

Manubhai & Shah LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sadbhav Kim Expressway Private Limited
Report on audit of the Financial Statements

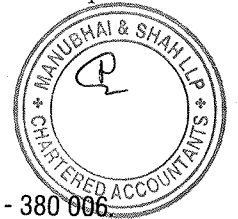
Opinion

We have audited the accompanying financial statements of **Sadbhav Kim Expressway Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878
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Ahmedabad • Mumbai • NCR • Rajkot • Baroda • Gandhinagar • Udaipur

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

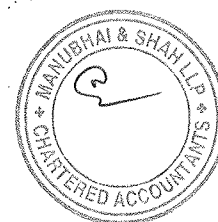
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



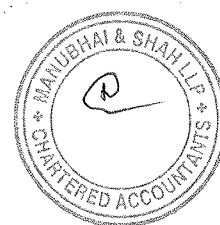
Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure – A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the company has not paid managerial remuneration during the year.



Manubhai & Shah LLP
Chartered Accountants

- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact its financial position.
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure – B" a statement on matters specified in paragraphs 3 and 4 of the order.



Place: Ahmedabad
Date: June 25, 2021

For Manubhai & Shah LLP
Chartered Accountants
Firm's Registration No.106041W/W100136



(H. M. Pomal)
Partner
Membership No. 106137
UDIN: 21106137AAAABM6274

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of **Sadbhav Kim Expressway Private Limited** of even date)

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

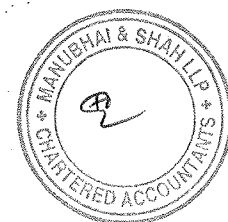
In conjunction with our audit of the financial statements Sadbhav Kim Expressway Private Limited (The Company) as of and for the year ended March 31, 2021, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

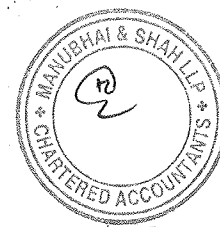
Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

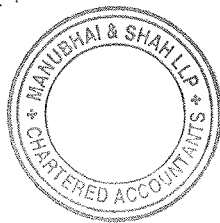
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Manubhai & Shah LLP
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



Place: Ahmedabad
Date: June 25, 2021

For Manubhai & Shah LLP
Chartered Accountants
Firm's Registration No. 106041W/W100136

H. M. Pomal

(H. M. Pomal)
Partner
Membership No. 106137
UDIN: 21106137AAAABM6274

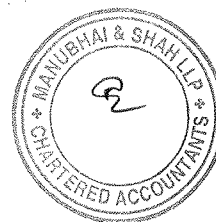
ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members of Sadbhav Kim Expressway Private Limited of even date)

Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013 ('the Act') of Sadbhav Kim Expressway Private Limited ('the Company')

- (i) The Company had no fixed assets during and at the year end. Therefore, the reporting requirements of paragraph 3(i) of the Order are not applicable.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order are not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.
- (iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed books of accounts 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 Act and are of the opinion that prima facie prescribed accounts and records have been maintained by the company in respect of construction activity.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax and other material statutory dues as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities except that the company is not regular in depositing Tax Deducted at Source.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, cess, goods and services tax and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax, or goods and services tax or custom duty or excise duty which have not been deposited with the appropriate authorities on account of any dispute.



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- (viii) Based on our audit procedure and the information and explanations given by the management, the company did not borrow money from Bank, Financial institute or government or does not have any borrowing by issue of debentures. Therefore, the reporting requirement of paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no fraud by the Company or no material fraud on the company by the officers and employees of the company has been noticed or reported during the year.
- (xi) The Company has not paid managerial remuneration during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore the reporting requirement of Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the financial statements are in accordance with the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with directors and hence reporting requirement of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad
Date: June 25, 2021



For Manubhai & Shah LLP
Chartered Accountants
Firm's Registration No. 106041W/W100136

(H. M. Pomal)
Partner
Membership No. 106137
UDIN: 21106137AAAABM6274

SADBHAV KIM EXPRESSWAY

PRIVATE LIMITED

IND AS FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

Sadbhav Kim Expressway Private Limited			
Balance Sheet as at March 31, 2021			
Particulars	Note No.	As at March 31, 2021 INR in Million	As at March 31, 2020 INR in Million
ASSETS			
1. Non Current Assets			
(a) Investment Property	5	1.03	-
(b) Financial Assets			
Receivable under Concession Arrangements	9	1,513.45	573.57
(c) Other Non-Current Assets	7	73.09	46.30
Total Non Current Assets (A)		1,587.57	619.87
2. Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	8	0.96	0.06
(ii) Receivable under Concession Arrangements	9	489.99	-
(iii) Other Assets	6	105.74	-
(b) Other Current Assets	7	1,916.94	75.78
Total Current Assets (B)		2,513.63	75.84
Total Assets (C) = (A) + (B)		4,101.20	695.71
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	10	1,011.57	0.50
(b) Other Equity	11	214.47	66.42
Total Equity (A)		1,226.04	66.92
2. LIABILITIES			
I. Non-Current Liabilities			
Deferred Tax Liability (Net)	27	19.47	-
Total Non-current Liabilities		19.47	-
II. Current Liabilities			
(a) Financial liabilities			
(i) Trade Payables			
-total outstanding dues of micro and small enterprises		-	-
-total outstanding dues of creditors other than micro and small Enterprises	12	1,157.48	623.98
(ii) Other Financial Liabilities	13	16.51	-
(b) Other Current Liabilities	14	1,681.70	4.81
Total Current Liabilities (B)		2,855.69	628.79
Total Equity and Liabilities (C) = (A) + (B)		4,101.20	695.71
Significant Accounting Policies	3		

Accompanying notes are an integral part of the financial statements

1 to 35

As per our report of even date attached
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136



(H.M. Pomal)
Partner
Membership No.106137

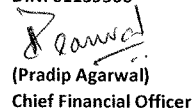


For & On behalf of the Board of Directors of
Sadbhav Kim Expressway Private Limited


