

Spearheading Progress Lifeline



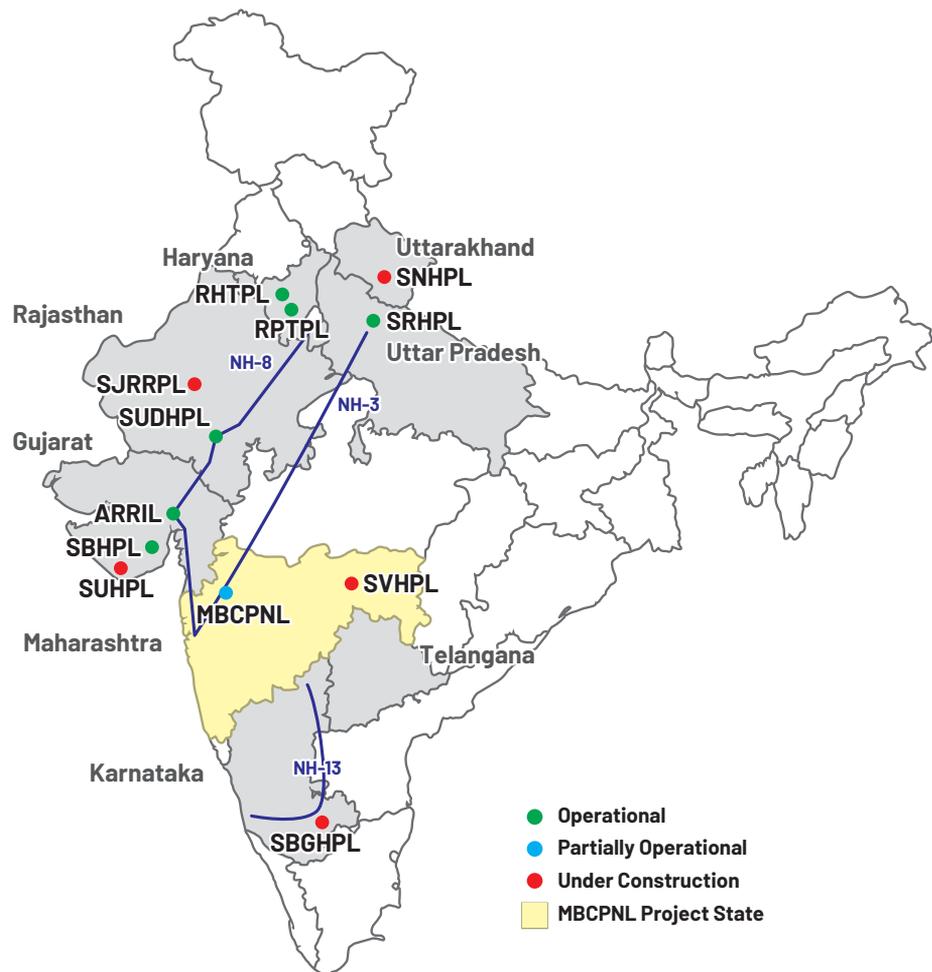
17th Annual Report 2022-23

Sadbhav Infrastructure Project Limited

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India





Late Shri Vishnubhai M. Patel
27 January, 1942 – 25 December, 2018
Founder and Former Chairman
Sadbhav Infrastructure Project Ltd.

Higher the goal,
greater the opportunity to rise.

Farther the destination,
more milestones you surpass.

Taller you build your castles,
more grounded you need to be.

More the changes you embrace,
better the opportunity to transform tomorrow.



Spearheading Progress Lifeline

Road infrastructure growth in India has positively impacted the economy by alleviating poverty, giving new business and employment opportunities, and providing efficient access, mobility, & the distribution of resources. Sadbhav Infrastructure Project Limited is one of the companies responsible for managing and spearheading the progress lifeline of the country.

The management and spearheading of the roads which are the progress lifelines can prevent accidents, reduce vehicles' wear and tear, and improve the performance of logistics networks and public transportation systems. Management of the road asset involves the application of engineering, financial and management practices to optimise the level-of-service outcome in return for the most cost-effective financial input. The main objective is simply to apply the right treatment at the right time

to achieve the desired level of service, as the road infrastructure is a financial asset for society and the economy. At the same time, it also helps to increase road safety and minimise the loss of lives or precious goods.

After putting a major thrust on constructing world-class highways and roads, now Government of India has also initiated giving a boost to BOT Projects while continuing its major thrust on HAM and EPC Projects. To augment the private sector participation, National Highway Authority of India is looking to allocate 65% of its projects on HAM and EPC basis and expected to give more tenders of around 1500-2000 kms during FY'23-24 for BOT projects. In 2023-24, the NHAI aims to award highway projects of 6,036 kilometres, up from 6,003 km awarded in the previous financial year. The Government of India has also directed NHAI and

National Highways & Infrastructure Development Corporation Ltd. (NHIDCL) to keep close coordination and cooperation with each other and prepare proposals of land acquisition and come up with projects worth Rs. 2 to 3 lakh crore in Build Operate and Transfer (BOT) mode and Hybrid Annuity Mode (HAM) to further fortify infrastructure development sector.

The Government of India recently set a minimum rating requirement of 'BBB' for bidders of Hybrid Annuity Model (HAM) and Build Operate and Transfer (BOT) toll road projects. This is to minimise risks

associated with project implementation and defaults by developers. The move would improve the risk profile of the sector. Moreover, developers with lower credit ratings generally entail greater financial and execution risks. Hence, the government's move to set a minimum rating threshold for bidders is likely to mitigate risks linked to project execution.

At SIPL, we aim to achieve superior end-user experience and delight in every project managed by us and contribute towards building sustainable infrastructure for the nation.



Corporate Information

BOARD OF DIRECTORS



Mr. Shashin V. Patel
Chairman & Whole Time Director
(w.e.f. 14-02-2023)



Shri Jatin J. Thakkar
Executive Director & CFO
(w.e.f. 15-03-2023)



Shri Dwigesh B. Joshi
Non-Executive Director
(w.e.f. 15-03-2023)



Mr. Rohit I. Modi
Group CEO
(w.e.f. 14-02-2023)



Mr. Sandip V. Patel
Independent Director



Mr. Arun S. Patel
Independent Director



Mrs. Daksha N. Shah
Independent Director

Mr. Vasistha C. Patel
Managing Director
(upto 21-11-2022)

Mr. Nitin R. Patel
Non-Executive Director
(upto 21-11-2022)

BOARD COMMITTEES

Audit Committee

Daksha N. Shah

Chairman (w.e.f. 27-05-2023)

Sandip V. Patel

Member

Arun S. Patel

Member

Nitin R. Patel

Member (Upto 21-11-2022)

Shashin V. Patel

Member (w.e.f. 21-11-2022)

Nomination and Remuneration Committee

Arun S. Patel

Chairman

Sandip V. Patel

Member

Shashin V. Patel

Member (Upto 14-02-2023)

Daksha N. Shah

Member (w.e.f. 14-02-2023)

Stakeholders Relationship Committee

Nitin R. Patel

Chairman (Upto 21-11-2022)

Vasistha C. Patel

Member (Upto 21-11-2022)

Shashin V. Patel

Chairman (w.e.f. 21-11-2022)

Daksha N. Shah

Member (w.e.f. 21-11-2022)

Arun S. Patel

Member (Upto 14-02-2023)

Arun S. Patel

Chairman (w.e.f. 14-02-2023)

Shashin V. Patel

Member (w.e.f. 14-02-2023)

Sandip V. Patel

Member

Finance and Investment Committee

Vasistha C. Patel

Chairman (Upto 21-11-2022)

Shashin V. Patel

Member (Upto 21-11-2022)

Shashin V. Patel

Chairman (w.e.f. 21-11-2022)

Nitin R. Patel

Member (Upto 21-11-2022)

Daksha N. Shah

Member (w.e.f. 21-11-2022)

Arun S. Patel

Member

Corporate Social Responsibility Committee

Vasistha C. Patel

Chairman (Upto 21-11-2022)

Nitin R. Patel

Member (Upto 21-11-2022)

Shashin V. Patel

Chairman (w.e.f. 21-11-2022)

Daksha N. Shah

Member (w.e.f. 21-11-2022)

Sandip V. Patel

Member

Risk Management Committee

Vasistha C. Patel

Chairman (Upto 21-11-2022)

Nitin R. Patel

Member (Upto 21-11-2022)

Daksha N. Shah

Chairman (w.e.f. 21-11-2022)

Shashin V. Patel

Member (w.e.f. 21-11-2022)

Sandip V. Patel

Member

BANKERS

IDBI Bank

Union Bank of India

COMPANY SECRETARY

Hardik Modi

CHIEF FINANCIAL OFFICER

Pradip Kumar Agarwal

(Upto 02-11-2022)

Jatin Thakkar

(w.e.f. 17-12-2022)

STATUTORY AUDITOR

M/s. S G D G & Associates LLP

REGISTERED OFFICE

Sadbhav House,

Opp. Law Garden Police Chowki

Ellisbridge, Ahmedabad - 380 006.

Website : www.sadbhavinfra.co.in

CIN: L45202GJ2007PLC049808

CORPORATE OFFICE

"Sadbhav"

Nr. Havmor Restaurant,

B/H. Navrangpura Bus Stand,

Navrangpura,

Ahmedabad - 380 009.

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-101, 1st floor, 247 Park,

L.B.S. Marg, Vikhroli (West),

Vikhroli, Mumbai - 400 083



Message From Chairman

Dear Stakeholders,

I take immense pleasure in presenting before you the annual report for Sadbhav Infrastructure Project Limited for the year 2022-23.

The roads and highways are the lifelines of a logistic system of every country. In addition to being the primary source of transportation, roads also make a crucial contribution to economic development and growth. Sadbhav Infrastructure Project Limited spearheads the progress lifeline of the country and facilitates the uninterrupted flow of goods to the industries by effectively managing the road infrastructure.

Economic development of the nation is the direct upshot of infrastructure development that provides the superstructure for growth. In order to provide a boost to infrastructure development and enable it to overcome the impact of COVID-19 pandemic, the Ministry has placed target of 14,300 km for award, which is highest ever and 12,200 km for construction for the FY year 2022-23. Overall road projects exceeding 65,000 km in length, costing more than Rs. 11 lakh crore, are in progress, of which work for the project scope of more than 39,000 km length has been completed and in balance length of more than 26,000 km works are in progress. NHs of 5,774 km length have been constructed during the first nine months of FY 2022-23.

Building great highways and connectivity is not just sufficient. Upkeeping the infrastructure facilities created over the years and managing flawless traffic are equally important. The increasing importance of roads and highways for economic growth is evident from the fact that the national revenue from tolls rose to Rs. 41,342 Crores in 2022-23 from Rs. 4,770



Crores in 2013-14. Toll revenue is further expected to increase to Rs. 1,30,000 Crores by 2030.

During the FY'2022-23, Sadbhav Infrastructure Projects Limited applied for the withdrawal of the Scheme of Amalgamation filed with Hon'ble National Company Law Tribunal with regard to the amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited.

During the year, your company has consolidated its operations and has coursed strategic manoeuvring. At standalone level, your Company has reported the Revenue from operations amounting to Rs. 894.14 million as against Rs. 2,042.10 million in the previous year. The net Loss for the year was Rs.3575.48 million as against a net loss of Rs. 1916.46 million reported in the previous year. The Consolidated Revenue from Operations was Rs. 8247.27 million as against Rs. 9623.25 during the previous year. The Consolidated Net Loss was Rs. 3649.15 million as against loss of Rs. 212.78 million in the previous year.

Across all the assets managed by SIPL, the Company is striving for operational excellence through cost optimisations. The company adheres to the highest compliance standards set by the Ministry of Road Transports and all its operational processes are in accordance with the environmental, social, and governance guidelines set by the authorities. SIPL has also established adequate internal control procedures, commensurate with the nature of its business and the size of its operations.

At SIPL, we believe that sustainable infrastructure is a precursor to sustainable development. Hence, we leave no stone unturned in adopting the best sustainable practices in our operations to provide

world-class infrastructure. SIPL has invested in state-of-the-art technologies to give a superlative experience to all end users.

I express my gratitude to all our shareholders, financial institutions, employees, suppliers, government authorities, etc. for entrusting us with all our endeavours, and I look forward to the continued patronage that you have been extending to us.

Regards,

Shashin V. Patel
Chairman & Whole Time Director



Financial Highlights

(INR in Million)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Turnover	894.14	2,042.10	1,927.55	1,817.67	2,950.27	3,377.92
Total Income	1273.62	2,344.45	2,040.04	2,584.20	3,680.16	3,847.50
Depreciation	0.7	0.54	0.24	0.59	0.96	4.12
Interest (Finance Cost)	1277.44	1,427.87	1,276.44	2,132.91	1,748.51	1,634.20
Exceptional Items	-3173.53	-1,444.21	430.51	6,198.05	-152.95	-
Profit After Tax	-3575.48	-1,916.46	218.93	3,766.18	565.44	677.40
Equity Dividend %	0.00	0.00	0.00	0.00	0.5%	0.5%
Dividend Payout	0.00	0.00	0.00	0.00	176.11	176.11
Equity Share Capital	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25
Other equity	9,219.48	12,794.64	14,708.52	14,490.85	10,851.50	10,497.23
Net worth	12,741.73	16,316.89	18,230.77	18,013.10	14,373.75	14,019.48
Total Assets	23,092.85	26,927.46	30,941.32	30,314.29	34,176.46	31,122.17
Total Debt (Loan Fund)	7,602.69	8,217.11	5,289.47	7,945.03	14,732.61	12,376.50
Earning Per Share (in Rs.)	-10.15	-5.43	0.62	10.69	1.61	1.92
Book Value Per Share (in Rs.)	36.17	46.33	51.76	51.14	40.81	39.80



Notice

NOTICE is hereby given that the 17th Annual General Meeting of SADBHAV INFRASTRUCTURE PROJECT LIMITED ("the Company") will be held on Saturday, 30th day of September 2023 at 2:00 p.m. (Indian Standard Time) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

- the audited Standalone financial statement of the Company for the financial year ended 31st March, 2023, the reports of the Board of Directors and Auditors thereon; and
- the audited consolidated financial statement of the Company for the financial year ended 31st March, 2023 and the report of Auditors thereon.

2. To appoint a Director in place of Mr. Jatin Thakkar (DIN: 09312406), who retires by rotation and being eligible, offers himself for reappointment.

3. To reappoint Statutory Auditors of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188), be and is hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 22nd AGM to be held in 2028, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. Ratification of Remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. J. B. Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2023-24 amounting to ₹ 25,000/- per annum plus applicable tax and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

Date: 14th August, 2023
Place: Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office:
"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad – 380006
CIN: L45202GJ2007PLC049808

Shashin V. Patel
Executive Chairman
DIN: 00048328

NOTES:

- Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as ("MCA Circulars"), and Securities and Exchange Board of India ("SEBI") vide its Master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, have permitted companies to conduct AGM through VC or other audiovisual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules

made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 17th AGM of the Company is being convened and conducted through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in pursuance to Secretarial Standards issued by the Institute of Company Secretaries of India which required to make certain additional disclosure in respect of the Directors seeking re-appointment/ appointment is annexed.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM alongwith Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2022-23 have been uploaded on the website of the Company at www.sadbhavinfra.co.in. and weblink of the same is <https://www.sadbhavinfra.co.in/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
7. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
8. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. Book Closure - The Register of Members and Share Transfer Books of the Company will remain closed from, Sunday, 24th September, 2023 to Saturday, 30th September, 2023 (both day inclusive).

10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Share Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this matter.

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, it has been mandated the Company/ RTA to obtain copy of PAN Card and Bank Account details from all the shareholders holding shares in physical form. Accordingly, shareholders who are holding shares in physical mode are requested to kindly furnish self-attested copy of your PAN card and original cancelled Cheque leaf/Attested Bank Passbook showing the name of Account holder along with an application.

With effective from 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Therefore, all shareholders who are holding shares in physical mode are requested to kindly dematerialize the equity shares of the Company at the earliest.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website through weblink <https://www.sadbhavinfra.co.in/> (under ‘Investors’ section). Members are requested to submit the said details to their depository participants (“DPs”) in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.

12. Unclaimed Dividends

Members are hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund (‘the Fund’) established by the Central Government.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (‘IEPF Rules’), the Company is also obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to the Demat Account of the IEPF Authority notified by the Ministry of Corporate Affairs (‘IEPF Demat Account’).

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

13. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 17th Annual General Meeting (‘AGM’) by electronic means and the business may be transacted through remote e-voting and the e-voting services provided by Central Depository Services (India) Ltd. (CDSL) as

the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

The procedure and instructions for voting through electronic means are as follows:

SECTION A - E-VOTING PROCESS

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on “Shareholders” module.
- iii. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN of Sadbhav Infrastructure Project Limited.
- x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xv. If Demat account holder has forgotten the same password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. Shareholders can also use mobile app – “m-Voting” for e-voting. Shareholders may log in to m – Voting using their e voting credentials to vote for the Company resolution(s).
- xvii. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

14. Process for those shareholders whose email ids are not registered:

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@sadbhavinfra.co.in, on or before Friday, 15th September, 2023.
- b) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository..

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The facility for voting through electronic voting system shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting earlier shall be able to exercise their right at the meeting through e-voting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- ii. The remote e-voting period commences on Wednesday, 27th September, 2023 (9:00 a.m. IST) and ends on, Friday, 29th September, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, 23rd September, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
- iii. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- iv. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.
- v. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (M. No.: FCS 2587; CP No: 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad: 380006) has been ap mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- vi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- vii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

15. The instructions for shareholders voting on the day of the AGM on e-voting system are as under

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

16. Instructions for members for attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders'/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at investor@sadbhavinfra.co.in and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Relevancy of question & order of speakers at the meeting will be decided by the Chairman.
6. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior

to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

7. Since the AGM will be held through VC/OAVM, the Attendance Slip, Proxy form & Route Map is not annexed in this Notice.

Details of Directors Seeking Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and in terms of the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to Directors seeking appointment/re-appointment at the ensuing Annual General Meeting which is mentioned below.:

Director	Mr. Jatin Thakkar
Directors Identification Number (DIN)	09312406
Date of Birth	30-07-1988
Age	35 years
Date of first Appointment on the Board	15-03-2023
Terms & Conditions for Re-appointment	For the period of 3 years w.e.f. March 15, 2023 to March 14, 2026
Remuneration last drawn	Not Applicable
Designation	Executive Director and Chief Financial Officer
Remuneration proposed to be paid	Up to Rs. 13,00,000/- (Rupees Thirteen Lakhs Only) p.m.
Disclosures of relationship between Directors inter-se	NA
Functional Expertise	Experience in managing gamut of Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.
Qualification	Chartered Accountant
Brief Profile of Director	Mr. Jatin Thakkar is a Member of Institute of Chartered Accountants of India. He is a versatile, high-energy professional, successful in achieving business growth objectives within turnaround time & rapid changing external environment. He is having a rich experience of 14+ years in managing in gamut of Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.
Directorship in other Listed Companies	Sadbhav Engineering Limited
Chairman/ Member of Committee in other Companies	NIL
No. of Equity Shares held in the Company	NIL
*No. of Board Meeting attended during the year 2022-23	1 (One)
Names of companies along with listed entities in which person has resigned in the past three years.	1. Rohtak-Panipat Tollway Private Limited 2. Rohtak-Hissar Tollway Private Limited 3. Sadbhav Bangalore Highway Private Limited 4. Sadbhav Rudrapur Highway Limited 5. Sadbhav Gadag Highway Private Limited 6. Sadbhav Vidarbha Highway Limited
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Experience in managing gamut of Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Ordinary business:

Item No. 3

M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188) were appointed as the Statutory Auditors of the Company at the 12th AGM of the Company held on 27th September, 2018 and their tenure of five consecutive years will expire at the ensuing AGM of the company scheduled on 30.09.2023. Accordingly, approval of the Shareholders is being sought for re-appointment of M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188) as the Statutory Auditors of the Company for the second term of 5 years commencing from conclusion of this Annual General Meeting till the conclusion of the 22nd Annual General Meeting for the financial year 2027-28.

M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188) have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188) have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 14th August, 2023 proposed the re-appointment of M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188), as the Statutory Auditors of the Company for the second and final term of five consecutive years.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

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

DISCLOSURE UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Proposed Statutory Audit Fees payable to the Auditors	Proposed Statutory Audit Fees shall be payable up to Rs. 20 Lakh Only p.a. plus applicable tax and reimbursement of out of pocket expenses incurred by them in connection with the audit subject to mutually agreed between the Board of Directors of the Company and the Auditors.
Terms of Appointment	Five financial years from the conclusion of 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting of the Company
Basis of recommendation and Auditor Credentials	M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad having Firm Registration No. (W100188) is a leading Firm of Auditors, with a large client base spanning India businesses and listed companies in India. The firm is registered with the Institute of Chartered Accountants of India (Firm Registration No. W100188). Partners of the firm have vast experience of more than 20 years in corporate in the field of Accounts, Audit, and Taxation. M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad holds Peer Review Certificate as issued by Institute of Chartered Accountants of India. Therefore, approval of Members of the Company is sought for appointment of M/s. S G D G and Associates LLP, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company by passing Ordinary Resolution as set out in Item no. 3 of the Notice

**Special Business:
Item No. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. J. B. Mistri & Co, Cost Accountant in Practice (Firm Reg. No. 101067), to conduct the audit of the cost records maintained by the Company for the financial year 2023-24, at their meeting held on 10th August, 2023.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2023-24 as set out in the resolution.

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

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Date: 14th August, 2023
Place: Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office:
"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad – 380006
CIN: L45202GJ2007PLC049808

Shashin V. Patel
Executive Chairman
DIN: 00048328

Directors' Report

To
The Members,

Your Directors have pleasure in submitting their 17th Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended on 31st March, 2023.

FINANCIAL RESULTS

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

(Rs. In Million)

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	894.14	2042.10	8247.27	9623.25
Other Income	379.48	302.35	2683.58	8747.70
Total Revenue	1273.62	2344.45	10930.85	18370.95
Profit Before Taxation	(3970.06)	(2267.55)	(3855.45)	(375.64)
Less: Tax Expense	394.59	351.08	206.30	162.85
Profit/(Loss) for the period after tax and minority interest	(3975.48)	(1916.47)	(3649.15)	(212.79)
Other comprehensive income	0.38	2.57	1.07	5.11
Total comprehensive income (after tax)	(3575.10)	(1913.90)	(3648.08)	(207.68)

DIVIDEND

Directors do not recommend any dividend for the financial year ended on 31st March, 2023.

DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India ('SEBI'), by its notification dated 8th July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A and further amended the same on 5th May, 2021 mandating the top 1000 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same on the website of the listed entity and a web-link shall also be provided in their annual reports.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <https://www.sadbhavinfra.co.in/en/pdf/dividend-distribution-policy.pdf>

AMOUNT TO BE CARRIED TO RESERVES

The Company transfers entire sum of net loss incurred to Retained Earnings during the year under review.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2023 is Rs. 352,22,52,160/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

DEBENTURES

The Company has following Non-convertible Debentures (NCDs) as on 31st March, 2023:

1. Series A - 39,000 (Thirty Nine Thousand) Unlisted, Unrated, Secured, Redeemable, Non-convertible Debentures of face value of Rs. 67,408/- (Rupees Sixty Seven Thousand Four Hundred and Eight only) each, aggregating up to Rs. 262,89,12,000/- (Rupees Two Hundred Sixty Two Crores Eighty Nine Lakhs and Twelve Thousand only) ("Debentures").
2. Series B - 16,000 (Sixteen Thousand) Unlisted, Unrated, Secured, Redeemable, Non- Convertible Debentures of a face value of Rs. 1,00,000/- (Rupees One Lakh Only) each of an aggregate nominal value of up to Rs. 160,00,00,000/- (One Hundred Sixty Crores Only) ("Debentures").

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year, Company reported at standalone level, the Revenue from Operations amounting to Rs. 894.14 million as against Rs. 2042.10 million in the previous year. The Net Loss reported for the year was Rs. 3975.48 million against Net Loss of Rs. 1916.47 million as per previous year. The Consolidated Revenue from Operations was Rs. 8247.27 million as against Rs. 9623.25 million in the previous year. Your Company has achieved consolidated total income of Rs. 10930.85 million as against Rs. 18370.95 million in the previous year.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The Management Discussion and Analysis report, capturing your Company's performance, industry trends and other material changes with respect to your Company is presented in a separate section forming part of the Annual Report. The Report provides a consolidated perspective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to our key stakeholders and includes aspects of reporting as required by Regulation 34(2) (e) read with Schedule V of the Listing Regulations.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitment if any affecting the financial position of the company occurred between the ends of the financial year to which this financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company is not required to constitute a Risk Management Committee; however, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Company's management systems, organizational structures, processes, standards, code of conduct, Internal Control and Internal audit methodologies and processes that governs as to how the Company conducts its business and manages associated risks. The Company also has in place a Risk Management Policy to identify and assess the key risk areas. The Members of the Audit Committee monitors and reviews the implementation of various aspects of the Risk Management Policy. This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. Major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis. The Company has also adopted Risk Assessment, Minimization and Control Procedures. At present no particular risk whose adverse impact may threaten the existence of the Company is visualized.

