	-	-
	NSEL	-	-	82.39	6.00	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	53.93	21.08	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-
20	Expenses incurred on behalf														
	SEL	49.87	18.40	-	-	-	-	-	-	-	-	-	-	-	-
	AJTL	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	0.57	-	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	0.00	0.03	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	4.15	-	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	26.62	-	-	-	-
	NSEWL	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	9.36	0.01	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	0.10	0.00	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2015

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
21	Interest Income														
	AJTL	-	-	49.73	18.74	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	-	1.24	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	0.90	1.47	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	123.64	116.32	-	-	-	-	-	-
	HYTPL	-	-	6.01	13.61	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	33.88	7.13	-	-	-	-	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	14.13	14.13	-	-	-	-
	NSEL	-	-	56.80	53.35	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	0.28	1.05	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	49.14	0.77	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	7.57	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	-	0.82	-	-	-	-	-	-	-	-	-	-
22	Conversion into Sub Debt from unsecured Loan														
	MBCPNL	-	-	1 217.23	-	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	11.00	-	-	-	-	-	-	-	-	-	-	-
23	Receipt of services														
	SEL	72.18	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Rent Paid (excluding Service tax)														
	SEL	0.90	0.90	-	-	-	-	-	-	-	-	-	-	-	-
25	Managerial Remuneration														
	Vasistha Patel	-	-	-	-	-	-	-	-	-	-	-	-	3.25	3.19

(d) Balances at the year end

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprises having significant control		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Trade Receivable (including retention money)														
	AJTL	-	-	27.94	12.28	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	180.88	201.35	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	-	1.54	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	4.70	3.47	-	-	-	-	-	-
	HYTPL	-	-	2.99	11.80	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	147.20	346.83	-	-	-	-	-	-	-	-	-	-
	NSEL	-	-	37.14	6.14	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	7.51	14.37	-	-	-	-	-	-	-	-	-	-
2	Unsecured Loan Receivable														
	AJTL	-	-	508.76	248.75	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	11.90	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	162.45	0.40	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	748.21	338.40	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	0.90	-	-	-
	MNEL	-	-	-	-	-	-	-	-	137.16	137.16	-	-	-	-
	NSEL	-	-	538.65	506.25	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	555.30	70.00	-	-	-	-	-	-	-	-	-	-
3	Sub-Ordinate debt Receivable														
	AJTL	-	-	282.00	282.00	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	843.92	843.92	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1 159.60	513.26	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	1 124.00	1 124.00	-	-	-	-	-	-
	HYTPL	-	-	-	1 017.23	824.53	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	-	3 766.13	2 852.20	-	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2015

Sr. No.	Particulars	Holding		Subsidiaries		Enterprises having significant control		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	NSEL	-	-	118.29	118.29	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	969.12	323.13	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	2 209.06	2 209.06	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	1 645.57	614.00	-	-	-	-	-	-	-	-	-	-
4	Advance towards purchase of shares														
	SEL	267.81	450.94	-	-	-	-	-	-	-	-	-	-	-	-
5	Interest Receivable														
	AUTL	-	-	4.26	7.21	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	0.78	-	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	-	-	-	-	414.89	303.62	-	-	-	-	-	-
	HYTPL	-	-	3.07	0.01	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	23.86	4.56	-	-	-	-	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	38.14	25.43	-	-	-	-
	NSEL	-	-	69.98	18.86	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	44.88	0.65	-	-	-	-	-	-	-	-	-	-
6	Interest Payable														
	SEL	117.77	225.18	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	0.47	1.53	-	-	-	-	-	-	-	-	-	-
7	Advance against contract														
	MBCPNL	-	-	181.90	207.88	-	-	-	-	-	-	-	-	-	-
8	Trade Payable														
	SEL	71.25	0.42	-	-	-	-	-	-	-	-	-	-	-	-
9	Expense receivable														
	BHTPL	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1.08	1.08	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	4.97	1.35	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	8.12	-	-	-
	SUTPL	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-
10	Expense Payable														
	SEL	68.99	18.47	-	-	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	0.07	0.00	-	-	-	-	-	-	-	-	-	-
11	0.01% Unsecured CCD														
	SEL	-	750.00	-	-	-	-	-	-	-	-	-	-	-	-
12	Interest on 0.01% Unsecured CCD														
	SEL	0.14	0.10	-	-	-	-	-	-	-	-	-	-	-	-
13	Unsecured Loan Taken														
	SEL	4 664.11	3 747.30	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	13.38	205.76	-	-	-	-	-	-	-	-	-	-
14	Interest Free Unsecured Loan Taken														
	SEL	779.56	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Managerial Remuneration Payable														
	Vasistha Patel	-	-	-	-	-	-	-	-	-	-	-	-	0.25	0.38

Notes:

- 1) Term loan of ₹ 1,800 Million as at March 31, 2015 (31 March 2014: ₹ 1,800 Million) from bank is guaranteed by the corporate guarantee of Sadhbh Engineering Limited, the holding company.
- 2) Non convertible debenture of ₹ 5,005.41 Million as at 31 Mar 2015 (31 March 2014: Nil) is guaranteed by the corporate guarantee of Sadhbh Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadhbh Engineering Limited has pledged 16% shareholding in the Company to the lenders.
- 3) Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued to Norwest and Xander 1,131,100 equity share each against 1,125,387 CCCPS.
- 4) Company has received a waiver from preference shareholders for dividend payable in respect of financial year upto date of Conversion of CCCPS into equity shares i.e. October 22, 2014.

Notes to financial statements for the year ended March 31, 2015

28 Contingent liabilities and commitments

	(₹ in Million)	
	March 31, 2015	March 31, 2014
I Contingent Liabilities		
Claims against the Company not acknowledged as debts	43.48	43.48
Service Tax*	43.48	43.48

* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, for which company has deposited ₹ 2.50 million and received stay order from tribunal for recoveries of demands. Further the matter is pending with Tribunal as at reporting date.

	(₹ in Million)	
	March 31, 2015	March 31, 2014
II Commitments		

The followings are the estimated amount of contractual commitments of the company:

- (i) EPC Sub-Contract Commitments 949.40 1,333.05
- (ii) Other Commitments towards sub ordinate debts/equity shares in various subsidiaries 1,261.60 2,276.16
- (iii) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPL and RHTPL have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its shares in the respective subsidiary company, details of which is as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge
	Upto Commercial	After Commercial	
ARRIL	70%	45%*	30.00%
BHTPL	51%	26%	51.00%
RPTPL	51%	51%	51.00%
HYTPL	51%	51%	51.01%
RHTPL	51%	51%	51.00%
NSEL	30%	30%	30.00%
AJTL	51%	51%	51.00%
MBCPNL	70%	51%	51.00%
SUTPL	51%	51%	51.00%
BRTPL	51%	51%	51.00%

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) Company has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt. Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.
- (v) The Company had entered into an agreement dated September 18, 2013 to sell 9.93% equity shareholding of Maharashtra Border Check Post Network Limited (MBCPNL) to D. Thakkar Construction Private Limited, subject to lenders approvals. Further, the Company has also entered into an agreement dated November 4, 2014 with SEL to purchase 10% of equity shareholding in MBCPL. As at March 2015, Company has also outstanding unsecured loan of ₹ 110 million from D. Thakkar Construction Private Limited (refer note 7).
- (vi) As regards acquisition of 20% share holding in Mumbai Nasik Expressway Limited (MNEL) in principle understanding has been reached with Gammon Infrastructure Project Limited for sale of share holding although detailed agreement is pending to be executed.

29 Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

	(₹ in Million)	
	March 31, 2015	March 31, 2014
I Contract revenue recognized as revenue in the year	478.44	541.96
II For Contracts that are in progress:-		
a. Contract costs incurred and recognized upto reporting date	2,052.55	1,667.91
b. Profits (less recognized losses) upto reporting	673.10	536.85
c. Advances received	181.90	207.88

Notes to financial statements for the year ended March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014

d. Retention Money	29.44	17.89
III Unbilled Revenue	-	12.36
IV Unearned Revenue	129.94	200.87
Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.		

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

31 During the year 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board – Mumbai Bench against Sadbhav Engineering Ltd. (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Patent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. The LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.

32 During the year 2013-14, one of the Company's subsidiary i.e. Solapur Bijapur Tollway Private Limited (SBTPL) has foreclosed the concession agreement with NHAI. Accordingly, sub-ordinate debt given by the Company to the SBTPL was waived off and provision was provided in the books in the year ended March 31, 2014, for diminution in value of Investment in the Subsidiary.

During the year, SBTPL has filed winding up petition with Registrar of the Company, Gujarat, under Section 560 of the Companies Act 1956 on November 10, 2014. Against petition, the Company has received Notice under sub section (3) of Section 560 of The Companies Act, 1956 dated March 11, 2015, whereby it has mentioned that the name of the SBTPL will be struck off upon expiry of thirty days from the date of Notice.

Hence, the Company has written off its investment in the subsidiary during the year and adjusted against the provision.

33 During the year, the Company has accounted Contract Income towards cost escalation claim, of ₹ 72.87 Million (31 March 2014: ₹ 294.88 Million) in line with cost inflation index principles (cost escalation formula) approved by independent consultant of the customer.

34 CSR Expenditure:

Gross amount required to be spent during the year: ₹ 4.21 million

Amount spent during the year (promoting education and others) paid in cash: ₹ 5.99 million

35 Previous year figures have been regrouped/reclassified wherever necessary, to confirm this year's classification.

As per our report of even date

For Manubhai & Shah Chartered Accountants ICAI Firm Registration No.: 106041W	For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No.: 324982E	For and on behalf of Board of Directors Sadbhav Infrastructure Project Limited	
K. C. Patel Partner Membership No. 30083	Arpit K. Patel Partner Membership No. 34032	Vasistha C. Patel Managing Director DIN : 00048324	Vishnubhai M. Patel Director DIN : 00048287
Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad	Gaurav Vesasi Company Secretary	Varun Mehta Chief Financial Officer
		Date : 30 May, 2015 Place : Ahmedabad	

Consolidated Balance Sheet

Independent Auditors' Report on the Consolidated Financial Statements

To,
The Members of,
Sadbhav Infrastructure Project Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sadbhav Infrastructure Project Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, 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 (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2015, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 35 to the Consolidated Financial Statements, regarding accounting of CENVAT credit and service tax charge on user services provided by Maharashtra Border Check Post Network Limited ('MBCPNL', a subsidiary of the Company) under the Concession agreement. During the year, MBCPNL has recorded service tax liability on user services income rendered since

commencement of collection of user fees (i.e. April 2013) and also accounted cenvat credit of service tax paid on input services/materials availed since financial year 2009-10, pending revision of its tax returns filed with government authorities. Our opinion is not qualified in respect of this matter.

Other Matters

The accompanying consolidated financial statements include (a) total assets of ₹ 9,568.47 million as at March 31, 2015, and total revenues and net cash inflows of ₹ 386.34 million and ₹ 317.96 million for the year ended on that date, in respect of 2 subsidiaries, which have been audited by other auditors; and (b) total assets of ₹ 32,325.49 million as at March 31, 2015, and total revenues and net cash inflows of ₹ 2,302.10 million and ₹ 262.65 million, respectively, for the year ended on that date, in respect of 5 subsidiaries, which have been audited by Manubhai & Shah; which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiaries, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 30 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

For, S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arpit K. Patel
Partner
Membership Number: 34032

Place : Ahmedabad
Date : May 30, 2015

For, Manubhai & Shah
Chartered Accountants
ICAI Firm Registration Number: 106041W

per K. C. Patel
Partner
Membership Number: 30083

Place : Ahmedabad
Date : May 30, 2015

Annexure to Independent Auditors' Report on the Consolidated Financial Statements

Annexure referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

The Group, comprising Sadhbhav Infrastructure Project Limited ('Holding Company') and its subsidiaries incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report). Our reporting under the Order includes 10 subsidiary companies of which 3 are jointly audited by S R B C & CO LLP and Manubhai & Shah; 5 subsidiary companies are audited by Manubhai & Shah and 2 subsidiary companies are audited by other auditors. Accordingly, our report is solely based on reports of respective auditors, to the extent considered applicable for our reporting under the Order.

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Holding company and Covered entities of the Group have regular programme of physical verification of their fixed assets through which all the fixed assets are verified in a phased manner, over a period of three years. In our opinion and as reported by the other auditors, the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and other auditors, no material discrepancies were noticed on such verification.
- (ii) The business of the Holding Company and the covered entities of the Group does not involve purchase of inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the Covered entities of the Group.
- (iii) (a) The Holding Company have granted unsecured loans to thirteen companies and the Covered entities have granted unsecured loan to one company, covered in the register maintained under section 189 of the Act. The loans granted are re-payable on demand except subordinate debts given by Holding Company in the nature of promoter's contribution which are recoverable on achievement of certain financial performance of respective investee entities. In respect of loans granted, repayment of the principal amount is repaid as demanded (other than subordinate debt) during the year, thus there is no default on part of the parties to whom the money has been lent. The payment of interest has been regular, payable annually, by borrowers at the discretion of the lender.
(b) There is no overdue amount of loans granted by the Holding Company and the covered entities of the Group to companies, firms or other parties listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of their businesses, for the purchase of fixed assets and for the sale of services, to the extent applicable to the nature of the business of the covered entities of the Group. The activities of the Holding Company and the covered entities of the Group do not involve purchase of inventory and the sale of goods. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and certain covered entities of the Group to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Roads and other infrastructure projects, and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors. To the best of our knowledge and as explained, the maintenance of cost records under clause 148(1) of the Companies Act, 2013, is not applicable to certain other Covered entities of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company and certain covered entities. Attention is invited to Note 35 of the Consolidated Financial Statements relating to service tax regarding accounting and adjustment recorded during the year.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and covered entities of the Group.