(Vasistha C. Patel)
Director
DIN: 00048324

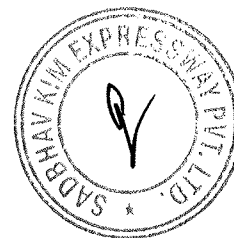

(Rahul Sheth)
Company Secretary


(Girishkumar D. Patel)
Director
DIN: 01139366


(Pradip Agarwal)
Chief Financial Officer

Place: Ahmedabad
Date: June 25, 2021

Place: Ahmedabad
Date: June 25, 2021



Sadbhav Kim Expressway Private Limited
Statement of Profit and Loss for the year ended March 31, 2021

(INR in Million)

Particulars	Note No.	March 31, 2021 INR in Million	March 31, 2020 INR in Million
INCOME			
I Revenue From Operations	15	1,858.23	370.29
II Other Income	16	106.50	-
II Total Income		1,964.73	370.29
EXPENSES			
Construction Expense	17	1,839.75	357.59
Employee Benefit Expense	18	0.20	
Finance Cost	19	29.15	0.26
Other Expenses	20	18.28	12.70
III Total Expenses		1,887.38	370.55
IV Profit/(Loss) before tax (II-III)		77.35	(0.26)
V Tax expenses			
Current tax		-	-
Deferred Tax	27	19.47	-
VI Profit/ (Loss) for the Year (IV-V)		57.88	(0.26)
Other Comprehensive Income for the year		-	-
VII Total Comprehensive Income/(loss) for the year		57.88	(0.26)
Earning/(Loss) Per Share (Nominal Value of share INR 10/-)			
Basic & Diluted Earning/(loss) per share	21	1.18	(5.19)
Significant Accounting Policies	3		

Accompanying notes are an integral part of the financial statements

1 to 35

As per our report of even date attached
 For Manubhai & Shah LLP
 Chartered Accountants
 ICAI Firm Registration No. 106041W/W100136



(H.M. Pomal)
 Partner
 Membership No.106137



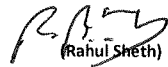
For & On behalf of the Board of Directors of
 Sadbhav Kim Expressway Private Limited



(Vasistha C. Patel)
 Director
 DIN: 00048324



(Girishkumar D. Patel)
 Director
 DIN: 01139366



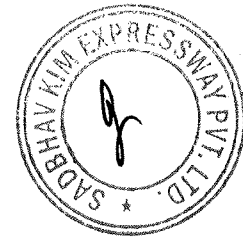
(Rahul Sheth)
 Company Secretary



(Pradip Agarwal)
 Chief Financial Officer

Place: Ahmedabad
 Date: June 25, 2021

Place: Ahmedabad
 Date: June 25, 2021



Sadbhav Kim Expressway Private Limited
Statement of Cash Flow for the year ended March 31, 2021

Particulars	March 31, 2021	March 31, 2020
	INR in Million	INR in Million
(A) Cash flows from operating activities		
Net Profit/(loss) before Tax	77.35	(0.26)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Interest and other borrowing cost	29.14	-
Share issue Expense	(8.26)	-
Operating profit/(loss) before working capital changes	98.23	(0.26)
Working Capital Changes:		
(Increase)/Decrease in Non-current Financial Asset	(939.87)	(370.29)
Increase/(Decrease) in current financial assets	(489.99)	-
Increase/(Decrease) in other current financial assets	(105.74)	-
(Increase)/Decrease in Other Current Assets	(1,841.16)	(51.11)
(Increase)/Decrease in Other Non Current Assets	1.03	-
Increase/(Decrease) in other current liabilities	1,676.89	2.12
Increase/(Decrease) in other current financial liabilities	0.20	-
(Decrease)/Increase in Trade Payables	533.50	401.23
Cash (used in) operating activities	(1,066.92)	(61.58)
Direct taxes paid (net of income tax refund)	(27.82)	-
Net cash (used in) operating activities	(1,094.74)	(61.58)
(B) Cash flows from investing activities		
Purchase of land	(1.03)	-
Net cash (used in) investing activities	(1.03)	-
(C) Cash flows from financing activities		
Equity share capital received	1,011.07	-
Sub Ordinate debt received	98.43	61.58
Interest and other borrowing cost paid	(12.82)	-
Net cash generated from financing activities	1,096.67	61.58
Net increase in cash and cash equivalents	0.90	-
Cash and cash equivalents at beginning of the year	0.06	0.06
Cash and cash equivalents at end of the year	0.96	0.06

Notes:

(i) Components of cash and cash equivalents (Refer note 8)

Cash on hand
Balances with banks in current accounts
Cash and cash equivalents

	March 31, 2021 (INR in Million)	March 31, 2020 INR in Million
Cash on hand	0.01	0.01
Balances with banks in current accounts	0.95	0.05
Cash and cash equivalents	0.96	0.06

(ii) Balances with banks include balance of INR 0.83 million as on March 31, 2021 (March 31, 2020: INR 0.05 million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

(iii) The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flow".

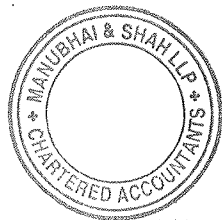
(iii) Figures in brackets represent outflows.

Accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

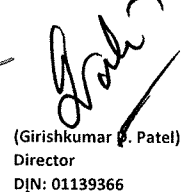


(H.M. Pomal)
Partner
Membership No.106137



For & On behalf of the Board of Directors of
Sadbhav Kim Expressway Private Limited


(Vasistha C. Patel)
Director
DIN: 00048324

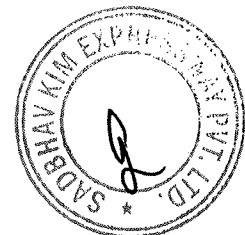

(Girishkumar B. Patel)
Director
DIN: 01139366


(Rahul Sheth)
Company Secretary


(Pradip Agarwal)
Chief Financial Officer

Place: Ahmedabad
Date: June 25, 2021

Place: Ahmedabad
Date: June 25, 2021




Sadbhav Kim Expressway Private Limited
Statement of Changes in Equity for the year ended March 31, 2021

A Equity Share Capital		INR in Million
Equity Shares of INR 10 each issued, Subscribed and fully paid	No. of Shares	Amount
At April 01, 2019	-	-
Issued during the year	50 000	0.50
At March 31, 2020	50 000	0.50
At April 01, 2020	50 000	0.50
Issued during the year	10 11 06 860	1,011.07
At March 31, 2021	10 11 56 860	1,011.57

B Other Equity		INR in Million	
Particulars	Equity Component of Compound Financial Instrument (Sub Ordinate Debt)	Retained Earnings	Total other equity
As at April 01, 2019	5.10		5.10
(Loss) for the year	-	(0.26)	(0.26)
Changes during the year (refer note 23)	61.58	-	61.58
As at the March 31, 2020	66.68	(0.26)	66.42
As at April 01, 2020	66.68	(0.26)	66.42
Profit for the year	-	57.88	57.88
Changes during the year (refer note 23)	98.43	-	98.43
Share Issue Expense	-	(8.26)	(8.26)
As at March 31, 2021	165.11	49.36	214.47

Note The Project of the Company has been partly funded through sub ordinate debt of Rs 165.11 Million (Up to March 31, 2021) from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common Loan Agreement, such sub ordinate debts is considered as sponsor's contribution to ensure Promoter's commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company.


As per our report of even date attached
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136


(H.M. Pomal)
Partner
Membership No.106137




For & On behalf of the Board of Directors of
Sadbhav Kim Expressway Private Limited


(Vasjstha C. Patel)
Director
DIN: 00048324


(Girishkumar D. Patel)
Director
DIN: 01139366


(Rahul Sheth)
Company Secretary


(Pradip Agarwal)
Chief Financial Officer

Place: Ahmedabad
Date: June 25, 2021

Place: Ahmedabad
Date: June 25, 2021



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

1. Company information:

Sadbhav Kim Expressway Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is wholly owned subsidiary of Sadbhav Infrastructure Project Limited.

The Company was incorporated as a Special Purpose Vehicle (SPV) in April, 2018, for the purpose of construction of Eight Lane Vadodara Kim Expressway from km 254.430 to km 279.00 (Kim to Ankleshwar Section of Vadodara Mumbai Expressway) in the state of Gujarat under NHDP Phase -VI on Hybrid Annuity Mode (Phase IA-Package V) .As per the CA, NHA grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction period of 730 days and Operation period of 15 years commencing from COD.

The financial statements were authorized for issue in accordance with a resolution of the directors on June 25, 2021.

2. Basis of preparation and presentation of financial statement:

(a.) Compliance with IND AS:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued thereafter.

The company has applied the applicable standards and/or amendments to existing standards effective from April 1, 2020 in the preparation and presentation of financial statements for the year ending on March 31, 2021.

Most of the amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b.) Basis of Presentation:

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

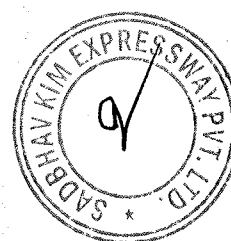
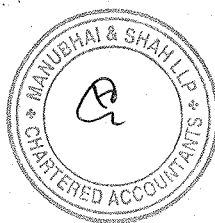
The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

(c.) Basis of Measurement:

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its financial statements:



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.2 Revenue Recognition

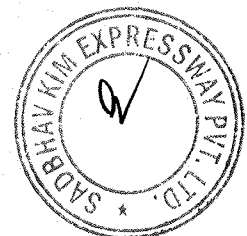
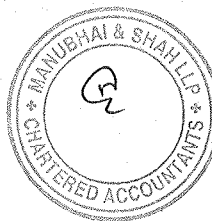
a. Revenue from Operations

The Company applies Ind AS 115 using cumulative catch-up transition method. The Company recognize revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied.

The Company earns revenue from construction, operation and maintenance, other related services and interest from financial asset.

(i) Construction services

Revenue from construction services is recognised over a period as the customer simultaneously receives and consumes the benefits provided by the Company and measure revenue based on input method i.e. revenue recognised on the basis of cost incurred to satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. If the outcome of a performance obligation satisfied over time cannot be reasonably measured, revenue is calculated using the zero-profit method in the amount of the contract costs incurred and probably recoverable.



Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) Construction, operation and maintenance and other related services:

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

For construction, operation and maintenance and other related services, the performance obligation is satisfied over time. For determining performance obligation of services; the company uses output method for measurement of revenue.

Revenue is measured based on the transaction price which is the consideration, as specified in contract with the customer. Revenue excludes taxes collected from the customers.

(iii) Interest from financial asset:

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

b. Gain/loss on Mutual fund

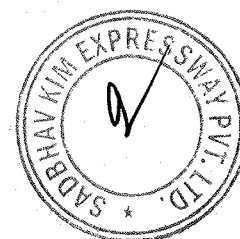
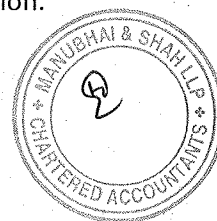
Gain or Loss on sale of mutual fund is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of mutual fund and other incidental expenses.

c. Others

Insurance and other claims are recognized as revenue on certainty of receipt on prudent basis.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.