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

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Changes in Directors and Key Managerial Personnel

Pursuant to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jatin Thakkar [DIN: 09312406], Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his re-appointment. His brief resume and other details as required under the Act and Listing Regulations for his re-appointment as Director are provided in the Notice of the 17th Annual General Meeting of your Company.

- 1) Mr. Pradip Kumar Agarwal has tendered his resignation from the post of Chief Financial Officer of the Company with effect from 02/11/2022.
- 2) Mr. Vasistha C. Patel has tendered resignation from the position of Managing Director of the Company w.e.f. 21/11/2022.
- 3) Mr. Nitin R. Patel (DIN: 00466330), Director of the Company has tendered his resignation from the post of Director of the Company w.e.f. 21/11/2022.
- 4) Mr. Rohit Modi was appointed as Chief Executive Officer (CEO) of the Company in the category of Key Managerial Personnel w.e.f. 21/11/2022.
- 5) Mr. Jatin Thakkar has been appointed as Chief Financial Officer (CFO) of the Company in the category of Key Managerial Personnel w.e.f. 17/12/2022.
- 6) Mr. Shashin V. Patel (DIN: 00048328) has been appointed and designated as the Executive Chairman of the Company in the category of Key Managerial Personnel a period of three (3) years w.e.f. 14th February, 2023 to 13th February, 2026 (both days inclusive) on such terms and conditions as the Board has decided.
- 7) Mr. Rohit Modi, Chief Executive Officer (CEO) of the Company has tendered resignation from the post of CEO of the Company w.e.f. 14/02/2023.
- 8) Mr. Dwigesh Joshi (DIN: 09733282) has been appointed as an Additional Non-Executive Director of the Company w.e.f. 15th March, 2023 and subsequently shareholders of the Company has confirmed his appointment vide Postal Ballot resolution passed on 29th April, 2023.
- 9) Mr. Jatin Thakkar (DIN: 09312406) has been appointed as an Additional Executive Director of the Company for a period of

three (3) years w.e.f. 15th March, 2023 to 14th March, 2026 (both days inclusive) and subsequently shareholders of the Company has confirmed his appointment vide Postal Ballot resolution passed on 29th April, 2023.

ii. Declaration by an Independent Director(s)

Mr. Sandip V. Patel, Mr. Arun S. Patel and Mrs. Daksha Shah, Independent Directors, hold office for a term of five years. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

iii. Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidate's vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

iv. Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

v. Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Executive Chairman.

Directors were evaluated on aspects such as professional qualifications, prior experience, especially experience relevant to the

Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

NUMBER OF MEETINGS OF THE BOARD

During the year, Nine (9) board meetings were convened and held on 27th May, 2022, 20th June, 2022, 9th August, 2022, 15th October, 2022, 12th November, 2022, 21st November, 2022, 17th December, 2022, 14th February, 2023 and 15th March, 2023. Details of board meetings and committee meeting are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF BOARD

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees to assist it in discharging its responsibilities. The Board has adopted charters setting forth the roles and responsibilities of each of the Committees. The Board has constituted following Committees to deal with matters and monitor activities falling within the respective terms of reference:

- a) Mandatory Committees
 - Audit Committee
 - Nomination and Remuneration Committee
 - Stakeholder's Relationship Committee
 - Corporate Social Responsibility Committee
- b) Non-Mandatory Committees
 - Risk Management Committee
 - Finance and Investment Committee

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

Details of the Remuneration Policy are given in the Corporate Governance Report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of Listing

Regulations. The Policy, as approved by the Board, is uploaded on the Company's website and the weblink of the same is <https://www.sadbhavinfra.co.in/en/investors.html>

The consolidated financial results reflect the operations of the following subsidiaries.

Sr. No.	Name of Company	CIN/GLN	Address of The Company	Holding/Subsidiary/ Associate
1.	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Wholly owned Subsidiary Company
2.	Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	- do -	Wholly owned subsidiary Company
3.	Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	- do -	Wholly owned subsidiary Company
4.	Sadbhav Nainital Highway Limited (Formerly known as Sadbhav Nainital Highway Private Limited)	U45309GJ2016PLC091777	- do -	Wholly owned subsidiary Company
5.	Sadbhav Rudrapur Highway Limited (Formerly known as Sadbhav Rudrapur Highway Private Limited)	U45203GJ2016PLC091774	- do -	Wholly owned subsidiary Company
6.	Sadbhav Bhavnagar Highway Limited (Formerly known as Sadbhav Bhavnagar Highway Private Limited)	U45309GJ2016PLC092557	- do -	Wholly owned subsidiary Company#
7.	Sadbhav Una Highway Limited (Formerly known as Sadbhav Una Highway Private Limited)	U45500GJ2016PLC092589	- do -	Wholly owned subsidiary Company#
8.	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PTC094257	- do -	Wholly owned subsidiary Company
9.	Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private Limited)	U45500GJ2017PLC097040	- do -	Wholly owned subsidiary Company
10.	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	U45309GJ2017PLC097508	- do -	Wholly owned subsidiary Company
11.	Sadbhav Jodhpur Ring Road Private Limited	U45309GJ2018PTC100367	- do -	Wholly owned subsidiary Company
12.	Sadbhav Kim Expressway Private Limited	U45309GJ2018PTC101800	- do -	Wholly owned subsidiary Company
13.	Sadbhav Infra Solutions Private Limited (Formerly known as Sadbhav Bhimasar Bhuj Highway Private Limited)	U45309GJ2018PTC101821	- do -	Wholly owned subsidiary Company
14.	Sadbhav Maintenance Infrastructure Private Limited (Formerly known as Sadbhav Vizag Port Road Private Limited)	U45309GJ2018PTC101832	- do -	Wholly owned subsidiary Company
15.	Sadbhav Hybrid Annuity Projects Limited	U45500DL2018PLC335787	- do -	Wholly owned subsidiary Company
16.	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	- do -	Subsidiary*

* *Sadbhav Infrastructure Project Limited (SIPL) and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a subsidiaries of SIPL, out of which 49% shares have been transferred to ARTL for the year ended March 31, 2023.*

The members of the Company have passed special resolution on 21st March, 2023 through Postal Ballot for the proposed sale and transfer of 100% of the equity shares capital held by the Company (including through its nominees) in Sadbhav Bhavnagar Highway Limited and Sadbhav Una Highway Limited, to Kalthia Engineering & Construction Limited ("Kalthia Group" or the "Buyer") in one or more tranches. However, Sadbhav Bhavnagar Highway Limited and Sadbhav Una Highway Limited ceased to be wholly-owned subsidiaries of the company pursuant to share transfer executed in the month of June-July, 2023.

Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form **AOC-1** attached as **Annexure-1** which forms part of this Report.

Particulars of loans, guarantees or investments under section 186

The provisions of Section 186 (except sub-section [1] of Section 186) of the Companies Act, 2013, with respect to a loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities. The details of investment made during the year under review are disclosed in the financial statements.

FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31 March 2023, there were no deposits which were unpaid or unclaimed and due for repayment.

INSURANCE

All properties and insurable interests of the company to the extent required have been adequately insured.

Particulars of contracts or arrangements with related parties:

All the related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties, which could be considered material in terms of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Act in Form **AOC 2** is attached as **Annexure-2**, which forms part of this Report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons, which may have potential conflict with interest of the company at large. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <https://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they had prepared the annual accounts on a going concern basis;
- v. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF).

The Company have transferred unclaimed/unpaid IPO Application money lying in IPO account held with ICICI Bank Limited to Investor Education and Protection Fund as per the provisions of Companies Act, 2013 during the year under review. However, there is no unclaimed and unpaid dividend transferred to Investor Education and Protection Fund (IEPF) in the current financial year.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in utmost transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as apart of its social objectives. The policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Shashin Patel as Chairman and Mrs. Daksha Shah and Mr. Sandip V. Patel as Members of the Committee.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ii. Recommending the amount of expenditure for the CSR activities.
- iii. Monitoring CSR activities from time to time.

The provisions regarding Corporate Social Responsibility ("CSR") as enumerated under section 135 of the Companies Act 2013 are applicable to the Company. During the year under review, on account of losses suffered, Company has not spent any expense on CSR

as per CSR Policy of the Company. The **Annual Report on CSR activities** in the prescribed Form is attached as “**Annexure-3**” to this report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Complaint Redressal Committee has been Comprises of Mrs. Janki Shah as Chairperson, Mrs. Rajal Patel as Presiding Officer and Ms. Aakansha Shah as Member.

The Company has not received any complaint of sexual harassment during the financial year 2022-23 and No meeting of Complaint Redressal Committee was held during the year.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has made compliant under Vigil Mechanism/ Whistle Blower Mechanism.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also uploaded on the Company’s website i.e. <https://www.sadbhavinfra.co.in/>.

Auditors

i. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S G D G & Associates LLP, Chartered Accountants, Ahmedabad (S G D G) (Firm Registration No. W100188) were appointed as Statutory Auditor of the Company from conclusion of 12th AGM held in the year 2018 till the conclusion of the 17th AGM to be held in the year 2023. Therefore, their re-appointment for another term of five years is recommended at this Annual General Meeting.

The Auditors’ Report has following qualification, reservation or adverse remark on the financial statements for the year ended on 31st March, 2023.

For Standalone:

a) Audit Qualification (each audit qualification separately):

The Statutory Auditors have provided following qualification in their audit report –

1. We draw attention to Note 47 and Note 48 to the accompanying Standalone Financial Results with respect to investment in and loan & advances to Rohtak Panipat Tollway Private Limited and Rohtak Hissar Tollway Private Limited, subsidiaries of the Company. Both the subsidiaries have issued notice of termination of concession agreement to National Highway Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note, the company has carried out impairment assessment of investment in these subsidiaries considering the expected payment arising out of aforesaid termination and other claims filed with NHAI and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of the investment and loans & advances aggregating to INR 7976.40 million are necessary as at March 31, 2023.

We have not been able to corroborate the management’s contention of realising the carrying value of investments, loans and advances and Trade and other receivables related to both subsidiaries aggregating to INR 7976.40 million as on March 31, 2023. Accordingly, we are unable to comment on appropriateness of the carrying value of such investment and loans and advances and their consequential impact on the financial results and financial position of the Company as at and for the quarter and year ended on March 31, 2023.

Our Audit Opinion on financial statements for the financial year ended on March 31, 2023 and conclusion on financial results for the quarter ended on June 30, 2022, September 30, 2022 and December 31, 2022 were qualified in respect of this matter.

2. We draw attention to Note 49 of the accompanying Standalone Financial Results with respect to Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL), subsidiary of the Company, in which case, lender of SVHL, in the month of February, 2023, have exercised its right to substitute concessionaire. The SVHL vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), Harmonious substitution of concessionaire. The approval of NHAI is awaited. As explained in the said note, management has carried out impairment assessment of Investment (including subdebt), loan and other receivables in this subsidiary duly considering the expected payment arising out of aforesaid substitution and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of Investment (including subdebt) , loan and other receivables aggregating to INR 1176.53 million is considered necessary as at March 31, 2023.

However, we have not been able to corroborate the management's contention of realizing the carrying value of Investment (including subdebt), loan and other receivables balance amounting to INR 1176.53 millions as at March 31, 2023.

Accordingly, we are unable to comment on appropriateness of the carrying value of Investment (including subdebt), loan and other receivables and their consequential impact on the financial results and financial position of the company as at reporting date and for the quarter and year ended on March 31, 2023.

3. We draw attention to Note 51 of the accompanying Standalone Financial Results with respect to Sadbhav Hybrid Annuity Project Limited (SHAPL), subsidiary of the company in which auditors of the said subsidiary expressed concerns over subsidiary's ability to continue as going concern as the net worth of the subsidiary has been completely eroded. As explained in the said note, management has carried out impairment assessment of Investment (including subdebt), loan and other receivables in this subsidiary duly considering expected payment to be received by the said subsidiary and based on that, management has concluded that no impairment / adjustment to the carrying value of Investment (including subdebt), loan and other receivables aggregating to INR 680.39 millions is considered necessary as at March 31, 2023.

However, we have not been able to corroborate the management's contention of realizing the carrying value of Investment (including subdebt), loan and other receivables balance aggregating to INR 680.39 millions as at March 31, 2023. Accordingly, we are unable to comment on appropriateness of the carrying value of Investment (including subdebt), loan and other receivables and their consequential impact on the financial results and financial position of the company as at reporting date and for the quarter and year ended on March 31, 2023.

4. Material uncertainty related to going concern
We draw attention to Note no. 52 to the accompanying Standalone Financial Results, which indicates that, current liabilities exceeds current assets by INR 2348.21 millions and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, company is in the process of divestment of its investment in subsidiary companies and subsidiary companies finds difficulty in meeting obligation of lenders and accounts by the lenders of some subsidiary companies have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

Reply of Directors for above qualifications raised by Statutory Auditors in it's Audit Reports:

1. The Company has investments of INR 217.74 million and subordinate debts of INR 4688.73 million and trade & other Receivables of INR 79.14 millions in Rohtak Panipat Tollway Private Limited, a subsidiary company which is engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of this subsidiary company has fully eroded. Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, the subsidiary company could not collect toll user fees from December 25, 2020. The subsidiary company had sent various communications to NHAI for such forceful suspension of toll. The said subsidiary company has issued notice for termination of concession agreement on July 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. The said subsidiary has filed claim amounting to INR 39,578.44 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. with NHAI in terms of concession agreement. In respect of such claims, NHAI has approached to the company for settlement of all these claims by way of conciliation proceedings, which has been consented by the company.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of investments made by the company in the subsidiary and consequently no provision/adjustment to the carrying value of Investments and subordinate debts, loans and advances and trade and other receivables as at March 31, 2023 is considered necessary.

The Company has investments of INR 107.68 million and subordinate debts of INR 2893.42 million and other receivable of INR 44.17 millions in its one subsidiary namely Rohtak Hissar Tollway Private Limited, a subsidiary company which is engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of this subsidiary company has fully eroded. Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, the subsidiary company could not collect toll user fees from December 25, 2020. The subsidiary company had sent various communications to NHAI for such forceful suspension of toll. The said subsidiary company has issued notice for termination of concession agreement on August 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. The said subsidiary has filed claim amounting to INR 14,969.77 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc with NHAI in terms of concession agreement.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of investments made by the company in the subsidiary and consequently no provision/adjustment to the carrying value of Investments and subordinate debts and loans and advances as at March 31, 2023 is considered necessary.

2. The Company has investments of INR 257.99 million and subordinate debts of INR 813.83 million and other receivables of INR 104.72 million in one of its subsidiaries namely Sadbhav Vidarbha Highway Limited (SVHL or concessionaire), a subsidiary company which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National

Highways Authorities of India (NHAI), the lenders of the subsidiary in the month of February, 2023, have exercised its right to substitute concessionaire. The SVHL vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), harmonious substitution of concessionaire. The approval of NHAI is awaited.

Pending the final approval for substitution from NHAI, no adjustment to the carrying value of investments has been made in the financial statements.

3. Sadbhav Hybrid Annuity Projects Limited (SHAPL) has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from the company. The company being an investment company and holding portfolio of various Toll and HAM assets, planning & churning the various strategic option to hive off the investment, to support the subsidiary, Having regard to all these aspects, the financial statements of SHAPL have been prepared assuming that the subsidiary will continue as a going concern.
4. The Company's current liabilities exceeded its current assets by INR 2,297.91 millions. The management represents that the company holds investments in various Toll and HAM assets, The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in three of the SPVs. The management of the company has prepared projections of cash flows for the next 12 months with focus on enhancing resource availability by timely execution of HAM Projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management of the company believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date and there is no threat to going concern assumption adopted in preparation of financial results for the quarter and year ended on March 31, 2023.

Further, the Statutory Auditors have mentioned following qualifications in Report on the Internal Financial Controls with reference to standalone financial statements:

- a) The Company's internal financial controls with reference to standalone financial statements as at March 31, 2023 as regards evaluation of uncertainty for realizing the carrying value of investments (including sub-debt), loan and other receivables as explained in Note 47, Note 48, Note 49 and Note 51 to the standalone financial statements were not operating effectively which could potentially lead to not providing adjustments, if any, that may be required to the carrying values of investments (including sub-debt), loan and other receivables from such subsidiaries and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.
- b) The Company's internal process with regards to the confirmation and reconciliation of trade payables, trade receivables, other incidental balances pertaining to the said trade payables and trade receivables, recognition of income and expenses are not operating effectively which could have consequential effect on balances.
- c) Based on our audit procedure, in our opinion, the Company has inadequate system for processing of journal entries in accounting software indicating absence of maker checker system which could results into possible effect to the processing of transaction and its consequential effect on balances.

Reply of Directors for above qualifications raised by Statutory Auditors in it's Report on the Internal Financial Controls with reference to standalone financial statements:

- a) Members of the Company are requested to refer point no 1 to 3 of the Reply given by Directors for qualifications raised by Statutory Auditors in it's Standalone Audit Report as mentioned above.
- b) Company has adequate system for balance confirmation of trade payable and receivables. The Company is reconciling the outstanding balance of trade payables and receivables on regular intervals. The Company has an internal audit system which is commensurate with the size and nature of its business and there is no weakness in recognition of income and expenses Further as part of internal audit scope such balances are also reviewed by them and hence possibility of misstatement is not there.
- c) The company has adequate system of manual approval of processing of journal entries in accounting software and journal entries are also verified by the internal auditor. The Company has an internal audit system which is commensurate with the size and nature of its business Company are in process of incorporating the maker checker process in accounting software for processing of journal entries.

It may be noted that there were no material misstatements due to the weakness in system for processing of journal entries in accounting software due to absence of maker checker system.

For Consolidated:

a) Audit Qualification (each audit qualification separately):

The Statutory Auditors have provided following qualification in their audit report –

1. As detailed in Note 55 of the accompanying statement, with respect to Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL), subsidiary of the group in which case lenders of SVHL has exercised right of substitution of concessionaire in the month of February, 2023. The Concessionaire vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), Harmonious substitution of concessionaire. The approval of NHAI is awaited. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial statements of SVHL and the financial statements of SVHL is prepared on going concern basis. Owing to the uncertainty of outcome of substitution proceedings and lack of other alternate audit evidence, we are unable to comment about adjustment that may be required to the carrying value of assets and

liabilities and their consequential impact on the financial position of the Group as on March 31, 2023.

The auditors of SVHL have expressed qualified opinion on the financial statement of SVHL for the year ended March 31, 2023 vide their report dated May 26, 2023.

2. As detailed in Note 56 of the accompanying statement, with respect to Sadbhav Nainital Highway Limited (Concessionaire or SNHL), subsidiary of the group in which case National Highway Authority of India (NHAI) vide its letter dated April 17, 2023 has given In-Principal approval for harmonious substitution of concessionaire. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial statements of SNHL and the financial statements of SNHL is prepared on going concern basis pending compliance of conditions prescribed by NHAI for substitution.

The auditors of SNHL have expressed qualified opinion on the financial statement of SNHL for the year ended March 31, 2023 vide their report dated May 25, 2023.

3. As detailed in Note 48 & Note 49 of the accompanying Consolidated Financial Results, with respect to Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), subsidiaries of the Group in which interest on rupee term loan from banks and financial institutions as well as unsecured loans from group companies have not been accounted considering the fact that both subsidiaries have issued termination notices and lenders of both subsidiaries have classified all the secured borrowings as non-performing assets. This has resulted in the understatement of finance cost and the related interest liability and corresponding understatement of losses, amount of which is unascertained.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statement of RPTPL and RHTPL for the year ended March 31, 2023 vide their report dated May 25, 2023.

4. As detailed in Note 53 of the accompanying consolidated Financial Results, with respect to Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 155.45 Million under Other Current assets. However, during financial year 2022-2023, the SJRRPL does not have any business activity nor are we informed about the management plan for taking up other business activity.

Hence we are unable to comment about the utilization/realization of such tax credits in foreseeable future

5. As detailed in Note 54 of the accompanying consolidated Financial Results, with respect to Sadbhav Bangalore Highway Private Limited (SBGHPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 426.74 Million under the Other Current assets. However, during financial year 2022-2023, the SBGHPL does not have any business activity nor are we informed about the management plan for taking up other business activity.

The auditors of SBGHPL have expressed qualified opinion on the financial statement of SBGHPL for the year ended March 31, 2023 vide their report dated May 26, 2023 mentioning that they are unable to comment about the utilization of tax credits in foreseeable future.

6. **Material uncertainty related to going concern**

We draw attention to Note no. 63 to the accompanying consolidated Financial Results, which indicates that, Group's accumulated losses exceeds paid-up capital and reserves by INR 1651.58 million and, as of that date the current liabilities of the Group exceeded the current assets by INR 5959.10 million. and the Group finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, Group is in the process of divestment of its investment in subsidiary companies and subsidiary companies finds difficulty in meeting obligation of lenders and accounts by the lenders of the some of the subsidiary companies have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Reply of Directors for above qualifications raised by Statutory Auditors in it's Audit Reports:

1. Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL), subsidiary of the group in which case lenders of SVHL has exercised right of substitution of concessionaire in the month of February, 2023. The proposed buyer, Gawar Construction Limited (GCL), has submitted Expression of Interest (EOI) to the Lenders. However, the Concessionaire vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), Harmonious substitution of concessionaire. The approval of NHAI is awaited. The company and SVHL are in active discussion with GCL for executing endorsement agreement. Owing to the uncertainty of outcome of substitution proceeding note, no adjustment is made to the carrying value of assets and liabilities in the financial statements of SVHL and the financial statements of SVHL is prepared on going concern basis.
2. Sadbhav Nainital Highway Limited (Concessionaire or SNHL), subsidiary of the group in which case National Highway Authority of India (NHAI) vide its letter dated April 17, 2023 has given In-Principal approval for harmonious substitution of concessionaire. The proposed buyer, Gawar Construction Limited (GCL), has submitted Expression of Interest (EOI) to the SNHL. SNHL are in active discussion with Gawar Construction Limited for executing endorsement agreement. As per the Binding Term Sheet, the recoverability of the amount invested by the company as Equity and Sub-debt is substantially certain and hence as per management estimate, no provision is required to be made to the carrying value of assets and liabilities in the financial statements of SNHL and the financial statements of SNHL is prepared on going concern basis.
3. (a) One of the subsidiary of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the company has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RPTPL lodged total claims amounting to INR 39,578.44 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of the above, RPTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Impaired intangible assets related to Toll Collection Rights, amounting to INR 909.78 million and transferred balance amount from Intangible Assets to "Receivable from the NHAI" under the head Other Current Financial Assets. The management of RPTPL is of the view that amount recoverable from NHAI are fully recoverable.

- Written back the liability of premium obligation amounting to INR 3,695.92 million.

- Written back major maintenance provision amounting to INR 929.43 million.

During the quarter ended on March 31, 2023, RPTPL has reversed interest of INR 1,026.94 million provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non- Performing Assets.

(b) One of the subsidiary of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the company has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RHTPL lodged total claims amounting to INR 14,969.77 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of this RHTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Transferred amount of Toll Collection Rights from Intangible Assets to Receivable from the NHAI under the head Other Current Financial Assets. Further, the management of RHTPL is of the view that amounts recoverable from NHAI are fully recoverable and hence no impairment loss is envisaged.

- Written back major maintenance provision amounting to INR 786.18 million.

During the quarter ended on March 31, 2023, RHTPL has reversed interest of INR 1,228.09 million provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non Performing Assets.

4. Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 155.45 Million under the Other Current assets. Presently, the company does not carry out any business activity. However, management of SJRRPL is evaluating various option for utilising above mention credit and is confident about the utilization of the credit.
5. Sadbhav Bangalore Highway Private Limited (SBGHPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 426.74 Million under the Other Current assets. Presently, the company does not carry out any business activity. However, management of SBGHPL is evaluating various option for utilising above mention credit and is confident about the utilization of the credit.
6. The Group has accumulated losses as at March 31, 2023, which has resulted in erosion of the Group's net worth; mainly because of COVID-19 exceptional situation, inflationary pressure and constraint of the resources of the parent. The Management of the Group is focused on speedy monetization and execution of the projects, cost controls and deleveraging the business. The liquidity position is improved on account of receipt of PCODs for six HAM projects and conclusion of some of the monetization events and progress for the monetization of the balance SPVs. The management of the group has prepared projections of cash flows for the next 12 months with a focus on optimizing the resources by way of timely monetization of the SPVs, legal process of the claims, and cost control. Basis on the said projections, the management of the group believes that it will be able to service the debt as they fall due in the coming 12 months' period from the reporting date out of the above mentioned monetization events and there is no threat to going concern assumption adopted in preparation of financial results for the quarter and year ended on March 31, 2023.