(c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements / financial information of certain covered entities in the Group, the dues outstanding of income-tax and service tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Million)	Period to which the Amount Relates	Forum where Dispute is Pending
The Finance Act, 1994	Service Tax	40.98	2009-10 to 2010-11	CESTAT
Income Tax Act, 1961	Non deduction of Tax Deducted at Sources	126.01	2009-10 to 2010-11	Commissioner (Appeals)
	Income Tax	1.43	2007-08	Commissioner (Appeals)
	Income Tax	2.77	2008-09	Commissioner (Appeals)
	Income Tax	0.29	2010-11	Commissioner (Appeals)
	Penalty	0.04	2010-11	Commissioner (Appeals)
	Income Tax	0.07	2011-12	Commissioner (Appeals)

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The accumulated losses of 6 Covered entities of the Group at the end of the financial year are more than fifty percent of its net worth. The Holding Company and 5 Covered entities of the Group have incurred cash loss during the year and 5 covered entities of the Group have incurred cash losses in the immediately preceding financial year. Three of the Covered entities of the Group have been registered for a period of less than five years and hence, in respect of those entities, we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements / financial information of certain covered entities of the Group, we are of the opinion that the Holding Company and the covered entities of the Group have not defaulted in their repayment of dues to a financial institution, banks or debenture holders.

(x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management and the report other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group, though idle/surplus funds which were not required for immediate utilization have been temporarily invested in units of mutual funds.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For, S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arpit K. Patel
Partner
Membership Number: 34032

Place : Ahmedabad
Date : May 30, 2015

For, Manubhai & Shah
Chartered Accountants
ICAI Firm Registration Number: 106041W

per K. C. Patel
Partner
Membership Number: 30083

Place : Ahmedabad
Date : May 30, 2015

Consolidated Balance Sheet as at March 31, 2015

		(₹ in Million)	March 31, 2015	March 31, 2014
	Note No.		March 31, 2015	March 31, 2014
I	Equity and Liabilities			
(1)	Shareholders' funds			
(a)	Share Capital	2	3,109.63	282.58
(b)	Reserves and Surplus	3	4,699.47	8,265.94
			7,809.10	8,548.53
(2)	Minority Interest		569.59	1,603.56
(3)	Non-Current Liabilities			
(a)	Long-Term Borrowings	4	57,061.82	45,010.40
(b)	Other Long Term Liabilities	5	22,329.92	0.97
(c)	Long-term Provisions	6	996.52	376.26
			80,388.26	45,387.63
(4)	Current Liabilities			
(a)	Short-Term Borrowings	7	4,977.11	4,007.30
(b)	Trade Payables	8	400.29	461.79
(c)	Other Current Liabilities	9	4,641.61	3,536.91
(d)	Short-Term Provisions	6	94.31	129.19
			10,113.32	8,135.19
	Total		98,880.27	63,674.90
II	Assets			
(1)	Non-current assets			
(a)	Fixed Assets	10		
(i)	Tangible Assets		219.68	248.26
(ii)	Intangible Assets		70,301.15	47,082.46
(iii)	Capital Work-in-Progress		6.68	7.18
(iv)	Intangible Assets under Development		19,377.84	7,746.32
			89,905.35	55,084.22
(b)	Goodwill on Consolidation		1,332.75	610.34
(c)	Non- Current Investments	11	34.38	23.40
(d)	Deferred Tax Assets (net)	12	-	0.22
(e)	Long-Term Loans and Advances	13	3,631.78	5,301.09
(f)	Other Non-Current Assets	14	535.34	556.18
			95,439.60	61,575.45
(2)	Current assets			
(a)	Current investments	15	47.01	1,028.59
(b)	Trade Receivables	16	140.18	143.22
(c)	Cash and Bank Balances	17	1,695.63	518.35
(d)	Short-term loans and advances	13	634.07	251.58
(e)	Other Current Assets	14	923.78	157.71
			3,440.67	2,099.45
	Total		98,880.27	63,674.90

Significant Accounting Policies

1

Accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For Manubhai & Shah

Chartered Accountants

ICAI Firm Registration No.: 106041W

K. C. Patel

Partner

Membership No. 30083

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.: 324982E

Arpit K. Patel

Partner

Membership No. 34032

For and on behalf of Board of Directors

Sadbhav Infrastructure Project Limited

Vasistha C. Patel

Managing Director

DIN : 00048324

Gaurav Vesasi

Company Secretary

Vishnubhai M. Patel

Director

DIN : 00048287

Varun Mehta

Chief Financial Officer

Date : 30 May, 2015

Place : Ahmedabad

Date : 30 May, 2015

Place : Ahmedabad

Date : 30 May, 2015

Place : Ahmedabad

Consolidated Profit and Loss Statement for the Year Ended March 31, 2015

		(₹ in Million)	
	Note No.	March 31, 2015	March 31, 2014
I Revenue from Operations	18	5,002.99	3,743.99
II Other income	19	285.88	215.89
III Total Revenue (I+II)		5,288.87	3,959.88
IV Expenses			
(a) Operating Expenses	20	1,635.46	1,187.01
(b) Employee benefits expense	21	243.00	163.51
(c) Other expenses	23	283.94	499.76
Total Expenses (a+b+c)		2,162.40	1,850.28
V Profit before Finance costs, depreciation and amortisation, exceptional items and tax expense (EBITDA) (III-IV)		3,126.47	2,109.60
(a) Finance costs	22	5,259.15	3,556.36
(b) Depreciation and Amortisation	10	1,417.77	830.83
VI (Loss) before exceptional items and tax expense (IV-V)		(3,550.45)	(2,277.59)
VII Exceptional Item (Refer note 1(D)(a) & 38)		(116.54)	(1,577.50)
VIII (Loss) before Tax (VI-VII)		(3,433.91)	(700.09)
IX Tax expense:			
(a) Current Tax		-	100.42
(b) Adjustment for Earlier Year Tax		21.35	0.44
(c) Deferred Tax - Charge/ (Credit)		0.22	(0.08)
		21.57	100.79
X (Loss) after tax for the year before share of losses of minority interest (VIII-IX)		(3,455.48)	(800.88)
Less: Share of (Loss) attributable to Minority Interest		(302.09)	(404.63)
Add: Share of (Loss) of Minority Interest of Earlier Years (Refer Note No. 36)		(279.63)	-
XI (Loss) for the year after minority interest		(3,433.02)	(396.25)
XII Earning per equity share of ₹ 10/- each	24		
Basic		(11.09)	(1.28)
Diluted		(11.08)	(1.27)

Significant Accounting Policies

1

Accompanying notes form an integral part of consolidated financial statements

As per our report of even date

**For Manubhai & Shah
Chartered Accountants
ICAI Firm Registration No.: 106041W**

**K. C. Patel
Partner
Membership No. 30083**

**Date : 30 May, 2015
Place : Ahmedabad**

**For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E**

**Arpit K. Patel
Partner
Membership No. 34032**

**Date : 30 May, 2015
Place : Ahmedabad**

**For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited**

**Vasistha C. Patel
Managing Director
DIN : 00048324**

**Gaurav Vesasi
Company Secretary**

**Date : 30 May, 2015
Place : Ahmedabad**

**Vishnubhai M. Patel
Director
DIN : 00048287**

**Varun Mehta
Chief Financial Officer**

Consolidated Cash Flow Statement for the year ended on March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax as per Consolidated Statement of Profit and Loss	(3,433.91)	(700.09)
Adjustments for:		
Depreciation and amortisation	1,417.77	830.83
Exceptional Items	(129.48)	(1,577.50)
Profit on sale of tangible assets (net)	0.67	(0.03)
Finance Costs	5,259.15	3,556.36
Dividend income	(0.62)	(0.74)
Gain on sale of Investments (net)	(79.76)	(41.82)
Interest income	(193.41)	(148.16)
Bad Debts Written off and Provision for Doubtful Debt	1.10	0.48
Sundry balances written back	(10.18)	(23.49)
Interest Receivable Written off	-	22.65
Writing off of Intangible Assets under construction	-	82.01
Operating Profit before working capital changes	2,831.33	2,000.51
Adjustments for:		
(Increase) /Decrease in trade receivables	1.94	(138.28)
(Increase) /Decrease in loans and advances	(79.71)	(1,778.61)
(Increase) /Decrease in other assets	(178.53)	287.72
Increase /(Decrease) in trade payables	(59.70)	234.24
Increase /(Decrease) in other long- term liabilities	(0.12)	(0.18)
Increase /(Decrease) in other current liabilities	(31.32)	1,909.76
Increase /(Decrease) in provisions	564.14	0.43
Cash generated/ (used) from/in operations	3,048.03	2 515.59
Direct taxes paid (net)	(69.07)	(57.95)
Net cash generated from operating activities (A)	2,978.96	2 457.64
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Work-in-Progress)	(10,510.69)	(12,954.03)
Proceeds from sale of tangible assets	0.25	3.01
Payment of Additional Concession Fees	(60.79)	-
Proceeds from sale of units of Mutual Fund (Net) (including realised gain)	1,061.34	(904.93)
Dividend received	0.62	0.74
Payment towards acquisition of Subsidiary/Minority Interest (including sub-ordinate debt taken over)	(1,286.69)	-
Unsecured Loans Given	(221.84)	-
Payment towards investment in Fixed Deposit having period of more 3 months	(21.08)	-
Decrease in Non Current Investment	-	16.58
Payment towards purchase of Non-current investment	(10.98)	-
Interest received	70.07	25.35
Net cash (used in) investing activities (B)	(10,979.79)	(13 813.28)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of share capital to Minority Shareholders	-	242.14
Grant from Government Authorities (in the nature of promoters contribution)	1,303.03	-
Share Issue Expenses	(66.18)	-
Proceeds from long-term borrowings	13,789.31	11,700.43
Repayment of long term borrowings	(940.29)	(696.59)
Proceeds from short-term borrowings	6,007.64	4,368.23
Repayment of short-term borrowings	(4,258.26)	(1,012.72)
Finance Costs (including finance cost capitalised as incidental expenditure)	(6,678.22)	(3,244.17)
Net cash generated from financing activities (C)	9,157.03	11 357.33

Consolidated Cash Flow Statement for the year ended on March 31, 2015

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Net increase in cash and cash equivalents (A+B+C)	1,156.20	1.69
Cash and cash equivalents at beginning of the year	518.35	516.66
Cash and cash equivalents at end of the year	1,674.55	518.35

Notes:

Particulars	March 31, 2015	March 31, 2014
(i) Components of cash and cash equivalents:		
Cash on hand	24.28	28.49
Balances with scheduled banks:		
- In current accounts	1 320.24	489.83
- In deposit accounts	330.03	0.03
Cash and cash equivalents as per Note 17	1 674.55	518.35
(ii) During the year ended March 31, 2015, (a) short term loan of ₹ 779.56 Million from SEL was converted into long tem loan, (b) Compulsory convertible debentures of ₹ 750 Million are converted into equity share capital and (c) Compulsory Convertible Cumulative Preference Share capital of ₹ 22.51 Million is converted into equity share capital. Accordingly the same are not considered for the purpose of cash flow movement.		
(iii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement".		
(iv) The above cash flow does not include non-cash items.		
(v) Figures in brackets represent outflows.		

As per our report of even date

For Manubhai & Shah Chartered Accountants ICAI Firm Registration No.: 106041W	For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No.: 324982E	For and on behalf of Board of Directors Sadbhav Infrastructure Project Limited
K. C. Patel Partner Membership No. 30083	Arpit K. Patel Partner Membership No. 34032	Vasistha C. Patel Managing Director DIN : 00048324
Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad	Gaurav Vesasi Company Secretary
		Varun Mehta Chief Financial Officer
Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad	Date : 30 May, 2015 Place : Ahmedabad

Notes on Accounts forming part of Consolidated Financial Statements

Note No. 1

Corporate Information, Principles of Consolidation and Significant Accounting Policies

A Corporate Information:

Sadbhav Infrastructure Project Limited (“the Company” or “SIPL”) is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes development of infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements in the form of subsidiaries, joint ventures or associates.

The Company is a subsidiary of Sadbhav Engineering Limited (“SEL”), a listed company, engaged in providing engineering, procurement and construction services (“EPC”) in the road and other infrastructure projects.

In terms of Reserve Bank of India directive with regards to systematically important Core Investment Companies (Reserve Bank) Directions 2011, the Company is not required to be registered with Reserve Bank of India as on March 31, 2015 based on eligibility criteria.

B Basis of preparation of Consolidated Financial Statements:

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has presented these consolidated financial statements to comply in all material respects with Accounting Standard specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year except for the change in accounting policy explained below in note D(a)

C Principles of Consolidation:

The consolidated financial statements relate to Sadbhav Infrastructure Project Limited and its subsidiary companies, hereinafter referred to as the “Group Companies” or “Group”. In the preparation of consolidated financial statements, investment in the subsidiaries, have been accounted for in accordance with Accounting Standard (AS) 21 - ‘Consolidated Financial Statements’, as notified accounting standard specified under the Companies Act, 1956 (as per section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts Rule, 2014). The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiary companies have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired during the year are included in the Statement of Profit and Loss from the effective date of acquisition and continues to be consolidated until the date that such control ceases (including through voting rights). All significant intra group balances or transactions have been eliminated on consolidation except for transactions specified in note B(ii). Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered. The amounts shown in respect of reserves comprise 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.

(ii) The Build, Operate & Transfer (BOT)/Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the company is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realised.

Accordingly the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

(iii) The excess of cost of the Group’s investments in each subsidiary, over the Group’s share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group’s share in equity of each subsidiary, at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders’ Equity in the Consolidated Balance Sheet. Any change in the cost of the investment in subsidiary or jointly controlled entity post the acquisition thereof is effected by way of change in the goodwill on consolidation or capital reserve on consolidation, as the case may be.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit and loss and consolidated balance sheet, separately from parent shareholders’ equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

(iv) The Financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent

Notes on Accounts forming part of Consolidated Financial Statements

accounting policies. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(v) The list of subsidiaries, jointly controlled entities and associate Company included in the consolidation and the company's holding therein are as under:

Sr. No.	Name of Subsidiary	Country of Incorporation	Hereinafter referred to as	Proportion of Ownership Interest	
				As at March 31, 2015	As at March 31, 2014
1	Ahmedabad Ring Road Infrastructure Limited (Refer note 1 below)	India	ARRIL	100% #	80%
2	Aurangabad Jalna Tollway Limited	India	AJTWL	100%	100%
3	Bijapur Hungud Tollway Private Limited	India	BHTPL	77%	77%
4	Hyderabad Yadgiri Tollway Private Limited	India	HYTPL	100% #	60%
5	Maharashtra Border Check Post Network Ltd.	India	MBCPL	78% # *	27%*
6	Rohtak Panipat Tollway Private Limited	India	RPTPL	100%	100%
7	Shreenathji-Udaipur Tollway Private Limited	India	SUTPL	100% #	74%
8	Solapur-Bijapur Tollway Private Limited	India	SBTPL	- @	74%
9	Bhilwara-Rajsamand Tollway Private Limited	India	BRTPPL	100% #	74%
10	Rohtak Hissar Tollway Private Limited	India	RHTPL	100% #	74%
11	Nagpur-Seoni Expressway Limited (Refer Note 2 below)	India	NSEWL	100%	100%#

Additional acquisition during the year

* Till October 16, 2014 MBCPNL was subsidiary of SIPL having control through board of directors and economic interest.

