INDEPENDENT AUDITOR'S REPORT

To the Members of
SADBHAV RUDRAPUR HIGHWAY LIMITED

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **SADBHAV RUDRAPUR HIGHWAY LIMITED (Formerly Known as SADBHAV RUDRAPUR HIGHWAY PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS 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, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 it 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of

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the Companies Act, 2013, 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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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 B".

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

i. The Company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;

ii. The Company does not envisage any material foreseeable losses in long-term contracts including derivative contract requiring provision.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v. The Company has not declared or paid any dividend during the year.

3. 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:

According to the information and explanations given to us and based on our examination of the records, the Company has not paid/provided any remuneration to its directors during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: 24th May, 2022
UDIN: 22083878

Annexure 'A' to the Independent Auditor's Report of SADBHAV RUDRAPUR HIGHWAY LIMITED for the Year ended as on 31st March 2022

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

i. a) The Company does not have any fixed asset, Intangible Asset & Immovable property as at 31st March, 2022, therefore paragraph 3(i) (a), (b), (c) & (d) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence, reporting under Para 3(i) (e) is not applicable.

ii. a) As the Company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) (a) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, The company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

iii. In our opinion and according to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under Para 3(iii) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, in respect of the activities carried on by the Company and are of the opinioned that prime-facia the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As on 31st

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March 2022, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) According to the information and explanations given to us and based on our examination of the records of the Company, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under Para 3(x) (b) is not applicable.

xi. a) According to the information and explanations given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under Para 3(xii) is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, in our opinion, during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. a) In our opinion and according to the information provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Therefore, paragraph 3(xvi) (a) of the Order is not applicable to the Company.

b) In our opinion and according to the information provided to us, the company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, paragraph 3(xvi) (b) of the Order is not applicable to the Company.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under Para 3(xvi) (c) is not applicable.

d) In our opinion and according to the information and explanations given to us and as represented by the management, the Group has no Core Investment Company (CIC) as part of the Group. Hence, reporting under Para 3(xvi) (d) is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company.

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NEW DELHI
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We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. There is no amount pending to spend for CSR activities as at 31-03-2022 in terms of section 135 of the Companies Act 2013. Hence, reporting under this para 3 (xx) (a) & (b) is not applicable.

xxi. Paragraph 3(xxi)(a) of the Order is not applicable to the Company as the financial statements under reporting are not consolidated financial statements.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: 24th May, 2022
UDIN: 22083878

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report 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")

We have audited the internal financial controls with reference to financial statements of **SADBHAV RUDRAPUR HIGHWAY LIMITED (Formerly Known as SADBHAV RUDRAPUR HIGHWAY PRIVATE LIMITED)** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls With reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: 24th May, 2022
UDIN: 22083878

Sadbhav Rudrapur Highway Limited
(Formerly known as Sadbhav Rudrapur Highway Private Limited)
CIN: U45203GJ2016PLC091774
Balance Sheet as at March 31, 2022

Particulars	Note No.	As at March 31, 2022 INR in Million	As at March 31, 2021 INR in Million
ASSETS			
1. Non-current Assets			
(a) Non Current Financial Assets			
(i) Receivable under Concession Arrangements	5	3,798.33	3,666.01
(b) Other non Current Assets	6	16.35	13.20
		3,814.69	**3,679.23**
2. Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	7	40.90	301.22
(ii) Bank balances other than (i) above	7	154.72	-
(iii) Receivable under Concession Arrangements	8	88.50	677.55
(iv) Other Current Financial Asset	9	195.85	92.01
(b) Current tax assets (Net)	10	2.25	5.95
(c) Other Current Assets	11	262.42	451.99
		744.63	**1,528.72**
Total Assets		4,559.32	5,207.95
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	10.00	10.00
Other Equity	13	1,150.09	1,090.62
Total Equity		**1,160.09**	**1,100.62**
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,533.29	2,719.75
(b) Deferred tax liabilities (Net)	30	113.42	59.50
Current Liabilities		**2,646.71**	**2,779.25**
(a) Financial Liabilities			
(i) Borrowings	15	189.16	423.47
(ii) Trade Payables	16		
-Dues to micro & small enterprises		-	-
-Dues to others		421.53	184.82
(iii) Other Financial Liabilities	17	96.72	137.42
(b) Other Current Liabilities	18	45.11	582.37
		752.52	**1,328.08**
Total Equity and Liabilities		4,559.32	5,207.95
Summary of significant accounting policies	3		

The notes referred above are an integral part of these financial statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
ICAI Firm Registration No. 004661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Manju Agrawal
Partner
Membership. No. 083878

Place: New Delhi
Date: May 24, 2022

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Limited

Mahendrasinh Chavada
Director
DIN No:02607067

Jatin Thakkar
Director
DIN No:09312406

Place: Ahmedabad
Date: May 24, 2022

SADBHAV RUDRAPUR HIGHWAY LTD.