Further, the Statutory Auditors have mentioned following qualifications in Report on the Internal Financial Controls with reference to consolidated financial statements:

- a) The Holding Company's internal process with regards to the confirmation and reconciliation of trade payables, trade receivables, other incidental balances pertaining to the said trade payables and trade receivables are not operating effectively which could have consequential effect on balances.
- b) The Holding Company has inadequate system for processing of journal entries in accounting software indicating absence of maker checker system which could results into possible effect to the processing of transaction and its consequential effect on balances.

Reply of Directors for above qualifications raised by Statutory Auditors in it's Report on the Internal Financial Controls with reference to consolidated financial statements:

- a) The Holding Company has adequate system for balance confirmation of trade payable and receivables. The Company is reconciling the outstanding balance of trade payables and receivables on regular intervals. The Holding Company has an internal audit system which is commensurate with the size and nature of its business and there is no weakness in recognition of income and expenses Further as part of internal audit scope such balances are also reviewed by them and hence possibility of misstatement is not there. .

The Holding Company has adequate system of manual approval of processing of journal entries in accounting software and journal entries are also verified by the internal auditor. The Holding Company has an internal audit system which is commensurate with

the size and nature of its business Company are in process of incorporating the maker checker process in accounting software for processing of journal entries.

It may be noted that there were no material misstatements due to the weakness in system for processing of journal entries in accounting software due to absence of maker checker system.

ii. Cost Auditors

The company has received a letter from the cost auditor M/s. J B Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The board of directors of the company has appointed M/s. J B Mistri & Co. & Associates, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. The Cost Audit Report for the year 2021-22 was filed with the Ministry of Corporate Affairs within stipulated time period. The members are requested to ratify the remuneration to be paid to the cost auditors of the company.

iii. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Ashish Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2023. The **Secretarial Audit Report** is annexed as **Annexure-4**.

Qualifications to the secretarial audit report:

1. Regulation 17 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the Board of directors of the top 2000 listed entities shall comprise of not less than six directors. Minimum Directors requirement was not fulfilled by the Company for a period of 21 days. Accordingly, Company was in default of Regulation 17(1)(c) for a period of 21 days from 21st February 2023 till 14th March 2023. To that extent Company has not complied with the said provisions of SEBI LODR Regulations.

Reply - The Company was in process of identifying the suitable candidate to fill the vacancy created by the resignation of Directors. The Board of Directors of the Company in its meeting held on 15th March, 2023 has considered and approved appointment of

- a) Mr. Dwigesh Joshi (DIN: 09733282) as an additional Non - Executive Director of the Company.
- b) Mr. Jatin Thakkar (DIN:09312406) as an additional Executive Director of the Company with effect from 15th March, 2023 for the period of 3 consecutive years.

Hence, the composition of Board has been complied pursuant to Regulation 17(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.

And appointment of abovementioned Directors also confirmed approved by the shareholders of the Company through Postal Ballot.

2. Pursuant to Regulation 31 (1) (b) of SEBI LODR Regulations, the listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time on a quarterly basis, within twenty-one days from the end of each quarter. There was a delay in Filing of Shareholding Pattern for the Quarter ended June 2022 by 20 days which is in violation of Regulation 31 (1) (b). Thus, Company has not complied with the said provisions of SEBI LODR Regulations to that extent.

Reply - Due to inadvertent circumstances, there was a delay of 20 days in Filing of Shareholding Pattern for the quarter ended 30-06-2023. However, the Company have submitted the Shareholding Pattern to the Stock Exchange after 20 days and also paid penalty for the same.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

ANNUAL RETURN

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the FY 2022-23 is placed on the website of the Company and weblink for the same is <https://www.sadbhavinfra.co.in/en/pdf/2023-09/SIPL%20MGT-7%202022-23.pdf>

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

There was no earning and expenditure in the foreign currency.

Since the Company does not have any manufacturing activities, the other particulars required to be provided in terms of Section 134(3) (m) of the Companies Act, 2013 are not applicable.

PARTICULARS OF MANAGERIAL REMUNERATION AND EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as **Annexure-5** to this Report.

Your Directors state that none of the Executive Directors of the Company receives any remuneration or commission from any of its Subsidiaries. There was no employee holding by himself or along with his spouse and dependent children, not less than two percent

of the equity shares of the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

Insolvency Proceedings to which Company is/was Respondent is mentioned below:

Sr. No.	Particulars	Type of Creditors	Status as at the end of financial year
1	Gautam Highway Solutions #	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
2	HCC Concessions Ltd	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
3	Mantra Corporation #	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad

The matter has been dismissed by the Hon'ble NCLT Bench, Ahmedabad till the date of this report.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: Not

Applicable during the year under review.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
3. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.
4. The Managing Director of the Company has not received any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENTS

Your Directors thank the Central and various State Governments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

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

Shashin V. Patel
Executive Chairman
DIN: 00048328

Date: 14-08-2023
Place: Ahmedabad

Annexure - 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures
Part "A": Subsidiaries

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Name of the Subsidiary Company	Ahmedabad Ring Road Infrastructure Limited	Maharashtra Border Check Post Network Limited	Rohitak-Hissar Tollway Private Limited	Rohitak-Panipat Tollway Private Limited	Sadbhav Rudrapur Highway Limited	Sadbhav Nainital Highway Limited	Sadbhav Bhavnagar Highway Limited	Sadbhav Una Highway Limited	Sadbhav Bangalore Highway Private Limited	Sadbhav Vidarbha Highway Limited	Sadbhav Udaipur Highway Limited	Sadbhav Jodhpur Ringroad Private Limited	Sadbhav Kim Expressway Private Limited	Sadbhav Infra Solutions Private Limited	Sadbhav Maintenance Infrastructure Private Limited	Sadbhav Hybrid Annuity Projects Limited
Reporting period	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	104.60	0.50	107.68	21.86	10.00	10.00	196.60	149.50	309.03	257.99	269.66	116.50	1,011.57	0.50	0.50	0.50
Reserves & Surplus	1,719.10	(1,536.16)	(2,965.83)	(4,404.09)	1,135.25	1,133.31	557.64	548.79	154.26	1,025.20	1,345.36	39.80	1,602.18	(0.16)	(2.15)	(179.91)
Total Assets	2,796.38	14,094.97	9,422.78	3,416.57	4,490.45	3,943.43	4,541.45	3,524.84	497.41	7,430.70	6,120.21	161.22	4,129.90	1.36	87.09	355.82
Total Liabilities (excluding Share Capital and Reserves & Surplus)	972.69	15,630.63	12,280.93	17,798.80	3,345.20	2,800.12	3,787.21	2,826.55	34.12	6,147.51	4,505.19	4.92	1,516.15	1.02	88.75	535.23
Investments	2.15	0.00	1.24	1.03	0.00	0.00	0.00	0.00	1.08	0.00	0.00	0.00	1.03	0.00	0.00	350.00
Turnover	1,876.93	3,035.25	-	0.00	193.90	246.57	223.61	363.20	-	273.41	374.79	0.00	898.45	-	0.00	0.00
Profit/(Loss) Before Taxation	905.54	255.05	(3.14)	(303.42)	(29.60)	150.29	25.05	(179.33)	(20.22)	(257.10)	(33.96)	(4.00)	218.34	(0.04)	(0.10)	(50.58)
Exceptional Items	-	-	0.00	0.00	0.00	0.00	347.75	0.00	(81.17)	0.00	0.00	(130.41)	0.00	0.00	0.00	0.00
Provision for Taxation	96.88	0.00	0.00	0.00	25.24	72.99	9.62	21.14	(65.86)	(26.99)	(22.39)	(44.81)	(61.46)	(0.04)	0.00	0.00
Profit/(Loss) After Taxation	808.67	208.41	(3.14)	(303.42)	(54.84)	77.30	(332.31)	(200.47)	(35.53)	(230.11)	(56.35)	(89.60)	156.88	(0.08)	(0.10)	(50.58)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of Shareholding	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Figures in bracket show negative figures.

Notes:

1. Name of Subsidiaries which are yet to commence operations: Not Applicable
2. Part B is not applicable as there are no associate Companies/ Joint Ventures of the Company as on 31st March, 2023.

For and on behalf of Board of Directors

Mr. Shashin Patel
 Executive Chairman
 DIN: 00048328

Jatin Thakkar
 Director & CFO
 DIN: 09312406

Hardik Modi
 Company Secretary

Date: August 14, 2023
 Place: Ahmedabad

Annexure - 2 Report on Corporate Social Responsibility

Form No. AOC-2

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

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

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

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

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

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

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Million	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
1	Sadbhav Engineering Limited	Holding Company	Payment of Rent	2022-23	4.32	NA	Nil
2	Sadbhav Engineering Limited	Holding Company	Services Received under EPC & Maintenance Contracts	2022-23	49.24	NA	Nil
3	Sadbhav Una Highway Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	28.18	NA	Nil
4	Sadbhav Bhavnagar Highway Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	53.71	NA	Nil
5	Sadbhav Rudrapur Highway Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	17.89	NA	Nil
6	Sadbhav Nainital Highway Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	10.91	NA	Nil
7	Sadbhav PIMA Private Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	5.46	NA	Nil

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Million	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
8	Ahmedabad Ringroad Infrastructure Limited	Wholly owned Subsidiary	Rendering service under Operations and Maintenance Contract	2022-23	18.90	NA	Nil
9	Sadbhav Engineering Limited	Holding Company	Reversal of Services Received under EPC & Maintenance Contracts	2022-23	159.61	NA	Nil
10	Sadbhav Banglore Highway Private Limited	Wholly owned Subsidiary	Reversal of service rendered under Operations and Maintenance Contract	2022-23	238.05	NA	Nil
11	Sadbhav Jodhpur Ringroad Private Limited	Wholly owned Subsidiary	Reversal of service rendered under Operations and Maintenance Contract	2022-23	6.07	NA	Nil

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

For and on behalf of Board of Directors

Mr. Shashin Patel
Executive Chairman
DIN: 00048328

Date: August 14, 2023
Place: Ahmedabad

Annexure - 3

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

1. Brief outline on CSR Policy of the Company:

Sadbhav Infrastructure Project Limited shall strive to reach out to the under-privileged, needy and weaker sections of the society and to address the social, educational, cultural, environmental and economic needs of such sections of the society. The company shall give preference to the local area of its operations.

The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <https://www.sadbhavinfra.co.in/en/pdf/corporate-social-responsibility-policy.pdf>.

Key Focus Areas of the CSR Policy are

- Promoting education
- Health Care
- Sustainable Livelihood
- Protection of the environment
- Infrastructure development
- Slum Area Development
- eradicating extreme hunger and poverty

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Vasistha C. Patel*	Director- Chairman of CSR Committee	2	0
02	Nitin R. Patel#	Non-Executive Director-Member	2	1
03	Sandip V. Patel	Independent Director-Member	2	2
04	Shashin Patel\$	Director- Chairman of CSR Committee	2	1
05	Daksha Shah^	Independent Director-Member	2	1

* Mr. Vasistha Patel has tendered resignation as Chairman to the Committee w.e.f. 21-11-2022

Mr. Nitin Patel has tendered his resignation as Member of the Committee w.e.f. 21-11-2022.

\$ Mr. Shashin Patel was appointed as Member of the Committee w.e.f. 21-11-2022.

^ Mrs. Daksha Shah was appointed as Member of the Committee w.e.f. 21-11-2022.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company <https://www.sadbhavinfra.co.in/en/pdf/corporate-social-responsibility-policy.pdf>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report) N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility) Rules, 2014, and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs.)
1.	2021-22	Nil	Nil

6. Average net profit of the Company as per Section 135(5) Average Loss of (Rs. 12633.50 Lakhs)

- Two percent of average net profit of the Company as per Section 135(5) (Rs. 252,67 Lakhs)
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil
- Amount required to be set off for the financial year, if any Nil
- Total CSR obligation for the financial year (7a + 7b - 7c) Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (In Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
		Amount (in Rs. Lakhs)	Date of Transfer	Name of the Fund	Amount (in Rs. Lakhs)
NIL	Not Applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of Projects	Item from list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project	Project Duration	Amount allotted for the Project	Amount spent in current financial year	Amount transferred to Unspent CSR Account for the project as per section 135(6) of the Act	Mode of Implementation –Direct- Yes/No	Mode of Implementation through Implementation agency	
										Name	CSR Registered No.
				State District							
1	Not Applicable										
2											
3											
	Total										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project (in Rs. Lakhs).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.
				State District			Name. CSR Registration No.
1	*Not Applicable						
2							
	TOTAL						

* As the net average profit for the last three years were negative, CSR Committee suggested not to spend any amount for CSR activities during the financial year 2022-23.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Negative (252.67 Lakhs)
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (Rs. in Lakhs)	Amount spent in the Reporting Financial Year (Rs. in Lakhs)	Amount Spent to any Specified Fund mentioned in Schedule VII as per Section 135(6), if any			Amount remaining to be spent in remaining Financial Years (Rs. in Lakhs)
				Name of the Fund	Amount (Rs) in lakhs	Date of Transfer	
1	2021-22	-	-	-	-	-	
2	2020-21	-	-	-	-	-	
3	2019-20	-	-	-	-	-	
	TOTAL	-	-	-	-	-	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

a) Date of creation or acquisition of the capital asset(s)	-
b) Amount of CSR spent for creation or acquisition of capital asset	-
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	-
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	-

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For, Sadbhav Infrastructure Project Limited

Mr. Shashin Patel
Chairman of CSR Committee
DIN: 00048328

Mr. Sandip Patel
Member of the Committee
DIN: 00449028

Date: 14-08-2023
Place: Ahmedabad

Annexure - 3

Annual Report on CSR Activities for the year ended on 31st March 2023

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To,
The Members,
Sadbhav Infrastructure Project Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadbhav Infrastructure Project Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Infrastructure Project Limited ("the Company") for the financial year ended on 31st March, 2023 and verified the provisions of the following acts, regulations and also their applicability as far as the Company is concerned during the period under Audit:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Regulation 17 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the Board of directors of the top 2000 listed entities shall comprise of not less than six directors. Minimum Directors requirement was not fulfilled by the Company for a period of 21 days. Accordingly, Company was in default of Regulation 17(1)(c) for a period of 21 days from 21st February 2023 till 14th March 2023. To that extent Company has not complied with the said provisions of SEBI LODR Regulations.

Pursuant to Regulation 31 (1) (b) of SEBI LODR Regulations, the listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time on a quarterly basis, within twenty-one days from the end of each quarter. There was a delay in Filing of Shareholding Pattern for the Quarter ended June 2022 by 20 days which is in violation of Regulation 31 (1) (b). Thus, Company has not complied with the said provisions of SEBI LODR Regulations to that extent.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No Change has taken place in the composition of the Board of Directors of the company during the period under review.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

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

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

For, Ashish Shah & Associates

Ashish Shah
Company Secretary in practice
FCS No.: 5974
C P No.: 4178
UDIN: F005974E000801263

Place: Ahmedabad
Date: 14-08-2023

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure - A

To,
The Members,
Sadbhav Infrastructure Project Limited

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

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

For, Ashish Shah & Associates

Ashish Shah
Company Secretary in practice
FCS No.: 5974
C P No.: 4178
UDIN: F005974E000801263

Place: Ahmedabad
Date: 14-08-2023

Annexure - 5

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

A) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2022-23:

Name of Directors	Designation	Ratio of remuneration of the Directors to the median remuneration of the employees	% increase in remuneration in the financial year
Mr. Vasistha C. Patel#	Managing Director	6.18:1	Nil
Mr. Shashin V. Patel*	Non – Executive Director upto 14-02-2023 Chairman and Executive Director (w.e.f. 14-02-2023)	0.12:1	Nil
Mr. Nitin R. Patel*§	Non-Executive Director	0.13:1	Nil
Mr. Sandip V. Patel*	Independent Director	0.19:1	Nil
Mr. Arun S. Patel*	Independent Director	0.19:1	Nil
Mrs. Daksha N. Shah*	Independent Director	0.19:1	Nil
Mr. Jatin Thakkar^	Executive Director and Chief Financial Officer	18.87:1	Nil
Mr. Dwigesh Joshi%	Non-Executive Director	0.60:1	Nil

* Reflecting sitting fees.

Mr. Vasistha C. Patel has tendered resignation from the position of Managing Director of the Company w.e.f. 21/11/2022.

§ Mr. Nitin R. Patel (DIN: 00466330), Director of the Company has tendered his resignation from the post of Director of the Company w.e.f. 21/11/2022.

^ Mr. Jatin Thakkar was appointed as Chief Financial Officer w.e.f. 17th December, 2022 and Further, he was appointed as an Additional Executive Director of the Company for a period of three (3) years w.e.f. 15th March, 2023 to 14th March, 2026 (both days inclusive).

% Mr. Dwigesh Joshi (DIN: 09733282) have been appointed as an Additional Non-Executive Director of the Company w.e.f. 15th March, 2023.

Comparison of remuneration of the key managerial personnel against the performance of the Company: Loss before tax increased by 75.08% and loss after tax increased by 86.56% in the financial year 2022-23.

The percentage increase in remuneration of the Chief Financial Officer and the Company Secretary: Nil.

B) The percentage increase in the median remuneration of employees in the financial year 2022-23: 16.28%

C) There were 53 employees on the rolls of Company as on March 31, 2023.

D) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was Nil whereas the increase in the managerial remuneration for the same financial year was 46%

E) It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

The information required under sub section (12) of section 197 of the Companies Act, 2013 read with rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) rule 2014, the details showing the name the names of the top ten employees in terms of remuneration drawn will be made available on request sent to the Company on investor@sadbhavinfra.co.in. and the name of every employee, who-]

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; - Not Applicable
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month and other particulars of employees drawing remuneration in excess of limits set out in the said rule are as under:

Name	Mr. Jatin Thakkar
Designation	Executive Director and Chief Financial Officer
Remuneration received	Rs. 9,25,000 p.m.
Nature of employment, whether contractual or otherwise;	Mr. Jatin Thakkar (DIN: 09312406) has been appointed as an Additional Executive Director of the Company for a period of three (3) years w.e.f. 15th March, 2023 to 14th March, 2026 (both days inclusive).

Qualification and Experience	Mr. Jatin Thakkar is a Member of Institute of Chartered Accountants of India. He is a versatile, high-energy professional, successful in achieving business growth objectives within turnaround time & rapid changing external environment. He is having a rich experience of 14+ years in managing in gamut of Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.
Date of commencement of employment;	Appointed as Chief Financial Officer w.e.f. 17-12-2022 Appointed as an Additional Executive Director w.e.f. 15-03-2023
Age	35 years
Last employment held by such employee before joining the company	Adani Enterprises Limited
The percentage of equity shares held by the employee in the company	0.00%
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	Not related to any Director or Manager of the Company.

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

Shashin V. Patel
Executive Chairman
DIN: 00048328

Date: 14-08-2023
Place: Ahmedabad

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all phases of its functioning and its interactions with stakeholders, employees, government, regulatory bodies and community at large. To create a culture of corporate governance, the company has adopted practices such as constitution of various Board Committees for effective internal control system, adequate and timely compliance, fair representation of professionally qualified, non-executive and independent directors on the Board, disclosure of material information, effective management control, etc. The company is committed to achieve good corporate governance for betterment of sustainable growth and enhancement of stakeholders' value. So far as compliance with the requirement of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

2. BOARD OF DIRECTORS

A) Composition of Board:

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors including Independent Directors. As on 31st March, 2023, the Board comprised of Six directors which include Two Executive Director and Four Non-Executive Directors including Three Independent Directors (including one woman Director). Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, accounts, audit, legal and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise to the Company and which enable them to effectively contribute to the Company in their capacity as Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1) (b) of SEBI Listing Regulations.

During FY 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 8 listed companies.

Further, none of the Independent Directors ('ID') served as ID in more than 7 listed companies. The Managing Directors did not serve as an Independent Director in any listed company.

The composition of Board of Directors as on 31st March, 2023 is as under.

Name	Designation	Category	No. of Directorship held in other Public Limited Companies	No. of Independent Directorship in Listed entity	No. of Committee Membership in other companies #	No. of Committee Chairmanship in other companies #	Directorship in other listed entity (Category of Directorship)	No. of Equity Shares held
Mr. Shashin Patel (DIN: 00048328)	Whole Time Director	Chairman and Executive Director	5	0	2	0	Sadbhav Engineering Limited (Chairman & Managing Director)	814110
Mr. Jatin Thakkar (DIN: 09312406)	Director & Chief Financial Officer	Executive Director	2	0	0	0	Sadbhav Engineering Limited (Non-Executive Director)	Nil

Name	Designation	Category	No. of Directorship held in other Public Limited Companies	No. of Independent Directorship in Listed entity	No. of Committee Membership in other companies #	No. of Committee Chairmanship in other companies #	Directorship in other listed entity (Category of Directorship)	No. of Equity Shares held
Mr. Dwigesh Joshi (DIN: 09733282)	Director	Non-Independent, Non-Executive Director	1	0	0	0	Sadbhav Engineering Limited (Executive Director)	5000
Mr. Sandip V. Patel (DIN: 00449028)	Director	Independent, Non-Executive Director	6	2	0	2	Sadbhav Engineering Limited (Independent Director, Non-Executive)	1885
Mr. Arun S. Patel (DIN: 06365699)	Director	Independent, Non-Executive Director	4	2	0	0	K Z Leasing and Finance Limited (Independent Director, Non-Executive)	1885
Mrs. Daksha N. Shah (DIN: 00376899)	Director	Independent, Non-Executive Director	2	2	0	0	Mas Financial Services Ltd. (Independent Director, Non-Executive)	Nil

Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Infrastructure Project Limited) have been considered for committee position.

B) Board Meeting and Procedure:

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than 120 days. During the year under review, 9 (Nine) Board Meetings were held on 27th May, 2022, 20th June, 2022, 9th August, 2022, 15th October, 2022, 12th November, 2022, 21st November, 2022, 17th December, 2022, 14th February, 2023 and 15th March, 2023. The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations.

The meetings of the Board of Directors are scheduled well in advance. The Company Secretary, in consultation with Managing Director and other Directors, prepares detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vasistha C. Patel*	9	6	Yes
Mr. Shashin V. Patel	9	8	Yes
Mr. Nitin R. Patel#	9	8	Yes
Mr. Sandip Patel	9	9	Yes
Mr. Arun S. Patel	9	9	Yes
Mrs. Daksha N. Shah	9	9	Yes
Mr. Jatin Thakkar§	9	1	NA
Mr. Dwigesh Joshi^	9	1	NA

* Mr. Vasistha C. Patel has tendered resignation from the position of Managing Director of the Company w.e.f. 21/11/2022.

Mr. Nitin R. Patel (DIN: 00466330), Director of the Company has tendered his resignation from the post of Director of the Company w.e.f. 21/11/2022.

§ Mr. Jatin Thakkar (DIN: 09312406) has been appointed as an Additional Executive Director of the Company for a period of three (3) years w.e.f. 15th March, 2023 to 14th March, 2026 (both days inclusive).

^ Mr. Dwigesh Joshi (DIN: 09733282) has been appointed as an Additional Non-Executive Director of the Company w.e.f. 15th March, 2023.

C) Evaluation of Board Performance:

During the year, the Board in consultation with Nomination and Remuneration Committee has adopted a formal mechanism to lay down the evaluation criteria for the performance of the Chairman, the Board, the Committees and Executive/Non-Executive/Independent Directors, excluding the Director being evaluated. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the

meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation on different criteria, which reflected the overall engagement of the Board and its Committees with the Company.

D) Separate Meeting of Independent Directors:

During the year under review, in compliance with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company, without attendance of Non-Independent Directors and members of management, was held on 14th February, 2023, wherein, the Independent Directors:

1. Reviewed the performance of Non-Independent Directors;
2. Reviewed the performance of Board as a whole;
3. Reviewed the performance of Chairman of the Company;
4. Assessed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

E) Familiarization Programme for Independent Directors:

The Company familiarized its Independent Directors with the Corporate Structure of the group, nature of the industry in which Company operates, business model of the Company, project details, toll income and financials, etc. through familiarization programme held on 14th February, 2023. The detailed familiarization programme for Independent Directors is available on the website of the company. Weblink of the same is https://www.sadbhavinfra.co.in/en/pdf/2022-04/Familiarisation%20Programme_2022-23.pdf

F) Skills, Expertise and Competencies of the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- a) Leadership experience in managing companies and associations including general management.
- b) Industry experience including its entire value chain and indepth experience in corporate strategy and planning
- c) Expertise in the field of Infrastructure
- d) Experience in finance, tax, risk management, legal, compliance and corporate governance
- e) Experience in human resources and communication
- f) Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company.

The Board has identified the following skill set with reference to its Business and Industry, which are available with the Board.