@ Dissolved during the year.

Notes:

1. In terms of Share Purchase Agreement (SPA) dated November 3, 2014, between SIPL and Patel Infrastructure Private Limited ('PIPL'), SIPL has acquired 2,092,000 shares of PIPL in Ahmedabad Ring Road Infrastructure Limited ("ARRIL") for purchase consideration of ₹ 620 Million. As at March 31, 2015, SIPL had paid an amount of ₹ 400 Million to PIPL being partial payment of the total purchase consideration and received approval of lenders to acquire stake of PIPL, as condition precedent in terms of SPA. After March 31, 2015, SIPL has paid the remaining purchase consideration of ₹ 220 Million to PIPL in the month of April 2015 and 1,464,400 equity shares held by PIPL were transferred to SIPL. The transfer formalities for the remaining 627,600 equity shares are in process as such shares held are pledged with lender of ARRIL.

As at March 31, 2015, the Company has recorded the transaction in the book as all the conditions precedent in terms of SPA got complied.

2. In terms of Share Purchase Agreement dated September 22, 2010, between SIPL and Sadbhav Engineering Limited ('SEL'), SIPL has acquired 2,44,79,940 shares of NSEL from SEL. NSEL has received approval from National Highway Authority of India ('NHAI') for transfer of shares from SEL to SIPL on April 3, 2013. As at March 31, 2015, the transfer formality of 1,44,00,000 Shares are in process as shares held by SEL are pledged with lender of NSEL.

D Significant Accounting Policies:

(a) Change in accounting policies during the year:

(i) Contractual obligation to restore the infrastructure to a specified level of serviceability:

During the year, the Group has reassessed the accounting treatment for Contractual Obligations to periodically maintain Project Asset as per the terms of the concession agreement, from recognising the Major Maintenance Expense in the year of actual expenditure to recognise expense at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date, in accordance with Accounting Standard(AS) -29 "Provisions, Contingent Liabilities and Contingent Assets". The same is reviewed at each balance sheet date and adjustments if any to the carrying amount is provided for accordingly.

The change in accounting policy has resulted in increase in expenses and corresponding increase in loss for the year ended March 31, 2015 by ₹ 35.86 Million.

(ii) Additional Concession Fees Payable to National Highways Authority of India (NHAI):

Post deferment of premium in the current year, the Group has reassessed the accounting treatment on premium payment to NHAI. In order to more appropriately present the Financials Statements, total premium payable of ₹ 22,629.71 Million as per the concession agreement has been capitalized as Intangible Assets-Toll Collection Rights and amortized over the

Notes on Accounts forming part of Consolidated Financial Statements

period of service concession agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding obligation for committed premium has been recognised as liabilities. The total premium payable up to March 31, 2014 of ₹ 263.70 Million was charged to Statement of Profit and Loss. Due to change in accounting policy in the current year, the amount of premium payable of ₹ 263.70 Million after adjusting ₹ 110.38 Million (Net Amount ₹ 153.32 Million) towards actual amortisation, has been written back in consolidated statement of profit and loss account as exceptional item. (Refer note 38)

Due to change in accounting policy, loss before tax for the year ended March 31, 2015 has decreased by ₹ 330.61 Million.

(iii) Treatment of Ancillary Cost of Borrowing during Construction Period:

With Effect from April 1, 2014, one of the Subsidiary, viz. MBCPNL has retrospectively revised the method of amortisation of its ancillary borrowing cost over tenure of loan to capitalization of ancillary borrowing as part of project cost into the intangible assets. Management believes that this change would result in a more appropriate preparation or presentation of the financial statements of the enterprise and consistent with group accounting policy.

The amortisation portion of operational check posts have been charged off to statement of profit & loss account till March 31, 2014 as per the earlier basis to the extent of ₹ 8.38 Million has been written back during the year ended March 31, 2015. This change in accounting policy has resulted in decrease in ancillary borrowing cost expenses and corresponding decrease in loss for the year by ₹ 8.38 Million which has been disclosed under other income.

Had the Subsidiary continued to use the earlier method to charge off amortisation of ancillary borrowing cost to consolidated statement of profit & loss for operation, the Loss for the current period would have been higher by ₹ 11.21 Million.

(iv) Depreciation:

Depreciation on fixed asset is calculated at the rates arrived at based on the useful lives estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 1st April 2014, the management has internally reassessed and changed, wherever necessary the useful lives and the residual value to compute depreciation, to conform to the requirements of the Companies Act, 2013 and other consideration, as applicable.

(b) Use of Estimates:

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Accounting for Rights under Concession Arrangements:

(i) Recognition and Measurement:

The Group builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the Company receives the completion certificate from the authority as specified in the Concession Agreement and in case of MBCPNL, each check post is capitalised when the company receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Company.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Right for Annuity fees" under Intangible assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements.

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the Concession Agreements is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

(ii) Premium capitalisation:

The Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"),

Notes on Accounts forming part of Consolidated Financial Statements

Grantor, over the concession period. Such obligation has been recognised upfront on an undiscounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

(iii) Contractual obligation to restore the infrastructure to a specified level of serviceability:

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

(iv) Revenue Recognition:

Toll / Infrastructure Service Income:

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll-plazas / usage of the public services.

Revenue from Operating and Maintenance Services and from overlay services is recognised in the period in which such services are rendered.

Contractual 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 reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

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

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when negotiations have reached at an advanced 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) Borrowing cost:

In respect of an intangible asset, borrowing costs attributable to the construction of roads / infrastructure are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

(vi) Amortisation of Intangible Asset:

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

Total Projected Revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period

(d) Fixed Assets:

(i) Tangible Assets:

Tangible fixed assets acquired by the Group are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost comprises of all expenditure of capital in nature attributable to bringing the tangible asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.

(e) Depreciation and Amortisation:

(i) Upto March 31, 2014, the depreciation on Tangible Assets is provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided

Notes on Accounts forming part of Consolidated Financial Statements

based on useful life prescribed under Schedule II of the Companies Act 2013. 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. All categories of assets costing less than ₹ 5,000 each are fully depreciated in the year of purchase.

In case of AJTWL, ARRIL, RPTPL, HYTPL depreciation on tangible fixed assets, are amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.

(ii) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. The Company has made acquisition in shares of SPV's which operate projects that have finite project life as per Concession Agreements. Thus, goodwill arising on consolidation is amortized 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.

(f) Expenditure during construction period, pending allocation:

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during the construction period is capitalized 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 Consolidated Statement of Profit and Loss.

(g) Impairment of Assets:

(i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company's impairment tests of investments in SPV entities are based on value in use. The Company has used expected future cash flow of projects in respect of SPV entities which generally covers period of the concession agreement using long term growth rate applied to future cash flows.

(ii) After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(h) Revenue Recognition other than Concessional Arrangement:

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

Income from sale of services:

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. 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 the 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.

Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Dividend:

Income is recognized when the shareholders' right to receive payment is established by the reporting date.

(i) Foreign Currency Transactions:

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes on Accounts forming part of Consolidated Financial Statements

(ii) Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange Difference:

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability:

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the consolidated statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

(j) Government Grant:

- (i) Government grants are recognised only when it is reasonably certain that the related entity will comply with the conditions and ultimate collection is not in doubt.
- (ii) Grant received from Government, in the nature of promoters' contribution are treated as Capital Reserve. Grant received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss and is accounted in the period to which it relates.

(k) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

(l) Employee Benefits:

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the consolidated statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the consolidated statement of profit and loss. In case of ARRIL, an insurance policy under the group gratuity scheme with the Life Insurance Corporation of India is taken to cover its gratuity liability.
- (iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

Notes on Accounts forming part of Consolidated Financial Statements

(m) 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 Consolidated statement of profit and loss on a straight-line basis over the lease term.

(n) Taxes on Income:

- (i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- (ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group's entities has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

As per the provisions of the Income Tax Act, 1961, the Company's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive years out of 20 years beginning of toll operations. Accordingly, no deferred tax (asset or liability) is recognised in respect of timing difference which gets reversed during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognised in the year in which the timing difference originate. However the Company, restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

(o) Borrowing Cost:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings, premium payable on redemption and discount on issue of debentures.

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

(p) Segment Reporting

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 business unit that offers different services, the risk return profile of individual business unit, the organizational structure and internal reporting system of the company. The analysis of geographical segments is not required as the company's operations are within single geographical segment i.e. India.

Notes on Accounts forming part of Consolidated Financial Statements

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

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

Segment Policies

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

(q) Provisions, Contingent Liabilities and Contingent Assets:

- (i) A provision is recognised when the Company 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.
- (ii) Contractual Obligations to periodically maintain Project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard(AS) -29 "Provisions, Contingent Liabilities and Contingent Assets" i.e.; at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.
- (iii) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

(r) Derivative Contracts:

The Company uses derivative financial instrument, such as derivative option contract, interest rate swap contracts to take advantage of lower interest rate of foreign currency loan and hedge the foreign exchange fluctuation. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the consolidated statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. In respect of derivative contracts, premiums paid, gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the consolidated statement of profit and loss.

(s) Cash and Cash Equivalent:

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

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Measurement of EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present Earnings before Finance costs, depreciation and amortisation, exceptional items and tax expense (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

Notes on Accounts forming part of Consolidated Financial Statements

2 Share Capital	(₹ in Million)	
	March 31, 2015	March 31, 2014
Authorised (No. of Shares in actual)		
403,000,000 (31 March 2014: 30,000,000) Equity Shares of ₹ 10/- each	4,030.00	300.00
Nil (31 March 2014: 3,000,000) 0.01% Compulsory Convertible	-	30.00
Cumulative Preference Shares (CCPS) of ₹ 10/- each		
	4,030.00	330.00
Issued, Subscribed and Fully Paid Up (No. of Shares in actual)		
310,963,081 (31 March 2014: 26,007,170) Equity Shares of ₹ 10/-each	3,109.63	260.07
Nil (31 March 2014: 2,250,774) 0.01% Compulsory Convertible	-	22.51
Cumulative Preference Shares (CCPS) of ₹ 10/- each		
Total Issued , Subscribed and Paid Up	3,109.63	282.58
(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:		
Equity Shares	As at March 31, 2015	As at March 31, 2014
	No. of Shares	(₹ in Million)
At the beginning of the year	26,007,170	260.07
Issued during the year		
- Bonus Shares	282,693,710	2,826.94
- Conversion of CCPS	2,262,200	22.62
- Conversion of CCD	1	0.00
Outstanding at the of the year	310,963,081	3109.63
Preference Shares- CCPS		
At the beginning of the year	2,250,774	22.51
Issued/ Converted during the year	(2,250,774)	(22.51)
Outstanding at the of the year	-	2,250,774
(b) Terms/rights attached to equity shares:		
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share.		
In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive residual 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.		
(c) Terms of conversion of Compulsory Convertible Cumulative Preference Shares (CCPS) up to the date of Conversion of Equity Shares:		
Each CCPS shall be convertible, at the option of the holder thereof at any time into such number of fully paid Equity Shares determined by dividing the Initial Purchase Price by the Conversion Price in effect at the time of conversion. However, each Preference Share shall automatically be converted into Equity Shares, at the then effective Conversion Price applicable to such Preference Share at the earlier of (i) the tenth anniversary of the Closing Date i.e. 23rd September 2010 and (ii) immediately prior to the closing of an initial public offering of the Equity Shares.		
Each Preference Share shall entitle the holder thereof to receive, out of funds legally available, Cumulative cash dividends at the rate of 0.01% per annum of the face value. The preference share holders have waived their right to received dividend up to the date of conversion of CCPS into equity shares.		
CCPS were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCPS.		
(d) Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet:		
The Company has issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10:1 by utilizing ₹ 2,826.94 Million from Securities Premium Account as per the resolution of extra ordinary general meeting dated October 29, 2014.		
(e) Shares held by holding company:		
Out of issued, subscribed and paid up equity capital 240,733,427 shares (Previous Year 21,884,856 shares) are held by Sadbhav Engineering Limited - holding company.		

Notes on Accounts forming part of Consolidated Financial Statements

(f) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of ₹ 10/- each fully paid				
Sadbhav Engineering Limited	240,733,427	77.42%	21,884,856	84.15%
Xander Investment Holding XVII Ltd.	32,357,622	10.41%	1,810,502	6.96%
Norwest Venture Partners VII-A Mauritius	32,357,622	10.41%	1,810,502	6.96%
CCCPs of ₹ 10/- each fully paid				
Xander Investment Holding XVII Ltd.	-	-	1,125,387	50.00%
Norwest Venture Partners VII-A-Mauritius	-	-	1,125,387	50.00%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(g) 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into one equity share as per Board Resolution dated October 22, 2014.