Sadbhav Rudrapur Highway Limited
(Formerly known as Sadbhav Rudrapur Highway Private Limited)
CIN: U45203GJ2016PLC091774
Statement of Profit and Loss for the year ended March 31, 2022

INR in Million

	Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME				
I	Revenue From Operations	19	403.59	253.90
II	Other Income	20	411.24	473.08
III	**Total Income (I+II)**		**814.83**	**726.98**
EXPENSES				
	Construction Expense	21	358.22	106.43
	Operating Expense	22	32.44	132.56
	Finance Cost	23	296.15	300.28
	Other Expenses	24	14.63	14.91
IV	**Total Expenses**		**701.44**	**554.18**
V	**Profit / (Loss) before tax (III-IV)**		**113.39**	**172.80**
VI	**Tax Expense**	30		
	Current tax		-	-
	Deferred tax		53.92	59.50
	Total tax expenses		**53.92**	**59.50**
VII	**Profit/(Loss) for the period (VI-VII)**		**59.47**	**113.30**
VIII	Other Comprehensive Income		-	-
IX	**Total Comprehensive Income for the period, net of tax (VII+VIII)**		**59.47**	**113.30**
Earning Per Share (Nominal Value of share INR 10/-)				
	Basic & Diluted	25	59.47	113.30

The notes referred above are an integral part of these financial statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
ICAI Firm Registration No. 004661N

Manju Agrawal
Partner
Membership. No. 083878

Place: New Delhi
Date: May 24, 2022

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Limited

Mahendrasinh Chavada
Director
DIN No:02607067

Jatin Thakkar
Director
DIN No:09312406

Place: Ahmedabad
Date: May 24, 2022

Sadbhav Rudrapur Highway Limited
(Formerly known as Sadbhav Rudrapur Highway Private Limited)
Cash Flow Statement For the year ended March 31, 2022
CIN: U45203GJ2016PLC091774

Particulars		March 31, 2022 INR in Million	March 31, 2021 INR in Million
(A) Cash Flows from operating activities			
Net (Loss) before Tax		**113.39**	**172.80**
Adjustments to reconcile profit before tax to net cash flows:			
Interest and other borrowing cost		293.88	298.01
Interest income on Fixed deposits		(8.53)	-
Amortisation of Processing fees		2.27	2.27
Operating profit before working capital changes		**401.01**	**473.08**
Working Capital Changes:			
(Increase)/Decrease in financial assets		377.15	(217.26)
(Increase)/Decrease in current assets		189.57	32.78
Increase/(Decrease) in financial liabilities		(300.55)	(517.04)
Cash Generated from Operations		**667.18**	**(228.45)**
Direct taxes paid (net of refund)		0.55	26.10
Net cash flow from operating activities	**(A)**	**667.73**	**(202.35)**
(B) Cash Flows from investing activities			
Interest income on Fixed deposits		8.53	-
Fixed Deposits		(154.72)	-
Net Cash generated from investing activities	**(B)**	**(146.19)**	**-**
(C) Cash Flows from financing activities			
Proceeds/(Repayment) from Non Current borrowings		(177.75)	684.70
Sub Ordinate debt received/(Transfer)		-	(43.70)
Proceeds from Current borrowings		-	107.80
Repayment of Current borrowings		(245.28)	(90.98)
Interest and other borrowing cost paid		(358.84)	(161.96)
Net cash generated from financing activities	**(C)**	**(781.88)**	**495.86**
Net increase in cash and cash equivalents	**(A + B+C)**	(260.34)	293.51
Cash and cash equivalents at beginning of the year		301.22	7.72
Cash and cash equivalents at end of the year		**40.90**	**301.22**

Notes:

(i) **Components of cash and cash equivalents (refer note 7)**

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Cash in hand	0.02	0.00
Balances with banks in current accounts*	40.88	301.22
Cash and cash equivalents	**40.90**	**301.22**

*Balances with banks include balance of INR 40.90 million (March 31, 2021 INR 301.22 million) lying in the escrow accounts as per terms of borrowings with the lenders.

GIANENDER & ASSOCIATES Chartered Accountants

SADBHAV RUDRAPUR HIGHWAY LTD.

Sadbhav Rudrapur Highway Limited
(Formerly known as Sadbhav Rudrapur Highway Private Limited)
Cash Flow Statement For the year ended March 31, 2022

INR in Million

ii) Reconciliation of Financial liabilities	March 31, 2021	Cash flows	Interest Cost	Non-cash adjustment Transaction Cost	March 31, 2022
Borrowings	2,897.93	(177.75)	-	2.27	2,722.46
Short Term Borrowings	245.28	(245.28)	-	-	(0.00)
Interest cost	123.29	(358.84)	296.15	(2.27)	58.32

INR in Million

Reconciliation of Financial liabilities	March 31, 2020	Cash flows	Interest Cost	Non-cash adjustment Transaction Cost	March 31, 2021
Borrowings	2,202.81	593.72	-	101.40	2,897.93
Short Term Borrowings	137.48	107.80	-	-	245.28
Interest cost	86.37	(161.96)	300.28	(101.40)	123.29

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

iv) Figures in brackets represent outflows.