3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office building that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in three categories:

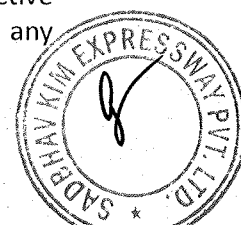
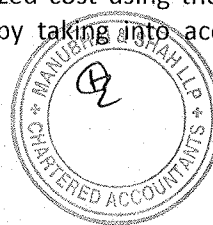
- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- **Financial assets at amortized cost:**

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

- **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

• **Financial assets at fair value through other comprehensive income:**

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

• **Financial assets at fair value through profit or loss:**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. De-recognition of financial assets

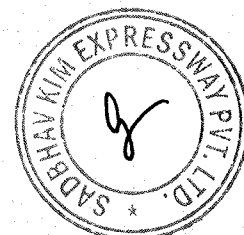
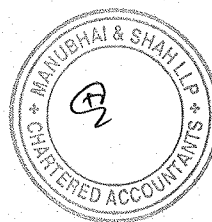
A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.



b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

All financial liabilities are recognised initially at fair value. All financial liabilities are recognised initially at fair value and, in the case of loan and borrowings and payable, net of directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

• Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the statement of profit or loss.

• Financial liabilities at amortised cost (Loans and Borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

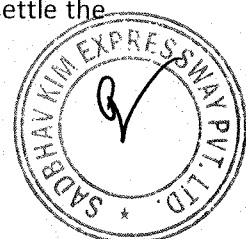
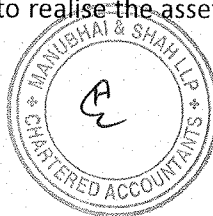
iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company currently has enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



3.6 Fair Value Measurement

The company measures financial instrument such as Investment in Mutual Fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

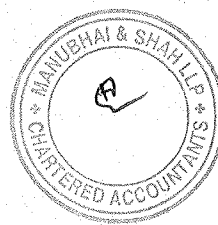
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

3.7 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income taxes are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

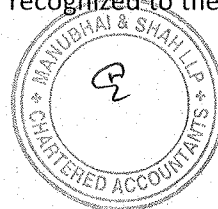
Deferred Tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.8 Provisions

General

Provision is recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

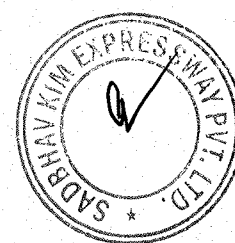
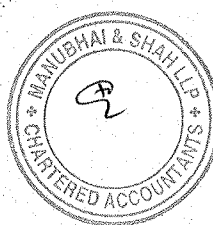
Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road 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. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted as appropriate.

3.9 Contingent liabilities and Contingent Assets

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.

Claim against the Company not acknowledged as debt are disclosed under contingent liabilities. Claim made by the company are recognized as and when the same is approved by the respective authorities with whom the claim is lodged.



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

A Contingent asset is not recognized in financial statements, however, the same is disclosed wherever an inflow of economic benefit is probable.

3.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.11 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.12 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

4. A.) Significant accounting judgements, estimates and assumptions

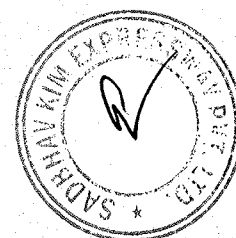
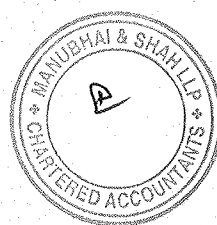
The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(ii) Fair value measurement of financial instruments

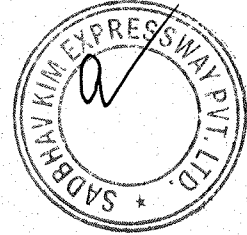
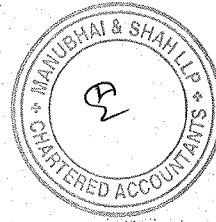
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



Sadbhav Kim Expressway Private Limited
Notes to Financial statement for the year ended March 31, 2021

(iii) Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

5 Investment Property - Land

Particulars	(INR in Million)
Cost	
Addition during the year	1.03
As at March 31, 2021	1.03

Notes:

- (a) There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.
- (b) The above land which is situated at Kadi, has been mortgaged against secured borrowings in order to fulfil the collateral requirement of the Lenders.
- (c) The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (d) The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of property.

6 Other Financial Assets

Current Financial Asset

Withheld amount receivable from NHAI
Interest Receivable on Mobilization Advance (Refer Note 23)

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
	89.86	-
	15.89	-
Total	105.74	-

7 Other Assets

Non-Current Assets

TDS Receivable
Unamortized Processing Fees
Capital Advances

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
	27.82	-
	45.27	45.27
	-	1.03
Total	73.09	46.30

Current Assets

Mobilization Advance (Refer Note No. 23)
Input GST Credit Receivable
Advance to vendor
Prepaid Expenses

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
	1,291.10	-
	620.91	75.78
	0.01	-
	4.92	-
Total	1,916.94	75.78

8 Cash and Cash Equivalents

Balance with Banks
in current accounts
Cash on Hand

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
	0.95	0.05
	0.01	0.01
Total	0.96	0.06

Note: Balances with banks include balance of INR 0.83 million (March 31, 2020: INR 0.05 million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

9 Receivable under Service Concession Arrangements from NHAI

Non Current

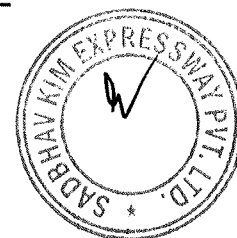
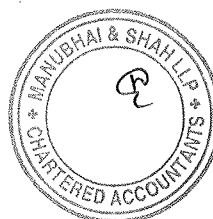
	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
	1,513.45	573.57
Total (A)	1,513.45	573.57

Current

	489.99	-
Total (B)	489.99	-

Total Receivable under Service Concession Arrangement from NHAI (C)= (A) + (B)

	2,003.43	573.57
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Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

10 Equity Share Capital	March 31, 2021		March 31, 2020	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorized Share Capital				
Equity Shares of INR 10 each	10 20 00 000	1,020.00	50 000	0.50
Total	10 20 00 000	1,020.00	50 000	0.50
Issued, Subscribed and fully paid up				
Equity Shares of INR 10 each	10 11 56 860	1,011.57	50 000	0.50
Total	10 11 56 860	1,011.57	50 000	0.50

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

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Outstanding at the beginning of the year	50 000	0.50	-	-
Add: Issued during the year	10 11 06 860	1,011.07	50 000	0.50
Outstanding at the end of the year	10 11 56 860	1,011.57	50 000	0.50

(b) Terms/Rights attached to the equity shares:

The Company has only one class of shares referred to as equity shares having a par value of INR 10/-. 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 the residual assets of the Company, after distribution of all preferential amounts. However, currently no such preferential amount exists. The amount to be distributed will be in proportion to the number of equity shares held by the shareholders.