3 Reserves and Surplus

(₹ in Million)

	March 31, 2015	March 31, 2014
3.1 Capital Reserve- Grant Received from Authority (in the Nature of Promoters' Contribution)		
Balance as per the last year financial statements	2,106.71	2,106.71
Add: Additions during the Year	1,867.85	-
Closing Balance	3,974.56	2,106.71
3.2 Capital Reserve- Acquisition of Subsidiaries		
Balance as per the last year financial statements	-	-
Add: Additions during the Year	75.80	-
Closing Balance	75.80	-
3.3 Securities Premium Account		
Balance as per last year financial statements	7,464.49	7,464.49
Add: Premium on Conversion of CCDs	750.00	-
Less: Conversion of CCCPs into Equity Shares	(0.11)	-
Less: Issue of Bonus Shares (also Refer note 2(d))	(2,826.94)	-
Closing Balance	5,387.44	7,464.49
3.4 Debenture Redemption Reserve		
Balance as per last year financial statements	-	-
Add : Transfer from surplus in statement of profit and loss	109.21	-
Closing Balance	109.21	-
3.5 Surplus / (Deficit) in Consolidated Statement of Profit and Loss		
Balance as per the last year financial statements	(1,305.31)	(909.01)
Add: (Loss) for the year	(3,433.02)	(396.24)
Less: Transfer to Debenture Redemption Reserve during the year	(109.21)	-
Closing Balance	(4,847.54)	(1,305.25)
Total Reserves and Surplus (3.1+3.2+3.3+3.4+3.5)	4,699.47	8,265.95

4 Long Term Borrowings

(₹ in Million)

	March 31, 2015	March 31, 2014
(a) Debentures		
2,000 (31 March 2014: Nil) Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each (Secured)	2,000.00	-
Add: Accrued amount of Premium on Redemption	25.38	-
Closing Balance	2,025.38	-

Notes on Accounts forming part of Consolidated Financial Statements

	(₹ in Million)	
	March 31, 2015	March 31, 2014
1,600 (31 March 2014: Nil) 9% Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each (Secured)	1,600.00	-
Add: Accrued amount of Premium on Redemption	16.69	-
	1,616.69	-
1,405,405 (31 March 2014: Nil) 6% Non Convertible Debentures of ₹ 1,000/- each (Secured)	1,405.41	-
Add: Accrued amount of Premium on Redemption	64.52	-
	1,469.93	-
Nil (31 March 2014: 1,100,950) 0.01% Compulsory Convertible Debentures of ₹ 681.23/- each (Unsecured) (Refer Note No. 28)	-	750.00
Total (a)	5,112.00	750.00
(b) Term Loans (Secured)		
(i) Rupee Loans From Banks		
Non-Current Portion	41,620.59	34,523.81
Current Maturities	972.78	581.72
Total (i)	42,593.37	35,105.53
(ii) Foreign Currency Loans From Banks		
Non-Current Portion	8,192.50	8,218.17
Current Maturities	367.69	326.09
	8,560.19	8,544.26
Less: Amount Receivable from Derivative Settlement of Foreign Currency Loans		
Non-Current Portion (Refer note 14)	(833.80)	(729.33)
Current Maturities (Refer note 14)	(17.78)	(14.30)
Total (ii)	7,708.61	7,800.63
(iii) From Finance Companies and Institutions		
Non-Current Portion	2,190.97	2,247.75
Current Maturities	56.78	46.78
Total (iii)	2,247.75	2,294.53
Total (i)+(ii)+(iii)	52,549.73	45,200.69
Less: Current maturities disclosed under the head -Other current liabilities (Refer note 9)	(1,379.47)	(940.29)
Total (b)	51,170.26	44,260.40
(c) Interest Free Loan from Holding Company (Unsecured) (Refer Note No. 28)	779.56	-
Total (c)	779.56	-
Total (a) + (b) + (c)	57,061.82	45,010.40

Notes:

4.1 The details in respect of long term borrowings are as under:

(a) 2,000 Redeemable, Non Convertible Debentures (NCD):

(i) 2,000 Redeemable NCDs are secured by (i) first ranking charge created by way of pledge over the RPTPL Pledged Shares; (ii) the Corporate Guarantee by Sadhbhav Engineering Limited (the Holding Company); (iii) first and exclusive mortgage over the Mortgaged Property, in accordance with the respective Security Documents.

(ii) Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

Notes on Accounts forming part of Consolidated Financial Statements

(iii) The debenture holders shall, at the end of Year 3 and Year 4, have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which Put option is exercised.

(b) 9% 1,600 Redeemable, Non Convertible debentures (NCD):

(i) 9% 1,600 Redeemable NCDs are secured by (i) an unconditional, irrevocable and continuing Corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of SEL by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% of SPV shareholding i.e. DPTL. However, till such shares are transferred in the name of SIPL, 56% of shares of ARRIL would be pledged. (iv) WCDL facility of to the extent of next repayment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD atleast 20 days before each redemption payment date for amount which are due in next 20 days.

(ii) Terms of repayment are as under:

Series of NCDs	March 31, 2015		
	No. of NCDs outstanding as at March 31, 2015	Terms of Repayment	Earliest Date of Redemption
Series I	480	Bullet Repayment	April 18, 2018
Series II	480	Bullet Repayment	April 18, 2019
Series III	640	Bullet Repayment	November 18, 2019

(iii) The debenture holders shall, at the end of Year 3 and Year 4, have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

(c) 1,405,405 Redeemable, Non Convertible debentures (NCD):

(i) 1,405,405 NCDs have been issued at discount. NCDs are secured by (i) Pledge of 16% shareholding in the Company held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee from Promotor i.e. Mr. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.

(ii) NCD are having a floating interest rate of 6% to 6.33% which is linked to benchmark rate to be reset on a quarterly bases and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.

(iii) The Company shall have an option to repay the Debentures at End of 4th year and 5th year with the condition that the Minimum Yield on the entire Debenture amount will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(d) 0.01% Compulsory Convertible Debentures (CCDs) upto the date of conversion into equity shares:

(i) During the year ended March 31, 2013, the Company had issued 1,100,950 unsecured 0.01% Compulsory Convertible Debentures (CCDs) of ₹ 681.23/- each to Sadbhav Engineering Limited (SEL) the holding company, which were convertible as under: Each CCDs are convertible upon the earlier of (i) the final adjustment date as per shareholder's agreements and (ii) the date of closing of an initial public offering of the Equity Shares (such date, the "Conversion Date").

(ii) 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into equity share as per Board Resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 1 equity share against 1,100,950 CCDs.

(e) Term Loan from Bank amounting to ₹ 1,800 Million availed by the Company:

(i) Term Loan from Bank availed by the Company 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, Holding Company. The guarantee shall fall off in case the credit rating of the company remains AA- for two consecutive periods.

(ii) As at March 31, 2015, the term loan carries a floating interest rate of 13.50%. The loan is repayable in 4 annual instalments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

(iii) The Company has rights to pre-pay the loan amount before reset date (i.e. date falling at the end of 12 months from the date of first Disbursement and thereafter the date falling at the end of 12 months from the last Reset Date, as the case

Notes on Accounts forming part of Consolidated Financial Statements

may be) along with prepayment premium. The Company needs to mandatory prepay the loan amount in case the Company receive proceeds from the (i) initial public offering of the Company, (ii) securitization of revenues of (a) the projects undertaken by the Company, and/or (b) project companies, that may be received by the Company; and (iii) disposal of assets of the projects or divestment of investments of the Company in the projects. In case of mandatory prepayment, the premium shall not be applicable if the above option is made on reset date.

(f) Rupee Term Loans and Foreign Currency Loans from banks and Finance Companies availed by Subsidiaries:

I Rupee Term Loans and Foreign Currency Loans from banks availed by Subsidiaries are secured by:

- (i) a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- (ii) a first charge on all the respective subsidiary's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (iii) a first charge over all accounts of the respective subsidiary's including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project documents and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- (iv) a first charge on all intangibles assets of the respective subsidiary's including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- (v) a first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in the Project documents;
 - charge/ assignment on all the intangible assets of the respective subsidiary (Other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- (vi) pledge of equity shares held by the Company and other promoters of the respective Subsidiary as stipulated in the Loan Agreements.

Notes

- (a) the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated 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.

II Terms of Repayment of Rupee Term Loans and Foreign Currency Loans from banks and Finance Companies availed by Subsidiaries:

(i) ARRIL

Term loans include loan amounting to ₹ 3,579.38 Million as on March 31, 2015 taken from a consortium consisting of a bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

As at March 31, 2015, the loans carry average interest rate of 10.75 per cent to 11.00 per cent per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

As at March 31, 2015, the loan carries average interest rate of 12.75 per cent per annum.

(ii) AJTL

Term loans include loan amounting to ₹ 1,662.44 Million as on March 31, 2015 taken from a consortium consisting of a bank and finance institutions.

Notes on Accounts forming part of Consolidated Financial Statements

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders are repayable in 48 equal quarterly instalments commencing from October 1, 2011. As per the repayment schedule of the loan agreement, all principal amount outstanding under the said agreement shall be repaid by July 1, 2023. Further, the lenders have an option to call upon AJTL to repay the entire outstanding loan along with interest, additional interest, further interest and liquidated damages thereon at the end of ten (10) years from the date of Commercial Operation (COD) by giving thirty days notice. Similarly, AJTL also has the option to prepay the loans.

As at March 31, 2015, the term loans carry average interest rate of 11 per cent to 11.50 per cent p.a.

(iii) BHTPL

Term loans include loan amounting to ₹ 8,343.08 Million as on March 31, 2015 taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 37 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (14 quarters from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 12 years and 6 months.

The Loans carry interest of 11.45% to 12% percent as on March 31, 2015.

Foreign Currency loan from Bank:

Foreign currency loan shall be repayable in unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan.

The BHTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(iv) HYTPL

Term loans include loan amounting to ₹ 3,727.67 Million as on March 31, 2015 taken from a consortium consisting of a bank and financial institutions.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 47 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (33 months from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 14 years and 6 months.

Term loans carry interest of 11.50 to 11.75 per cent per annum.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan. The HYTPL pays interest at LIBOR plus 470 basis points per annum on the foreign currency loan.

As at the period end, HYTPL is in the process of concluding modification to Common Rupee Loan Agreement, External Commercial Borrowing Agreement and Equity Subscription and Subordinate Loan Agreement taking into consideration Share Purchase Agreement with GKC Projects Limited whereby Sadbhav Infrastructure Project Limited acquired 40% shareholding of the GKC in HYTPL.

(v) MBCPNL

Term loans include loan amounting to ₹ 9,690.85 Million as on March 31, 2015 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Such loan is repayable in 50 quarterly instalments commencing from last day of 15th quarter from the first disbursement i.e. 20th March 2010.

The long term loans from the banks carry interest rate from 12% to 13.25%.

(vi) RPTPL

Term loans include loan amounting to ₹ 9,747.21 Million as on March 31, 2015 taken from a consortium consisting of a bank and finance companies.

Notes on Accounts forming part of Consolidated Financial Statements

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 quarterly instalments on the last day of each quarter, commencing from 22 quarters from 30th March, 2011 (initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 16 years.

As at March 31, 2015, the term loans carry interest rate of 12.25 to 12.75 per cent per annum.

Foreign Currency loan from Bank:

Repayments shall be made 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.

RPTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(vii) SUTPL

Term loans include loan amounting to ₹ 6,392.65 Million as on March 31, 2015 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Tranche I

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

As at March 31, 2015, term loans carry interest of 12.25 to 12.50 per cent per annum.

Tranche II

The Principal amounts of the Loan under Tranche II is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.

As at March 31, 2015, term loans carry interest of 12.25 to 12.50 per cent per annum.

(viii) BRTPL

Term loans include loan amounting to ₹ 1,270.10 Million as on March 31, 2015 taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.

As at March 31, 2015, term loans carry average interest rate of 12.25 per cent per annum.

(ix) RHTPL

Term loans include loan amounting to ₹ 4,439 Million as on March 31, 2015 taken from a consortium consisting of a banks.

Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly instalments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.

As at March 31, 2015 term loans carry interest of 12.50 per cent per annum.

(x) NSEL

Term loans include loan amounting to ₹ 1,897.35 Million as on March 31, 2015 taken from a consortium consisting of banks.

Foreign Currency loan from Bank:

As per the Terms of the Facility Agreement, the NSEL shall repay the loan by paying fifteen semi-annual Instalments commencing from 30th December, 2010.

The loans carry interest rate of LIBOR + 135 bps per annum.

(g) Interest Free Loan from Holding Company (Unsecured)

Pursuant to the conversion of CCCPS into equity shares, the Company has entered into a Memorandum of Understanding with SEL, whereby SEL has given a commitment to keep the loan balance of ₹ 779.56 Million in SIPL for a period of 11 years from the date of conversion of CCCPS.

Notes on Accounts forming part of Consolidated Financial Statements

5 Other Long term Liabilities		(₹ in Million)	
		March 31, 2015	March 31, 2014
Retention Money		0.85	0.97
Premium Obligation under Concession Agreement (Refer Note No. 1D(a)(ii))**		22,329.07	-
Total		22,329.92	0.97
**As per the Ministry of Road Transport and Highways (MoRTH) policy of National Highways Authority of India (NHAI), the Group is liable to make payment of Interest on Deferment of Premium @ BR+ 2% p.a. which is charged to consolidated statement of profit & loss for the year and obligation on the same has been recognised as liabilities.		(₹ in Million)	
6 Provisions		Long - term	Short - term
		As at March 31, 2015	As at March 31, 2014
Provision for:			
Income Tax		-	93.55
Employee Benefit-Gratuity (Refer Note No.25)	3.60	1.99	0.76
Periodic major maintenance (Refer Note No.31)	992.92	374.27	-
Total	996.52	376.26	94.31
7 Short Term Borrowings		(₹ in Million)	
		March 31, 2015	March 31, 2014
Working Capital Demand Loan from Bank (Secured)		100.00	100.00
Loan from Holding Company (Unsecured) (Refer Note No. 28)		4,664.11	3,747.30
Interest free Loan - Others (unsecured)		213.00	160.00
Total		4,977.11	4,007.30
Notes:			
(i) Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited i.e. the holding company.			
(ii) The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest of 12% p.a. as at March 31, 2015.			
(iii) Unsecured loan from related parties carries interest @ 9.15% to 11% p.a. and is repayable on demand.			
(iv) Interest free loan from others is repayable on demand.			
8 Trade Payables		(₹ in Million)	
		March 31, 2015	March 31, 2014
Micro, Small and Medium Enterprises		-	-
Others		400.29	461.79
Total		400.29	461.79
Dues to Micro, Small and Medium Enterprises:			
As per intimation available with the group, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Group owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.			
9 Other current liabilities		(₹ in Million)	
		March 31, 2015	March 31, 2014
Current Maturities of Long-term debt (Net of Derivative Settlement Receivable) (Refer Note No. 4(b))		1,379.47	940.29
Capital creditors including retention money (Refer Note No. 28)		2,250.41	1,805.08
Interest accrued but not due on borrowings		189.13	134.13
Interest accrued and due on borrowings (Refer Note No. 28)		212.65	246.61
Unearned Revenue (Refer Note No. 27)		129.94	200.87
Due to bank in current account (Cheques Overdrawn)		-	0.13
Statutory dues payable		146.31	171.69
Employee Emoluments		20.38	18.19
Payable towards equity share capital purchased in Subsidiary (Refer note 11(i))		220.00	-
Payable to Authorities (AUDA, NHAI)		53.70	-
Rent Deposit		4.21	0.45
Other Expenses Payable		35.41	19.47
Total		4,641.61	3,536.91