he notes referred above are an integral part of these financial statements
s per our report of even date attached

or Gianender & Associates
hartered Accountants
AI Firm Registration No. 004661N

lanju Agrawal
rtner
embership. No. 083878

ace: New Delhi
ate: May 24, 2022

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Limited

Mahendrasinh Chavada
Director
DIN No:02607067

Jatin Thakkar
Director
DIN No:09312406

Place: Ahmedabad
Date: May 24, 2022

Sadbhav Rudrapur Highway Limited
(Formerly known as Sadbhav Rudrapur Highway Private Limited)
Statement of Changes in Equity for the year ended March 31, 2022

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, 2020	10 00 000	10.00
Changes during the year	-	-
At March 31, 2021	**10 00 000**	**10.00**
At April 01, 2021	10 00 000	10.00
Changes during the year		
At March 31, 2022	**10 00 000**	**10.00**

B Other Equity — INR in Million

Particulars	Equity Component of Compound Financial Instrument (Subordinate debt)*	Reserves and Surplus	Total
		Retained Earning	
As at the April 01, 2020	919.30	101.73	1,021.03
Sub debt received/Transfer to loan	(43.70)	-	(43.70)
Total Comprehensive Income for the year	-	113.30	113.30
As at the March 31, 2021	**875.60**	**215.02**	**1,090.63**
As at the April 01, 2021	875.60	215.02	1,090.62
Sub debt received/Transfer to loan	-	-	-
Total Comprehensive Income for the year	-	59.47	59.47
As at the March 31, 2022	**875.60**	**274.49**	**1,150.09**

* The Project of the Company has been funded through sub ordinate debt 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 Promotors commitment for the project as per Common Loan Agreement. Sub-ordinate debt is interest free and shall be repayable at the option of the company at the end of the concession period or earlier.

The notes referred above are an integral part of these financial statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
ICAI Firm Registration No. 004661N

Manju Agrawal
Partner
Membership. No. 083878

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Place: New Delhi
Date: May 24, 2022

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Limited

Mahendrasinh Chavada
Director
DIN No:02607067

Jatin Thakkar
Director
DIN No:09312406

Place: Ahmedabad
Date: May 24, 2022

SADBHAV RUDRAPUR HIGHWAY LTD.

1. Company information:

Sadbhav Rudrapur Highway Limited ("the Company") is the 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 which is listed on two recognized stock exchanges in India. The registered office of the company is located at "Sadbhav House", Opp. Law Garden Police Chowki, Ellis bridge, Ahmedabad-380006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in June, 2016, to augment the existing road from km 0.00 (km190.00 of NH-24) to km 42.791 (approximately 43.446 km) on the Rampur - Kathgodam Section of N.H. 87 (New N.H. No 9) (in the state of Uttar Pradesh by Four-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the SCA, 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 years commencing from COD.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 24, 2022.

2. Basis of preparation and presentation of financial statement:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to financial statements. These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the followings assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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

2.1 Changes accounting policies and disclosure

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. The Company adopted Ind AS 116 using the modified retrospective method of adoption. There were no significant adjustments required to the retained earnings as at April 01, 2019. The adoption of the standard did not have any material impact on these financial statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Appendix did not have an impact on the financial statements of the company.

3. Summary of significant accounting policies

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

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 realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

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SADBHAV RUDRAPUR HIGHWAY LTD.

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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 assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.2 Service Concession Arrangement

The company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Financial Assets Model

The Company recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D-'Service Concession Arrangements' of Ind AS 115. The Company recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law

3.3 Revenue from contract with customers

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognized. The company has concluded that it is principal in its revenue arrangements because it typically controls services before transferring them to the customer.

Construction services

Revenue from construction services is recognized 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 recognized 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.

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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).

3.4 Other Income

Gain or loss on sale of 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.

Interest

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Income from dividend on investment is accrued in the year in which it is declared, whereby right to receive is established.

3.5 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 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 as defined in Indian Accounting Standard 23 – Borrowing Cost.

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3.6 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.

3.7 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. Purchase 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 recognized 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 profit or loss (FVTPL)
- Financial asset at fair value through other comprehensive income (FVTOCI)

- **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.

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- **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 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 asset 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 asset, 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 include 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:**

  Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

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

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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.

All financial liabilities are recognized initially at fair value, in case of loan and borrowings and payable, fair value is reduced by directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

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

  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 OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and 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.

- **Equity component of Compound financial instruments**

  The Company has borrowed subordinate debt in nature of Sponsors contribution in the project as per requirement of loan agreement, which the company has classified in the other equity as the same is redeemable at the Company's option and without coupon as per terms of contract

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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 DE recognition 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 realize the assets and settle the liabilities simultaneously.

3.8 Fair Value Measurement

The company measures financial instruments 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.

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SADBHAV RUDRAPUR HIGHWAY LTD.

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.

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.

3.9 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current income tax is recognized 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.

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

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

Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognized in the year in which the timing difference originate. However, the company restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

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

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

Deferred tax assets and deferred tax liabilities are offset, where 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.

3.10 Provisions

Provisions are 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract,

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SADBHAV RUDRAPUR HIGHWAY LTD. *

the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss, net of any reimbursement, if any.

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

3.11 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date.

3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with on original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

3.13 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 earnings per share is calculated by dividing the profit / loss attributable to equity holders of the company by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.14 Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

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SADBHAV RUDRAPUR HIGHWAY LTD.

4 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.