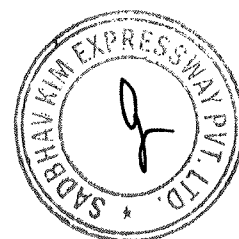
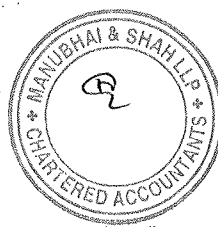
(c) Share held by holding Company:

All 10,11,56,860 shares (50 000 shares as at March 31, 2020) issued, subscribed and paid up equity capital are held by Sadbhav Infrastructure Project Limited- holding company and its nominees.

(d) Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity Shares of Rs 10 each fully paid				
Sadbhav Infrastructure Project Ltd and its Nominees	10 11 56 860	100	50 000	100
Total	10 11 56 860	100	50 000	100

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



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

11 Other Equity

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Equity Component of Compound Financial Instrument (Sub Ordinate Debt) (Refer Note given under Statement of Changes in Equity)		
Balance as per last financial statement	66.68	5.10
Addition during the year	98.43	61.58
Balance at the end of the year	165.11	66.68
Retained Earnings*		
(Deficit) at the beginning of the year	(0.26)	-
Add: Net Profit/(Loss) for the year	57.88	(0.26)
Less: Share issue expense	(8.26)	-
Surplus/(Deficit) at the end of the year	49.36	(0.26)
Total	214.47	66.42

* Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

12 Trade Payables

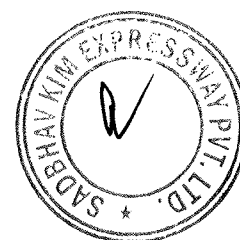
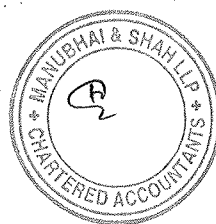
	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Dues to Micro and small enterprises (refer note 26)	-	-
Dues to others	5.97	10.16
Due to Related Parties (refer note 23)	1,151.51	613.82
Total	1,157.48	623.98

13 Other Current Financial Liabilities

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Interest payable to NHAI on Mobilization Advance	16.31	-
Employee Emoluments Payable (refer note 23)	0.20	-
	16.51	-

14 Other Current Liability

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Statutory dues (TDS)	368.44	4.81
Mobilization Advance	1,313.27	-
Total	1,681.70	4.81



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

15 Revenue From Operations

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Construction Contract Revenue (Notional)	1,858.23	370.29
Total	1,858.23	370.29

Revenue from contract with customers

15.1 Disaggregated revenue information

Having regard to the nature of contract with customer, there is only one type of category of revenue. Hence disclosure of disaggregation of revenue is not given.

15.2 Receivable under concession arrangement and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for such services are recognised as related services are performed. Revenue in excess of billings is recorded as unbilled revenue and is classified as financial asset for those cases as right to consideration is unconditional as passage of time. Invoicing to the customer is based on milestones as defined in the contract.

15.3 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is INR 12 574.69 Millions. Out of this the company expects to recognise revenue about INR 5 650.68 Millions in next year and remaining thereafter. Remaining performance obligation estimates are subject to change and affected by several factors including terminations, change of scope of contracts, occurrence of same is expected to be remote.

15.4 Reconciliation of the amount of revenue recognised in the Statement of profit and loss with Contract price is not provided as there is no adjustment made with respect to Contract price.

16 Other Revenue

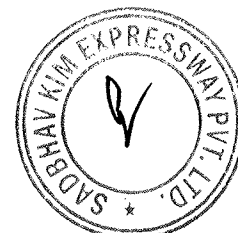
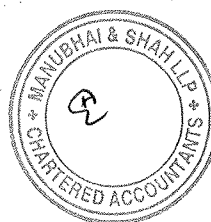
	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Notional Finance Income on Construction Revenue	90.61	-
Interest Income on Mobilization Advance (Refer Note 23)	15.89	-
Total	106.50	-

17 Construction Expenses (Refer Note 23)

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Road Development Expense - EPC	1,493.90	357.59
Price Escalation - WPI	180.60	-
Road O&M during Construction	165.25	-
Total	1,839.75	357.59

18 Employee Benefit Expense

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Salaries, wages and other allowances (Refer Note 23)	0.20	-
Total	0.20	-



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

19 Finance Cost

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Other Borrowing Cost:		
Interest expense on Mobilization Advance	17.63	-
Other Borrowing Costs	9.16	-
Interest on delayed payment of TDS	2.35	0.26
Total	29.14	0.26

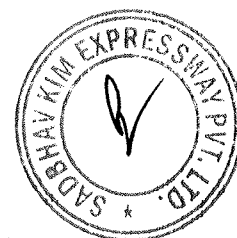
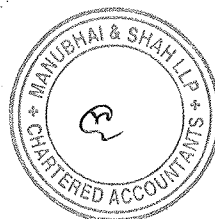
20 Other Expenses

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Office Rent (refer note 23)	0.90	0.90
Auditor Remuneration (refer note 20.1)	0.07	0.02
Professional Fees & Expenses	3.17	1.34
Independent Consultant Fees	11.75	8.77
Filing Fees	0.01	0.01
Registration Fees	1.99	1.61
Rates & Taxes*	0.01	0.00
Director Sitting Fees (refer note 23)	0.02	-
Miscellaneous Expenses	0.35	0.07
Total	18.28	12.70

*Amount of INR 2400 in FY 2019-20 is below the rounding off norm adopted by the company