Notes on Accounts forming part of Consolidated Financial Statements

10 Fixed Assets

(i) Tangible Assets

Particulars	Freehold-Land	Building	Building-Residential Flat	Plant and Equipment	Furniture Fixtures	Vehicles	Computer	Office Equipment	(₹ in Million)	
									Adv Hoarding Under Sale	Total
Gross Block:										
As at April 1, 2013	29.98	75.26	13.48	127.47	17.53	32.81	9.71	1.78	9.60	317.62
Additions	-	7.22	-	5.17	1.34	8.55	1.23	0.66	-	24.17
Disposals / Adjustments	-	-	-	(0.84)	-	(5.33)	-	-	-	(6.17)
As at March 31, 2014	29.98	82.48	13.48	131.80	18.87	36.03	10.94	2.44	9.60	335.62
Additions	-	-	-	1.74	1.36	3.09	1.38	8.36	-	15.93
Disposals / Adjustments	(1.73)	-	-	-	-	(1.25)	-	-	(4.55)	(7.53)
As at March 31, 2015	28.25	82.48	13.48	133.54	20.23	37.87	12.32	10.80	5.05	344.02
Accumulated Depreciation:										
As at April 1, 2013	-	12.69	1.14	26.63	6.98	15.19	6.30	0.52	-	69.45
Charge for the year	-	3.40	0.62	7.67	2.00	5.51	1.65	0.25	-	21.10
Disposals / Adjustments	-	-	-	-	-	(3.19)	-	-	-	(3.19)
As at March 31, 2014	-	16.09	1.76	34.30	8.98	17.51	7.95	0.77	-	87.36
Charge for the year	-	3.36	0.59	19.42	3.04	6.51	2.41	2.76	-	38.09
Disposals / Adjustments	-	-	-	-	-	(1.11)	-	-	-	(1.11)
As at March 31, 2015	-	19.45	2.35	53.72	12.02	22.91	10.36	3.53	-	124.34
Net Block :										
As at March 31, 2014	29.98	66.39	11.72	97.50	9.89	18.52	2.99	1.67	9.60	248.26
As at March 31, 2015	28.25	63.03	11.13	79.82	8.21	14.96	1.96	7.27	5.05	219.68

Note:

- Advertisement hoarding under disposal are stated at the lower of their net book value or net realisable value.
- During the current financial year, the Group has revised useful lives of certain fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised useful lives.

(ii) Intangible Assets

Particulars	(₹ in Million)			Particulars	(₹ in Million)		
	Toll Collection Rights	Use Fee Rights	Total		Toll Collection Rights	Use Fee Rights	Total
Gross Block:							
As at April 1, 2013	24,636.27	2,482.00	27,118.27	Depreciation on Inclusion of Subsidiaries	496.50	-	496.50
Addition on Inclusion of Subsidiaries	3,563.37	-	3,563.37	Charge for the year	748.87	22.93	771.80
Additions	11,880.91	6,586.54	18,467.45	Disposals / Adjustments (Refer Note below)	(495.71)	(23.60)	(519.31)
Exchange Differences	192.47	-	192.47	As at March 31, 2014	2,235.96	22.93	2,258.89
Disposals / Adjustments	(0.21)	-	(0.21)	Charge for the year	1,235.59	101.98	1,337.57
As at March 31, 2014	40,272.81	9,068.54	49,341.35	Disposals / Adjustments (Refer Note below)	110.38	-	110.38
Additions (Refer Note below)	22,629.72	1,985.04	24,614.76	As at March 31, 2015	3,581.93	124.91	3,706.84
Exchange Differences	221.04	-	221.04	Net Block :			
Disposals / Adjustments	-	(169.16)	(169.16)	As at March 31, 2014	38,036.85	9,045.61	47,082.46
As at March 31, 2015	63,123.57	10,884.42	74,007.99	As at March 31, 2015	59,541.64	10,759.51	70,301.15
Accumulated Amortisation:							
As at April 1, 2013	1,486.30	23.60	1,509.90				

Note:

Toll collection rights also include premium paid/payable under the concession agreement over the concession period.

The Company has adopted an option under Para 46A of AS 11, inserted by notification no. G.S.R. 914(E) dated 29th March, 2011 issued by Ministry of Company 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 the asset. During the year the company has added ₹ 221.04 Million (Previous year ₹ 192.47 Million) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 945.27 Million (Previous year ₹ 775.78 Million).

Notes on Accounts forming part of Consolidated Financial Statements

(iii) Capital Work-in- Progress

(₹ in Million)

Particulars	Advertisement Hoardings	Building under construction	Total
Opening Balance as at April 1, 2013	0.71	8.06	8.77
Additions	0.08	5.69	5.77
Transfer to Tangible Assets	(0.43)	(6.93)	(7.36)
Closing Balance as at March 31, 2014	0.36	6.82	7.18
Additions	-	-	-
Transfer to Tangible Assets	(0.36)	(0.14)	(0.50)
As at March 31, 2015	-	6.68	6.68

(iv) Intangible Assets Under Development

(₹ in Million)

Particulars	Road Development Expenditure	Expenditure during construction period	Payments to Railway Authorities (ROB)	Road and Check Post Development Work	Building Development Work	Computerisation & Check Post Integration Work	Other Direct Capital Expenses	Project Upfront Fees	Total
Opening Balance as at April 1, 2013	8,811.58	2,902.81	5.53	2,605.83	695.16	937.48	35.98	578.37	16,572.74
Additions	4,747.56	2,035.82	-	1,456.62	504.08	802.08	47.10	-	9,593.26
Transfer to Intangible Assets	(9,659.14)	(3,559.22)	(5.53)	(2,805.40)	(885.61)	(1,099.22)	(68.02)	(264.42)	(18,346.56)
Adjustments / Deduction	-	(73.12)	-	-	-	-	-	-	(73.12)
Closing Balance as at March 31, 2014	3,900.00	1,306.29	-	1,257.05	313.63	640.34	15.06	313.95	7,746.32
Additions	11,358.89	1,523.10	-	427.68	100.22	201.78	41.05	-	13,652.72
Transfer to Intangible Assets	-	(532.41)	-	(745.90)	(275.44)	(358.70)	(31.55)	(67.29)	(2,011.29)
Adjustments / Deduction	-	(9.91)	-	-	-	-	-	-	(9.91)
As at March 31, 2015	15,258.89	2,287.07	-	938.83	138.41	483.42	24.56	246.66	19,377.84

Note :

(i) Project upfront fees represent amount paid to Maharashtra State Road Development Corporation Limited (MSRDC) as per Project Tender Terms.

(ii) In term of the Concession agreement, deposits for electricity supply is considered as a part of the project cost.

(iii) Adjustment in the Gross Block of Intangible assets of ₹ 169.15 million (previous year - Nil) and Intangible assets under development of ₹ 36.22 million (previous year - Nil) is on account of CENVAT credit availed as per provisions of Cervat Credit Rules, 2004.

10.1 Expenditure during construction period (Pending Allocation)

(₹ in Million)

	March 31, 2015	March 31, 2014
(a) Opening Balance	1,306.29	2,902.81
(b) Additions during the year		
(i) Finance Costs		
Interest on:		
Long-term Borrowings	1,246.08	1,437.78
Short-term Borrowings	1.18	10.95
Other borrowing cost:		
Bank Charges	10.77	1.23
Ancillary Borrowing Cost (Refer Note (i) below)	201.35	158.56
	1,459.38	1,608.52
Less: Other Income		
Gain on sale of units of mutual fund and dividend income	2.81	1.63
Sundry creditors written back	-	0.16
Interest on fixed deposits with banks	0.65	2.85
	3.46	4.64
Total (i)	1,455.92	1,603.88

Notes on Accounts forming part of Consolidated Financial Statements

	(₹ in Million)	
	March 31, 2015	March 31, 2014
(ii) Other Expenses		
Rent	3.15	5.62
Insurance	3.48	4.54
Rates and Taxes	0.08	4.75
Employee Benefits	3.15	11.77
Legal & Professional Fees	51.43	389.92
Travelling & Conveyance	1.84	4.64
Auditors Remuneration	0.60	0.47
Other Miscellaneous Expenses	3.45	10.23
	67.18	431.94
Total (i) + (ii)	1,523.10	2,035.82
(c) Add / (Less): Adjustments/ Deduction during the year		
Intangible Assets under development written off (Refer Note (ii) below)	-	(25.76)
Long term interest written back (Refer Note (iii) below)	-	(47.36)
CENVAT Credit taken (Refer Note No. 35)	(9.91)	-
Capitalised in Intangible asset	(532.41)	(3,559.22)
Closing Balance (a)+(b)-(c)	2,287.07	1,306.29

Notes:

- (i) In case of MBCPNL, unmortised portion of ancillary borrowing cost of ₹ 169.03 Million pertaining to period prior to March 31, 2014 has been transferred from Other Assets to Expenditure during construction period (Pending allocation). Further, ancillary borrowing cost of ₹ 8.38 million which was already charged to statement of profit & loss for the year ended March 31, 2015, is written back due to change in accounting policy which is disclosed under Other Income. The Ancillary costs incurred during the year is also accounted under Expenditure during construction year.
- (ii) During the year ended March 31, 2014, SBTPL had entered the settlement and close out agreement with National Highway Authority of India ('NHAI') dated 23rd December, 2013 for foreclose the concession agreement due to delay in handing over the land for the road project as per Concession agreement with NHAI. Since, SBTPL was incorporated for purpose of execution of road project under the concession agreement, which is foreclosed and hence the management has liquidated SBTPL. Accordingly, SBTPL has written off the intangible assets under development.
- (iii) During the year ended March 31, 2014, MBCPNL has written back accrued interest on subordinate debt taken from SEL as the amount is not payable.

11 Non-current Investments

	(₹ in Million)	
	March 31, 2015	March 31, 2014
I. Investments in Equity Shares- Unquoted, Fully paid up (At Cost)		
1,439,000 (March 31, 2014: 630,000) Equity Shares of Dhule Palenser Tollway Limited of ₹ 10/- Each (also refer note 13(i))	14.39	6.30
Total I	14.39	6.30
II. Investment in Others (At Cost)		
(a) Investment Properties- Land	19.94	17.06
(b) Government Securities -National Saving Certificates	0.05	0.05
Total II	19.99	17.10
Total	34.38	23.40
Aggregate amount of unquoted investments	14.44	6.34
Aggregate provision for diminution in value of investments	-	-
Value of investment properties	19.94	17.06

12 Deferred Tax Asset (net)

	(₹ in Million)	
	March 31, 2015	March 31, 2014
(i) Deferred Tax Assets		
Gratuity and Leave Encashment	-	0.31
Carry forward of business losses and unabsorbed depreciation as per Income Tax Act, 1961	0.21	-
Total (i)	0.21	0.31

Notes on Accounts forming part of Consolidated Financial Statements

(ii) Deferred Tax Liability			
Difference in Book and Tax Depreciation	0.21		0.08
Total (ii)	0.21		0.31
Deferred Tax Asset (net)		-	0.22

Deferred tax assets (Net) in case of Subsidiaries:

In accordance with Accounting Standard 22 "Accounting for taxes on income", the subsidiaries companies have net deferred tax assets. However, in view of losses incurred under Income Tax Act, 1961 by the subsidiaries during the current year, deferred tax assets on timing difference on unabsorbed depreciation and business losses have not been accounted for in the books since it is not virtually certain that they will be realised against future profits. The subsidiaries are also entitled for deduction under section 80IA of the Income Tax Act, 1961, which they propose to claim in the future years.

13 Loans and Advances (Unsecured, considered good, unless otherwise stated) (₹ in Million)

	Long - term		Short - term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
a Capital Advances				
Secured, considered good (Refer Note No.28)	1,934.55	3,408.43	-	-
Unsecured, considered good	0.46	0.78	-	-
b Deposits	6.02	5.21	0.04	0.32
c Loans and advances to related parties:				
(Refer Note No. 28)				
Loans and advances given	-	137.16	138.18	27.98
Advance against share purchases (Refer Note (i) below)	267.81	450.94	-	-
Sub-ordinate debt (Refer Note (ii) & (iii) below)	1,124.00	1,124.00	-	-
Others	-	-	8.13	-
	1,391.81	1,712.10	146.31	27.98
d Advances receivable in cash or kind	-	-	24.54	35.09
e Inter-Corporate Loans	-	-	418.80	170.00
f Others loan & advances				
Advance income tax and Tax Deducted at Source (net of provision for tax)	216.10	147.14	-	-
Prepaid Expenses	-	-	13.77	13.74
Staff Advances	-	-	0.41	0.10
Deferred Cenvat Credit (Refer Note No. 35)	74.60	-	-	-
Tax Credits Receivables (Refer Note No. 35)	8.24	27.43	30.20	4.35
Total	3,631.78	5,301.09	634.07	251.58

Notes:

(i) Advance towards Shares Purchase represents payment made to the holding company, Sadbhav Engineering Limited (SEL) towards purchase of equity shares and consequential economic interest /ownership rights in Dhule Palenser Tollway Limited (DPTL) and Mumbai Nasik Express Way Limited (MNEL). The Company is in the process of obtaining regulatory / lenders approvals to get such shares transferred in its own name.

The Company has agreed to acquire 20% equity share of Mumbai Nasik Expressway Limited (MNEL) from SEL as per Share Purchase Agreement dated September 22, 2010. Further, the Company has executed a binding term sheet dated January 22, 2015 with SEL and Gammon Infrastructure Projects Limited, pursuant to which SEL has agreed to transfer 20% of MNEL shares to the Company, which the Company has agreed to sell to Gammon Infrastructure Projects Limited for an aggregate consideration of ₹ 720.00 million.

The Company has also agreed to acquire 39% equity shareholding of Dhule Palenser Tollway Limited (DPTL) from SEL as per agreement dated September 22, 2010 and November 3, 2014. As at year end, Company has paid part consideration to SEL to purchase the shareholding. Further, Subsequent to year end, the Company has agreed to acquire additional equity shares of DPTL from HCC Concessions Limited and Hindustan Construction Company Limited as per share purchase agreement dated April 16, 2015 whereby the Company has agreed to acquire additional 60% shareholding in DPTL.