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 contro! of the Company. Such changes are reflected in the assumptions when they occur.

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.

Revenue from contract with customer

The Company use the input method for recognize construction revenue. Use of the input method require the company to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress toward completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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5 Receivable under Service Concession Arrangements	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Receivable from NHAI	3,798.33	3,666.01
Total	**3,798.33**	**3,666.01**

6 Non Current tax Assets	March 31, 2022 INR in Million	March 31, 2021 INR in Million
TDS Receivable	16.35	13.20
Total	**16.35**	**13.20**

7 Cash and Cash Equivalents	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Cash and Cash Equivalents*		
Cash in Hand	0.02	0.00
Balance with Banks		
in current accounts	40.88	301.22
Total (A)	**40.90**	**301.22**
Other balances with bank:		
in Fixed Deposit (DSRA)	154.72	-
Total (B)	**154.72**	-
Total (C=A+B)	**195.62**	**301.22**

Note:

1 Balances with banks include balance of INR 40.90 million (March 31, 2021 INR 301.22 million) lying in the escrow accounts as per terms of borrowings with the lenders.

2 Deposits lying with bank in designated account for specific purpose as per terms of common loan agreement i.e. Debt Service Reserve Account. Hence, considered as restricted cash and bank balance.

8 Receivable under Service Concession Arrangements	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Receivable from NHAI	88.50	677.55
Total	**88.50**	**677.55**

Note: Fair value disclosures for financial assets are given in note 31.

9 Other Current Financial Assets	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Interest receivable on Mobi Adv from SEL (refer note 26)	55.58	70.81
Excess Interest receivable from bank	24.26	14.14
With held amount by NHAI	116.01	7.06
Total	**195.85**	**92.01**

10 Current tax assets (net)	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Current tax assets	2.25	5.95
Total	**2.25**	**5.95**

11 Other Current Assets	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Mobilization Advance (refer note 26)	95.03	142.36
Advance to Vendors	10.01	-
GST Receivables -Balance with govt authorities	154.96	309.63
Prepaid Expenses	2.42	
Total	**262.42**	**451.99**

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12 Equity Share Capital	March 31, 2022		March 31, 2021	
	No. of shares	INR in Million	No. of shares	INR in Million
Authorized Share Capital				
Equity Shares of Rs. 10 each	10,00,000	10.00	10,00,000	10.00
	10,00,000	**10.00**	**10,00,000.00**	**10.00**
Issued, Subscribed and fully paid up				
Equity Shares of Rs 10 each	10,00,000	10.00	10,00,000	10.00
Total	**10,00,000**	**10.00**	**10,00,000**	**10.00**

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

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	INR in Million	No. of shares	INR in Million
At the beginning of the year	10,00,000	10.00	10,00,000	10.00
Add: Issue during the year	-	-		-
Outstanding at the end of the year	**10,00,000**	**10.00**	**10,00,000**	**10.00**

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

The Company has one class of shares referred to as equity shares having a par value of INR 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Share held by holding Company:

Out of issued, subscribed and paid up equity capital 1,000,000 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

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity Shares of Rs 10 each fully paid				
Sadbhav Infrastructure Project Limited and its nominees	10,00,000	100%	10,00,000	100%
Total		**100%**	**10,00,000**	**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.

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(e) **Shareholding of Promotors**

Name of Promoter	No of Shares	% of Total Share	% Change During Period
As at 31-Mar-2022			
Sadbhav Infrastructure Project Limited and its nominees	10,00,000	100.00%	0.00%
Total	**10,00,000**	**100%**	**0%**
As at 31-Mar-2021			
Sadbhav Infrastructure Project Limited and its nominees	10,00,000	100.00%	0.00%
Total	**10,00,000**	**100%**	**0%**

13 Other Equity

		March 31, 2022 INR in Million	March 31, 2021 INR in Million
Equity Component of Compound Financial Instrument - Sub Ordinate debts			
Balance as per last financial statement		875.60	919.30
Add: Addition/transfer during the year		-	(43.70)
Balance at the end of the year	**Total**	**875.60**	**875.60**
Retained Earning			
(Deficit) at the beginning of the Year		215.02	101.72
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss		59.47	113.30
Surplus/(Deficit) at the end of the Year		**274.49**	**215.02**
	Total	**1,150.08**	**1,090.61**

Note

1 The Project of the Company has been funded through sub ordinate debt 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 Promotors commitment for the project as per Common Loan Agreement. Sub-ordinate debt is interest free and shall be repayable at the option of the company at the end of the concession period or earlier.

2 No dividends are declared or paid by the company during the year.

14 Non Current Borrowing

		March 31, 2022 INR in Million	March 31, 2021 INR in Million
Secured			
Term Loan from Banks		2,140.48	2,278.24
Term Loan from Financial Institution		581.97	619.70
	Total (A)	**2,722.45**	**2,897.93**
Less: Current maturities of non-current borrowing			
Secured			
From Bank		149.11	140.46
From Financial Institution		40.05	37.73
	Total (B)	**189.16**	**178.18**
	Total (A-B)	**2,533.29**	**2,719.75**

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SADBHAV RUDRAPUR HIGHWAY LTD.