20.1 Auditors' remuneration comprises following:

	March 31, 2021 (INR in Million)	March 31, 2020 (INR in Million)
Fees for Statutory Audit	0.04	0.02
Fees for Tax Audit	0.03	-
Total	0.07	0.02



Sadbhav Kim Expressway Limited
Notes to Financial Statements for the year ended March 31, 2021

21 Earning/(loss) Per Share (EPS):

Earning/(loss) per share is calculated by dividing the net profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Particulars	March 31, 2021	March 31, 2020
Net Profit/(Loss) as per Statement of Profit & Loss (INR in Million)	77.35	(0.26)
Total no. of equity shares at the end of the period	10 11 06 860	50 000
Weighted average of number of equity shares outstanding during the period	6 55 89 308	50 000
Nominal value of equity shares (in INR)	10	10
Basic & Diluted Earnings/(Loss) per share (INR)	1.18	(5.19)

22 Contingent Liabilities/commitments

There are no contingent liabilities, pending litigations/commitments /claims against the company as on March 31, 2021. (March 31, 2020 : NIL)

23 Related Party Disclosures:

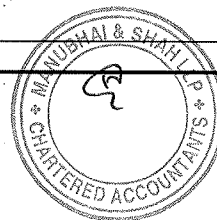
Related party disclosures as required under the Indian Accounting Standard (AS) – 24 on “Related Party Disclosures” are given below:

(I) Name of the related parties and description of relationship :

Sr. No	Description of Relationship	Name of the Related Party
(A) Enterprises having control:		
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)
	Key Managerial Personnel (KMP)	Mr. Vasistha Patel (Director)
		Mr. Girish Patel (Director)
		Mr. Mahendrasinh Chavada (Director)
		Mr. Pradip Agarwal (Chief Financial Officer)(Date of Appointment : 01.01.2021)
		Mrs Dakshben Shah (Independent Director)(Date of Appointment : 28.07.2020)
		Mr. Rahul Sheth (Company Secretary)(Date of Appointment : 01.01.2021)

(II) Transactions with Related Parties during the year:

No.	Particulars	March 31, 2021	(INR in Million) March 31, 2020
(i)	Equity share Capital issued		
	-SIPL & its nominees	1,011.07	-
(ii)	Sub-debt Received		
	-SIPL	98.43	61.58
(iii)	Construction Contract Expense		
	-SEL	1,674.50	357.59
(iv)	Project Management Consultancy Expense		
	-SIPL	165.25	-
(v)	Mobilization Advance given		
	-SIPL	57.85	-
	-SEL	1,245.15	-
(vi)	Recovery of Mobilization Advance		
	-SIPL	11.90	-
(vii)	Office Rent Expense		
	-SEL	0.90	0.90
(viii)	Reimbursement of Expenses		
	-SIPL	19.96	-
(ix)	Interest Income on Mobilization Advance		
	-SEL	15.89	-
(x)	Director Sitting Fee		
	-Dakshaben Shah	0.02	-
(xi)	Salary to Company Secretary		
	-Rahul Sheth	0.20	-



Sadbhav Kim Expressway Limited
Notes to Financial Statements for the year ended March 31, 2021

(III) Balance outstanding as at the year end:		(INR in Million)	
No.	Particulars	March 31, 2021	March 31, 2020
(ii)	Sub-debt		
	-SIPL	165.11	66.68
(iii)	Payable towards Construction contract including Retention		
	-SEL	949.81	611.87
(iv)	Payable towards Project Management Consultancy Expense including Retention		
	-SIPL	178.79	-
(v)	Payable towards Rent		
	-SEL	2.94	1.94
(vi)	Mobilization Advance Given		
	-SIPL	45.95	-
	-SEL	1,245.15	-
(vii)	Payable towards Reimbursement of Expense*		
	-SIPL	19.97	0.00
	*INR 3760 payable to SIPL as on March 31, 2020		
(viii)	Interest Receivable on Mobilization Advance		
	-SEL	15.89	-
(ix)	Salary Payable to Company Secretary		
	-Rahul Sheth	0.20	-

(IV) Terms and conditions :

- (i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.
- (ii) The Company has not provided any commitment to the related party as at March 31, 2021.

24 Segment Reporting

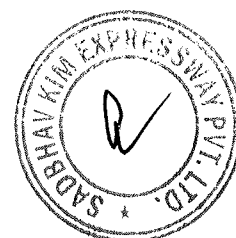
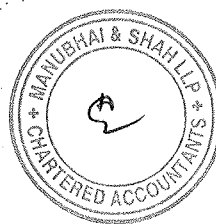
The Operating segment of the company is identified to be "DBFOT" or "Hybrid Annuity", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operation Segments. Further, the company also primarily operates under one geographical segment namely India.

25 Operating Lease

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year INR 0.90 Million (March 31, 2020: INR 0.90 million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

26 Trade dues to MSME

There are no Micro and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to whom the company owes dues, which are outstanding for more than 45 days at the balance sheet date. This is based on the information available with the company.



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

27 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are as under:

(a) Profit and Loss Section	March 31, 2021 INR in Million	March 31, 2020 INR in Million
Current Tax		
Current tax charges	-	-
Deferred Tax		
Deferred tax charges	19.47	-
Total Deferred tax Expense	19.47	-
Earlier Year Tax Expense	-	-
Tax Expense reported in the Statement of Profit and Loss	19.47	-

(b) A reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	March 31, 2021 INR in Million	March 31, 2020 INR in Million
Accounting profit/(loss) before tax	77.35	(0.26)
Statutory Income tax rate	25.170%	25.170%
Expected Income tax expenses	19.47	-
Tax Effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses		
Tax effect of non taxable items	3.34	-
Tax effect of loss of earlier years	(3.34)	-
Others	-	-
Income tax expenses as per normal tax rate	19.47	-
Consequent to reconciliation items shown above, the effective tax rate	25.17%	0.00%

Note:

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (the Ordinance) on September 20, 2019 and availed an option to pay taxed at reduced rate of 22% (plus surcharge and cess) for the F.Y. 2019-20 onwards.