Name of the Director	Expertise in Specific functional area
Mr. Shashin Patel	Entrepreneur, Infrastructure domain, Business Strategy and Corporate Management
Mr. Jatin Thakkar	Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.
Mr. Dwigesh Joshi	Corporate Finance, Managing Banking relationships, Debt Capital market, Credit Rating, Project Finance, Costing and Accounting, Supply Chain, Treasury management areas and Proficient in management of Working Capital, Structuring of the Treasury transactions.
Mr. Sandip V. Patel	Internal control systems, Cost Planning and Project Financing, Funds Raising and Taxation
Mrs. Dakshaben N. Shah	Microfinance, Corporate Governance and Strategy planning and implementation
Mr. Arun S. Patel	Audit, Taxation, Accounts and Finance and Project Finance

During the year none of the Independent Director has resigned before the expiry of his tenure and accordingly requirement of providing the reason for resignation of Independent Director is not applicable to the Company.

3. COMMITTEES OF THE BOARD

The Board has following Committees as on 31st March, 2023:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Finance and Investment Committee
5. Corporate Social Responsibility Committee
6. Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, re-constituting, assigning and co-opting the members of the Committees.

A) Audit Committee

i. Terms of Reference:

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. During the year under review, the Audit Committee Charter was amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, includes:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the Statutory Auditor of the Company and fixation of audit fee;
- Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process;
- Approving payments to Statutory Auditors for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issued and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the proposed offer by the Company.
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management system;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- Reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control system;
- Reviewing the adequacy of internal audit function if any, including the structure of internal audit department, reporting structure coverage and frequency of internal audit;
- Discussing with Internal Auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- Approving the appointment of the Chief Financial Officer or any other person handling the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

ii. Composition and Attendance:

The Company has independent Audit Committee, constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Committee are financially literate. The Company Secretary acts as the secretary to the Committee. Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 30th September, 2022

During the year Financial year 2022-23, 5 (Five) meetings of the Audit Committee were held on 27th May, 2022, 9th August, 2022, 15th October, 2022, 12th November, 2022 and 14th February, 2023.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Sandip V. Patel	Chairman	Independent, Non-Executive Director	5	5
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	5	5
Mr. Nitin R. Patel*	Member	Non-Independent, Non-Executive Director	5	4
Mr. Shashin Patel#	Member	Executive Director	5	1

* Mr. Nitin Patel resigned as Member of the Committee w.e.f. 21-11-2022

Mr. Shashin Patel was appointed as Member of the Committee w.e.f. 21-11-2022

B) Nomination and Remuneration Committee

i. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- Formulating criteria for evaluation of the Independent Directors and the Board;
- Specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.
- Devising a policy on Board diversity;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluations of every Director's performance;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and determining remuneration packages of such Directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting a fixed and variable component;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - 1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 2) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

ii. Composition and Attendance:

The Company has independent Nomination and Remuneration Committee, constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Arun S. Patel, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 30th September, 2022.

During the year 2022-23, 6 (Six) meetings of the Nomination and Remuneration Committee were held on 9th August, 2022, 12th November, 2022, 21st November, 2022, 17th December, 2022, 14th February, 2023 and 15th March, 2023.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Arun S. Patel	Chairman	Independent, Non-Executive Director	6	6
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	6	6
Mr. Shashin V. Patel*	Member	Executive Director	6	4
Mrs. Daksha Shah#	Member	Independent, Non-Executive Director	6	2

* Mr. Shashin V. Patel (DIN: 00048328) has been appointed and designated as the Executive Chairman of the Company in the category of Key Managerial Personnel a period of three (3) years w.e.f. 14th February, 2023 to 13th February, 2026 (both days inclusive). Therefore he resigned as Member of the Committee w.e.f. 14-02-2023.

Mrs. Daksha Shah was appointed as Member of the Committee w.e.f. 14-02-2023

iii. Remuneration Policy:

The remuneration policy of the Company has been formulated by ensuring that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis.

i) Remuneration to Non-Executive Directors

During the year 2022-23, Non-Executive Directors are paid sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii) Remuneration to Executive Director

Remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of the remuneration paid to Executive and Non-Executive Directors during the year 2022-23 are as under.

Name of Directors	Salary (Rs. In Lakh)	Sitting Fees (Rs. In Lakh)	Terms of appointment
Mr. Vasistha Patel*	21.27	NA	NA
Mr. Nitin Patel#	-	0.45	NA
Mr. Shashin V. Patel%	-	0.60	3 years from 14th February, 2023
Mr. Sandip V. Patel	NA	1.05	5 years from 5th September, 2019
Mr. Arun S. Patel	NA	1.05	5 years from 22nd October, 2019
Mrs. Daksha N. Shah	NA	1.05	5 years from 24th March, 2020
Mr. Jatin Thakkar\$	32.37	NA	3 years from 15th March, 2023
Mr. Dwigesh Joshi^	Nil	0.15	NA

* Mr. Vasistha C. Patel has tendered resignation from the position of Managing Director of the Company w.e.f. 21/11/2022.

Mr. Nitin R. Patel (DIN: 00466330), Director of the Company has tendered his resignation from the post of Director of the Company w.e.f. 21/11/2022.

% Mr. Shashin V. Patel (DIN: 00048328) has been appointed and designated as the Executive Chairman of the Company in the category of Key Managerial Personnel a period of three (3) years w.e.f. 14th February, 2023 to 13th February, 2026 (both days inclusive). Therefore he resigned as Member of the Committee w.e.f. 14-02-2023.

\$ Mr. Jatin Thakkar (DIN: 09312406) has been appointed as an Additional Executive Director of the Company for a period of three (3) years w.e.f. 15th March, 2023 to 14th March, 2026 (both days inclusive).

^ Mr. Dwigesh Joshi (DIN: 09733282) has been appointed as an Additional Non-Executive Director of the Company w.e.f. 15th March, 2023.

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company and the weblink for the same is https://www.sadbhainfra.co.in/en/pdf/criteriafor_making_payment_to_non_executive_directors.pdf

C) Stakeholders' Relationship Committee

i. Terms of Reference:

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders. During the year under review, the terms of reference of the SRC were amended to align the role of the Committee with amendments to the Listing Regulations. The terms of reference of the SRC includes:

- Redressal of shareholders' / investors' grievances;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividend, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.
- Carrying out any other function as prescribed under the Equity Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Composition and Attendance:

The Company has constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company Secretary acts as the secretary to the Committee. Mr. Arun Patel, Chairman of the Stakeholders' Relationship Committee, was present at the Annual General Meeting of the Company held on 30th September, 2022.

During the year 2022-23, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on 27th May, 2022, 9th August, 2022, 12th November, 2022 and 14th February, 2023.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Nitin R. Patel*	Chairman	Non-Independent, Non-Executive Director	4	3
Mr. Vasistha C. Patel#	Member	Executive Director	4	1
Mr. Arun S. Patel	Chairman	Independent, Non-Executive Director	4	4
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	4	4
Mr. Shashin Patel§	Member	Executive Director	4	1
Mrs. Daksha Shah^	Member	Independent, Non-Executive Director	4	1

* Mr. Nitin R Patel has tendered resignation as Chairman to the Committee w.e.f. 21-11-2022 and Mr. Arun Patel was designated as Chairman to the Committee w.e.f. 21-11-2022.

Mr. Vasistha C Patel has tendered his resignation as Member of the Committee w.e.f. 21-11-2022.

§ Mr. Shashin Patel was appointed as Member of the Committee w.e.f. 21-11-2022

^ Mrs. Daksha Shah was appointed as Member of the Committee w.e.f. 21-11-2022

iii. No. of Complaints received and resolved during the year:

Particulars	No. of Complaints
Complaints at the beginning of the year	Nil
Complaints received during the year	Nil
Complaints resolved during the year	Nil
Complaints remains unresolved at the end of the year	Nil
Complaints not solved to the satisfaction of shareholders	Nil

D) Finance and Investment Committee

The Board has constituted Finance Committee as “Finance and Investment Committee” comprising of Mr. Shashin Patel, Mr. Arun Patel and Mrs. Daksha Shah, to review investment of funds, approval of short terms and/or long terms loans, banking transactions, avail financial facilities for Company and any other matters related to finance and investments of the company as decided by the Board of Directors of the Company.

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

During the year 2022-23, 1 (One) meeting of the Finance and Investment Committee was held on 12th October, 2022.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vasistha C. Patel*	Member	Executive Director	1	1
Mr. Shashin V. Patel	Chairman	Executive Director	1	1
Mr. Nitin R. Patel#	Member	Independent, Non-Executive Director	1	1
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	1	1
Mrs. Daksha Shah§	Member	Independent, Non-Executive Director	1	0

* Mr. Vasistha Patel has tendered resignation as Member to the Committee w.e.f. 21-11-2022

Mr. Nitin Patel has tendered his resignation as Member of the Committee w.e.f. 21-11-2022.

§ Mrs. Daksha Shah was appointed as Member of the Committee w.e.f. 21-11-2022.

E) Corporate Social Responsibility Committee

Company has duly constituted Corporate Social Responsibility Committee (known as “CSR Committee”) in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013, for the purpose of activities to be undertaken by the company towards the Corporate Social Responsibility (CSR).

The terms of reference of CSR Committee includes, formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and providing guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year 2022-23, 2 (Two) meetings of the CSR Committee were held on 27th May, 2022 and 14th February, 2023.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vasistha C. Patel*	Chairman	Executive Director	2	0
Mr. Nitin R. Patel#	Member	Non-Independent, Non-Executive Director	2	1
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	2	2
Mr. Shashin V. Patel§	Chairman	Executive Director	2	1

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mrs. Daksha Shah^	Member	Independent, Non-Executive Director	2	1

* Mr. Vasistha Patel has tendered resignation as Chairman to the Committee w.e.f. 21-11-2022

Mr. Nitin Patel has tendered his resignation as Member of the Committee w.e.f. 21-11-2022.

§ Mr. Shashin Patel was appointed as Member of the Committee w.e.f. 21-11-2022.

^ Mrs. Daksha Shah was appointed as Member of the Committee w.e.f. 21-11-2022.

F) Risk Management Committee

In compliance of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and majority of members of the Committee are members of Board of Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks as also identify business opportunities. The Committee has been delegated powers to monitor and review risk management plans. The Committee is headed by Mrs. Daksha Shah as Chairman of the Committee. Mr. Shashin Patel and Mr. Sandip Patel are members of the Committee. The Committee meets as and when they need to review the management plans.

During the year 2022-23, 2 (Two) meetings of the Risk Management Committee were held on 9th August, 2022 and 16th January, 2023.

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

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vasistha C. Patel*	Chairman	Executive Director	2	0
Mr. Nitin R. Patel#	Member	Non-Independent, Non-Executive Director	2	1
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	2	2
Mr. Shashin V. Patel§	Member	Executive Director	2	1
Mrs. Daksha Shah^	Chairman	Independent, Non-Executive Director	2	1

* Mr. Vasistha Patel has tendered resignation as Chairman to the Committee w.e.f. 21-11-2022.

Mr. Nitin Patel has tendered his resignation as Member of the Committee w.e.f. 21-11-2022.

§ Mr. Shashin Patel was appointed as Member of the Committee w.e.f. 21-11-2022.

^ Mrs. Daksha Shah was appointed as Chairman of the Committee w.e.f. 21-11-2022.

4. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2021-22	Friday, 30th September, 2022 (02:00 p.m.)	Through Video Conferencing or Other Audio Visual Means.	Yes <ul style="list-style-type: none"> Approval of Loans, Investments, Guarantee or Security Under Section 185 of Companies Act, 2013 – (Resolution proposed but not passed) Re-appointment of Mr. Vasistha C. Patel [DIN: 00048324] As Managing Director.
2020-21	Wednesday, 29th September, 2021 (02:00 p.m.)	Through Video Conferencing or Other Audio Visual Means.	No
2019-20	Tuesday, 29th September, 2020 (02:00 p.m.)	Through Video Conferencing or Other Audio Visual Means.	Yes <ul style="list-style-type: none"> Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis

During the year 2022-23, One Special Resolution was passed by the Company through Postal Ballot on 21st March, 2023.

The E-voting results for the said resolution as mentioned below:

Particulars of Resolutions	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against
Sale of equity share capital of Sadbhav Bhavnagar Highway Limited and Sadbhav Una Highway Limited [a Special Purpose Vehicles of the company (SPVs)]	27,13,07,095 (99.96%)	1,19,459 (0.04%)

Mr. Ravi Kapoor, Practicing Company Secretary, was appointed as scrutinizer and has conducted the Extra ordinary General Meeting for the aforesaid resolution.

The aforesaid resolution was passed by the shareholders with requisite majority.

5. MEANS OF COMMUNICATION

- The quarterly, half yearly and annual financial results and other statutory information are generally communicated to the shareholders by way of an advertisement in an English newspaper viz. 'The Financial Express (English)' and in a vernacular language newspaper viz. 'The Financial Express (Gujarati)' as per requirements of the Listing Regulations.
- The Company is promptly reporting all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website <https://www.sadbhavinfra.co.in/>.
- The financials and other material information were uploaded by the Company on the websites of NSE and BSE i.e. www.nseindia.com and www.bseindia.com respectively through NSE Electronic Application Processing System (NEAPS) and Digital Platform of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE).
- Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website, www.sadbhavinfra.co.in.
- The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, Management's Discussion and Analysis, Report on Corporate Governance and Audited Financial Results.
- The Company has not made any Presentations to institutional investors or to the analysts.

6. GENERAL SHAREHOLDERS INFORMATION

A) General Information:

1. Annual General Meeting

Date and Time : Saturday, 30th September, 2023 at 02.00 p.m
Venue : Through Video Conferencing or other Audio Visual means

2. Financial Year

: 1st April, 2022 to 31st March, 2023

3. Book Closure Date

: Sunday, 24th September, 2023 to Saturday, 30th September, 2023 (both days inclusive)

4. Dividend Payment Date

: N.A.

5. Listing on Stock Exchanges

Equity Shares

: **BSE Limited**
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
 : **National Stock Exchange of India Limited**
 Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

6. Listing Fees

: Company has paid the annual listing fees for the financial year 2022-23 to the above Stock Exchanges.

7. Stock Code

BSE Limited

: 539346

National Stock Exchange of India Limited

: SADBHIN

ISIN for Equity Shares

: INE764L01010

B) Debt Securities (Debentures):

Unlisted, Unrated, Secured, Redeemable, Non-Convertible Debentures as on 31st March, 2023.

ISIN number	Issuance date	Maturity date	Payment frequency	Amount Outstanding (Amount in Rs.)	Name of the Debenture Trustee
INE764L07207	15/04/2021	15/07/2026	N.A	160,00,00,000	CATALYST TRUSTEESHIP LIMITED
INE764L07199	15/04/2021	15/04/2025	N.A	262,89,12,000	CATALYST TRUSTEESHIP LIMITED

C) Details of Debenture Trustee:

CATALYST TRUSTEESHIP LIMITED (Formerly known as GDA Trusteeship Limited)	Office No. 83 – 87, 8th Floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021 Tel: 022-49220555; Fax: 022-49220505 Email: dt@ctltrustee.com Website: www.catalysttrustee.com
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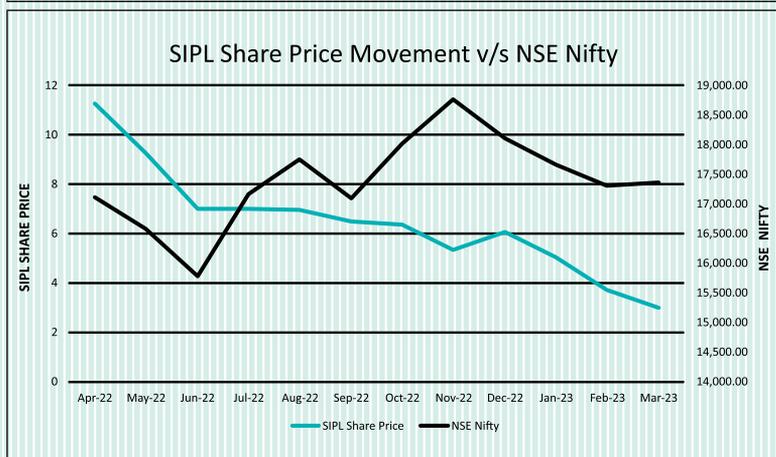
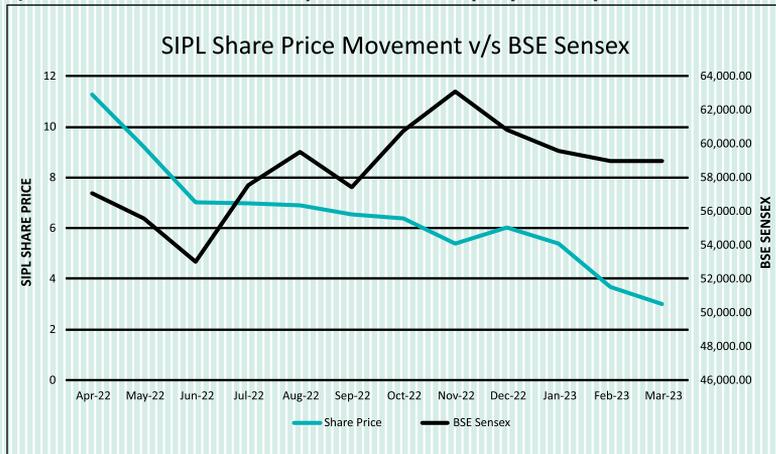
D) Market Price Data:

Below mentioned are the details of high/low, Number and Value of shares traded during each month in the last financial year.

Month	BSE Limited		National Stock Exchange Limited	
	High	Low	High	Low
Apr-22	14.19	9.17	14.20	8.85
May-22	11.55	8.79	11.50	8.70
Jun-22	10.30	6.72	10.15	6.80
Jul-22	8.32	6.90	8.05	6.80
Aug-22	7.45	6.63	7.40	6.65
Sep-22	7.56	6.26	7.65	6.35
Oct-22	7.51	6.00	7.45	6.00

Month	BSE Limited		National Stock Exchange Limited	
	High	Low	High	Low
Nov-22	6.47	4.95	6.45	5.25
Dec-22	7.26	5.20	7.25	5.20
Jan-23	6.29	5.20	6.20	5.20
Feb-23	5.65	3.54	5.65	3.55
Mar-23	4.23	2.90	4.20	2.85

E) Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:



F) Registrar & Share Transfer Agent:

Name and Address : M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

Phone : 022-49186000

Fax : 022-49186060

Email : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

G) Share Transfer System:

With effective from 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

Pursuant to Regulation 40(9) of the Listing Regulations with the stock exchanges, the Company obtains a Certificate from a Practicing Company Secretary on yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

H) Shareholding as on 31st March, 2023:**i. Distribution of Shareholding as on 31st March, 2023**

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Capital
1 – 500	29557	65.8168	4370206	1.2407
501 – 1000	5634	12.5456	4756462	1.3504
1001 – 2000	3893	8.6688	6118677	1.7371
2001 – 3000	1690	3.7632	4392951	1.2472
3001 – 4000	818	1.8215	2964995	0.8418
4001 – 5000	796	1.7725	3801136	1.0792
5001 – 10000	1332	2.9661	9975893	2.8322
10001 & Above	1188	2.6454	315844896	89.6713
Total	44908	100.00	352225216	100.00

ii. Categories of Shareholders as on 31st March, 2023

Category	No. of Shares held		Total No. of Shares	% of holding
	Demat	Physical		
Promoters	247748736	-	247748736	70.34
Mutual Fund	2332635	-	2332635	0.66
Banks/Financial Institutions/Central Govt./State Govt./Trusts & Insurance Companies	-	-	-	-
FII / Foreign Portfolio Investors	225238	-	225238	0.06
NRI (Repatriable & Non-Repatriable)	1676368	-	1676368	0.48
Foreign Companies	17221860	-	17221860	4.89
Other Corporate Bodies	9416923	-	9416923	2.67
Indian Public / HUF	73471751	3	73471754	20.86
Clearing Member	131702	-	131702	0.04
Trust	-	-	-	-
Total	352225213	3	352225216	100.00

I) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. Equity Shares of the Company representing 99.9999% of the Company's paid up share capital is in dematerialized form as on 31st March, 2023 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of which are as under.

Sr. No.	Mode of Holding	No. of Shares	% of Total Capital
1	NSDL	268144436	76.13
2	CDSL	84080777	23.87
3	Physical	3	0.00
	Total	352225216	100.00

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

ISIN number for dematerialization of the equity shares of the Company is INE764L01010.

J) Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion date and likely impact on equity: The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

K) Commodity price risk or foreign exchange risk and hedging: Not Applicable

L) Plant Locations: The Company does not have any manufacturing plant.

M) Address for Correspondence: Shareholders may correspond to the Company Secretary of the Company or at the office of Registrar & Transfer Agent at the below mentioned addresses.

Company Secretary & Compliance Officer Sadbhav Infrastructure Project Limited "Sadbhav", Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad – 380 009 Phone: 079-40400400 Fax: 079-40400444 Email: investor@sadbhavinfra.co.in Website: www.sadbhavinfra.co.in	M/s. Link Intime India Private Limited Unit: Sadbhav Infrastructure Project Limited Registrar & Transfer Agent C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Phone: 022-49186000 Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
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N) Credit Rating: as on 31/03/2023

Facilities	Outstanding Amount (Rs. Crores)	Rating
Non-Convertible Debenture	390.00 (Rupees Three Hundred and Ninety Crores Only)	IND C (ISSUER NOT COOPERATING) / Rating Watch Off
Non-Fund Based Working Capital Limit	300.00 (Rupees Three Hundred Crores Only)	IND C (ISSUER NOT COOPERATING) / Rating Watch Off / IND A4 (ISSUER NOT COOPERATING)
Total	690.00	

7. OTHER DISCLOSURES

- A)** All transactions entered into with related parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2022-23, were in the ordinary course of business and on an arm's length basis. There were no materially significant Related Party Transactions during the financial year 2022-23 that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>
- B)** There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Further, there are no penalties or strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.
- C)** In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The said policy is uploaded on the website of the Company at <https://www.sadbhavinfra.co.in/en/pdf/whistle-blower-policy.pdf>.

All protected disclosures should be in writing and can be submitted by hand delivery or by courier or post or by electronic mode addressed to the Chairman of the Audit Committee of the Company on below mentioned address.

Chairman of Audit Committee

Sadbhav Infrastructure Project Limited
"Sadbhav", Nr. Havmor Restaurant,
B/h Navrangpura Bus Stand, Navrangpura,
Ahmedabad – 380009

- D)** Code of Conduct for Prevention of Insider Trading: The Company has adopted the Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company.
Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company. The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares.
During the year under review, both the above Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <https://www.sadbhavinfra.co.in>
- E)** The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:
The following non-mandatory requirements have been adopted by the Company:
- The Report of Auditors is with Modified opinion with respect to the Audited Financial Results (Standalone and consolidated) of the Company for the quarter and year ended on 31st March, 2023.
 - The Internal Auditors report directly to the Audit Committee.
- F)** The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at https://www.sadbhavinfra.co.in/en/pdf/policy_for_determining_material_subsidary_co.pdf
- G)** The Company has adopted Policy on dealing with related party transactions and the same is placed on website of the Company and web-link of the same is <https://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>
- H)** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) : N.A.
- I)** In accordance with the SEBI Circular dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Ashish Shah & Associates, Company Secretary in Practice confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2023.
- J)** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 except that the Company was in default of Regulation 17(1)(c) for a period of 21 days from 21st February 2023 till 14th March 2023 and complied with clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- K)** Mr. Ravi Kapoor, Company Secretary in Practice has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- L)** The Executive Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31st March, 2023 in compliance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is attached to this report.
- M)** The Company has a well-defined risk management framework in place. The Audit Committee of the Board is also regularly informed about the business risks and the steps taken to mitigate the same. The implementation of the risk assessment and minimization procedures is an ongoing process and the Board members are periodically informed of the status.
- N)** The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. <https://www.sadbhavinfra.co.in/en/pdf/code-of-conduct.pdf> All Board Members and Senior Personnel have affirmed compliance of Code of Conduct. A declaration signed by the Managing Director to this effect is attached to this report.
- O)** In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed an Insider Trading Code to avoid any insider trading and it is applicable to all Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The said code laid down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company. The code has been placed on the Company's website. <https://www.sadbhavinfra.co.in/en/pdf/insider-trading-code-SIPL.pdf>
- P)** A Management Discussion and Analysis Report forms part of this Annual Report and includes discussion on various matters specified under Regulation 34(2)(e) and Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Q)** In preparation of financial statements, the Company has followed the Indian Accounting Standards (IndAS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- R)** Disclosure of commodity price risks and commodity hedging activities: is not applicable.
- S)** Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees: In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees, if any.
- T)** Fees paid to Statutory Auditor: Fees were paid by the Company and its subsidiaries, on a consolidated basis, for all services to respective Statutory Auditors and all entities in the network firm/ network entity of which they are part. The details of fees paid to the Statutory Auditors is mentioned in the notes of financial statements.
- U)** Prevention, prohibition and redressal of sexual harassment at workplace: Status of complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the FY 2022-23 is as follows:
Number of complaints filed during the financial year: Nil
Number of complaints disposed of during the financial year: Nil
Number of complaints pending as on end of the financial year: Nil
- V)** Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NA
- W)** Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Sr. No.	Name of Material Subsidiary Company	Date of Incorporation	Name of Statutory Auditor	Date of Appointment of Statutory Auditor
1	Ahmedabad Ring Road Infrastructure Limited	31-08-2006	M/s S G D G & Associates LLP	20-09-2017
2	Sadbhav Nainital Highway Limited (Formerly known as Sadbhav Nainital Highway Private Limited)	01-05-2016	M/s Gianender & Associates	22-09-2017
3	Sadbhav Rudrapur Highway Limited (Formerly known as Sadbhav Rudrapur Highway Private Limited)	01-05-2016	M/s Gianender & Associates	22-09-2017
4	Sadbhav Bhavnagar Highway Limited (Formerly known as Sadbhav Bhavnagar Highway Private Limited)	20-06-2016	M/s Manubhai & Shah LLP	22-09-2017
5	Sadbhav Una Highway Limited (Formerly known as Sadbhav Una Highway Private Limited)	22-06-2016	M/s Manubhai & Shah LLP	22-09-2017
6	Sadbhav Bangalore Highway Private Limited	29-10-2016	M/s Manubhai & Shah LLP	22-09-2017
7	Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private Limited)	24-04-2017	M/s Manubhai & Shah LLP	22-09-2018

Sr. No.	Name of Material Subsidiary Company	Date of Incorporation	Name of Statutory Auditor	Date of Appointment of Statutory Auditor
8	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	23-05-2017	M/s Manubhai & Shah LLP	22-09-2018
9	Sadbhav Jodhpur Ring Road Private Limited	03-01-2018	M/s S G D G & Associates LLP	29-09-2022
10	Sadbhav Kim Expressway Private Limited	12-04-2018	M/s Manubhai & Shah LLP	20-09-2019

X) There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all members of the Board and Senior Management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2023.