(i) Nature of Security:

The details of Security in respect of long term borrowings are as under:

1 first mortgage and charge on all the Company's immovable (investment) properties, both present and future, save and except the Project Assets;

2 first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;

3 first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to DSR and MMR and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.

4 first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .

5 first charge on assignment by way of security in:
- all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
- the right, title and interest of the Company in, to and under all the Clearances;
- all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
- all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

6 pledge of 51% (fifty one percent) of the paid up and voting equity share capital of the Company as held by Sadbhav Infrastructure Project Limited, for a year up to repayment of entire borrowings.

7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

(ii) Terms of Repayment:

Rupee Term Loans from Bank & Financial Institution

As per the second amendment agreement to the amended and restated common loan agreement dated 10th January,2021 The Principal Amounts of the Loan to each of the Lenders shall be repayable in 28 structured Bi-Annually instalments, commencing from the July 15, 2020 and last date of Instalment is December 15, 2035.

Term loans carry interest at bank base rate plus spread i.e. 9.50 percent to 11.25 percent per annum as on March 31, 2022.

15 Short Term Borrowings	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Secured*		
Term Loan from Banks & Financial Institution	189.16	178.18
Loans Repayable on Demand - Unsecured		
Loan from Holding Company* (refer note 26)	-	245.28
Total	**189.16**	**423.47**

* Loan is repayable on demand / call notice from the lender and carries interest of 9.25% per annum compounded monthly

16 Trade Payables

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Current		
-Due to Related Parties (refer note 26 & 29)	419.00	169.37
-Due to Others (refer note 29)	2.53	15.43
Total	**421.53**	**184.81**

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statement as at 31-Mar-2022 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

As at March 31, 2022 **(Amt in Million)**

Sr No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-
2	Others	1.92	0.34	0.12	0.15	2.54
3	Others-Related Parties	345.04	58.17	1.91	13.88	419.00
4	Disputed dues - MSME	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-
	Total	**346.96**	**58.51**	**2.03**	**14.03**	**421.53**

As at March 31, 2021 **(Amt in Million)**

Sr No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-
2	Others	15.28	0.15	-	-	15.43
3	Others-Related Parties	32.88	63.91	72.58	-	169.37
4	Disputed dues - MSME	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-
	Total	**48.16**	**64.07**	**72.58**	**-**	**184.81**

17 Other Current Financial Liabilities

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Interest accrued to related parties	8.97	24.32
Interest accrued to bank	-	1.89
Interest accrued on Mob. Adv to NHAI	87.75	111.21
Total	**96.72**	**137.42**

Note: Fair value disclosures for financial liabilities are given in note 31.

18 Other Current Liabilities

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Statutory dues	4.80	5.85
Mobilization Advance From Customer	40.31	576.52
Total	**45.11**	**582.37**

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19	Revenue From Operations	March 31, 2022 INR in Million	March 31, 2021 INR in Million
	Construction Contract Revenue	343.78	121.33
	COS & Utility Shifting Income	27.37	-
	Routine O&M Income	32.44	132.56
	Total	**403.59**	**253.90**

Revenue from contract with customers

19.1 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.

19.2 Recievable under concession arrangement and contract balances:

The company classifies the right to consideration in exchange for delieverables 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.

19.3 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2022 are, as follows:

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31,2022 is INR 3,684.99 Millions. Out of this the Company expect to recognise revenue around INR 1952.14 Millions in next year and remaining thereafter. Remaining performance obligation estimates are subject to change and affected by several factors inlcuding terminations , change of scope of contracts, occurence of same is expected to be remote.

19.4 Reconcilation the amount of revenue recognised in the statement of profit and loss with contract price has not provided as there is no adjustment made with respect to contract price.

20	Other Income	March 31, 2022 INR in Million	March 31, 2021 INR in Million
	Notional Finance Income	396.85	462.53
	Interest Income on Advance (refer note 26)	5.22	7.35
	Interest Income on Fixed deposit	8.53	1.20
	Interest Income on Income tax refund	0.64	2.00
	Total	**411.24**	**473.08**

21	Construction Expense	March 31, 2022 INR in Million	March 31, 2021 INR in Million
	Construction Contract Charges(refer note 26)	260.38	88.39
	Utility Shifting expense (refer note 26)	27.37	-
	Price Escalation Expense - WPI (refer note 26)	70.47	18.03
	Total	**358.22**	**106.43**

22	Operating Expense	March 31, 2022 INR in Million	March 31, 2021 INR in Million
	Routine road Maintenance Expense	32.44	132.56
	Total	**32.44**	**132.56**

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23 Finance Cost	**March 31, 2022 INR in Million**	**March 31, 2021 INR in Million**
Interest expense on		
Long term loan	277.24	243.43
Short term Loan	4.82	16.29
Mobilization Advance - NHAI	6.45	11.03
Other Borrowing Cost	7.65	29.52
Total	**296.15**	**300.28**

24 Other Expenses	**March 31, 2022 INR in Million**	**March 31, 2021 INR in Million**
Office Rent Expense	0.07	1.06
Office Expense	0.00	0.00
Auditors Remuneration	1.56	0.78
Independent Consultant fee	7.81	9.78
Insurance Expense	0.68	-
Filing Expenses	0.01	0.01
Professional Fee & Expenses	2.75	2.53
Director Sitting fees	0.04	-
Rates & taxes	0.01	0.02
CSR expenses	1.70	0.71
Total	**14.63**	**14.91**