(C) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2021 & March 31, 2020.

Details of Deferred Tax

Particulars	(INR in Million)			
	Balance sheet		Statement of Profit & Loss	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unused losses available for offsetting against future taxable income	(3.34)	-	(3.34)	-
Temporary Differences on account of non taxable items	22.81	-	22.81	-
Deferred Tax Expense			19.47	-
Net deferred tax Liabilities	19.47	-		

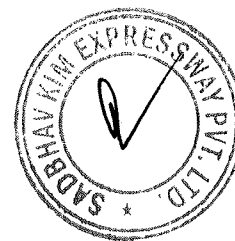
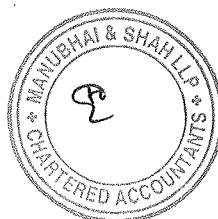
28 Financial Instruments

(i) Disclosure of Financial Instruments by Category

Financial instruments by categories	Note No.	(INR in Million)					
		March 31, 2021			March 31, 2020		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Asset							
Cash and Cash Equivalents	8	-	-	0.96	-	0.06	
Current Financial Assets	6	-	-	105.74	-	-	
Receivable from NHAI	9	-	-	2,003.43	-	573.57	
Total Financial Assets		-	-	2,110.14	-	573.63	
Financial Liabilities							
Trade Payable	12	-	-	1,157.48	-	623.98	
Current Financial Liabilities	13	-	-	16.51	-	-	
Total Financial Liabilities		-	-	1,174.00	-	623.98	

(ii) Fair value disclosures for financial assets and financial liabilities

The management assessed that the fair values of cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

29 Financial Risk Management

Financial instruments risk management objectives and policies

- (I) The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include other receivables and cash and bank balance that derive directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables and derivative financial instruments.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company will receive annuity fees from National Highway Authority of India and does not have any other outstanding receivables. However, The Company is exposed to credit risk related to financing activities, including temporary Investment in mutual fund and other financial instruments.

(c) Liquidity Risk

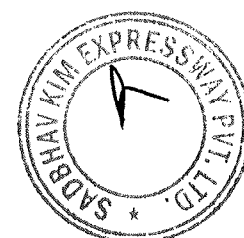
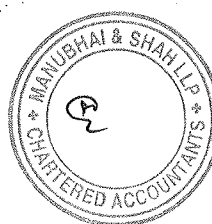
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position. It maintains adequate sources of financing including debt at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(INR in Million)

As at March 31, 2021	Carrying Amount	On Demand	up to 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Trade Payables	1,157.48	-	1,157.48	-	-	-
Current Financial Liabilities	16.51	-	16.51	-	-	-

As at March 31, 2020	Carrying Amount	On Demand	up to 1 period	1 - 2 periods	2 - 5 periods	> 5 periods
Non Derivative Financial Liability						
Trade Payables	623.98	-	623.98	-	-	-



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

30 Disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements"

(I) Description and classification of the arrangement

The Company has entered into Concession Agreement ('CA') with National Highway Authority of India (NHAI) dated May 10, 2018 for the purpose of construction of Eight Lane Vadodara Kim Expressway from km 254.430 to km 279.00 (Kim to Ankleshwar Section of Vadodara Mumbai Expressway) in the state of Gujarat under NHDP Phase -VI on Hybrid Annuity Mode (Phase IA-Package V). As per the CA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction period of 730 days and Operation period of 15 periods commencing from COD.

(II) Significant Terms of the Arrangements

(a) Bid Project Cost:-

The cost of the construction of the project which is due and payable by NHAI as on the Bid date is considered as the bid project cost under the concession agreement. The bid project cost has been finalised as INR 14,040 Million as at the bid date. Bid project cost is inclusive of the cost of construction, interest during construction, working capital, physical contingencies and all other costs, expenses and charges for and in respect of the construction of the project.

(b) Adjusted Bid Project Cost:-

The Bid Project Cost adjusted for variation between the price index occurring between the reference index date preceding the bid date and the reference index date immediately preceding the appointed date shall be deemed to be the Bid Project Cost at commencement of Construction.

(c) Payment of Bid Project Cost:-

40% of the Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable to the company in 5 equal instalments of 8% each during the Construction Period in accordance with the provisions of Clause 23.4 of the CA.

The remaining Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable in 30 biannual instalments commencing from the 180th day of COD in accordance with the provision of Clause 23.6 of the CA.

Interest shall be due and payable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and payable biannually along with each instalment specified in Clause 23.6.3 of CA.

(d) Bonus on early completion:-

The CA also provides for the payment of Bonus to the company in the event the COD is achieved on or more than 30 days prior to the schedule completion date.

(e) Operation & Maintenance Payments:-

All Operation and Maintenance expenditure shall be borne by the concessionaire i.e. company. However, as provided in CA, the company shall be entitled to received lump sum financial support in the form of biannual payments by the NHAI, which shall be computed on Rs. 6.30 Crore (the "First period O&M Cost") in accordance with the provisions of the Clause 23.7. Each instalment of O&M payment shall be the product of the amount determined in accordance with clause 23.7.1 of the CA and the price index multiple on the reference index date preceding the due date of payment thereof.

(f) Termination of the CA:-

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 31 of the SCA.

(g) Restriction on assignment and charges:-

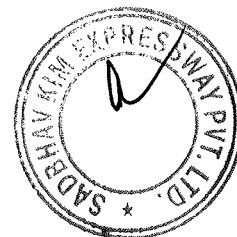
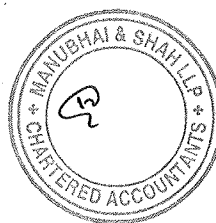
In terms of the CA the company shall not assign, transfer or dispose of all or any rights and benefits under CA or create any encumbrances thereto except with prior consent of NHAI.

(h) Changes in CA:-

There has been no change in the concession arrangement during the year.