For, **Sadbhav Infrastructure Project Limited**

Date: 28th May, 2023
Place: Ahmedabad

Shashin Patel
Executive Chairman
DIN: 00048328

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

To,
The Members of
Sadbhav Infrastructure Project Limited

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of SADBHAV INFRASTRUCTURE PROJECT LIMITED having CIN L45202GJ2007PLC049808 and having registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1.	SHASHIN VISHNUBHAI PATEL	00048328	18-01-2007
2.	SANDIP VINODKUMAR PATEL	00449028	05-09-2014
3.	ARUNBHAI SHANKERLAL PATEL	06365699	22-10-2014
4.	DAKSHA NIRANJAN SHAH	00376899	24-03-2015
5.	JATIN THAKKAR	09312406	15-03-2023
6.	DWIGESH JOSHI	09733282	15-03-2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Ravi Kapoor & Associates**
Company Secretaries

Date: 14th August, 2023
Place: Ahmedabad

Ravi Kapoor
Proprietor
Membership No. FCS : 2587
COP No.: 2407
UDIN: F002587E000801431

Certification on Financial Statements of the Company

We, Shashin Patel, Executive Chairman and Whole Time Director and Jatin Thakkar, Executive Director & Chief Finance Officer of Sadbhav Infrastructure Project Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 28th May, 2023

Shashin Patel
Executive Chairman
DIN: 00048328

Jatin Thakkar
Chief Financial Officer
PAN: AGNPT7651H

Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Infrastructure Project Limited

We have examined the Compliance Conditions of Corporate Governance by Sadbhav Infrastructure Project Limited for the year ended on 31st March, 2023 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2022 to 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations except Regulation 17(1)(c) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, which requires the Board of directors of the top 2000 listed entities shall comprise of not less than six directors. Accordingly, Company was in default of Regulation 17(1)(c) for a period of 21 days from 21st February 2023 till 14th March 2023.

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

For, Ravi Kapoor & Associates
Company Secretaries

Ravi Kapoor
Proprietor
Membership No. FCS : 2587
COP No.: 2407
UDIN: F002587E000801374

Date: 14th August, 2023
Place: Ahmedabad

Management Discussion & Analysis

CAVEAT

This Annual Report contains certain forward-looking statements, and may contain certain projections. Forward-looking statements and projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements or projections due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the infrastructure sector in India and the Company's ability to respond to them, ability to successfully implement its strategy and objectives, growth and expansion plans, technological changes, exposure to market risks, general economic and political conditions in India that have an impact on the business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws and competition in the infrastructure sector.

Certain important factors that could cause the Company's actual results to differ materially from expectations include, but are not limited to, The business and investment strategy of the Company, Expiry or termination of the project Special Purpose Vehicles (SPVs) respective concession agreements, Future earnings, cash flow and liquidity, Potential growth opportunities, Financing plans, the competitive position and the effects of competition on the Company's investments, The general transportation industry environment and traffic growth and future government policy relating to the transportation industry in India.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future, there can be no assurance that the expectations reflected in the forward-looking statements and projections will prove to be correct. Due to uncertainties involved, readers are cautioned not to place undue reliance on such forward-looking statements and projections and not to regard such statements to be a guarantee or assurance of the Company's future performance or returns to investors.

1. BUSINESS OVERVIEW

Sadbhav Infrastructure Project Limited ("SIPL") was incorporated in 2007. The Company is among India's leading infrastructure developers specializing in roadways and highways. It enjoys robust in-house of Operation and Maintenance (O&M)— across all its business verticals:

1. Build Operate Transfer (BOT)
2. Hybrid Annuity Model (HAM)

Over the years, the Company has developed rich in-house expertise in O&M verticals. The Company's clients primarily comprise government agencies such as NHAI, AUDA, PWD, among others.

SIPL is strategically growing its presence beyond its stronghold states of Maharashtra, Rajasthan, Haryana, Karnataka, Uttar Pradesh, Telangana and Gujarat.

2. ROAD INFRASTRUCTURAL PERIPHERI IN THE INDIAN ECONOMY

Road & Infrastructure Sector is the progress lifeline for the country's economy. In fact, the growth of the other industry sectors is directly proportional to the progress of the road & infrastructure sector and the quality of services provided by it. Food, Perishable Goods, Agriculture, and Pharmaceutical Sectors are the top beneficiary sectors. Some of these industries have even adopted Just-in-time plant-to-product outlet models reducing warehousing costs and working capital cycle as a result of improved road infrastructure. The Ministry of Road Transport and Highways has received a 36% increase in allocation, with about Rs. 2.7 lakh crore allotted in 2023-24 budget. This is 10% higher than the budgetary allocation of Rs. 1.99 lakh crore in the previous year. Out of this allocation, around Rs. 1.62 lakh crore has been allocated to the National Highways Authority of India (NHAI) as part of MoRTH's capital expenditure plan for 2023-24. This represents a 21% increase from the previous year, when the NHAI was allotted Rs. 1.34 lakh crore.

In the fiscal year 2024, NHAI will receive budgetary support in the form of Rs. 131400 Crores from cess funds originating from the Central Road and Infrastructure Fund. Additionally, toll plough back proceeds of Rs. 20800 Crores and asset monetisation proceeds of Rs. 100000 Crores will contribute to the budgetary support.

The highways developed will be building close to 14,000 km of roads in FY24 with estimated construction to be around 12000 KM during the first 9 months of FY'23. As many as 100 big-ticket infrastructure projects of different ministries worth Rs 5.89 lakh crore have been recommended for approval under the PM Gati Shakti initiative to further boost infrastructure. The government of India has formed a special initiative, Network Planning Group (NPG). The initiative was launched to develop an integrated infrastructure to reduce logistics costs. All logistics and connectivity infrastructure projects, entailing investments of over Rs. 500 crore are routed through the NPG. A total of 40 road projects with a total investment of Rs. 3.65 lakh crore, 40 railway projects worth Rs. 95,704 crore and 8 urban development projects valued at Rs. 79,016 crore have been approved for FY'24. The Ministry of Road Transport and Highways has planned over 1,400 kilometers of roads to date using the National Master Plan (NMP).

3. OPPORTUNITIES & STRENGTHS

More GDP Growth and more economic activities mean more movement of materials, goods, services and people and thus more capacity utilisation. SIPL operates and manages the projects that provide connectivity to either economically developed areas or fast-developing areas. SIPL expects toll revenue collection higher than the earlier recorded collections. SIPL has put in place, the right mix of skilled professionals, processes and technologies so as to infuse the highest level of operational efficiency. Public Private Partnership (PPP) Policy of MoRTH has been a positive step towards fortifying the country's infrastructure. A slew of measures like

the provision of subsidy up to 40% of the project cost to make projects viable and decision of subsidies on a case-to-case basis, 100% tax exemption in consecutive 10 years out of 20 years after commissioning of the project and duty-free import of high capacity and modern road construction equipment has opened up host of new opportunities. Infusion of new technologies into the day-to-day operations, making processes online with faster net connectivity and online UPI payments has also yielded a new set of opportunities and reduced operational risks substantially making operations more sustainable and hassle-free, resulting in commuters' delight.

4. RISKS & CHALLENGES

The management of company has identified the risk in various categories, described as follows:

Internal and Business Risks

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

Any negligence towards health and safety of workforce and employees can affect our performance. An additional financial burden on the company, due to repayment and interest on Non-Convertible Debentures, also contributes towards internal risks faced by the organization.

External Risks

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

Availability of funds and interest rate risk

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. SIPL intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms for the projects. However, SIPL believes that its ability to continue to arrange for fund requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control.

However, your Company's track record has enabled it to raise funds at competitive rates. Your Company had also raised funds through Non-Convertible Debenture ("Debentures") for refinancing of its old funds which helped it to reduce the interest rate burden.

Traffic growth risk

Toll revenue is a function of the toll rates and traffic growth.

Toll rates: The Government has been implementing a policy of linking toll rates increase to change in Wholesale Price Index (WPI). All Toll projects have fixed annual or periodical increase in their toll rates, according to the Concession Agreement with respective authorities.

Traffic growth: Rapid economic development increases traffic growth while low economic activity has a negative impact on traffic volume.

Competition risk

Attractive growth opportunities exist in the road construction sector, especially with the government going full throttle on infrastructure development with the Bharatmala Pariyojana. This may increase the number of players operating in the industry. However, the Company is confident about retaining its competitive edge, backed by its industry-leading experience in the roads and highways sector. Further, the Company has carved out a niche in the BOT segment. Higher competencies including financial strength required for this segment create entry barriers, thereby limiting competition. As a prudent strategic initiative, SIPL will continue to bid for projects based on their financial, operational and execution viability.

5. MINIMIZING RISKS

A risk management exercise not only identifies risks, but also reduces risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of the Company's business operations which are reviewed periodically by the Directors of the Company. This provides a window for quick decisions. SIPL, a subsidiary of Sadbhav Engineering Ltd., maneuvers to supply materials effectively and keep the cost escalation risk to a minimum. Before entering into any joint venture agreement, we thoroughly analyse the prospective venture partners' past performances and credentials. We plan elaborately to execute all our projects before the scheduled time. We have a proven track record of completing work within the stipulated time. We have a full-fledged team of technical experts at our workshop, who are responsible for the repairs and maintenance of the equipment. Therefore, work without stoppages or no significant labour disruptions during its operational history was paved way for by our

extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation policies to protect against losses caused to workmen through accident. Most of the critical work during the operation period is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from them. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results even from the downturn of economic situations. We also regularly conduct third audits of the toll management systems and toll collection systems in order to identify lacunas and improve our operational performance.

6. SEGMENT WISE PERFORMANCE

During the year 2022-23, the Company has only one reportable business segment, i.e. infrastructure development includes "Built Operate and Transfer (BOT) / Hybrid Annuity Projects and its related activities. A segment performance on standalone and consolidated basis is given in the financial statements of the Company.

7. INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company possesses a suitable mechanism for internal controls. It follows a well-designed documentation system for policies and procedures covering all financial and operating functions. These controls have been developed and designed in a manner to properly maintain accounting records for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorised use or losses and compliance with regulations. The Company has digitalised all key process controls through the SAP S/4 HANA – systems to maximise automated control transactions. The auditor verifies IT-enabled controls as part of the review of functions and processes as part of the Internal Audit function.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit Auditor reports to the Chairman of the Audit Committee.

8. FINANCIAL OVERVIEW

We generate revenues primarily from toll collection, user fee and annuity receipts. The company also provides operation, maintenance, advisory and project management services for our projects. Review of financial performance for the financial year ended 31st March, 2021 are as follows:

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	894.14	2042.10	8247.27	9623.25
Other Income	379.48	302.35	2683.58	8747.70
Total Revenue	1273.62	2344.45	10930.85	18370.95
Profit Before Taxation	(3970.06)	(2267.55)	(3855.45)	(375.64)
Tax Expense	394.59	351.08	206.30	162.85
Profit/(Loss) for the period after tax and minority interest	(3975.48)	(1916.47)	(3649.15)	(212.79)
Other comprehensive income	0.38	2.57	1.07	5.11
Total comprehensive income (after tax)	(3575.10)	(1913.90)	(3648.08)	(207.68)

In accordance with the SEBI (Listing Obligations Disclosure Requirements 2018) Amendment Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector- specific financial ratios along with detailed explanations.

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Debtors Turnover (days)	463.59	241.08	8.59	9.74
Inventory Turnover	NA	NA	NA	NA
Interest Coverage Ratio	0.32	0.38	1.03	1.25
Current Ratio	0.5	0.63	0.85	0.85
Debt Equity Ratio*	0.6	0.5	NA	22.47
Operating Profit Margin (%)	11.42%	14.80%	45.91%	19.46%
Net Profit Margin (%)	(399.88%)	(93.85%)	(44.25%)	(2.21%)
Return on net worth*	(28.06%)	(11.75%)	NA	(9.29%)

*As there is Negative Networth and Loss in Current year, hence ratio is not calculated

9. OUTLOOK

Total Budgetary allocation for the year 2022-23 has been increased by 51.81% from Rs. 1,31,149 crore in 2021-22 to Rs. 1,99,108 crore in 2022-23. Further, RE outlay has been enhanced by 8.7% over the BE outlay for the year 2022-23.

10. HUMAN RESOURCE DEVELOPMENT

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas are in place for senior management staff.

Company strongly believes that people are the prime assets of the organization, and implements new initiatives to train and motivate them. Company believes in the potential of people to go beyond and be the game-changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of Leading Self, Leading Teams and Leading Business. As on 31st March, 2023, the employee strength of the Company was 53 excluding trainees and contractors' employees.

11. CAUTIONARY STATEMENT

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

Independent Auditor's Report

To the Members of
Sadbhav Infrastructure Project Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Sadbhav Infrastructure Project Limited ("the Company"), which comprises of the balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other comprehensive income), and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to Note 47 and Note 48 to the accompanying Standalone Financial Statements with respect to investment in and loan & advances to Rohtak Panipat Tollway Private Limited and Rohtak Hissar Tollway Private Limited, subsidiaries of the Company. Both the subsidiaries have issued notice of termination of Concession Agreement to National Highways Authority of India (NHAI) on account of Force Majeure Event as per Concession Agreement. As explained in the said note, the company has carried out impairment assessment of investment in these subsidiaries considering the expected payment arising out of aforesaid termination and other claims filed with NHAI and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of the investment and loans & advances aggregating to INR 7976.40 million are necessary as at March 31, 2023.

However, we have not been able to corroborate the management's contention of realising the carrying value of investments, loans and advances and Trade and other receivables related to both subsidiaries aggregating to INR 7976.40 million as on March 31, 2023.

Accordingly, we are unable to comment on appropriateness of the carrying value of such investment and loans and advances and their consequential impact on the Standalone Financial Statements and financial position of the Company as at and for the year ended on March 31, 2023.

Our audit report dated May 28, 2022 on the standalone financial statements for the year ended 31 March 2022 was also qualified in respect of this matter.

2. We draw attention to Note 49 of the accompanying Standalone Financial Statements with respect to Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL), subsidiary of the Company, in which case, lender of SVHL, in the month of February, 2023, have exercised its right to substitute concessionaire. The SVHL vide its letter dated May 5, 2023 had recommended National Highways Authority of India (NHAI), Harmonious substitution of concessionaire. The approval of NHAI is awaited. As explained in said note, management has carried out impairment assessment of Investment (including sub debt), loan and other receivables in this subsidiary duly considering the expected payment arising out of aforesaid substitution and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of Investment (including sub debt), loan and other receivables aggregating to INR 1176.53 million is considered necessary as at March 31, 2023.

However, we have not been able to corroborate the management's contention of realizing the carrying value of Investment (including sub debt), loan and other receivables balance amounting to INR 1176.53 million as at March 31, 2023.

Accordingly, we are unable to comment on appropriateness of the carrying value of Investment (including sub debt), loan and other receivables and their consequential impact on the Standalone financial statements and financial position of the company as at and for the year ended on March 31, 2023.

3. We draw attention to Note 51 of the accompanying Standalone Financial Statements with respect to Sadbhav Hybrid Annuity Project Limited (SHAPL), subsidiary of the company in which auditors of the said subsidiary expressed concerns over subsidiary's ability to continue as going concern as the net worth of the subsidiary has been completely eroded. As explained in the said note, management has carried out impairment assessment of Investment (including sub debt), loan and other receivables in this subsidiary duly considering expected payment to be received by the said subsidiary and based on the that, management has concluded that no impairment / adjustment to the carrying value of Investment (including sub debt), loan and other receivables aggregating to INR 680.39 million is considered necessary as at March 31, 2023.

However, we have not been able to corroborate the management's contention of realizing the carrying value of Investment (including sub debt), loan and other receivables balance aggregating to INR 680.39 million as at March 31, 2023. Accordingly, we are unable to comment on appropriateness of the carrying value of Investment (including sub debt), loan and other receivables and their consequential impact on the Standalone financial statements and financial position of the company as at reporting date and for the year ended on March 31, 2023.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in

the “Auditor’s Responsibilities for the Audit of the Standalone Financial Statements” section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on standalone financial statements.

Material uncertainty related to going concern

We draw attention to Note no. 52 to the accompanying Standalone Financial Statements, which indicates that, current liabilities exceed current assets by INR 2348.21 million and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, the company is in the process of divestment of its investment in subsidiary companies and subsidiary companies finds difficulty in meeting the obligations of lenders and accounts by the respective lenders have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the report described in the Basis for Qualified Opinion section we have determined the matters described below to be key audit matters to be communicated in our report.

In addition to the matter described in the ‘Material Uncertainty Related to Going Concern’ section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements

Key audit matters	Response to Key Audit Matter
<p>Assessing impairment of investments in assets operated under concession arrangements (Other than RHTPL, RPTPL, SVHL & SHAPL)(refer note no 3.10 of the Standalone Financial Statements)</p> <p>As at March 31, 2023, the Company had investments (including sub-ordinate debt) in BOT/Checkpost asset and Hybrid Annuity (HAM) assets amounting to Rs 1295.74 million and Rs 7589.48 million respectively which are operated under concession agreement.</p> <p>For the purpose of impairment testing, recoverable amount has been determined based on discounted future cash flows such as annuity model, discount rate and future operating and finance cost based on management’s view of future business prospects. Further, the recoverable amount is highly sensitive to changes in key assumptions used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. Thus, the determination of the recoverable amount of such investment in projects involves significant management judgement.</p> <p>Accordingly, the impairment assessment of investment in asset operated under concession arrangement was determined to be a key audit matter in our audit of the Standalone Financial Statements</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company’s valuation methodology applied in determining the recoverable amount of its investment in Assets. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll rate/collection/user fees and future operating and finance costs considering the current and estimated future economic conditions. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like annuity model, discount rate and future operating and finance costs • Assessed the inputs and assumptions around the key drivers of the cash flow forecasts against historical performance, economic and industry indicators. • Performed sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. • Reviewed the adequacy of the disclosures made in the standalone financial statements.
<p>Recognition of revenue from construction services (refer note no 3.4 of the Standalone Financial Statements)</p>	

<p>Revenue from construction services for the year ended on March 31, 2023 amounting to Rs 431.13 million comprised of Construction Contracts, Major Maintenance Contracts and Price Escalation Income. Revenue from these contracts are recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers.</p> <p>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 which involves significant judgments relating to estimation of total cost for each contract.</p> <p>Revenue recognition involves aforesaid significant management judgement and estimation. We therefore determined this to be a key audit matter</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read the accounting policy for revenue recognition of the Company. • Obtained an understanding of Company's processes and controls for revenue recognition process, evaluated the key controls around such process and tested those controls for operating effectiveness. • Performed tests of details, on a sample basis, and inspected the underlying customer contracts and relevant supporting documents. • Also, on sample basis, inspected the relevant underlying documents of actual cost incurred during the year. • Compared costs incurred with estimated costs to identify significant variations and assessed whether those variations have been considered in estimating the remaining costs to the satisfaction of that performance obligation. We assessed the management's evaluation for the status of completion for projects and total cost estimates. • Performed analytical audit procedures including analysing material changes in overall contract margin from one period to another, for assessing reasonableness of revenues disclosed by type. • Checked that the risks of delays and cost overruns related to the performance of works were properly taken into account, along with estimates of completion costs, and reviewed the contingencies included in the budget and the extent to which disputes were covered. • Review of the relevant disclosures made by the company in accordance with Ind AS 115.
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Information Other than the Standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information report is expected to be made available to us after the date of this auditor's report.

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

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and necessary action in accordance with the SAs will be taken.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 these standalone 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 and those charged with governance are 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.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether these standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and for except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the matter described in the Basis for Qualified Opinion paragraph, 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 the Statement of Other Comprehensive income, the Statement of Cash Flow and Statement of Changes Equity dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended;
 - e) In our opinion, the matters described in the Basis for Qualified Opinion paragraph and the going concern matter described in Material Uncertainty Related to Going Concern above, in our opinion, may have an adverse effect on the functioning of the company.
 - f) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in Basis of Qualified Opinion paragraph above.
 - h) With respect to the adequacy and the operative effectiveness of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses a Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
 - i) In our opinion, the managerial remuneration for the year ended March 31, 2023 paid / provided by the Company to their directors is in accordance with the provisions of section 197 read with Schedule V to the Act;
 - j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its standalone financial statements; Refer Note 39 to the Standalone Financial Statements
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 qualified audit opinion on the Company's internal financial controls system with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone 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 the standalone 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2023:

The Company's internal financial controls with reference to standalone financial statements as at March 31, 2023 as regards evaluation of uncertainty for realizing the carrying value of investments (including sub-debt), loan and other receivables as explained in Note 47, Note 48, Note 49 and Note 51 to the standalone financial statements were not operating effectively which could potentially lead to not providing adjustments, if any, that may be required to the carrying values of investments (including sub-debt), loan and other receivables from such subsidiaries and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.

The Company's internal process with regards to the confirmation and reconciliation of trade payables, trade receivables, other incidental balances pertaining to the said trade payables and trade receivables, recognition of income and expenses are not operating effectively.

Based on our audit procedure, in our opinion, the Company has inadequate system for processing of journal entries in accounting software indicating absence of maker checker system which could results into possible effect to the processing of transaction and its consequential effect on balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim standalone financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, and material weaknesses with respect to evaluation of uncertainty for realizing the carrying value of investments (including sub-debt), loan and other receivables as explained in Note 47, Note 48, Note 49 and Note 51 to the standalone financial statements have affected our opinion on the standalone financial statements of the Company, and we have issued a qualified opinion on the standalone financial statements.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements as at March 31, 2023, based on the internal control with reference to the standalone financial statements considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI and except for the effects/ possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the company's internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023.

For S G D G & Associates LLP
Chartered Accountants
Firm Registration No.: W100188

Devansh Gandhi
Partner
Membership No.: 129255
UDIN: 23129255BGWSSU3912

Place: Ahmedabad
Date: May 28, 2023

Annexure – ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our report the members of **Sadbhav Infrastructure Project Limited** of even date)

Report on the Companies (Auditor’ Report) Order, 2020, issued in terms of section 143 (11) of the Companies Act, 2013(‘the Act’) of **Sadbhav Infrastructure Project Limited** (‘the Company’)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company did not have intangible Assets.
- (b) The Company has a program of physical verification of its Property, Plant and Equipment. In accordance with this program, Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Title deeds of immovable property disclosed in the Standalone financial statements included in investment property are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The project inventories were physically verified by the management during the year at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- (b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence the reporting requirements of paragraph 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

Particulars	Loans
(Rs in Million)	
Aggregate amount granted/provided during the year:	
Subsidiaries	17.36
Others	-
Balance outstanding as at balance sheet date in respect of above cases (including opening Balances)	
Subsidiaries	17.46
Others	-

In our opinion and according to the information and explanations given to us, the company has not provided any guarantee or security to any other entity during the year.