24.1 Auditors' remuneration comprises following:

	March 31, 2022 INR in Million	**March 31, 2021 INR in Million**
As Statutory Auditor	1.56	0.78
Total	**1.56**	**0.78**

(b) Corporate Social Responsibility (CSR) Expenses

Particulars	**March 31, 2022 INR in Million**	**March 31, 2021 INR in Million**
(i) Amount required to be spent by the Company during the year	1.70	0.71
(ii) Amount of expenditure incurred	1.70	0.71
(iii) Shortfall at the end of the year (Excess Spent)	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall		
(vi) Nature of CSR activities	1. Education	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

Sadbhav Rudrapur Highway Limited

Notes to Financial Statements for the year ended March 31, 2022

25 Earning Per Share (EPS):

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

		March 31, 2022	March 31, 2021
Net Profit/ (Loss) attributable to equity holders:	In Million	59.47	113.30
Total no. of equity shares at the end of the year		10,00,000	10,00,000
Weighted average of number of equity shares outstanding during the Period		10,00,000	10,00,000
Nominal value of equity shares		10	10
Basic & Diluted Earnings/(Loss) per share	In INR	**59.47**	**113.30**

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26 Related Party Disclosures:

Related party disclosures as required under the Indian Accounting Standard (Ind 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)

(II) Transactions with Related Parties during the year:

No.	Particulars	March 31, 2022 INR in Million	March 31, 2021 INR in Million
(i)	Sub Debt Paid		
	-SIPL	-	43.70
(ii)	Unsecured loan		
	-Received		
	-SIPL	-	106.00
	-SEL	-	1.80
	-Paid		
	-SIPL	103.85	-
	-SEL	156.79	-
(iii)	Interest on unsecured loan		
	-SIPL	2.39	2.55
	-SEL	2.42	13.75
(iv)	Reimbursement of Expenses		
	-SEL	0.80	1.06
	-SIPL	1.80	-
(v)	Operating and Maintenance Expense		
	-SIPL	32.44	132.56
(vi)	EPC Work expense		
	-SEL	260.38	88.39
(vii)	Utility Shifting Work expense		
	-SEL	27.37	-
(viii)	Price Escalation expense		
	-SEL	70.47	18.03
(ix)	Mobilization Advance Recovered		
	-SEL	47.33	14.85
(x)	Interest Income on Mobilization Advance		
	-SEL	5.22	7.35
(xi)	Director Sitting Fees		
	-Sandip Patel	0.04	-

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(III) Balance outstanding as at year end:

No.	Particulars	March 31, 2022 INR in Million	March 31, 2021 INR in Million
(i)	Sub Ordinate Debt		
	-SIPL	875.60	875.60
(ii)	Unsecured loan (Including Interest Payable)		
	-SIPL	8.97	112.82
	-SEL	-	156.79
(iii)	Payable towards Operating, Maintenance & Reimb. of Expense		
	-SIPL	181.16	151.56
(iv)	Payable towards EPC Cost and Price Escalation Cost		
	-SEL	237.84	17.82
(v)	Mobilization Advance		
	-SEL	95.03	142.36
(vi)	Interest Receivable from SEL		
	-SEL	55.58	70.81
(vii)	Director Sitting Fees Payable		
	-Sandip Patel	0.04	-

*There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

(IV) Terms and conditions:

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free excepts short term loan and settlement occurs as per the terms of the agreement.
2. Loans in INR taken from the related party carries interest rate 9.25%.
3. The Company has not provided any commitment to the related party as at March 31, 2022.

27 Segment Reporting

Basis for Segmentation

In accordance with the requirements of Ind AS-108 'Segment Reporting', the Company is primarily engaged in a business of civil construction and has no other primary reportable segments. The Managing Director of the Company allocate the resources and assess the performance of the Company, thus he is the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as single segment, hence no separate segment needs to be disclosed.

Information About Geographical Areas

As the Company operates in India only, hence no separate geographical segment is disclosed.

Information About Major Customers

Revenue of the Company derived from single customer (NHAI) which amounts to 10% or more of the Company's revenue.

28 Disclosure for Ind AS-116 "Leases"

Total amount of lease payments towards short term leases is Rs.0.07 Mn (PY. Rs.1.06 Mn) and shown as expense in the profit & Loss statement.

29 Dues to MSME

There are no Micro, Small and Medium Enterprises, 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.

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30 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2022 and March 31, 2021 are as under:

a) Profit and Loss Section

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Current tax		
Current tax charges	-	-
	-	-
Deferred tax		
Deferred tax charge	53.92	59.50
Total deferred income tax expense	**53.92**	**59.50**
Tax Expense reported in the Statement of Profit and Loss	**53.92**	**59.50**

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

Particulars	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Accounting profit/(loss) before tax	113.39	172.80
Statutory Income tax rate	25.17%	25.17%
Expected Income tax expenses	28.54	43.49
Tax Effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses		
Tax effect of non deductible items	-	-
Tax effect of non taxable items	12.75	137.14
Tax effect of loss of earlier years	12.63	(121.13)
Tax on income at different rates	-	-
Others	-	-
Income tax expenses as per normal tax rate	**53.92**	**59.50**
Consequent to reconciliation items shown above, the effective tax rate	**47.55%**	**34.43%**

Note:

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as an intoduction of the Taxation Laws (Amemdment) 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. 2019-2020 onwards.