(i) Force Majeure Event:

As per the Concession Agreement; the Concessionaire, in case any force majeure event occurs before COD, is eligible to get the extension of time for a period equal in length to the duration for which the force majeure event subsist. Refer note no. 32 in relation to extension of concession agreement due to Covid-19 pandemic.



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

31 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, Equity bank guarantee, Other equity in form of Subordinate Debt.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity share capital, equity in form of subordinate debt and operating cash flows generated.

The sponsor (SIPL) has also entered into Sponsor Support Agreement to support the company for capital requirement in case of cost over run and short fall in cash flow.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtained additional subordinate debts. The Company monitors capital using debt equity ratio which does not exceed 4:1, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

Summary of Quantitative Data is given hereunder:

Particulars	(INR in Million)	
	March 31, 2021	March 31, 2020
Non-Current Borrowing	-	-
Total Debt - A	-	-
Equity Share Capital	1,011.57	0.50
Other Equity	165.11	66.68
Total Equity - B	1,176.68	67.18
Debt to Equity Ratio - (A/B)	-	-

The company does not have any externally imposed capital requirement. Hence debt to equity ratio is not calculated.

32 The company has been sanctioned Term loans from Banks (lenders). In connection to this sanction, the company has executed Common Loan Agreement with lenders. Up to the date of Balance sheet the company has not availed any disbursement out of this loan. However the details of security in respect of Term Loans are as under:

(a) a first charge over all the immoveable properties of the Borrower, both present and future save and except the Project Assets;

(b) a first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future save and except the Project Assets;

(c) a first charge over all accounts of the Borrower, including, the Escrow Account and the Sub- Accounts (or any account(s) in substitution thereof), that may be opened in accordance with this Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents, and all funds from time to time deposited therein, the Receivables and all Permitted Investments or other securities. Provided that the charge over accounts shall be enforcement only for the purpose of being applied to the extent of waterfall of priority of payment as specified in Article 25 of the Concession Agreement and clause 4 of the Escrow Agreement and not beyond that;

(d) a first charge on all intangible assets of the Borrower including but not limited to goodwill, rights, undertaking and uncalled capital, present and future, excluding the Project Assets provided that all receivables arising therefrom shall be deposited into the Escrow Account and charge on the same shall be subject to the extent permissible as per the priority specified in Article 25 of the Concession Agreement and Clause 4 of the Escrow Agreement .Further a charge on the uncalled capital, as set in above.

(e) assignment/ charge by way of Security in:

(i) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to or under the Project Documents ;

(ii) all the right, title and interest of the Borrower in, to and under all such approvals as are required to be sought from any Governmental Authority;

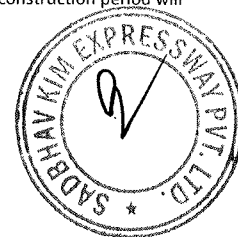
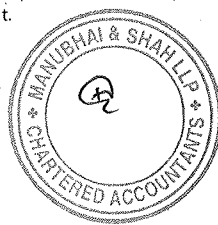
(iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;

(iv) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to or under all Insurance Contracts;

(f) a pledge of 51% (fifty one percent) of the issued, paid up and voting equity share of the Borrower on a Fully Diluted Basis ,present and future, held by Sadbhav Infrastructure Project Limited (Sponsor) until the Final Settlement Date.

(g) a Corporate Guarantee provided by the Holding Company in favour of the Lenders.

33 There is a delay in progress of physical work as at March 31, 2021 on account of non-fulfilment of Obligations by National Highway Authority of India (NHAI) in the timeframe provided in the Concession Agreement i.e., delay in acquisition of land by NHAI and delay by NHAI in approval of estimates for Utility Shifting and Change of Scope and Force Majeure events of COVID-19. The management contends that these delays are beyond the control of the company and are not attributable to company. Therefore, the Company has applied for extension of period to each of the milestones and Scheduled Completion Date. Having regards to these factors and considering the current situation, the management is confident that necessary approvals relating to extension of concession period including construction period will be received from NHAI and no adverse consequences are envisaged under terms of concession agreement.



Sadbhav Kim Expressway Private Limited
Notes to Financial Statements for the year ended March 31, 2021

34 The Outbreak of Covid-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations gradually resumed with requisite precautions in the phased manner as per directives issued by NHAI and by ensuring compliance with preventive measures in terms of guidelines/ instruction issued by Govt. of India to contain spread of Covid-19. The Ministry of Road Transport and Highways, in consonance of the circular of Ministry of Finance under Atmanirbhar Bharat, has approved and extent the relief to the Contractor/Developers of the Road Sector. Accordingly, extension of time for meeting the work obligation under the contract will be given depending upon the site condition. The Company has applied to avail the extension of time due to Covid-19 pandemic.

The management has assessed internal and external sources of information up to date of the approval of these financial statements in assessing the recoverability of assets, liquidity, financial position and operation of company including the impact on estimated construction cost to be incurred towards projects under execution and based on the management's assessment, there is no material impact on the financial statements of the company.

Considering the uncertainty involved in estimating the impact of pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

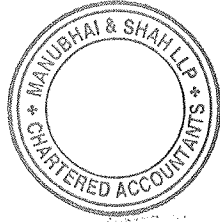
35 Previous year figures have been regrouped/ reclassified wherever necessary.

Accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

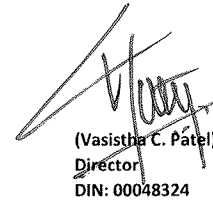


(H.M. Pomal)
Partner
Membership No.106137



Place: Ahmedabad
Date: June 25, 2021

For & On behalf of the Board of Directors of
Sadbhav Kim Expressway Private Limited



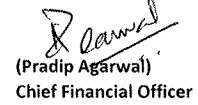
(Vasistha C. Patel)
Director
DIN: 00048324



(Rahul Sheth)
Company Secretary



(Girish Kumar D. Patel)
Director
DIN: 01139366



(Pradip Agarwal)
Chief Financial Officer

Place: Ahmedabad
Date: June 25, 2021