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of loans are prejudicial to the Company’s interest on account of the fact that the loans that have been granted are interest-free.
- However, attention is invited to “Basis for Qualified Opinion” in our main audit report.
- (c) In respect of loans granted, the terms of arrangements do not stipulate any repayment schedule of principal and interest.
 - (d) Since the cited loans are repayable on demand, reporting under this clause in respect of overdue balance is not applicable.
 - (d) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.
 - (f) The Company has granted Loans amounting to Rs 58.91 Million given to related parties, details of which are given below:

Particulars	Others (Rs.)	Promoters (Rs.)	Related Parties (Rs.)
Aggregate amount of loans/ advances in nature of loans Repayable on demand (A)			
Agreement does not specify any terms or period of repayment (B)	0.00	0.00	58.91
Total (A+B)	0.00	0.00	58.91
Percentage of loans/ advances in nature of loans to the total loans	0.00%	0.00%	10.36%

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided, as applicable.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits (including deemed deposits) from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of paragraph 3 of the Order is not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to road and other infrastructure projects related services, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the same.

- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company provided to us, undisputed statutory dues including 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, as applicable, have not been regularly deposited with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of 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, as applicable were in arrears as at March 31, 2023 for a period of more than six months from the date they became due.

- (b) There are no statutory dues referred in sub clause(a) above which have not been deposited on account of dispute as on March 31, 2023 except as detailed hereunder.

Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs.in million)
The Income Tax Act, 1961	Income Tax	2016-2017	ITAT	61.12

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

- (ix) (a) We are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loans during the year. Hence the reporting requirement of paragraph 3(ix)(c) of the Order are not applicable.

(d) On an overall examination of the standalone 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 as defined under the Act. The Company does not hold any investment in associate and any joint venture (as defined under the Act) during the year ended March 31, 2023.

(f) 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) The Company has not raised any money by way of initial public offer or further public offer during the year. Hence the reporting requirements of paragraph 3(x)(a) of the order are not applicable.

(b) 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 the reporting requirements of paragraph 3(x)(b) of the order are not applicable.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(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.

(c) As represented by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) In our opinion the Company is not a Nidhi Company. Therefore, the reporting requirement of Clause 3(xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian Accounting Standards.

- (xiv) (a) In our opinion the Company has an internal audit system which is 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, in determining nature, timing and extent of our audit procedure.

- (xv) The Company has not entered into non-cash transactions with 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) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The Company has incurred cash losses amounting to Rs 612.03 Million during the Financial Year and Rs 2266.99 Million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause (xviii) of the Order is not applicable to the Company.
- (xix) 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 standalone financial statements and our knowledge of the Board of Directors and management plans (refer note no 52 to the standalone financial statements) and based on our examination of the evidence supporting the assumptions, there exist material uncertainty as on the date of the audit report indicating that the 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. (Refer 'Material uncertainty related to Going Concern' paragraph in our main audit report). 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. (Attention is invited to Note No. 52 to the standalone financial statement and material uncertainty related to going concern paragraph in the main Audit Report)
- (xx) According to information and explanation given to us, based on examination of the financial statement of the Company, requirement of section 135 is not applicable to the Company. Hence reporting requirement of paragraph 3(xx) (a) and (b) of the Order are not applicable to the Company.

For S G D G & Associates LLP

Chartered Accountants

Firm Registration No.: W100188

Devansh Gandhi

Partner

Membership No.: 129255

UDIN: 23129255BGWSSU3912

Place: Ahmedabad

Date: May 28, 2023

Balance Sheet as at March 31, 2023

(INR in Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current Assets			
(a) Property, plant and equipments	5	1.37	2.07
(b) Investment property	6	2.88	2.88
(c) Financial assets			
(i) Investments	7	17,011.05	21,941.14
(ii) Loans	8	515.10	466.92
(iii) Other financial assets	9	-	2.50
(d) Other non current assets	12	128.73	29.92
Total Non-current assets - A		17,659.13	22,445.43
2 Current Assets			
(a) Financial assets			
(i) Trade receivables	10	1,101.64	1,169.66
(ii) Cash and cash equivalents	11	33.95	540.62
(iii) Bank balances other than (ii) above	11	15.30	51.79
(iv) Loans	8	59.45	386.45
(v) Other financial assets	9	204.69	190.42
(b) Other current assets	12	929.09	835.87
(c) Current Tax Assets		32.42	-
Total Current assets - B		2,376.54	3,174.80
Assets held for sale - C	45.1 & 45.5	3,057.18	1,307.23
Total Assets (A+B+C)		23,092.85	26,927.46
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	3,522.25	3,522.25
Other equity	15	9,219.48	12,794.64
Total equity - A		12,741.73	16,316.89
LIABILITIES			
1 Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	4,820.37	4,946.77
(ii) Other financial liabilities	20	800.03	351.39
(b) Provisions	17	5.97	2.82
(c) Deferred tax liabilities (net)	29	-	212.01
Total Non-current liabilities - B		5,626.37	5,512.99
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,782.32	3,270.34
(ii) Trade payables	19		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		1,096.37	1,102.79
(iii) Other financial liabilities	20	498.22	496.43
(b) Other current liabilities	21	339.21	103.22
(c) Provisions	17	8.64	8.53
(d) Current tax liabilities (net)	22	-	116.26
Total Current liabilities - C		4,724.75	5,097.57
Total Equity and Liabilities (A+B+C)		23,092.85	26,927.46

Summary of significant accounting policies 3

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi
Partner
Membership No. 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel
Executive Chairman
DIN: 00048238

Hardik Modi
Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar
Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Statement of Profit and Loss for the year ended March 31, 2023

(INR in Million)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
I Revenue from operations	23	894.14	2,042.10
II Other income	24	379.48	302.35
III Total Income (I + II)		1,273.62	2,344.45
EXPENSES			
a Sub-contractors charges	25	643.48	1,542.95
b Employee benefits expenses	26	47.53	52.11
c Finance cost	27	1,277.44	1,427.87
d Depreciation expenses	5	0.70	0.54
e Other expenses	28	101.00	144.31
IV Total expenses		2,070.15	3,167.78
V Loss before exceptional item and tax (III - IV)		(796.53)	(823.33)
VI Exceptional Items	45	(3,173.53)	(1,444.21)
VII Loss before tax (V+VI)		(3,970.06)	(2,267.54)
VIII Tax expenses	29		
Current tax		-	77.52
Deferred tax		(212.05)	(428.60)
Adjustment of tax relating to earlier years		(182.54)	-
Total tax expenses		(394.59)	(351.08)
IX Loss for the year (VII-VIII)		(3,575.47)	(1,916.46)
X Other Comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurements gain on defined benefit plans (net of tax) (refer note 34)		0.38	2.57
Other Comprehensive Income for the year (net of tax)		0.38	2.57
XI Total Comprehensive Income for the year, net of tax (IX+X)		(3,575.10)	(1,913.90)
Earning per share [Face Value of share INR 10/- (31 March 2022 - INR 10/-)]			
Basic and Diluted (in INR)	33	(10.15)	(5.43)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi
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Membership No. 129255

Date: May 28, 2023
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Statement of Changes in Equity for the year ended March 31, 2023

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid (note 13)	Nos.	INR in Million
As at April 01, 2021	35,22,25,216	3,522.25
Changes in the equity share capital during the year due to prior period errors	-	-
Restated Balance at the the beginning of the year	35,22,25,216	3,522.25
Changes in the equity share capital during the year	-	-
As at March 31, 2022	35,22,25,216	3,522.25
As at April 01, 2021	35,22,25,216	3,522.25
Changes in the equity share capital during the year due to prior period errors	-	-
Restated Balance at the the beginning of the year	35,22,25,216	3,522.25
Changes in the equity share capital during the year	-	-
As at March 31, 2023	35,22,25,216	3,522.25

B Other Equity

(INR in Million)

Particulars	Equity Component of Compound Financial Instruments (note 15)	Reserves and Surplus				Total
		Securities Premium (note 15)	Debenture Redemption Reserve (note 15)	General Reserves (note 14)	Retained Earning (note 15)	
As at April 01, 2021	532.22	9,039.27	189.35	965.32	3,982.35	14,708.52
Profit for the year	-	-	-	-	(1,916.44)	(1,916.44)
Other comprehensive Income						
Re-measurements gain on defined benefit plans, net of tax	-	-	(189.35)	189.35	2.57	2.57
Total comprehensive Income for the year	-	-	(189.35)	189.35	(1,913.87)	(1,913.87)
Transfer from debenture redemption reserve to general reserve	-	-	-	-	-	-
As at March 31, 2022	532.22	9,039.27	(0.00)	1,154.67	2,068.47	12,794.66
As at April 01, 2022	532.22	9,039.27	(0.00)	1,154.67	2,068.47	12,794.66
Profit for the year	-	-	-	-	(3,575.47)	(3,575.47)
Other comprehensive Income						
Re-measurements gain on defined benefit plans, net of tax	-	-	-	-	0.38	0.38
Total comprehensive Income for the year	532.22	9,039.27	(0.00)	1,154.67	(1,506.62)	9,219.48
Transfer from debenture redemption reserve to general reserve	-	-	-	-	-	-
As at March 31, 2023	532.22	9,039.27	(0.00)	1,154.67	(1,506.62)	9,219.48

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S G D G & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi

Partner
Membership No. 129255

Date: May 28, 2023
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Place: Ahmedabad

Jatin Thakkar

Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023

Place: Ahmedabad

Cash Flow Statement for the year ended March 31, 2023

(INR in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Cash Flows From Operating Activities		
Profit/(Loss) before tax	(3,970.06)	(2,267.54)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation expenses	0.70	0.54
Interest and other borrowing cost	1,277.44	1,427.87
Liabilities no longer required written back	(41.84)	(33.65)
Exceptional items	3,173.53	1,444.21
Unwinding of discount on interest free loan given	(50.51)	-
Interest Income	(176.98)	(250.89)
Other Comprehensive income / expense	0.38	2.57
Dividend Income	(22.26)	(10.24)
Operating profit before working capital changes	190.40	312.87
Movement in Working Capital:		
Decrease in other financial assets	(42.94)	(188.85)
(Increase) / Decrease in other assets	(192.03)	(306.64)
(Increase) / Decrease in trade receivable	(134.65)	358.22
(Decrease) in other financial liabilities	81.81	0.99
(Decrease) / Increase in other liabilities and provisions	239.25	(254.60)
Increase in trade payables	35.42	262.25
Cash generated from operations	177.25	184.25
Direct taxes paid (net of refund received)	33.83	(60.43)
Net cash generated from operating activities (A)	211.08	123.84
(B) Cash Flows From Investing Activities		
Purchase of property plant and equipment	-	(1.44)
Proceed from sale of Investment	37.21	4.90
Proceed from Sale of Units	495.17	4,770.45
Sub-ordinate debt given	(350.00)	(3,774.26)
Sub-ordinate debt received back from subsidiaries	401.57	3,877.83
Investments in subsidiaries	-	(297.60)
Short term loan given	(17.36)	(1,535.13)
Short term loan received back	3.21	106.00
Investments in bank deposits	(15.30)	-
Redemption of bank deposits	51.79	23.75
Interest received	176.98	342.47
Dividend received	22.26	10.24
Net cash flow generated from / (used in) investing activities (B)	805.51	3,527.19
(C) Cash Flows From Financing Activities		
Proceeds from non-current borrowings	-	5,500.00
Repayment of non-current borrowings	(185.00)	(4,586.10)
Proceeds from current borrowings	935.83	-
Repayment of current borrowings	(1,423.86)	(1,539.07)
Interest and other borrowing cost paid	(850.23)	(2,491.27)
Net cash generated (used in) financing activities (C)	(1,523.25)	(3,116.43)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(506.67)	534.60
Cash and cash equivalents at beginning of the year	540.62	6.02
Cash and cash equivalents at end of the year	33.95	540.62

Cash Flow Statement for the year ended March 31, 2023

Notes:

(INR in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
1 Components of Cash and Cash Equivalents		
Cash on hand	0.00	0.00
Balance with banks:		
In current accounts	33.75	540.42
In current accounts - unpaid share application refund money and unclaimed dividend	0.14	0.14
Deposits with original maturity of less than 3 months	0.06	0.06
Cash and cash equivalents at end of the year	33.95	540.62

2 Balances with banks include balance of INR 6.33 Million in FY 2022-23 (FY 2021-22 INR 131.21 Million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

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

4 Changes in liabilities arising from financing activities (INR in Million)

Particulars	April 1, 2022	Net Cash flow	Change in fair value	Others*	March 31, 2023
Non-current borrowings (including current maturities)	4,946.76	(185.00)	58.62	-	4,820.38
Current borrowings	3,270.34	(488.03)	-	-	2,782.32
Interest accrued	837.46	(850.23)	-	1,218.81	1,206.05
Total	9,054.56	(1,523.25)	58.62	1,218.81	8,808.73

Particulars	April 1, 2021	Net Cash flow	Change in fair value	Others*	March 31, 2022
Non-current borrowings (including current maturities)	3,980.06	913.90	52.81	-	4,946.76
Current borrowings	4,809.41	(1,539.07)	-	-	3,270.34
Interest accrued	1,953.67	(2,491.27)	-	1,375.04	837.46
Total	10,743.14	(3,116.43)	52.81	1,375.04	9,054.56

* Represent interest accrued during the year

5 Figures in brackets represents cash outflows.

As per our report of even date

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Date: May 28, 2023
Place: Ahmedabad

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Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar
Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Notes to Standalone Financial Statement for the year ended March 31, 2023

1. Company information:

Sadbhav Infrastructure Project Limited (the “Company or SIPL”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the company is located at “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380 006.

The Company is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements. The Company is a subsidiary of Sadbhav Engineering Limited (“SEL”), a listed company, engaged in providing engineering, procurement and construction services (“EPC”) in the road and other infrastructure projects.

The Standalone Financial statements were approved for issue in accordance with a resolution of the board of directors on May 28, 2023.

2. Basis of preparation:

The Standalone 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 Standalone Financial statements.

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

3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its Standalone 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 realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

3.2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the Standalone Statement of profit and loss for the period during which such expenses are incurred.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected

Notes to Standalone Financial Statement for the year ended March 31, 2023

from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognized.

Depreciation

Depreciation on property, plant and equipment is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.3 Impairment – Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the Standalone Statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

3.4 Revenue from contract with customers

Revenue from contracts with customers 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 its typically controls goods or 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.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Operation and Maintenance and Project management services:

Revenue from Operation and Maintenance and Project management services are recognized pro-rata over the period of the contract as and when services are rendered. Goods and Service tax collected on behalf of the government is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Contract Balances:

Contract assets

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

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

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).

Notes to Standalone Financial Statement for the year ended March 31, 2023

3.5 Other Income

Interest

Interest income primarily comprise of interest from deposit with bank. Interest Income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

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

3.6 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the Standalone Statement of profit and loss for the period during which such expenses are incurred.

An Investment property is derecognised either when it has been disposed of or when it has been permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

3.7 Inventory

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.8 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.

3.9 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 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.

3.10 Investment in subsidiaries

Investments in subsidiaries are recognized at cost as per Ind AS 27. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect the Company's investment in a subsidiary.

3.11 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.

II.) Subsequent measurement of financial assets

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

- Financial assets at amortized cost

Notes to Standalone Financial Statement for the year ended March 31, 2023

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

- **Financial assets at amortized cost**

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

- **Debt instruments at amortized cost**

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

- **Perpetual securities**

The Company invests in perpetual securities (subordinated debt), without coupon and redeemable at the issuer's option. The Company classifies this instrument as equity under Ind AS 32.

- **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.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

III.) De-recognition of financial assets

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

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

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

IV.) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

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.

Notes to Standalone Financial Statement for the year ended March 31, 2023

II.) Subsequent measurement of financial liabilities

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

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

• Financial liabilities at fair value through profit or loss

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

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

• Financial liabilities at amortised cost (Loans and Borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance costs in the Standalone Statement of Profit and Loss. This category generally applies to borrowings.

• Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. At inception, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

• Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

III.) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another liability 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 amount is recognized in the Standalone Statement of Profit and 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.

3.12 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.

Notes to Standalone Financial Statement for the year ended March 31, 2023

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

All assets and liabilities for which fair value is measured or disclosed in the Standalone 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 Standalone 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.

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.

3.13 Employee Benefits

a.) Short Term Employee Benefits

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the Standalone Statement of Profit and Loss in the period in which the employee renders the related services.

b.) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized and charged to Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Standalone Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c.) Other Employment benefits

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

3.14 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

Notes to Standalone Financial Statement for the year ended March 31, 2023

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 are 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.

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 except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

3.15 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. The expense relating to a provision is presented in the Standalone Statement of Profit and 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.

3.16 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 Standalone Financial statements. Contingent liabilities are reviewed at each balance sheet date.

3.17 Cash and cash equivalents

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

3.18 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the

Notes to Standalone Financial Statement for the year ended March 31, 2023

distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.19 Earnings per share

Basic earnings per share is calculated by dividing the profit / loss for the year attributable to equity holders of the company by the weighted average number of shares outstanding during the year.

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

3.20 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.

3.21 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's Standalone 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 Standalone Financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Investments

The Company reviews its carrying value of its investments carried at cost annually, or more frequently when there is indication for impairments. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

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 uses the input method for recognizing construction revenue. Use of the input method requires 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 towards 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. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required

Notes to Standalone Financial Statement for the year ended March 31, 2023

in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Property, Plant and Equipment

(INR in Million)

Particulars	Office Equipments	Computers	Machineries	Vehicle	Total
At cost					
As at April 01, 2021	0.01	1.39	8.15	0.26	9.81
Addition	1.33	0.12	-	-	1.44
Disposal / adjustment	-	-	-	-	-
As at March 31, 2022	1.34	1.51	8.15	0.26	11.25
Addition	-	-	-	-	-
Disposal / adjustment	-	-	-	-	-
As at March 31, 2023	1.34	1.51	8.15	0.26	11.25
Accumulated Depreciation					
As at April 01, 2021	0.01	0.77	7.60	0.25	8.63
Charge for the year	0.18	0.33	0.03	-	0.54
On disposal / adjustment	-	-	-	-	-
As at March 31, 2022	0.19	1.10	7.63	0.25	9.17
Charge for the year	0.52	0.16	0.02	-	0.70
On disposal / adjustment	-	-	-	-	-
As at March 31, 2023	0.71	1.26	7.66	0.25	9.87
Net Amount					
As at March 31, 2022	1.15	0.41	0.51	0.01	2.07
As at March 31, 2023	0.63	0.26	0.49	0.01	1.37

- Property, Plant and Equipments has been pledged / hypothecated against Secured borrowings in order to fulfill the collateral requirement for the Lenders.(refer note 16)
- The company has not done revaluation of PPE during the year.

6. Investment Property

(INR in Million)

Particulars	Freehold Land	Total
At cost		
As at April 01, 2021	2.88	2.88
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2022	2.88	2.88
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2023	2.88	2.88
Accumulated Depreciation		
As at April 01, 2021	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2022	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2023	-	-
Net Amount		
As at March 31, 2022	2.88	2.88
As at March 31, 2023	2.88	2.88

Notes:

- There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above property.
- The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The title deed of immovable property is held in the name of the company.
- The fair value disclosure for investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.

Notes to Standalone Financial Statement for the year ended March 31, 2023

7. Non-current Investments

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
(a) Investments in equity instruments (unquoted, valued at cost)		
Investments in subsidiaries companies		
10,460,000 (31 March 2022: 10,460,000) fully paid up equity shares of INR 10 each in Ahmedabad Ring Road Infrastructure Limited (ARRIL)	1,036.80	1,036.80
2,186,445 (31 March 2022: 2,186,445) fully paid up equity shares of INR 10 each in Rohtak Panipat Tollway Private Limited (RPTPL) (refer note 47)	217.74	217.74
25,315 (31 March 2022: 25,315) fully paid up equity shares of INR 10 each in Maharashtra Border Check Post Network Limited (MBCPNL) (refer note (c) below & 45.1)	258.94	258.94
10,768,000 (31 March 2022: 10,768,000) fully paid up equity shares of INR 10 each in Rohtak-Hissar Tollway Private Limited (RHTPL) (refer note 48)	107.68	107.68
19,660,000 (31 March 2022: 19,660,000) fully paid up equity shares of INR 10 each in Sadbhav Bhavnagar Highway Limited (SBHL) (refer note 45.5)	196.60	196.60
1,000,000 (31 March 2022: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Nainital Highway Limited (SNHL) (refer note 50)	10.00	10.00
1,000,000 (31 March 2022: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Rudrapur Highway Limited (SRHL)	10.00	10.00
14,950,000 (31 March 2022: 14,950,000) fully paid up equity shares of INR 10 each in Sadbhav Una Highway Limited (SUHL) (refer note 45.5)	149.50	149.50
30,902,690 (31 March 2022: 30,902,690) fully paid up equity shares of INR 10 each in Sadbhav Bangalore Highway Private Limited (SBGHPL) (refer note 45.2)	309.03	309.03
26,966,000 (31 March 2022: 26,966,000) fully paid up equity shares of INR 10 each in Sadbhav Udaipur Highway Limited (SUDHL)	269.66	269.66
25,798,550 (31 March 2022: 25,798,550) fully paid up equity shares of INR 10 each in Sadbhav Vidarbha Highway Limited (SVHL) (refer note 49)	257.99	257.99
11,650,000 (31 March 2022: 11,650,000) fully paid up equity shares of INR 10 each in Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) (refer note 45.3)	116.50	116.50
101,156,860 (31 March 2022: 101,156,860) fully paid up equity shares of INR 10 each in Sadbhav Kim Expressway Private Limited (SKEPL)	1,011.57	1,011.57
Nil (31 March 2022: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Pima Private Limited (SPPL) (refer note 45.4)	-	0.50
50,000 (31 March 2022: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Infra Solutions Private Limited (SISPL)	0.50	0.50
50,000 (31 March 2022: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Maintenance Infrastructure Private Limited (SMIPL)	0.50	0.50
50,000 (31 March 2022: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Hybrid Annuity Private Limited (SHAPL) (refer note 51)	0.50	0.50
Total - a	3,953.51	3,954.01
(b) Investment in unsecured Perpetual Securities (unquoted, valued at cost)		
Sub-ordinate debts to subsidiaries (refer notes (b) below, 38 and 47 to 51)	14,373.27	16,486.89
Total - b	14,373.27	16,486.89
(c) Other investments (FVTPL) (quoted)		
10,857,196 (31 March 2022: 15,510,280) fully paid up units of INR 116 each in Indinfravit Trust	1,216.56	1,759.18
Total - c	1,216.56	1,759.18
Total = (a+b+c)	19,543.34	22,200.08
(d) Less :		
i. Assets classified as held for sale (refer note 45.1 and 45.5)	2,008.89	258.94
ii. Impairment loss in the value of Shares (refer note 45.2, 45.3 and 45.5)	523.40	-
Total - d	2,532.30	258.94
Total = a+b+c-d	17,011.05	21,941.14
Aggregate book value of quoted investments	1,216.56	1,759.18
Market value of quoted investments	1,216.56	1,759.18
Aggregate value of unquoted investments (excluding perpetual securities)	3,953.51	3,954.01

Note:

- Aggregate cost of unquoted investments (including sub-debts) as at March 31, 2023 INR 17,803.38 million (March 31, 2022: INR 20,440.90 million).
- Investment in perpetual debts in form of Sub-ordinate securities are interest free, redeemable at issuer's option and redemption

Notes to Standalone Financial Statement for the year ended March 31, 2023

can be deferred indefinitely as per the terms of contract.

- c) The Company has pledged following investment in equity shares of subsidiaries, in favour of lenders for term loan facilities availed by the respective subsidiaries:

	March 31, 2023			March 31, 2022		
	Total Shares Held	Shares Pledged	% of shares pledged	Total Shares Held	Shares Pledged	% of shares pledged
ARRIL	1,04,60,000	31,38,000	30.00%	1,04,60,000	31,38,000	30.00%
MBCPNL*	25,315	-	0.00%	25,315	-	0.00%
RHTPL	1,07,68,000	54,91,681	51.00%	1,07,68,000	54,91,681	51.00%
RPTPL	21,86,445	11,15,087	51.00%	21,86,445	11,15,087	51.00%
SUHL	1,49,50,000	76,24,500	51.00%	1,49,50,000	76,24,500	51.00%
SBHL	1,96,60,000	1,00,26,600	51.00%	1,96,60,000	1,00,26,600	51.00%
SRHL	10,00,000	5,10,000	51.00%	10,00,000	5,10,000	51.00%
SNHL	10,00,000	5,10,000	51.00%	10,00,000	5,10,000	51.00%
SJRRPL	1,16,50,000	59,41,500	51.00%	1,16,50,000	59,41,500	51.00%
SUDHL	2,69,66,000	1,37,52,660	51.00%	2,69,66,000	1,37,52,660	51.00%
SBGHPL	3,09,02,690	1,57,60,372	51.00%	3,09,02,690	1,57,60,372	51.00%
SVHL	2,57,98,550	1,31,57,261	51.00%	2,57,98,550	1,31,57,261	51.00%
SISPL	50,000	-	0.00%	50,000	-	0.00%
SKEPL	10,11,56,860	5,15,89,999	51.00%	10,11,56,860	5,15,89,999	51.00%
SHAPL	50,000	-	0.00%	50,000	-	0.00%

* During the previous year FY 2021-22, 24,500 shares of MBCPNL has been transferred to ARTL pursuant to Share Pledge Agreement.