(c) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2021.

INR in Million

Particulars	Balance sheet	Statement of Profit and Loss	Balance sheet	Statement of Profit and Loss
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Deferred tax Assets/(liabilities)		-		
Temporary Differences	(221.92)	41.29	(180.63)	180.63
Unused losses available for offsetting against future taxable income	108.50	12.63	121.13	(121.13)
Total deferred tax expenses /(Income)		**53.92**		**59.50**
Net deferred tax Assets/(liabilities)	**(113.42)**		**(59.50)**	

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SADBHAV RUDRAPUR HIGHWAY LTD.

31 Financial Instruments

(I) Disclosure of Financial Instruments by Category

INR in Million

Financial instruments by categories	Note no.	March 31, 2022			March 31, 2021		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Asset							
Receivable from NHAI	8 & 5	-	-	3,886.83	-	-	4,343.57
Cash and Cash Equivalent & Other bank balance	7	-	-	195.62	-	-	301.22
Other Financial Assets	9	-	-	195.85	-	-	92.01
Total Financial Assets		-	-	**4,278.30**	-	-	**4,736.80**
Financial Liabilities							
Non Current Borrowing	14	-	-	2,722.45	-	-	2,897.93
Current Borrowing	15	-	-	189.16	-	-	245.28
Trade Payable	16	-	-	421.53	-	-	184.81
Other Financial liabilities	17	-	-	96.72	-	-	137.42
Total Financial Liabilities		-	-	**3,429.86**	-	-	**3,465.44**

(II) Fair Value disclosures for financial assets and financial liabilities

(a) 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.

(b) The carrying value of company's interest - bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

(c) All resulting fair value estimates of above financial assets and liabilities are considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

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32 Financial Risk Management

Financial instruments risk management objectives and policies

(I) The Company's principal financial liabilities comprise borrowings, trade payables & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, 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.

Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Variable rate borrowings in INR	2722.45	2897.93

Sensitivity analysis

Sensitivity analysis based on average outstanding term loan borrowings:

Particulars	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Increase or decrease in interest rate by 100 basis point*	27.22	28.98

** Profit will increase in case of decrease in interest rate and vice versa*

(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 outstanding receivables.

(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 and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

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

As at March 31, 2022	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Borrowings	2,747.68	-	189.16	200.15	679.08	1,679.29
Trade Payables	421.53	-	421.53	-	-	-
Other financial liabilities	96.72	-	96.72	-	-	-
Short term borrowings	-	-	-	-	-	-

As at March 31, 2021	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Borrowings	2,925.43	-	178.18	189.16	757.37	1,800.72
Trade Payables	184.81	-	184.81	-	-	-
Other financial liabilities	137.42	-	137.42	-	-	-
Short term borrowings	245.28	245.28				

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33 Disclosure pursuant to Appendinx - D to Ind AS 115 - "Revenue from Contract with Customer"

(I) Description and classification of the arrangement

The Company has entered into Service Concession Agreement ('SCA') with National Highway Authority of India (NHAI) dated June 02, 2016 for the purpose of augment the existing road from km 0.00 (km190.00 of NH-24) to km 42.791 (approximately 43.446 km) on the Rampur - Kathgodam Section of N.H. 87 (New N.H. No 9) (in the state of Uttar Pradesh by Four-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the SCA, 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 years 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 7380.00 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 Concessionaire in 5 equal installments of 8% each during the Construction Period in accordance with the provisions of Clause 23.4 of the SCA.

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

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

(d) Bonus on early completion:-

The SCA 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. The schedule completion date of the project is March 31, 2019.

(e) Operation & Maintenance Payments:-

All Operation and Maintenance expenditure shall be borne by the concessionaire. However, as provided in SCA, 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 the amount quoted in the O&M bid. Each installment of O&M payment shall be the product of the amount determined in accordance with the terms of the SCA and the price index multiple on the reference index date preceding the due date of payment thereof.

(f) Escrow Account:-

In terms of the SCA, the company shall enter into an Escrow Agreement, substantially in the form set forth in schedule 'O' of the SCA, with NHAI, Escrow bank and senior lenders and shall establish Escrow Account with the Escrow bank. The company also require to deposit and made withdrawals as described in the Escrow Agreement. Accordingly, the company has entered into an Escrow agreement with the IndusInd Bank Ltd and NHAI.

(g) Termination of the SCA:-

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

(h) Restriction on assignment and charges:-

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

(i) Changes in SCA:-

On receipt of PCOD, Company has executed Settlement Agreement as on November 11, 2020.

(j) Forec Majeure Event:

As per the Concession Agreement; the Concessionaire, in case any force majeure event occurs before COD, is eligible to get the extention of time for a period equal in length to the duration for which the force majeure event subsist. Refer note no.41 in relation to extension of concession agreement due to Covid-19 pandemic.