The above transactions are subject to lenders approval and accordingly not accounted in the books.
(Also refer note 30(II)(viii))

Notes on Accounts forming part of Consolidated Financial Statements

(ii) Sub-ordinate debt of ₹ 1,124 Million as at March 31, 2015 (₹ 1,124 Million as at March 31, 2014) is given to Dhule Palesnar Tollway Limited on which interest of ₹ 414.89 Million as at March 31, 2015 (₹ 303.62 Million as at March 31, 2014) has accrued as per terms of the Loan Agreement with lenders of DPTL.

(iii) The sub-ordinate debt including accrued interest is recoverable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders.

14 Other Assets

(₹ in Million)

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Grant Receivable (Refer Note (i))	-	-	629.06	64.24
Receivable from Authority towards change of Scope/ Utility Shifting	-	-	90.15	38.30
Receivable from EPC Contractor towards change of Scope (Refer Note No.28)	-	-	17.27	-
Unamortised Option Premium	52.93	72.19	19.26	19.26
Interest Receivable on:				
- Non-current investments	0.01	-	-	-
- Sub-ordinate debt /Unsecured Loan given to related parties (Refer Note No.28 and (ii) below)	414.89	329.05	38.14	-
- Inter Corporate Loans	-	-	40.20	8.93
- Fixed Deposits with Banks	-	-	2.47	-
Discount on debentures, pending amortisation	67.51	-	20.67	-
Ancillary cost of arranging the borrowings	-	154.94	-	14.09
Gratuity Plan Assets (Net of Provision)	-	-	-	0.52
NSC matured receivable	-	-	-	0.01
Unbilled Revenue (Refer Note No.27)	-	-	-	12.36
Unamortised Share Issue Expense (Refer Note (iii) below)	-	-	66.18	-
Derivative Settlement Receivable	833.80	729.33	17.78	14.30
(Less): Transferred to Long Term Borrowing (Refer note 4)	(833.80)	(729.33)	(17.78)	(14.30)
Other receivable	-	-	0.38	-
	535.34	556.18	923.78	157.71

Notes:

(i) As per the respective Concession Agreements between ARRIL and Ahmedabad Urban Development Authority (AUDA) and between BRTPL & RHTPL and NHAI, ARRIL, BRTPL and RHTPL are entitled to receive grant of ₹ 360 Million, ₹ 2,264 Million and ₹ 2,115 Million, respectively for meeting the part project cost subject to the conditions laid down in the Concession Agreements. Upto March 31, 2015 the said companies have received grant of ₹ 295.76 Million ₹ 1,224.15 Million and ₹ 643.70 Million in ARRIL, BRTPL and RHTPL, respectively. Also, ARRIL and BRTPL have grant of ₹ 64.24 Million and ₹ 564.82 Million, respectively as receivable since the conditions of the Concession Agreement related to grant have been met.

(ii) The interest receivable on Sub-ordinate debt is recoverable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders of the Dhule Palesnar Tollway Limited.

(iii) The Company is in the process of an Initial Public Offer ('IPO') in respect of its Equity Shares. As per the offer agreement between the Company and the selling shareholders, all expenses incurred in connection to the Company's IPO will be borne by the Company and each of the selling shareholders in proportion to the Equity shares allotted by the Company in the fresh issue and transferred by each selling shareholder in Offer for Sale, respectively. Thus, the expenses incurred by the Company in connection to the IPO upto March 31, 2015, have been shown as 'Unamortised Share Issue Expenses'. The Company will adjust the expense against the Securities premium balance in the next financial year upon the finalisation of the proportion between the Company and the Selling Shareholders.

15 Current investments

(₹ in Million)

	March 31, 2015	March 31, 2014
Unquoted (Valued at lower of cost and fair value, unless stated otherwise)		
Investment in units of Mutual Fund (Refer Note (i))	47.01	1,028.59
Investment in Government Securities- National Savings Certificate	-	-
	47.01	1,028.59
Aggregate amount of unquoted investments	47.01	1,028.59

Notes on Accounts forming part of Consolidated Financial Statements

(i) Details of Investments in Unquoted Units of Mutual Funds: (₹ in Million other than figures in bracket)

Particulars	As at March 31, 2015	As at March 31, 2014
BOI AXA Liquid Fund - Growth	- (-)	48.58 (33,330.81)
BOI AXA Treasury Fund-Growth	- (-)	100.00 (67,109.05)
DSP Blackrock Money Manager Fund - Regular Plan - Growth	- (-)	154.05 (90,700.29)
DWS Money Plus Fund -Institutional Plan - Growth	- (-)	13.13 (996,972.11)
ICICI Prudential Liquid - Money Market Fund- Regular Plan - Growth	15.00 (77,671.99)	- (-)
ICICI Prudential Liquid - Regular Plan - Growth	12.00 (59,241.33)	- (-)
IDBI Liquid Fund-Growth	10.01 (7,367.39)	10.00 (7,362.71)
IDFC Money Manager Fund-Investment Plan-Growth	- (-)	72.91 (3,755,518.89)
Kotak Flexi Debt Fund	- (-)	114.58 (7,417,832.47)
L&T ultra Short term fund - Growth	- (-)	50.00 (2,459,298.61)
Principal Debt Opportunities Fund Conser Plan-Growth	- (-)	465.34 (231,450.49)
Principal PNB Fixed Maturity -Regular Plan Growth	10.00 (1,000,000.00)	- (-)
Total	47.01	1,028.59

The figures mentioned in bracket represent absolute number of investment units.

16 Trade Receivables (₹ in Million)

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment (Unsecured)		
Considered good (Refer Note 28)	3.47	0.66
Considered doubtful	0.70	-
Less: Provision for Doubtful debts	(0.70)	-
	3.47	0.66
Other receivables (Refer Note 28)	136.71	142.56
	140.18	143.22

17 Cash and Bank Balances (₹ in Million)

	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Balance with Banks		
In Current accounts (Refer note (i) below)	1,320.24	489.83
In Fixed Deposits (Refer note (ii) below)	330.03	0.03
Cash on hand	24.28	28.49
	1,674.55	518.35
Other Balances with Banks		
In Fixed Deposits (Refer note (iv) below)	21.08	-
	1,695.63	518.35

Note:

- Balance with Bank in current accounts of ₹1,249.81 Million (March 31, 2014: ₹ 446.85 Million) includes balances lying in Escrow Account, as per terms of borrowings with the lenders. (also refer note 30(III)(i))
- Balance with Banks in fixed deposit include balance of ₹ 330.00 Million (P.Y. ₹ Nil) being the deposit earmarked for Debt Service Reserve (DSR) of term loan of BHTPL.
- Cash on hand include amount collected towards toll charges / user fee, pending deposit with the bank.
- Fixed deposits amounting to ₹ 21.08 Million as on March 31, 2015 lying with Bank are earmarked for Debt Servicing Reserve for interest to be served within 12 months on Redeemable Non Convertible Debentures (NCDs) of ₹ 1,405.41 Million.

Notes on Accounts forming part of Consolidated Financial Statements

18 Revenue from Operations	(₹ in Million)	
	March 31, 2015	March 31, 2014
Revenue from Toll Collection and Annuity Income	3,918.74	2,910.40
User Fees	816.10	302.26
Contractual Income		
Engineering, Procurement and Construction (EPC) and Other Contract Income (Refer note below)	229.27	241.14
Sale of Services		
Advisory, Project and Toll Management Fees (Refer Note 28)	1.20	276.20
Other Operating Revenue		
Advertisement and Rent Income	37.68	13.99
	5,002.99	3,743.99

Note:

During the year, the Company has accounted Contract Income towards cost escalation claim, of ₹ 72.87 Million (31 March 2014: ₹ 294.88 Million) (gross), in line with cost inflation index principles (cost escalation formula) approved by independent consultant of MBCPNL. The price escalation is also approved by the lenders' engineer of MBCPNL.

19 Other income	(₹ in Million)	
	March 31, 2015	March 31, 2014
Interest income on:		
Sub-Ordinate loan to related party (Refer Note No. 28)	123.64	116.32
Unsecured Loans to related parties (Refer Note No. 28)	15.32	25.07
Inter-Corporate loans to others	34.74	2.52
Deposits with Banks	16.70	4.11
Income tax refund and MVAT refund	3.01	0.14
	193.41	148.16
Profit on Sale of units of Mutual Funds (Net)	79.76	41.82
Dividend Income	0.62	0.74
Sundry balances written back	10.18	23.49
Profit on Sales of Assets	-	0.03
Insurance Claim Received	0.72	1.34
Others	1.19	0.31
	285.88	215.89

20 Operating expenses	(₹ in Million)	
	March 31, 2015	March 31, 2014
Construction Contract charges to Sub Contractors (also Refer Note No. 34)	370.48	445.43
Operation and Maintenance charges to Sub Contractors	268.15	183.11
Periodic Major Maintenance to Sub Contractors (Refer Note No. 31)	768.07	409.77
Power and Fuel	82.24	51.91
Security Expense	69.29	56.93
Miscellaneous Expenses	77.23	39.86
	1,635.46	1,187.01

21 Employee benefit expenses	(₹ in Million)	
	March 31, 2015	March 31, 2014
Salaries, wages and bonus (including managerial remuneration) (Refer Note No. 28)	210.80	146.69
Contribution to Provident and Other funds	9.79	5.84
Gratuity expense (Refer Note No. 25)	3.35	0.45
Staff welfare expenses	19.06	10.53
Total	243.00	163.51

Notes on Accounts forming part of Consolidated Financial Statements

22 Finance Cost

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Interest on		
Long Term Loans from Banks and Others	4,418.92	3,080.69
Unsecured Loan from Holding Company (Refer Note No.28)	491.12	250.20
Short Term Loans from Others	10.66	5.27
Deferred Additional Concession Fees (Refer Note 1(D)(a)(ii))	23.84	-
Statutory dues and other interest	1.80	1.77
Other Borrowing Cost		
Premium on redemption of NCDs	106.60	-
Amortization of Option Premium, Discount on issue of debentures and other Ancillary Charges	154.42	77.53
Bank Charges, Upfront Fees and other finance costs	51.79	140.90
	5,259.15	3,556.36

One of the Subsidiaries, viz. MBCPNL capitalizes each check post from the date it receives provisional completion certificate from the engineer appointed by Maharashtra State Road Development Corporation (Project Implementation Agency). Pending receipt of notification from government authorities to start collecting user service fee, the cost incurred (including interest costs) from the date of capitalization of check post till the notification to collect user service fee is expensed to Consolidated statement of profit and loss. MBCPNL has expensed aggregate of ₹ 212.14 Million (P.Y. ₹ 301.05 Million) relating to such nature of interest costs (with corresponding no user service fee income) in the Consolidated statement of profit and loss during financial year ended March 31, 2015.

23 Other Expenses

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Rent	19.34	9.81
Insurance	16.33	11.01
Rates and Taxes (also Refer Note 35)	62.89	7.12
Repairs and Maintenance	10.41	9.26
Legal and Professional Fees	117.57	89.98
Additional Concession Fees (Refer note 1(D)(a)(ii))	-	224.70
Communication Expense	4.79	3.62
Travelling Expenses	11.09	7.33
Auditors' Remuneration	3.29	2.71
Corporate Social Responsibility (Refer note No 39)	5.99	-
Trade Receivables written off	0.40	0.48
Provision for doubtful debts	0.70	-
Interest receivable written off	-	22.65
Assets under construction written off	-	82.01
Miscellaneous Expenses	31.14	29.08
	283.94	499.76

Notes on Accounts forming part of Consolidated Financial Statements

24 Earnings Per Share (EPS)

		(₹ in Million)	
		March 31, 2015	March 31, 2014
I Basic Earning/(Loss) Per Share (EPS)			
Net (Loss) after tax for the year available for equity shareholders (₹ in Million)	(A)	(3,433.02)	(396.24)
Total Equity shares		310,963,081	26,007,170
Weighted average number of equity shares outstanding during the year	(B)	309,698,728	308,700,880
Basic (Loss) Per Share (in ₹)	(A/B)	(11.09)	(1.28)
II Diluted Earning/(Loss) Per Share (EPS) (Refer note below)			
Net (Loss) after tax for the year available for equity shareholders (₹ in Million)		(3,433.02)	(396.24)
Add: Interest on Compulsory Convertible Debenture (Net of Tax) (₹ in Million)		0.02	0.05
Net (Loss) after tax for calculation of Diluted EPS (₹ in Million)	(C)	(3 433.00)	(396.19)
Weighted average number of equity shares outstanding during the year	(D)	309,698,728	310,963,081
Diluted (Loss) Per Share (in ₹)	(C/D)	(11.08)	(1.27)

Notes:

- (i) Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPs.
- (ii) 0.01% 1,100,950 Compulsory Convertible Debentures (CCDs) of ₹ 750 Million issued to Sadbhav Engineering Limited have been converted into one equity share as per Board Resolution dated October 22, 2014.
- (iii) The Company issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10:1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per the resolution of Extra Ordinary General Meeting dated October 29, 2014.

25 Employee Benefits

The disclosures of employee benefits as defined in the Accounting Standard 15 are as under:

Defined Benefit Plan:

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last drawn salary) for each completed year of service. The schemes of all the Companies in the Group are un-funded, except for ARRIL wherein a Gratuity Trust is formed and Contribution towards Fund is made annually.

The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Accounting Standard (AS 15). Gratuity has been recognized in the financial statements as per details given below:

		(₹ in Million)	
Particulars		March 31, 2015	March 31, 2014
Net amount recognized for the year is as follows:			
Current service cost		1.74	1.48
Interest cost on defined benefit obligation		0.36	0.28
Expected return on plan assets		(0.26)	(0.20)
Net actuarial losses / (gains) recognized		1.51	(1.11)
Net amount recognized in the Statement of Profit and Loss		3.35	0.45
Net Liability / (Plan Asset) recognised in the Balance Sheet			
Defined benefit obligation		7.54	4.21
Fair Value of Plan Assets		3.18	2.71
Liability / (Plan Asset)		4.36	1.50
Changes in the present value of the defined benefit obligation are as follows:			
Opening defined benefit obligation		4.21	3.66
Interest cost		0.36	0.28
Current service cost		1.74	1.48

Notes on Accounts forming part of Consolidated Financial Statements

	(₹ in Million)	
	March 31, 2015	March 31, 2014
Benefits paid/ Payable	(0.22)	(0.10)
Actuarial (gains)/ losses on obligation	1.45	(1.11)
Closing defined benefit obligation	7.54	4.21
Reconciliation of Fair Value of Plan Assets		
Plan Assets as at the beginning of the Year	2.71	2.05
Expected return on plan assets	0.26	0.20
Contribution during the Year	0.46	0.48
Benefits paid	(0.19)	(0.02)
Actuarial gains/ (losses) on obligation	(0.06)	-
Fair value of Plan Asset at the Year End	3.18	2.71
Principal assumptions used in determining gratuity obligation:		
Discount rate	7.80%	9.10%
Expected rate of salary increase	6% to 7%	6% to 7%
Withdrawal rate	5% at younger age, reducing to 1% at older ages	5% at younger age, reducing to 1% at older ages

- (i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (ii) In case of ARRIL, the company expects to contribute ₹ 0.74 Million to gratuity in the next year (Previous year ₹ 0.46 Million).
- (iii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2015	March 31, 2014
Investment with Life Insurance Corporation	100%	100%

26 Segment Information

The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns and internal reporting system.