- (d) Following investment in equity shares of subsidiaries are pledged in favour of lenders for long term borrowing availed by the company.

	March 31, 2023			March 31, 2022		
	Total Shares Held	Shares Pledged	% of shares pledged	Total Shares Held	Shares Pledged	% of shares pledged
MBCPNL	25,315	17,250	34.50	25,315	17,250	34.50
ARRIL	1,04,60,000	48,11,600	46.00%	1,04,60,000	48,11,600	46.00%
SUHL	1,49,50,000	73,25,440	49.00%	1,49,50,000	73,25,440	49.00%
SBHL	1,96,60,000	96,33,340	49.00%	1,96,60,000	96,33,340	49.00%
SRHL	10,00,000	4,89,940	48.99%	10,00,000	4,89,940	48.99%
SNHL	10,00,000	4,89,940	48.99%	10,00,000	4,89,940	48.99%
SJRRPL	1,16,50,000	57,08,485	49.00%	1,16,50,000	57,08,485	49.00%
SUDHL	2,69,66,000	1,32,13,280	49.00%	2,69,66,000	1,32,13,280	49.00%
SBGHPL	3,09,02,690	1,51,42,258	49.00%	3,09,02,690	1,51,42,258	49.00%
SVHL	2,57,98,550	1,26,41,275	49.00%	2,57,98,550	1,26,41,275	49.00%
SKEPL	10,11,56,860	4,95,66,801	49.00%	10,11,56,860	4,95,66,801	49.00%
RPTPL	21,86,445	10,71,198	48.99%	21,86,445	10,71,198	48.99%
RHTPL	1,07,68,000	52,76,170	49.00%	1,07,68,000	52,76,170	49.00%

- (e) Following investment in equity shares of subsidiaries are pledged in favour of lenders for long term borrowing availed by Sadbhav Engineering Limited, Holding company.

	March 31, 2023			March 31, 2022		
	Total Shares Held	Shares Pledged	% of shares pledged	Total Shares Held	Shares Pledged	% of shares pledged
ARRIL	1,04,60,000	24,40,667	23.33%	1,04,60,000	24,40,667	23.33%

8. Loans (unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to employees	5.41	7.74
Loans to related parties (refer note 38)	509.69	459.18
Total - A	515.10	466.92
Current		
Loans to related parties (refer note 38)	58.91	385.91
Inter-corporate loans	1,048.29	1,048.29
Loans to employees	0.54	0.54
Less :- Transfer to Held for sale (refer note 45.1)	(1,048.29)	(1,048.29)

Notes to Standalone Financial Statement for the year ended March 31, 2023

8. Loans (unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Total - B	59.45	386.45
Total A+B	574.55	853.37

Notes:

- The Company has granted loans in the nature of loans aggregating INR 58.91 million (March 31, 2022: INR 385.91 million) (including renewals on due dates) as at March 31, 2023 to its subsidiaries. The funds are advanced based on business needs of the subsidiaries company in accordance with Lender's Loan agreements and Sponsor Support and Equity Contribution Agreement of the respective entities.
- Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, is not disclosed.
- There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- The company has granted Loan to SHAPL, a subsidiary of the company. The funds are advanced based on business needs of the subsidiaries company.
- The fair value of non-current loans is not materially different from the carrying value presented.
- For terms and conditions relating to loan to related parties, refer note 38.

9. Other Financial Assets (unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non Current		
Deposits with banks having remaining maturity period more than 12 months	-	2.50
Total - A	-	2.50
Current		
Receivable towards sale of subsidiaries	5.70	5.70
Receivable toward carve out assets (refer note (a) below)	15.06	61.17
Interest receivable from related parties (refer note 38)	183.62	113.77
Interest receivable on deposit with bank	0.01	9.49
Others	0.30	0.30
Total - B	204.69	190.42
Total = A+B	204.69	192.92

Notes:

- Pursuant to the definitive share purchase agreement (SPA) dated 1 July 2019 related to sale of equity share of subsidiaries, certain assets such as land, investment properties and arbitration claim receivable ('carve out assets') do not form part of the equity consideration and hence, all beneficial rights of the same are retained by the company. Accordingly, the company has accounted such carve out assets as receivable from respective entities in these standalone financial statement.
- There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- For terms and conditions relating to receivable from subsidiaries, refer note 38.

10. Trade Receivables

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good (refer note 38)	1,115.64	1,169.66
Less: Allowance for expected Credit Loss	14.00	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	1,101.64	1,169.66

Notes:

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- For terms and conditions relating to related party receivable, refer note 38.

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	Secured, considered good	-	-	-	-	-	-
2	Unsecured, considered good (refer note 38)	-	283.45	476.16	75.28	266.75	1,101.64

Notes to Standalone Financial Statement for the year ended March 31, 2023

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
3	Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
4	Trade Receivables - credit impaired	-	-	-	-	-	-
	Total	-	283.45	476.16	75.28	266.75	1,101.64

As at March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	Secured, considered good	-	-	-	-	-	-
2	Unsecured, considered good (refer note 38)	-	1,072.00	43.74	26.28	27.64	1,169.66
3	Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
4	Trade Receivables - credit impaired	-	-	-	-	-	-
	Total	-	1,072.00	43.74	26.28	27.64	1,169.66

*Date of transaction is considered as due date in case where no due date of payment is specified

11. Cash and Bank Balance

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand		0.00
Balance with banks:		
In current accounts	33.75	540.42
In current accounts - unpaid share application refund money and unclaimed dividend	0.14	0.14
Deposits with original maturity of less than 3 months	0.06	0.06
Total - A	33.95	540.62
Other bank balances		
Deposits with remaining maturity less than 12 months	15.30	51.79
Total - B	15.30	51.79
Total = A+B	49.25	592.40

Notes:

- Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- Cash on hand as on March 31, 2023 INR 4,563/- (March 31, 2022 INR 3519/-) is below rounding off norms adopted by the company.
- Balances with banks include balance of INR 6.33 Million in FY 2022-23 (FY 2021-22 INR 131.21 Million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

12. Other Assets (unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non Current		
Advance income tax (net of provisions)	61.92	0.03
Deposits (refer note 39)	2.42	1.04
Tax credits and receivables	64.39	28.85
Total - A	128.73	29.92
Current		
Advances to vendors	74.91	182.39
Receivable from subsidiaries (refer note 38)	267.84	121.52
Receivable from other than subsidiaries	4.57	13.25
Prepaid expenses	0.25	7.55
Contract assets (refer note 37)	581.52	511.15
Total - B	929.09	835.87
Total = A+B	1,057.80	865.78

Notes to Standalone Financial Statement for the year ended March 31, 2023

13. Current tax assets

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Advance income tax (Net of provision)	32.42	-
Total	32.42	

14. Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorized share capital				
Equity Shares of INR 10 each	40,30,00,000	4,030.00	40,30,00,000	4,030.00
Total	40,30,00,000	4,030.00	40,30,00,000	4,030.00
Issued, subscribed and fully paid				
Equity Shares of INR 10 each	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Total	35,22,25,216	3,522.25	35,22,25,216	3,522.25

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(INR in Million)	No. of Shares	(INR in Million)
At the beginning of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25

(b) Terms/rights attached to equity shares:

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

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

Out of equity shares issued by the company, shares held by its holding company are as below: (INR in Million)

	As at March 31, 2023	As at March 31, 2022
Sadbhav Engineering Limited, holding company 245,721,252 (31 March 2022: 245,721,252) equity shares	2,457.21	2,457.21

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of INR 10/- each fully paid				
Sadbhav Engineering Limited	24,57,21,252	69.76%	24,57,21,252	69.76%

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

(e) Shareholding of Promoters

Name of Promoter	No of Shares	% of Total Share	% Change During Period
As at March 31, 2023			
Sadbhav Engineering Limited and its nominees	24,57,21,252	69.76%	0.00%
Shantaben Vishnubhai Patel	12,13,374	0.34%	0.00%
Shashin Vishnubhai Patel	8,14,110	0.23%	0.00%
Total	24,77,48,736	70.33%	0%
As at March 31, 2022			
Sadbhav Engineering Limited and its nominees	24,57,21,252	69.76%	0.00%
Shantaben Vishnubhai Patel	12,13,374	0.34%	0.00%
Shashin Vishnubhai Patel	8,14,110	0.23%	0.00%
Total	24,77,48,736	70.33%	0%

15. Other Equity

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
a. Equity Component of Compound Financial Instrument (refer note below and note 38)		

Notes to Standalone Financial Statement for the year ended March 31, 2023

15. Other Equity

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	532.22	532.22
Balance at the end of the year	Total - A	532.22
Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPs) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity and liability component under non-current borrowings (refer note 15). Interest on liability component is recognised using the effective interest method.		
b. Securities premium		
Balance at the beginning of the year	9,039.27	9,039.27
Balance at the end of the year	Total - B	9,039.27
Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.		
c. Debenture redemption reserve		
Balance at the beginning of the year	-	189.35
Add : Transfer from surplus of statement of Profit & Loss		
Less: Transfer to General Reserves	-	(189.35)
Balance at the end of the year	Total - C	0.00
The Company issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the company to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve. The Ministry of Corporate Affairs has issue Companies (Share Capital and Debentures) Amendment rules, 2019 dated August 16, 2019 whereby it has exempted listed companies from creation of DRR. Accordingly, the company has not created additional DRR during the year.		
Further, the Company has transferred INR Nil million (March 31, 2022: INR 189.35 million) from DRR to general reserve upon redemption of debentures during the year ended March 31, 2023.		
d. General reserves		
Balance at the beginning of the year	1,154.67	965.32
Add: Transfer from Debenture Redemption Reserve	-	189.35
Balance at the end of the year	Total - D	1,154.67
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity and is not an item of other comprehensive income.		
e. Retained earnings		
Balance at the beginning of the year	2,068.47	3,982.36
Add : Loss for the year	(3,575.47)	(1,916.46)
Add : Re-measurements gain on defined benefit plans, net of tax	0.38	2.57
Balance at the end of the year	Total - E	2,068.47
	Total (A+B+C+D+E)	12,794.63

16. Non-Current Borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Secured		
Redeemable, Non Convertible Debentures		
19,500 Allianz NCD (31 March 2022: 19,500) of INR 67,407.69 each	1,314.45	1,406.95
19,500 AMP CAPITAL NCD (31 March 2022: 19,500) of INR 67,407.69 each	1,314.45	1,406.95
8,000 Allianz NCD (31 March 2022: 8,000) of INR 1,00,000 each	800.00	800.00
8,000 AMP CAPITAL NCD (31 March 2022: 8,000) of INR 1,00,000 each	800.00	800.00
	4,228.90	4,413.90
Unsecured		
Liability component of compound financial instrument (refer note 38)	591.47	532.87
Total (A)	4,820.37	4,946.77
Less: Current Maturities of non-current borrowing (refer note 18)		
Redeemable, Non Convertible Debentures	-	-
Total (B)	-	-
Total (C=A-B)	4,820.37	4,946.77

Notes to Standalone Financial Statement for the year ended March 31, 2023

As on March 31, 2023

- (a) **39,000 (March 31, 2022: 39,000/-) Redeemable , Non Convertible debentures (NCD) are secured by:**
 (i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the Company in its subsidiary Companies. Pledge of shares of various subsidiaries are given in table below
- (b) **16,000 (March 31, 2022: 16,000/-) Redeemable , Non Convertible debentures (NCD) are secured by:**
 (i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the Company in its subsidiary Companies. Pledge of shares of various subsidiaries are given in table below.

Pledge of Securities

PART A – DETAILS OF INITIAL PLEDGED SECURITIES

Sr. No.	Project SPV	As at March 31, 2023			As at March 31, 2022		
		Initial Pledged Securities	Percent of Initial Pledged Securities	Paid up shares	Initial Pledged Securities	Percent of Initial Pledged Securities	Paid up shares
1	Sadbhav Rudrapur Highway Limited (SRHL)	4,89,940	48.99%	10,00,000	4,89,940	48.99%	10,00,000
2	Sadbhav Nainital Highway Limited (SNHL)	4,89,940	48.99%	10,00,000	4,89,940	48.99%	10,00,000
3	Sadbhav Bhavnagar Highway Limited (SBHL)	96,33,340	49.00%	1,96,60,000	96,33,340	49.00%	1,96,60,000
4	Sadbhav Una Highway Limited (SUHL)	73,25,440	49.00%	1,49,50,000	73,25,440	49.00%	1,49,50,000
5	Sadbhav Bangalore Highway Private Limited (SBGHPL)	1,51,42,258	49.00%	3,09,02,690	1,51,42,258	49.00%	3,09,02,690
6	Sadbhav Vidarbha Highway Limited (SVHL)	1,26,41,275	49.00%	2,57,98,550	1,26,41,275	49.00%	2,57,98,550
7	Sadbhav Udaipur Highway Limited (SUDHL)	1,32,13,280	49.00%	2,69,66,000	1,32,13,280	49.00%	2,69,66,000
8	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	57,08,485	49.00%	1,16,50,000	57,08,485	49.00%	1,16,50,000
9	Sadbhav Kim Expressway Private Limited (SKEPL)	4,95,66,801	49.00%	10,11,56,860	4,95,66,801	49.00%	10,11,56,860
10	Rohtak-Panipat Tollway Private Limited (RPTPL)	10,71,198	48.99%	21,86,445	10,71,198	48.99%	21,86,445
11	Rohtak-Hissar Tollway Private Limited (RHTPL)	52,76,170	49.00%	1,07,68,000	52,76,170	49.00%	1,07,68,000

PART B – DETAILS OF SUBSEQUENT PLEDGED SECURITIES

Sr. No.	Project SPV	March 31, 2023			March 31, 2022		
		Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Paid up shares	Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Paid up shares
1	Maharashtra Border Check Post Network Limited (MBCPNL)	2,250	4.50%	50,000	2,250	4.50%	50,000
2	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	48,11,600	46.00%	1,04,60,000	48,11,600	46.00%	1,04,60,000

(c) **Terms of Repayment for:**

(i) **39,000 Redeemable , Non Convertible debentures (NCD):**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	19,500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025
Series B	19,500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025

Notes to Standalone Financial Statement for the year ended March 31, 2023

(ii) 16,000 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	8,000	23%	63 months from the 1st deemed date of allotment	July 15, 2026
Series B	8,000	23%	63 months from the 1st deemed date of allotment	July 15, 2026

(d) Liability Component of Compound Financial Instrument :

Interest free loan given by Promotors (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby promotors have given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the contract and equity components has been classified in the Other Equity (refer note 16) and liability component in the non-current borrowings. Interest on liability component is recognised using the effective interest method.

17. Provisions

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits - Gratuity (refer note 34)	5.97	2.82
Total (A)	5.97	2.82
Current		
Provision for employee benefits - Gratuity (refer note 34)	1.73	1.42
Provision for employee benefits - leave encashment	6.90	7.11
Total (B)	8.64	8.53
Total = A+B	14.60	11.35

18. Current Borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Bank overdrafts (secured)	-	-
Current Maturities of non-current borrowing	-	-
Loans repayable on demand (unsecured):		
Related parties (refer note 38)	2,782.32	3,270.34
Others	-	-
Working capital demand loan from banks	-	-
Total	2,782.32	3,270.34

Notes:

(a) Loan from related parties carries interest of 11% p.a. and is repayable on demand/call notice.

19. Trade Payables

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note (a) below)	-	-
Total outstanding dues of creditors other than micro and small enterprises	830.29	720.52
Dues to related parties (refer note 38)	266.08	382.27
Total	1,096.37	1,102.79

Notes:

- a) As per intimation available with the Company, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made. This has been relied upon by the Auditors.
- b) Trade payables are non-interest bearing.

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	221.14	202.84	80.78	228.78	96.75	830.29
3	Others-Related Parties	-	81.17	184.91	-	-	266.08
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	221.14	284.01	265.69	228.78	96.75	1,096.37

Notes to Standalone Financial Statement for the year ended March 31, 2023

As at March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	-	466.24	73.00	40.15	141.13	720.52
3	Others-Related Parties	-	382.27	-	-	-	382.27
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	-	848.51	73.00	40.15	141.13	1,102.79

*Date of transaction is considered as due date in case where no due date of payment is specified

20. Other Financial Liabilities

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non current		
Interest accrued but not due on debentures	800.03	351.39
Less: Current maturities of Interest accrued but not due on debentures	-	-
Total - A	800.03	351.39
Current		
Interest accrued and due on borrowing (refer note 38)	321.42	401.44
Interest accrued but not due on debentures/borrowing	84.63	84.63
Employee emoluments payable	7.19	10.21
Payable toward unclaimed dividend and unpaid share application refund money*	0.14	0.14
Advance against Sale of Shares	84.81	-
Other payable	0.03	0.03
Total - B	498.22	496.43
Total = A+B	1,298.25	847.83

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022: Nil).

21. Other Current Liabilities

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Payable to subsidiaries	-	8.68
Statutory dues payable	45.15	94.55
Advances from Subsidiaries	294.06	-
Total	339.21	103.22

22. Current Tax Liabilities (Net)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance tax and tax deducted at source)	-	116.26
Total	-	116.26

23. Revenue from Operations

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contract with customer (refer note 37 and 38)		
Revenue from construction services	431.13	710.40
Revenue from operation and maintenances and project management services	463.01	1,331.70
Total	894.14	2,042.10

24. Other Income

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit on sale of Shares	0.32	6.59
Interest Income on:		
Corporate loan (refer note 38)	112.54	98.92
Banks deposits	3.22	7.45

Notes to Standalone Financial Statement for the year ended March 31, 2023

24. Other Income

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Unwinding of discount on interest free loan	50.51	43.93
Investments	67.66	100.60
Dividend Income	22.26	10.24
Profit on Sale of Assets	1.37	-
Income in relation to carve out assets (refer note 9(a))	57.62	-
Liabilities no longer required, written back	41.84	33.65
Miscellaneous Income	22.13	0.98
Total	379.48	302.35

25. Sub-contractors Charges

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Construction contract charges to sub-contractors	8.91	157.35
Operation and maintenance charges to sub-contractors	634.58	1,385.60
Total	643.48	1,542.95

As per the format of the Statement of Profit and Loss prescribed in Schedule III division II, there is no separate line item for "Sub-contractors Charges". However, considering the industry practice in the sector in which company operates and significance of the sub-contractors charges, for better understanding by the users of financial statements, the company has disclosed "Sub-contractors Charges" by way of a separate line item on the face of Statement of Profit and Loss.

26. Employee Benefit Expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus (including managerial remuneration) (refer note no 33 and 37)	42.03	48.76
Contribution to provident fund and other funds (refer note no 34)	1.38	2.01
Gratuity expenses (refer note no 34)	4.09	1.17
Staff welfare expenses	0.03	0.18
Total	47.53	52.11

27. Finance Cost

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on:		
Debenture	785.50	871.31
Current borrowings (refer note 38)	357.13	454.60
Others	21.25	-
Unwinding of discount on interest free loan	58.62	52.81
Other borrowing costs	54.95	49.15
Total	1,277.44	1,427.87

28. Other Expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Expense relating to short-term leases (refer note 36 and 37)	4.32	4.32
Rates and taxes	3.53	4.23
Repairs and maintenance - Others	2.48	3.03
Insurance	0.05	0.19
Travelling expenses	0.14	0.12
Legal and professional charges	12.90	116.73
Auditors' remuneration (refer below)	1.54	1.53
Director sitting fees (refer note 38)	0.42	0.50
Annual listing fees	1.77	1.16
Miscellaneous expenses	73.85	12.50
Total	101.00	144.31

Notes to Standalone Financial Statement for the year ended March 31, 2023

28.1 Payment to auditors

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Towards		
Statutory audit fees (includes limited review)	1.50	1.50
Certification fees	0.04	0.03
Total	1.54	1.53

29. Income Tax Expense

The major component of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are as under:

(a) Profit and Loss

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
Current income tax charges	-	77.52
Adjustment in respect of tax of earlier years	(182.54)	-
Total (A)	(182.54)	77.52
Deferred tax		
Relating to origination and reversal of temporary differences	(212.05)	(428.60)
Adjustment in respect of deferred tax of earlier years	-	-
Total deferred tax charged in the statement of profit and loss	(212.05)	(428.60)
MAT Credit utilised against tax payments for the year	-	-
	(212.05)	(428.60)
Tax expense reported in the statement of profit and loss	Total (A+B)	(394.59)
		(351.08)

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

(INR in Million)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	(3,970.06)	(2,267.54)
Statutory Income tax rate (refer note (a) below)	25.63%	25.63%
Expected Income tax expenses	(1,017.53)	(581.17)
Tax Effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses		
i. Tax effect of non deductible items	5.45	0.24
ii. Tax in respect of earlier years	(182.54)	-
iii. Tax effect due to indexation benefit	617.49	229.85
iv. Tax on effect due to change in rate	-	-
v. Tax on income at different rates	-	-
Income tax expenses as per normal tax rate	(394.59)	(351.08)
Consequent to reconciliation items shown above, the effective tax rate	-	-

(c) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022:

(INR in Million)

Particular	Balance sheet		Statement of Profit and Loss	
	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Impact on liability component of Compound instruments	-	(63.22)	63.22	(13.53)
Depreciation difference between books and tax purpose	0.96	1.04	(0.08)	0.20
Expenditure allowed on payment basis	14.64	4.34	10.30	0.35
Expenditure allowed over the period	-	-	-	-
Income taxable on actual receipts basis	(3.86)	(154.19)	150.33	(415.63)
Tax credit entitlement under MAT	-	-	-	-
DTA not recognised in books	(11.74)	-	(11.74)	-
Total deferred tax expenses/(Income)			212.01	(428.61)
Net deferred tax assets/(liabilities)	(0.00)	(212.01)		

Notes:

Notes to Standalone Financial Statement for the year ended March 31, 2023

- a) The Company has assessed tax benefit under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (the ordinance) and opted option available under the ordinance. Accordingly, the Company has recognised Provision of Income Tax for the year ended 31 March 2023 and re-measured its Deferred Tax Assets basis the rate prescribed in the said section.
- b) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

30. Disclosure of Financial Instruments by Category

(INR In Millions)

Particulars	Note No.	As at March 31, 2023				As at March 31, 2022			
		FVTPL	FVTOCI	Amortized cost	Cost	FVTPL	FVTOCI	Amortized cost	Cost
Financial asset									
Investments	7	1,216.56	-	-	18,326.78	1,759.18	-	-	20,440.90
Trade receivables	10	-	-	1,101.64	-	-	-	1,169.66	-
Cash and cash equivalents	11	-	-	33.95	-	-	-	540.62	-
Other bank balances	11	-	-	15.30	-	-	-	51.79	-
Loans	8	-	-	574.55	-	-	-	853.37	-
Other financial assets	9	-	-	204.69	-	-	-	192.92	-
Total financial asset		1,216.56	-	1,930.13	18,326.78	1,759.18	-	2,808.36	20,440.90
Financial liabilities									
Non-current borrowings	16	-	-	4,820.37	-	-	-	4,946.77	-
Current borrowings	18	-	-	2,782.32	-	-	-	3,270.34	-
Trade payables	19	-	-	1,096.37	-	-	-	1,102.79	-
Other financial liabilities	20	-	-	1,298.25	-	-	-	847.83	-
Total financial liabilities		-	-	9,997.30	-	-	-	10,167.73	-

31. Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR In Millions)

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Investments in unit of Indinfravit Trust	7	1,216.56	1,216.56	1,759.18	1,759.18
Total Financial Assets		1,216.56	1,216.56	1,759.18	1,759.18
Financial liabilities					
Redeemable, Non Convertible Debentures	16	5,113.56	5,113.56	4,849.92	4,849.92
Total Financial Liabilities		5,113.56	5,113.56	4,849.92	4,849.92

Notes:

- a) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

Notes to Standalone Financial Statement for the year ended March 31, 2023

32. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2023 and March 31, 2022

(INR In Millions)

Particulars	Note No.	Fair value measurement using					
		March 31, 2023			March 31, 2022		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value							
Fair value through profit and loss							
Investments in unit of Indinfravit Trust	7	1,216.56	-	-	1,759.18	-	-
Liabilities measured at fair value							
Liabilities for which fair value are disclosed							
Redeemable, Non Convertible Debentures	16	-	5,113.56	-	-	4,849.92	-

There have been no transfers between level 1 and level 2 during the years.