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34 Capital Management

For the purpose of the Company's capital management, Capital consist of share capital, Securities Premium, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.
The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The 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 sub-ordinate debts. The Company monitors capital using debit 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.

The key performance ratios as at 31 March are as follows:

	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Short term Borrowing	189.16	423.47
Borrowings (refer note 14)	2,558.51	2,747.25
Total Debt - A	**2,747.68**	**3,170.71**
Equity share Capital (refer note 12)	10.00	10.00
Other Equity (refer note 13)	1,150.09	1,090.62
Equity Bank Guarantee	-	221.40
Total Equity - B	**1,160.09**	**1,322.02**
Debt to Equity Ratio - (A/B)	**2.37**	**2.40**

Capital Commitments towards pending EPC value	March 31, 2022 INR in Million	March 31, 2021 INR in Million
Pending EPC value with SEL	1168.8	1460.42
Mobilisation advances	(95.03)	(142.36)
Net Commitment	**1,073.77**	**1,318.06**

The company does not have any externally imposed capital requirement.

35 Disclosure Pursuant to Ind AS-19 "Employee Benefits"
Disclosure under Ind AS-19 is not applicable on the company.

36 Impairment of Financial Assets
The credit risk on the financial assets has not increased since the initial recognition, therefore company measure the loss allowance for the financial assets at an amount equal to 12 month expected credit losses. Since the financial assets are expected to be realised within the contractual period of the invoice raised, as such, there is no ECL (expected credit loss) envisaged in the value of financial assets under SCA (Service Concession agreement) by the management.

37 The Company does not have any transaction to which the provision of Ind AS-2 relating to "Valuation of Inventories" applies.

38 In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

39 There were no litigation pending against the company which could be materially impact its financial position as on March 31, 2022. (March 31, 2021 : NIL)

40 Contingent Liabilities
There are no contingent liabilities against the Company as on March 31, 2022. (March 31, 2021 : NIL)

41 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 company has availed the relief provided by its lenders by way of moratorium on principal and interest repayments. 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 is in the process 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.

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Notes to Financial Statements for the year ended March 31, 2022

42 Ratios

	Ratio	As at 31-Mar-2022	As at 31-Mar-2021	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
1	Current Ratio	0.99	1.15	-14.04%	Current Assets	Current Liabilities	-
2	Debt – Equity Ratio	2.35	2.86	-17.83%	Total Debt	Shareholder's Equity	-
3	Debt Service Coverage Ratio	0.45	1.39	-67.38%	Earnings available for debt service	Debt Service (Interest+Principal repayments)	Increased in Repayment of Debt
4	Return on Equity	5.13%	10.29%	-50.20%	Net Profits after taxes – Preference Dividend (if any)	Closing Shareholder's Equity	Increased in Equity contribution
5	Inventory Turnover Ratio	N.A	N.A	N.A	Cost of goods sold OR sales	Average Inventory	The Company engaged in Construction activities. Hence, these Ratios are not relevant to the company.
6	Trade receivables turnover ratio	N.A	N.A	N.A	Net Credit Sales	Avg. Accounts Receivable	
7	Trade payables turnover ratio	N.A	N.A	N.A	Net Credit Purchases	Average Trade Payables	
8	Net capital turnover ratio	N.A	N.A	N.A	Net Sales	Working Capital	
9	Net profit ratio	7.30%	15.58%	-53.17%	Net Profit	Total Income	Due to decrease in Notional finance income
10	Return on capital employed	10.25%	10.99%	-6.77%	Earning before interest and taxes	Tangible networth+Totaldebt+ Deferred tax liabilities	-
11	Return on investment	N.A	N.A	N.A	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	NA

43 Standard issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2022 on 23rd March, 2022. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

1. Ind AS 101 - First-time adoption of Ind AS
2. Ind AS 103 – Business Combinations
3. Ind AS 109 – Financial Instruments
4. Ind AS 16 – Property, Plant and Equipment
5. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
6. Ind AS 41 – Agriculture

These amendments shall come into force with effect from April 01, 2022.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

44 Events Occuring after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 24, 2022 there were no subsequent events to be recognized or reported that are not already disclosed.

45 Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

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SADBHAV RUDRAPUR HIGHWAY ★ LTD.

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Notes to Financial Statements for the year ended March 31, 2022

46 Additional regulatory information required by Schedule III

Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Borrowing secured against current assets

The Company has term loan borrowings from banks and financial institutions on the basis of security as referred in Borrowing Security Clause including current assets. The required periodic information has been complied by the Company which are in agreement with the books of accounts.

Wilful defaulter

None of the entities in the Company has been declared wilful defaulter by any bank or financial institution or government or any government authority.

Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Gianender & Associates
Chartered Accountants
ICAI Firm Registration No. 004661N

Manju Agrawal
Partner
Membership No. 083878

Place: New Delhi
Date: May 24, 2022

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Limited

Mahendrasinh Chavada
Director
DIN No:02607067

Jatin Thakkar
Director
DIN No:09312406

Place: Ahmedabad
Date: May 24, 2022

SADBHAV RUDRAPUR HIGHWAY LTD.