The group's operations predominately relate to BOT (Toll Operations & User Fees), Contractual Income (Engineering Procurement Construction (EPC) Contract & Operation, Maintenance and Supervision Services), Advisory, Project and Toll Management Services. For the purpose of reporting, business segment is the primary segment.

Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

	(₹ in Million)	
Particulars	March 31, 2015	March 31, 2014
Revenue		
External Revenue		
BOT (Toll Operation, User Fees and other operating income)	4,772.52	3,226.66
Contractual Income	229.27	241.14
Project Operations, Management and Advisory Services	1.20	276.19
Total Revenue	5,002.99	3,743.99
Segment Results		
BOT (Toll Operation & User Fees)	1,679.38	2,568.48
Contractual Income	(141.22)	(204.29)
Project Operations, Management and Advisory Services	1.20	276.19
Total	1,539.36	2,640.38
Unallocated Income/(Expense)		
Interest Expense (including other Finance Costs)	(5,259.15)	(3,556.36)
Other income including Finance income	285.88	215.89
Tax Expense	(21.57)	(100.79)
(Loss) for the year before Minority Interest	(3,455.48)	(800.88)

Notes on Accounts forming part of Consolidated Financial Statements

Particulars	(₹ in Million)	
	As at March 31, 2015	As at March 31, 2014
Other Information		
Assets		
Segment Assets		
BOT (Toll Operation & User Fees)	93,812.13	59,177.79
Contractual Income	15.88	51.30
Project Operations, Management and Advisory Services	4.70	3.47
	93,832.71	59,232.55
Unallocated Segment Assets	5,047.56	4,442.35
Total Assets	98,880.27	63,674.90
Segment Liabilities		
BOT (Toll Operation & User Fees)	26,682.09	2,734.60
Contractual Income	307.54	736.57
Unallocated	63,511.95	50,051.65
Total	90,501.58	53,522.82

Particulars	(₹ in Million)	
	March 31, 2015	March 31, 2014
Capital Expenditure		
BOT (Toll Operation & User Fees)	10,510.69	12,954.03
Unallocated	-	-
Depreciation and Amortisation		
BOT (Toll Operation & User Fees)	1,413.43	-
Unallocated	4.34	-

Notes

1. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.
- Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.
2. The Secondary segment i.e. geographical segment is not a reportable segment as per Accounting Standard 17, Segment reporting, and hence, the details thereof are not given.

27 Disclosure in respect of Construction Contracts

(₹ in Million)

	March 31, 2015	March 31, 2014
Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.		
I Contract revenue recognized as revenue in the year	229.27	241.14
II For Contracts that are in progress:-		
(a) Contract costs incurred & recognized upto reporting date	1,546.52	1,374.14
(b) Profits (less recognized losses) upto reporting date	629.12	517.44
(c) Advances received	-	-
(d) Retention Money	-	-
III Unearned Revenue	129.94	200.87

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit / loss is allocated.

Notes on Accounts forming part of Consolidated Financial Statements

28 Related Party disclosures

Name of Related Parties and related party relationship

(a) Related Parties where control exists

Holding Company Sadbhav Engineering Limited (SEL)

(b) Related parties with whom transactions have taken place during the year

Key management personnel (KMP) Mr. Vasistha C. Patel, Managing Director

Relatives of KMP Mr. Vishnubhai Patel, Director

Mr. Shashin V. Patel, Director

Mr. Girish Patel

Mr. Vikram Patel

Mrs. Rajeshri Patel

Enterprise over which the company is Dhule Palesnar Tollway Limited (DPTL)
having significant influence

Enterprise over which the holding company Mumbai Nasik Express Way Limited (MNEL)
is having significant influence

Enterprise having significant influence under Norwest Venture Partners VII-A-Mauritius (Norwest)
contract (Upto October 22, 2014)

Xander Investment Holding XVII Limited (Xander) (Upto October 22, 2014)

Fellow Subsidiary Mysore-Bellary Highway Pvt.Ltd. (MBHPL) (w.e.f. October 7, 2014)

Note:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

29 Assets taken under operating leases:

Office space at Ahmedabad and residential houses for staff accommodation, are obtained on operating leases. During the year, the Group has incurred ₹ 12.01 Million (Previous Year ₹ 12.70 Million) towards rent for office space and ₹ 0.87 Million (Previous Year ₹ 1.05 Million) towards lease rentals for staff accommodation. There are no sub-leases and the leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

30 Contingent liabilities and commitments

(₹ in Million)

	As at March 31, 2015	
I	Contingent Liabilities	As at March 31, 2015
	Claims against the Group not acknowledged as debts	
	Service Tax*	43.48
	Income Tax**	141.04
		184.52
		48.37

* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, for which company has deposited ₹ 2.5 Million and received stay order from tribunal for recoveries of demands. Further the matter is pending with Tribunal as at reporting date.

** The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act. The entities are contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

II Commitments

The followings are the estimated amount of contractual commitments of the Group:

Notes on Accounts forming part of Consolidated Financial Statements

	(₹ in Million)	
	As at March 31, 2015	As at March 31, 2014
(i) EPC Sub-Contract Commitments	949.40	1,333.05
(ii) On Capital Account (net of Advances)	11,087.72	21,646.65
(iii) Derivative Contract		
a. Index Swap	33.15	75.03
b. Currency Options for Principal amount of ECB		
- INR	5,730.21	5,776.15
- USD	106.46	108.48
c. Interest rate swap and Options outstanding		
- INR	1,756.39	2,238.01
- USD	28.11	35.24

The company uses Currency Options and interest rate swap to hedge the exchange rate and interest 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.

- (iv) Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, has entered into an Overnight Index Swap (OIS) Agreement with ICICI Bank Limited on December 27, 2007. The maturity date of the OIS Agreement is December 28, 2015. The mark to market value of this agreement at March 31, 2015 is ₹ 33.15 Million (Previous year ₹ 75.03 Million).
- (v) In terms of the Concession Agreement with NHAI, SUTPL has agreed to pay to NHAI, on the COD date, a Premium in the form of an additional Concession Fee equal to ₹ 216 Million as due to NHAI during that year, due and payable for the period remaining in that year and for each subsequent year of the Concession Period. The Premium shall be determined by increasing the amount of Premium in the respective year by an additional 5% as compared to the immediately preceding year.
- (vi) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPPL and RHTPL have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its shares in the respective subsidiary company, details of which are as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge
	Upto COD	After COD	
ARRIL	70%	45%*	30.00%
BHTPL	51%	26%	26.00%
RPTPL	51%	51%	51.00%
HYTPL	51%	51%	51.01%
RHTPL	51%	51%	51.00%
NSEL	30%	30%	30.00%
AJTL	51%	51%	51.00%
MBCPNL	70%	51%	51.00%
SUTPL	51%	51%	51.00%
BRTPPL	51%	51%	51.00%

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (vii) The Infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity. The Sub-ordinate debt and interest receivable thereon is refundable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders.
- (viii) Company has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt. Ltd. (MBHPL) from Sadhbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

As regards acquisition of 20% share holding in Mumbai Nasik Expressway Limited (MNEL) in principle understanding has been reached with Gammon Infrastructure Project Limited for sale of share holding although detailed agreement is pending to be executed.

The Company had entered into an agreement dated September 18, 2013 to sell 9.93% equity shareholding of Maharashtra

Notes on Accounts forming part of Consolidated Financial Statements

Border Check Post Network Limited (MBCPNL) to D. Thakkar Construction Private Limited, subject to lenders approvals. Further, the Company has also entered into an agreement dated November 4, 2014 with SEL to purchase 10% of equity shareholding in MBCPL.

III Other Litigations:

(i) Aurangabad Jalna Tollway Limited:

In case of one of the subsidiaries, viz. Aurangabad Jalna Tollway Limited (AJTL), the Officer of Public Works Department, Government of Maharashtra (PWD) passed the order on November 4, 2013 to stop Toll Collection on grounds that some part of ROB work was incomplete. AJTL had filed a writ petition in the Honourable High Court, Aurangabad Bench challenging the said order. The Hon. High Court passed an interim order on December 9, 2013 allowing restoration of Toll Collection from December 14, 2013 on the undertaking to complete balance works and road maintenance works under supervision of Maharashtra Engineering Research Institute (MERI), Nasik and PWD authorities and also directed to deposit the amount of toll collection into separate ESCROW account to be opened and operated jointly by Company and PWD officer to be operated upto March 31, 2014.

According to AJTL, the entire work is completed. However Public Works Department(PWD) did not agree to discontinue Escrow Account on the ground that some work of ROB & maintenance work was pending, and also did not permit to withdraw the amount lying in the Escrow Account. Hence, AJTL filed Arbitration petition before district court at Aurangabad for directing PWD to permit the withdrawal of amount deposited in Escrow A/c and to allow to deposit the Toll Collection in regular Bank Account. The district court vide its order dated October 04, 2014 directed to permit withdrawal of amount lying in Escrow Account in stages and resumption of operating regular account by obtaining permission of Government of Maharashtra.

In partial compliance to the said order, the Chief Engineer has allowed the withdrawal of the amount lying in escrow a/c. However, the toll collected is not being permitted to be deposited in regular bank account of AJTL.

(ii) Bijapur Hungud Tollway Private Limited:

During the year 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board-Mumbai Bench against Sadbhav Engineering Ltd (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Patent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. The LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.

31 Movement in Periodic Major Maintenance Provision:

(₹ in Million)

Particulars	March 31, 2015	March 31, 2014
Carrying amount as at Beginning of the Year	409.77	-
Add: Additional provision made in the Year (Refer Note No.20)	768.07	409.77
Less: Amounts used (i.e. incurred and charged against the provision) during the Year	184.92	-
Carrying amount as at End of the Year	992.92	409.77
Current	-	35.50
Non-Current	992.92	374.27
Total	992.92	409.77

32 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

Notes on Accounts forming part of Consolidated Financial Statements

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)	
	As % of consolidated net assets	Amount ₹ In Million	As % of consolidated profit / (loss)	Amount ₹ In Million
Parent Company				
SIPL	-110.46%	(9,254.85)	38.89%	(1,335.12)
Subsidiary Companies				
Indian				
ARRIL	4.45%	373.06	0.35%	(11.88)
BHTPL	31.00%	2,597.30	12.52%	(429.81)
AJTL	8.88%	743.83	5.27%	(180.92)
MBCPNL	42.91%	3,595.05	15.75%	(540.56)
NSWEL	9.82%	822.96	0.48%	(16.47)
HYTPL	11.18%	936.33	4.21%	(144.49)
RPTPL	22.22%	1,862.07	23.17%	(795.40)
SUTPL	22.03%	1,845.71	0.01%	(0.23)
BRTPPL	30.66%	2,568.62	0.01%	(0.33)
RHTP	20.52%	1,719.02	0.01%	(0.27)
SBTPL	0.00%	-	0.00%	-
Minority interest in all subsidiaries	6.80%	569.59	-0.65%	22.46
Total	100.00%	8,378.69	100.00%	(3,433.02)

33 In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, MBCPNL has physical possession of 20 Border Check Post (BCP) sites as at 31st March, 2015 out of total 22 BCP sites as per Concession agreement. MBCPNL has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st March, 2014, MBCPNL has achieved provisional certificate of completion for 13 check posts. The collection of service fees have been started in 9 BCP as per directive of MSRDC.

As at 31st March, 2015, the project implementation is in progress and there are costs variance in development of each BCP site. MBCPNL has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC. MBCPNL has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement and is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the company under the terms of concession agreement.

34 Up to the reporting date, MBCPNL has accounted cost escalation claim of EPC contractor (including in respect of BCP site already operational) of ₹ 1,637.44 Million (up to Previous year: ₹ 1,364.95 Million) as certified by lender's engineer. The cost escalation as estimated is in line with cost inflation index principals (cost escalation formula) approved by Independent Consultant appointed by MSRDC. The revision of EPC agreement with the contractors in terms of cost escalation claim accounted in the books is in progress at the year end as well as the said company needs to take formal approval of cost escalation from MSRDC in terms of concession agreement. MBCPNL do not expect any adjustment in future against the cost escalation accounted in the books, pending formal approval from MSRDC.

35 Till June 30, 2014, MBCPNL has not recorded the service tax liability on User Fee income collected at various check posts in terms of amendments as per Finance Act, 2012 as the MBCPNL has made the representations in the matter to various Excise and Customs authorities to seek clarifications/ applicability of the amendment so as to conclude its liability to pay service tax. MBCPNL also didn't account CENVAT credit on input services and materials utilized towards construction of the check posts infrastructure in terms of the Concession agreement and input services availed during operations of the check posts.

The management has now decided to recognize service tax liability of ₹ 136.73 million (on the User fee Income earned since April 2013). Current year's service tax charge is adjusted against User Fee Income and earlier years charge is accounted as Rate and Taxes in statement of profit and loss. MBCPNL also recorded CENVAT credit of ₹ 234.85 million (including ₹ 74.60 million on works contract towards services for construction of building and civil infrastructure) on project input services/materials, as applicable. CENVAT credit of ₹ 19.51 million on services availed during operations of the check posts since April 2013 was also accounted in books of account.

The CENVAT credit on project input material/ services is recorded by adjusting the cost of the intangible assets (including under constructions) and CENVAT credit on operational services is adjusted to the cost of the services. MBCPNL has accounted the credit based on legal opinion obtained by it.

Notes on Accounts forming part of Consolidated Financial Statements

Of the above, the CENVAT credit of ₹ 74.60 million on works contract for construction of building and civil infrastructure have been accounted as Deferred CENVAT credit account, pending assessment by the statutory authority. The service tax liability of ₹ 136.73 million on the user fee income have been discharged by adjusting the same against balance in CENVAT Credit Account. MBCPNL is in process of filing the service tax return with statutory authorities to give effect of above.

MBCPNL also propose to represents to the Government of Maharashtra (Licensor) as per the rights given in the Concession agreement for possible amendment in the Concession agreement, due to the change in service tax law under Finance Act 2012, whereby there is no financial loss to MBCPNL.

36 During the year 2014-15, the group has recognised adjustment relating to share of losses of minority interest aggregating to ₹ 279.63 Million pertaining to earlier years. As per the arrangement, such losses is required to be borne by the Company.

37 In the case of the following subsidiaries there are accumulated losses as at the balance sheet date, which have resulted in erosion of the respective company's net worth, although the Sponsors of the Projects, have invested sub-ordinate debts which is part of the Project equity capital as per terms of Rupee Facility Agreements of the respective entities. The repayment of such sub-ordinate debt is subject to certain stipulations under the loan agreement. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (SIPL). In case of MBCPNL, the management represented that the subsidiary is in start-up phase of the project and its operation/revenue is gradually increasing on commencing operation at additional border check post. Accordingly, these consolidated financial statements have been prepared assuming that these Subsidiaries will continue as a going concern.

(₹ in Million)

Name of the Subsidiary	Accumulated Losses as at	
	March 31, 2015	March 31, 2014
Aurangabad Jalna Tollway Limited	627.12	381.04
Hyderabad - Yadgiri Tollway Limited	644.20	469.69
Rohtak - Panipat Tollway Private Limited	1,170.74	272.09
Maharashtra Border Check Post Network Limited	1,144.92	546.50

38 Exceptional Items:

Exceptional items consist of the following:

(₹ in Million)

Sr. No.	Particulars	March 31, 2015	March 31, 2014
(i)	Additional Concession Fees Payable to National Highways Authority of India (NHAI) in case of RPTPL and HYTPL (Refer Note No.1D(a)(ii))	(153.32)	--
(ii)	Amount payable to AUDA for toll collected by the Company during the construction period without approval from AUDA (Refer note below)	36.78	--
(iii)	Change in method of amortisation of Toll Collection Rights from Straight Line Basis to amortisation based on proportion of actual revenue	--	(1,577.50)
	Total	(116.54)	(1,577.50)

Note:

ARRIL has requested AUDA to adjust the amount of ₹ 36.78 Million payable in respect of toll collected during the construction period without the approval from AUDA against the Grant of ₹ 64.24 Million receivable as per the Concession agreement dated September 7, 2006 between ARRIL and AUDA.

39 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof is ₹ 5.99 Million disclosed as 'Other Expenses' under Note 23.

40 Previous Year:

Previous year's figures have been regrouped / reclassified wherever necessary to facilitate comparability with current year's classification.

As per our report of even date

**For Manubhai & Shah
Chartered Accountants
ICAI Firm Registration No.: 106041W**

**K. C. Patel
Partner
Membership No. 30083**

**Date : 30 May, 2015
Place : Ahmedabad**

**For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E**

**Arpit K. Patel
Partner
Membership No. 34032**

**Date : 30 May, 2015
Place : Ahmedabad**

**For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited**

**Vasistha C. Patel
Managing Director
DIN : 00048324**

**Gaurav Vesasi
Company Secretary**

**Date : 30 May, 2015
Place : Ahmedabad**

**Vishnubhai M. Patel
Director
DIN : 00048287**

**Varun Mehta
Chief Financial Officer**

Notes on Accounts forming part of Consolidated Financial Statements

(a) Transactions during the year

(₹ in Million)

Name of the transactions	Holding Company		Enterprise having significant influence under contract		Enterprises over which company is able to exercise significant influence / Fellow Subsidiary		Key Management Personnel	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Issue of Bonus of Shares								
SEL	2,188.49	-						
Norwest			294.16	-				
Xander			294.16	-				
Vasistha C Patel							5.00	-
Vishnubhai Patel							10.00	-
Shashin V Patel							6.40	-
Girish Patel							4.00	-
Vikram Patel							5.00	-
Rajeshree Patel							3.00	-
Conversion of CCCPS into Equity Shares (Including Security Premium)								
Norwest			500.00	-				
Xander			500.00	-				
Conversion of Compulsory Convertible Debenture (CCD) to 1 Equity Shares including security premium								
SEL	750.00	-						
Interest Paid on CCDs								
SEL	0.04	0.08						
Sub-Ordinate Debt Received								
SEL	294.24	492.35						
Sub-Ordinate Debt Repaid								
SEL	802.29	176.84						
Sub-Ordinate Debt Waived								
SEL	-	23.19						
Unsecured Loan Taken								
SEL	5,847.23	4,466.11						
Interest expense on Unsecured Loan Taken								
SEL	491.12	250.20						
Unsecured Loan Repaid (including interest)								
SEL	4,749.38	1,262.93						
Unsecured Loan converted in to Interest free Loan								
SEL	779.56	-						
Performance of EPC Contract, Utility Shifting and Variation								
SEL	12,203.04	6,999.40						
Mobilisation and Material Advance given								
SEL	373.19	2,279.81						
Mobilisation Advance adjusted against EPC								
SEL	1,847.08	492.03						
Fixed Assets Sold								
SEL	-	2.15						
Advance for purchase of Shares								
SEL	127.01	-						
Purchase of Shares of Subsidiaries and associates from SEL								
SEL	310.14	-						
Investments made during the year								

Notes on Accounts forming part of Consolidated Financial Statements

Name of the transactions	Holding Company		Enterprise having significant influence under contract		Enterprises over which company is able to exercise significant influence / Fellow Subsidiary		Key Management Personnel	
							31-Mar-15	31-Mar-14
MBHPL					0.12		-	
DPTL					8.09		-	
Sale of Investment during the year								
SEL	0.12	-						
Unsecured Loan Given								
MBHPL					39.57		-	
Repayment of Unsecured Loan Given								
MBHPL					38.67		-	
DPTL					12.36	11.63		
MNEL					1.41	1.41		
Sub Ordinate Loan Given								
DPTL					-	139.60		
Sale of Services								
DPTL					1.20	1.20		
Receipt of Services								
SEL	181.72	51.93						
Interest Income								
DPTL					123.64	116.32		
MNEL					14.13	14.13		
Interest payable written back								
SEL	-	24.71						
Rent, Allocation & Re-imbursement of Expense								
SEL	158.33	44.98						
MBHPL					26.62	-		
Managerial Remuneration								
Vasistha Patel							3.25	3.19

(b) Outstanding balance as at Balance Sheet Date

(₹ in Million)

Name of the transactions	Holding Company		Enterprise having significant influence under contract		Enterprises over which company is able to exercise significant influence / Fellow Subsidiary		Key Management Personnel	
							31-Mar-15	31-Mar-14
Interest Free Long-term Unsecured Loan Taken								
SEL	779.56	-						
Short-term Unsecured Loan Taken								
SEL	4,664.11	3,747.30						
0.01% Unsecured CCD								
SEL	-	750.00						
Interest on 0.01% Unsecured CCD								
SEL	0.14	0.10						
Sub-Ordinate Debt Taken								
SEL	-	508.05						
Performance of EPC Contract, Utility Shifting including retention money								
SEL	2,236.96	1,798.32						
Mobilisation and Material Advance Given								
SEL	1,934.55	3,408.43						
Advance for Purchase of Investment								
SEL	267.81	450.94						
Unsecured Loan Given								

Notes on Accounts forming part of Consolidated Financial Statements

Name of the transactions	Holding Company		Enterprise having significant influence under contract		Enterprises over which company is able to exercise significant influence / Fellow Subsidiary		Key Management Personnel	
					31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
MNEL		-			137.16	137.16	-	
MBHPL					0.90	-		
Sub Ordinate Loan Given								
DPTL		-			1,124.00	1,124.00	-	
Sale of Services / Trade Receivable (Including Retention Money)								
DPTL		-			4.70	3.47	-	
Interest Income Receivable								
DPTL		-			414.89	303.62		
MNEL		-			38.14	25.43		
Interest Payable								
SEL	117.77	225.18						
Loans & advances - Other								
MBHPL					8.13	-	-	
SEL	0.12	27.98						
Trade Payable & Other Payables								
SEL	180.75	102.49						
Other current Assets								
SEL	17.27	-						
Managerial Remuneration								
Vasistha Patel	-		-		-		0.25	0.38

Notes:

- 1) Term Loan of ₹ 1,800.00 Million as at March 31, 2015 (March 31, 2014: ₹ 1,800.00 Million) and WCDL loan of ₹ 100 Million as at March 31, 2015 (31 March 2014: ₹ 100.00 Million) from bank is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company.
- 2) Non convertible debenture of ₹ 5,005.41 Million as at March 31, 2015 (March 31, 2014: ₹ Nil) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% shareholding in the Company to the lenders.
- 3) Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued to Norwest and Xander 1,131,100 equity share each against 1,125,387 CCCPs.
- 4) Company has received a waiver from preference shareholders for dividend payable upto the date of conversion.

ATTENDANCE SLIP

DP ID	
Client ID	

Folio No.	
No. of Shares	

Name and address of Shareholder / Proxy holder

I hereby record my presence at the **9th Annual General Meeting of the Company** held on Monday, December 28, 2015 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 at 11.00 A.M.

Shareholder / Proxy's Signature

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

X

X

PROXY FORM

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on the Monday, December 28, 2015 at 11.00 A.M. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

1. Consider and adopt:
 - (a) Audited Financial Statement, Report of the Board of Directors and Auditors.

X

X

(b) Audited Consolidated Financial Statement.

2. Re-Appointment of Mr. Shashin V. Patel who retires by rotation.
3. Ratification of appointment of Joint Statutory Auditors and fixing their remuneration.
4. Appointment of Mr. Arun Patel as an Independent Director.
5. Appointment of Mr. Atul Ruparel as an Independent Director.
6. Appointment of Mr. Mirat Bhadlawala as an Independent Director.
7. Appointment of Mrs. Daksha Shah as an Independent Director.
8. Appointment of Mr. Jagdish Joshipura as an Independent Director.
9. Ratification of Remuneration of Cost Auditor.
10. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.
11. To authorize Board of Directors to make Investment on behalf of the Company.
12. To approve related party transactions.

Signed this _____ day of _____ 2015

Please
affix Re 1/-
Revenue
Stamp

Signature of shareholder

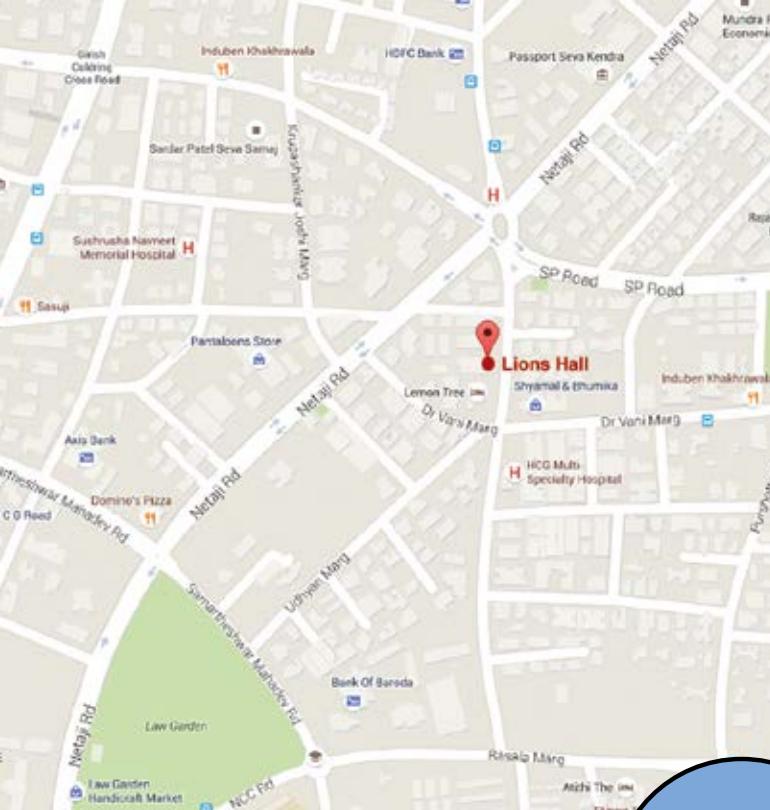
Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the share capital of the Company carrying rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Financial Highlights

Total Revenue
₹ 5,288.87
million

Cash EBITDA
₹ 3,709.62
million

Average Residual Life as on 31.03.15
18 years and 9 months

2014-2015 Key Figures

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Turnover	701.07	911.75	899.22	739.11	153.39
Total Income	1,073.05	1,158.32	1,166.84	954.61	336.96
Earning Before Depreciation, Interest and Tax (EBDIT)	427.67	561.21	382.14	430.25	266.00
Exceptional Item	-	-	-	-	-
Depreciation	1.29	1.14	1.29	0.55	-
Interest (Finance Cost)	1,037.52	526.77	214.22	42.45	34.89
Profit After Tax	-632.68	29.39	116.32	259.45	154.22
Equity Dividend %	-	-	-	-	-
Dividend Payout	-	-	-	-	-
Equity Share Capital	3,109.63	260.07	260.07	241.72	241.72
Warrant Application Money	-	-	-	-	-
Stock Option Premium Outstanding	-	-	-	-	-
Reserve & Surplus	5,326.29	8,036.00	8,006.61	6,659.71	6,400.44
Net Worth	8435.92	8318.58	8289.19	6923.94	6664.67
Gross Fixed Assets	17.11	17.04	17.04	17.04	0.13
Net Fixed Assets	12.84	14.07	15.21	16.50	0.13
Total Assets	22041.46	15924.83	12293.72	8855.2	7192.12
Total Debt (Loan Fund)	12,763.55	6697.464	6740.05	1600.862	597.88
Earning Per Share (In ₹)	-2.04	1.13	4.66	10.73	12.03
Book Value Per Share (In ₹)	27.13	319.86	318.73	286.44	275.72
Weighted No. of Shares	309.70	26.01	24.96	24.17	12.82

Note:

1. Total Assets excluding Misc. Expenses.
2. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares.
3. Total Income means credit side of P&L after adjusting the Change in WIP.
4. EBDIT means PBT + Depreciation + Interest.
5. Total Debt includes interest.



**SADBHAV INFRASTRUCTURE
PROJECT LIMITED**

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