33. Earning Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax for the year available for equity shareholders	(3,575.47)	(1,916.46)
Number of equity shares at the end of the year	35,22,25,216	35,22,25,216
Weighted average number of equity shares for basic and diluted EPS	35,22,25,216	35,22,25,216
Nominal value of equity shares	10	10
Basic and diluted earnings per share	(10.15)	(5.43)

34. Employee Benefits Disclosure

A Defined Contribution Plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident funds	1.25	1.77
Contribution to Employee state insurance	0.13	0.22
Contribution to Benevolent fund	-	0.02
Total	1.38	2.01

B Defined benefit plans - Gratuity benefit plan:

The Company has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

(INR in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligations as at beginning of the year- A	4.23	5.64
Cost charged to statement of profit and loss		
Current service cost	3.77	0.80
Interest cost	0.27	0.37
Sub-total included in statement of profit and loss - B	4.05	1.17
Remeasurement gains/(losses) in other comprehensive income		
Actuarial Loss due to change in financial assumptions	(0.20)	(0.05)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial (gain) due to experience	(0.18)	(2.52)
Sub-total included in OCI - C	(0.38)	(2.57)

Notes to Standalone Financial Statement for the year ended March 31, 2023

Particulars	(INR in Million)	
	As at March 31, 2023	As at March 31, 2022
Benefit paid - D	(0.21)	-
Defined benefit obligations as at end of the year (A+B+C+D)	7.70	4.24
Non-current	5.97	2.82
Current	1.73	1.42

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	(INR in Million)	
	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	6.70%
Salary growth rate	6.00%	6.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	(INR in Million)	
		As at March 31, 2023	As at March 31, 2022
Discount rate	0.50% increase	(0.18)	(0.11)
	0.50% decrease	0.20	0.11
Salary Growth Rate	0.50% increase	0.15	0.07
	0.50% decrease	(0.13)	(0.07)
Withdrawal rate	10% increase	0.04	-
	10% decrease	(0.02)	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

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

Since the obligation is unfunded, there is no Assets-Liability Matching strategy device for the plan. Accordingly, there is no expected contribution in the next annual reporting period reported.

C Maturity Profile of the Defined Benefit Obligation

	As at March 31, 2023	
	INR in Million	%
2024	1.73	5.50%
2025	2.24	20.20%
2026	0.36	3.30%
2027	0.81	7.30%
2028	0.38	3.40%
2029-2033	1.92	17.20%

	As at March 31, 2022	
	INR in Million	%
2023	1.42	5.40%
2024	0.24	4.30%
2025	0.22	3.90%
2026	0.20	3.70%
2027	0.56	10.10%
2028-2032	2.12	38.20%

The average future duration of the defined benefit plan obligation at the end of the reporting period is 6.84 years (March 31, 2022: 7.67 years).

D Other employee benefit:

Salaries, Wages and Bonus include INR 1.74 million (March 31, 2022: INR 4.62 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, bonus and leave travel allowance.

Notes to Standalone Financial Statement for the year ended March 31, 2023

35. Segment Reporting

The operating segment of the company is identified to be "Build Operat and Transfer (BOT)/ Annuity Projects and its related activities", as the Chief Operating Decision Makers (CODM) reviews business performance at an overall group level as one segment and hence, no additional disclosure are require to be made under Ind AS 108 "Operating Segments". Further, the Company also primarily operates under one geographical segment namely India. There are no single customer which contribute morethan 10% of total revenue of the Company.

36. Leases

The Company has taken office space on operating lease on short term basis. There are no sub-leases and the leases which are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There are neither any contingent rent nor any escalation clause in the lease arrangements. The Company has applied the 'short-term lease' recognition exemptions for above lease.

During the year, the Company has incurred expense relating to short-term leases (included in other expenses) INR 4.32 million (March 31, 2022: INR 4.32 million) toward above lease premises.

37. Revenue from contract with customers

37.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Type of service rendered		
Revenue from construction services	431.13	710.40
Revenue from operation and maintenances and project management services	463.01	1,331.70
Total revenue from contracts with customers	894.15	2,042.10
Place of service rendered		
India	894.15	2,042.10
Total revenue from contracts with customers	894.15	2,042.10
Timing of revenue recognition		
Services transferred over time	894.15	2,042.10
Total revenue from contracts with customers	894.15	2,042.10

37.2 Contract balances

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Contract assets	581.52	511.15

Contract assets are recognised for project management services render to customer as per the agreement. Upon completion of work, the contract assets are classified as trade receivable.

37.3 Performance obligation

Information about the company's performance obligations are summarised below:

a. Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

b. Operation and maintenances and project management services

There are contract with subsidiaries entities for operation & maintenances and project management services. The performance obligation is satisfied over-time and payment is generally due on completion of services i.e. monthly basis.

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

	As at March 31, 2023	As at March 31, 2022
Within one year	258.05	709.92
Morethan one year	4,796.47	3885.39*

* Does not include the amount of price escalation on operation and maintenance income

37.4 Reconciliation of the amount of revenue recorded in statement of Profit & loss is not required as there are no adjustments to the contracted price.

Notes to Standalone Financial Statement for the year ended March 31, 2023

38. Related Party disclosures

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

(a) Name of related party and nature of relationship

Related Parties where control exists :

Holding Company	Sadbhav Engineering Limited (SEL)
Subsidiaries	Ahmedabad Ring Road Infrastructure Limited (ARRIL) Rohtak Panipat Tollway Private Limited (RPTPL) Maharashtra Border Check Post Network Limited (MBCPNL) Rohtak Hissar Tollway Private Limited (RHTPL) Sadbhav Bhavnagar Highway Limited (SBHL) [Formerly known as Sadbhav Bhavnagar Highway Private Limited (SBHPL)] Sadbhav Nainital Highway Limited (SNHL) [Formerly known as Sadbhav Nainital Highway Private Limited (SNHPL)] Sadbhav Rudrapur Highway Limited (SRHL) [Formerly known as Sadbhav Rudrapur Highway Private Limited (SRHPL)] Sadbhav Una Highway Limited (SUHL) [Formerly known as Sadbhav Una Highway Private Limited (SUHPL)] Sadbhav Bangalore Highway Private Limited (SBGHPL) Sadbhav Udaipur Highway Limited (SUDHL) [Formerly known as Sadbhav Udaipur Highway Private Limited (SUDHPL)] Sadbhav Vidarbha Highway Limited (SVHL) [Formerly known as Sadbhav Vidarbha Highway Private Limited (SVHPL)] Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) Sadbhav PIMA Private Limited (SPPL) (Upto December 07, 2022) [Formerly known as Sadbhav Tumkur Highway Private Limited (STHPL)] Sadbhav Kim Expressway Private Limited (SKEPL) Sadbhav Infra Solutions Private Limited (SISPL) [Formerly known as Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL)] Sadbhav Maintenance Infrastructure Private Limited (SMIPL) [Formerly known as Vizag Port Road Private Limited (SVPRPL)] Sadbhav Hybrid Annuity Projects Limited (SHAPL)
Fellow Subsidiary	Sadbhav Gadag Highway Private Limited (SGHPL)

Related parties with whom transactions have taken place:

Entities over which Director having controls Ennar Infra Solutions LLP

Key managerial personnel	Mr. Shashin V. Patel, Chairman and Non-Executive Director Mr. Jatin Thakkar, Executive Director and Chief Financial Officer (CFO) (w.e.f March 15, 2023) Mr. Dwigesh Joshi, Non-Executive Director (w.e.f March 15, 2023) Mr. Sandip Patel, Independent Director Mr. Arun Kumar Patel, Independent Director Mrs. Dakshaben Shah, Independent Director Mr. Vasistha C. Patel, Managing Director (upto November 21, 2022) Mr. Nitin R. Patel, Non-Executive Director (upto November 21, 2022) Mr. Pradip Agarwal, Chief Financial Officer (upto November 02, 2022) Mr. Hardik Modi, Company Secretary
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Notes to Standalone Financial Statement for the year ended March 31, 2023

(b) Transactions with Related Parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiaries		Key Management Personnel	
		Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
1	Current borrowing taken										
	SEL	935.83	3,096.06	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	45.09	-	-	-	-	-	-
2	Current borrowing repaid (including Interest)										
	SEL	1,423.86	4,495.22	-	-	-	-	-	-	-	-
	SHAPL	-	-	-	52.09	-	-	-	-	-	-
	MBCPNL	-	-	-	119.38	-	-	-	-	-	-
3	Interest expense										
	SEL	357.13	446.04	-	-	-	-	-	-	-	-
	SHAPL	-	-	-	0.23	-	-	-	-	-	-
4	Loan given										
	MBCPNL	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	11.06	-	-	-	-	-	-	-
	SBGHPL	-	-	-	24.00	-	-	-	-	-	-
	SVHL	-	-	6.40	-	-	-	-	-	-	-
	SHAPL	-	-	-	567.91	-	-	-	-	-	-
5	Proceeds from loan given including interest										
	SRHL	-	-	-	103.85	-	-	-	-	-	-
	SUHL	-	-	0.88	-	-	-	-	-	-	-
6	Sub-ordinate debt given										
	SUDHL	-	-	140.00	400.00	-	-	-	-	-	-
	SBGHPL	-	-	-	140.00	-	-	-	-	-	-
	SBHL	-	-	-	252.60	-	-	-	-	-	-
	SUHL	-	-	-	291.20	-	-	-	-	-	-
	SRHL	-	-	40.00	-	-	-	-	-	-	-
	SNHL	-	-	-	223.50	-	-	-	-	-	-
	SVHL	-	-	-	301.70	-	-	-	-	-	-
	SJRRPL	-	-	-	1,070.01	-	-	-	-	-	-
	SKEPL	-	-	170.00	942.40	-	-	-	-	-	-
7	Rending services (excluding taxes)										
	ARRIL	-	-	18.90	237.18	-	-	-	-	-	-
	RPTPL	-	-	-	8.13	-	-	-	-	-	-
	SUHL	-	-	28.18	244.76	-	-	-	-	-	-
	SBHL	-	-	53.71	205.98	-	-	-	-	-	-
	SRHL	-	-	17.89	32.44	-	-	-	-	-	-
	SNHL	-	-	10.91	140.00	-	-	-	-	-	-
	SKEPL	-	-	-	38.94	-	-	-	-	-	-
	SBGHPL	-	-	-	184.36	-	-	-	-	-	-
	SUDHL	-	-	-	26.89	-	-	-	-	-	-
	SPPL	-	-	5.46	-	-	-	-	-	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2023

(b) Transactions with Related Parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiaries		Key Management Personnel	
		Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
8	Receivable/(Payable) towards Reimbursement of expenses (net)										
	SEL	5.94	37.73	-	-	-	-	-	-	-	-
	ARRIL	-	-	0.08	-	-	-	-	-	-	-
	MBCPNL	-	-	-	172.41	-	-	-	-	-	-
	RPTPL	-	-	4.67	-	-	-	-	-	-	-
	RHTPL	-	-	1.16	0.78	-	-	-	-	-	-
	SBGHPL	-	-	1.98	1.94	-	-	-	-	-	-
	SKEPL	-	-	2.35	1.90	-	-	-	-	-	-
	SBHL	-	-	(1.02)	0.04	-	-	-	-	-	-
	SNHL	-	-	6.38	20.37	-	-	-	-	-	-
	SRHL	-	-	6.45	1.80	-	-	-	-	-	-
	SVHL	-	-	55.34	0.65	-	-	-	-	-	-
	SUDHL	-	-	2.15	1.24	-	-	-	-	-	-
	SHAPL	-	-	0.06	0.14	-	-	-	-	-	-
	SPPL	-	-	-	0.41	-	-	-	-	-	-
	SISPL	-	-	8.68	0.15	-	-	-	-	-	-
	SGHPL	-	-	-	-	-	-	0.02	0.06	-	-
	SMIPL	-	-	78.64	0.00	-	-	-	-	-	-
	SUHL	-	-	(2.02)	0.15	-	-	-	-	-	-
	SJRRPL	-	-	2.34	-	-	-	-	-	-	-
9	Interest Income										
	MBCPNL	-	-	110.07	65.20	-	-	-	-	-	-
	SNHL	-	-	1.41	1.29	-	-	-	-	-	-
	SRHL	-	-	0.87	2.39	-	-	-	-	-	-
	SUHL	-	-	-	0.09	-	-	-	-	-	-
	SBHL	-	-	0.20	0.19	-	-	-	-	-	-
	SBGHPL	-	-	-	29.74	-	-	-	-	-	-
	SVHL	-	-	-	0.01	-	-	-	-	-	-
10	Subordinate Debt Reversal / received back										
	SISPL	-	-	-	28.19	-	-	-	-	-	-
	SBGHPL	-	-	1,040.97	-	-	-	-	-	-	-
	SJRRPL	-	-	1,033.07	-	-	-	-	-	-	-
11	Reversal of Loan given										
	SBGHPL	-	-	374.65	-	-	-	-	-	-	-
12	Mobilization and Other Advances adjusted against Services										
	SKEPL	-	-	-	45.95	-	-	-	-	-	-
	SUDHL	-	-	-	0.25	-	-	-	-	-	-
13	Services received under EPC & Maintenance Contracts										
	SEL	49.24	970.90	-	-	-	-	-	-	-	-
14	Services Reversed under EPC & Maintenance Contracts										
	SEL	159.61	-	-	-	-	-	-	-	-	-
	SBGHPL	-	-	238.05	-	-	-	-	-	-	-
	SJRRPL	-	-	6.07	-	-	-	-	-	-	-
15	Rent (excluding GST)										
	SEL	4.32	4.32	-	-	-	-	-	-	-	-
16	Availment of Professional Services										
	SEL	-	-	-	-	-	2.50	-	-	-	-
17	Assets sold to SEL										
	SEL	0.36	-	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2023

(b) Transactions with Related Parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiaries		Key Management Personnel	
		Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
18	Remuneration										
	Vasistha Patel	-	-	-	-	-	-	-	-	2.54	3.25
	Pradip Agarwal	-	-	-	-	-	-	-	-	3.57	6.05
	Jatin Thakkar									2.63	-
19	Sitting Fees										
	Shashin V Patel	-	-	-	-	-	-	-	-	0.06	0.14
	Sandip Patel	-	-	-	-	-	-	-	-	0.11	0.11
	Nitin R Patel	-	-	-	-	-	-	-	-	0.05	0.09
	Daksha Shah	-	-	-	-	-	-	-	-	0.11	0.06
	Arunkumar Patel	-	-	-	-	-	-	-	-	0.11	0.06

(c) Balances of related parties at the year end:

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiary		Key Managerial Personnel	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	Trade receivable										
	SEL	0.36	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	55.19	55.19	-	-	-	-	-	-
	SBHL	-	-	136.64	87.50	-	-	-	-	-	-
	SNHL	-	-	316.23	307.45	-	-	-	-	-	-
	SRHL	-	-	206.03	179.59	-	-	-	-	-	-
	SUHL	-	-	144.41	151.89	-	-	-	-	-	-
	SVHL	-	-	98.32	-	-	-	-	-	-	-
	SBGHPL	-	-	-	237.68	-	-	-	-	-	-
2	Loan given										
	MBCPNL	-	-	1,048.29	1,048.29	-	-	-	-	-	-
	RPTPL	-	-	11.06	-	-	-	-	-	-	-
	RHTPL	-	-	39.95	39.95	-	-	-	-	-	-
	SBHL	-	-	1.50	1.50	-	-	-	-	-	-
	SUHL	-	-	-	0.88	-	-	-	-	-	-
	SVHL	-	-	6.40	0.10	-	-	-	-	-	-
	SHAPL	-	-	567.91	567.91	-	-	-	-	-	-
	SBGHPL	-	-	-	343.48	-	-	-	-	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2023

(c) Balances of related parties at the year end:

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiary		Key Managerial Personnel	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
3	Sub-ordinate debt										
	RHTPL	-	-	2,893.42	2,893.42	-	-	-	-	-	-
	RPTPL	-	-	4,688.73	4,688.73	-	-	-	-	-	-
	SBHL	-	-	851.28	851.28	-	-	-	-	-	-
	SNHL	-	-	784.21	784.21	-	-	-	-	-	-
	SRHL	-	-	915.60	875.60	-	-	-	-	-	-
	SUHL	-	-	648.10	648.10	-	-	-	-	-	-
	SUDHL	-	-	1,346.39	1,206.39	-	-	-	-	-	-
	SBGHPL	-	-	-	1,040.97	-	-	-	-	-	-
	SVHL	-	-	813.83	813.83	-	-	-	-	-	-
	SISPL	-	-	0.19	0.19	-	-	-	-	-	-
	SKEPL	-	-	1,277.51	1,107.51	-	-	-	-	-	-
	SJRRPL	-	-	2.36	1,425.51	-	-	-	-	-	-
	SPPL	-	-	-	14.78	-	-	-	-	-	-
4	Interest payable										
	SEL	321.42	401.44	-	-	-	-	-	-	-	-
5	Mobilization & Other Advances Received										
	SUDHL	-	-	37.82	37.82	-	-	-	-	-	-
	ARRIL	-	-	256.19	-	-	-	-	-	-	-
6	Interest receivable										
	MBCPNL	-	-	99.07	65.20	-	-	-	-	-	-
	SBHL	-	-	0.85	0.67	-	-	-	-	-	-
	SNHL	-	-	15.28	14.01	-	-	-	-	-	-
	SRHL	-	-	9.75	8.97	-	-	-	-	-	-
	SVHL	-	-	-	0.04	-	-	-	-	-	-
	SBGHPL	-	-	-	31.17	-	-	-	-	-	-
	SUHL	-	-	-	0.22	-	-	-	-	-	-
7	Expense receivable/(payable)										
	SEL	-	382.27	-	-	-	-	-	-	-	-
	RPTPL	-	-	12.89	8.22	-	-	-	-	-	-
	RHTPL	-	-	4.93	3.77	-	-	-	-	-	-
	SUDHL	-	-	3.99	1.84	-	-	-	-	-	-
	SBGHPL	-	-	1.61	5.89	-	-	-	-	-	-
	SKEPL	-	-	2.86	-	-	-	-	-	-	-
	SNHL	-	-	35.46	29.08	-	-	-	-	-	-
	SRHL	-	-	5.24	1.57	-	-	-	-	-	-
	SVHL	-	-	-	42.98	-	-	-	-	-	-
	SUHL	-	-	0.84	2.87	-	-	-	-	-	-
	SJRRPL	-	-	2.30	6.03	-	-	-	-	-	-
	SMIPL	-	-	88.64	0.29	-	-	-	-	-	-
	SPPL	-	-	-	0.31	-	-	-	-	-	-
	SISPL	-	-	-	(8.68)	-	-	-	-	-	-
	SHAPL	-	-	17.54	17.49	-	-	-	-	-	-
	SGHPL	-	-	-	-	-	-	0.02	8.63	-	-
8	Current borrowings										
	SEL	2,782.32	3,270.34	-	-	-	-	-	-	-	-
	MBCPNL	-	-	-	119.38	-	-	-	-	-	-
9	Trade Payables										
	SEL	266.08	-	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2023

(c) Balances of related parties at the year end:

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Entities over which Director having controls		Fellow Subsidiary		Key Managerial Personnel	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
10	Remuneration payable										
	Vasistha Patel	-	-	-	-	-	-	-	-	0.79	0.50
	Pradip Agarwal	-	-	-	-	-	-	-	-	0.26	0.95
	Jatin Thakkar	-	-	-	-	-	-	-	-	0.88	-
11	Sitting Fees payable										
	Shashin V Patel	-	-	-	-	-	-	-	-	0.01	-
	Sandip Patel	-	-	-	-	-	-	-	-	0.04	-
	Nitin R Patel	-	-	-	-	-	-	-	-	0.01	0.01
	Daksha Shah	-	-	-	-	-	-	-	-	0.03	-
	Arunkumar Patel	-	-	-	-	-	-	-	-	0.02	-
12	Interest free unsecured loan (Equity and liability components less finance cost recognised till date reporting date)										
	SEL	779.56	779.56	-	-	-	-	-	-	-	-

Notes:

- 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 except loan given and settlement occurs in cash as per the terms of the agreement.
- Non convertible debenture of INR 4,228.90 Million as at 31 March 2021 (31 March 2022: INR 4,413.90 million) are secured by way of corporate guarantee by Sadbhav Engineering Limited (SEL), the Parent Company, first ranking charge created on shares of Company's certain subsidiaries and of SEL.
- The loans given to subsidiaries company is based on business needs of the subsidiaries company in accordance with Lender's Loan agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entities. The loan given to SBHL on demand basis which carries interest of 11.20% based on cost of fund of respective subsidiaries entities.
- The loans received from Sadbhav Engineering Limited (SEL), the Parent Company and subsidiaries is based on demand which carries interest of 11.00%.
- The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

39. Contingent liabilities and commitments

I Contingent liabilities (to the extent not provided for)

- The Deputy commissioner of income tax, Circle 1(1) has disallowed the expenditure for AY 2017-18. CIT(A)-11 has passed the order and given the relief for disallowances of expenditure of INR 167.72 Million. The DCIT, filled appeal against the order of CIT(A), 11 for AY 2017-18 for relief of disallowances of expenses of INR 167.72 Million. The Tax effect of the same is INR 61.12 Million and the matter is pending with Income Tax Appellate Tribunal, Ahmedabad.
- Goods and Service Tax contingent liability as on March 31, 2023 is INR 96.56 millions

(b) Guarantees

Company has given corporate guarantee to banks for INR 3,829.42 million (PY INR 4,011.95 million) against the finance facility given by the banks to subsidiary companies

(i) Details of Loan given, investment made and guarantee given covered u/s 186 (4) of the Companies Act, 2013

Loans given and investment made are given under respective heads

Corporate guarantee given by the Holding Company in respect of loans as at March 31, 2023 and March 31, 2022

(INR in Million)

Sr. No.	Name of Company	As at March 31, 2023	As at March 31, 2022
1	Sadbhav Nainital Highway Limited	1,296.91	1,288.53
2	Sadbhav Rudrapur Highway Limited	2,532.51	2,723.42
	Total	3,829.42	4,011.95

Notes to Standalone Financial Statement for the year ended March 31, 2023

II Commitments

The followings are the estimated amount of contractual commitments of the company: (INR in Million)

	As at March 31, 2023	As at March 31, 2022
(i) EPC sub-contract commitments	4,125.36	4,174.60
(ii) Other Commitments towards sub ordinate debts/equity shares in various subsidiaries	456.31	626.31
(iii) The BOT/HAM projects of below subsidiary companies has been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the lenders, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:		

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge As at March 31, 2023	% of Shares to Pledge As at March 31, 2022
	Upto Commercial Operation Date	After Commercial Operation Date		
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%	30.00%	30.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	0.00%	30.11%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Una Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Udaipur Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Bhavnagar Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Limited	51.00%	26.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	51.00%
Sadbhav Hybrid Annuity Projects Limited	-	-	0.00%	0.00%
Sadbhav Kim Expressway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Nainital Highway Limited	51.00%	26.00%	51.00%	51.00%

40. The following are the details of loans and advances in the nature of loans (includes in the nature of sub-ordinate debts) given to subsidiaries, associates and other entities in which directors are interested in terms of regulation 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015).

Name of Entities	Outstanding amount as at		Maximum amount Outstanding during the year	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	(INR in Million)	(INR in Million)	(INR in Million)	(INR in Million)
Maharashtra Border Check Post Network Limited	1,147.36	1,113.49	1,147.36	4,419.13
Rohtak Panipat Tollway Private Limited	4,699.79	4,688.73	4,699.79	4,688.73
Rohtak Hissar Tollway Private Limited	2,933.37	2,933.37	2,933.37	2,933.37
Sadbhav Bangalore Highway Private Limited	-	1,384.85	1,384.85	1,384.85
Sadbhav Udaipur Highway Limited	1,346.39	1,206.39	1,346.39	1,206.39
Sadbhav Bhavnagar Highway Limited	853.63	852.78	853.63	852.78
Sadbhav Nainital Highway Limited	799.49	784.21	799.49	784.21
Sadbhav Rudrapur Highway Limited	925.35	875.60	925.35	981.60
Sadbhav Vidarbha Highway Limited	820.23	813.93	820.23	813.93
Sadbhav Una Highway Limited	648.10	648.98	648.98	648.98
Sadbhav Kim Expressway Private Limited	1,277.51	1,107.51	1,277.51	1,107.51
Sadbhav Infra Solutions Private Limited	0.19	0.19	0.19	28.40
Sadbhav Hybrid annuity Private Limited	567.91	152.66	567.91	152.66
Sadbhav PIMA Private Limited	-	14.78	14.78	14.78
Sadbhav Maintenance Infrastructure Private Limited	-	33.04	33.04	33.04
Sadbhav Jodhpur Ring Road Private Limited	2.36	1,425.50	1,425.50	1,425.50

Note: All loans are given on interest bearing excepts loan given as subordinate debts (in the nature of promoters contribution) by the Company (as a sponsor) in accordance with the Lender's Loan agreement and Sponsor Support and Equity Contribution agreement with the respective SPV entities.

Notes to Standalone Financial Statement for the year ended March 31, 2023

41. Disclosure Significant interest in subsidiaries as per Ind AS 27 para 17

Sr. No.	Name of Entities	Relationship	Place of Business	Ownership %	
				As at March 31, 2023	As at March 31, 2022
1	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	Subsidiary	India	100%	100%
2	Maharashtra Border Check Post Network Limited (MBCPNL)	Subsidiary	India	50.63%	50.63%
3	Rohtak Hissar Tollway Private Limited (RHTPL)	Subsidiary	India	100%	100%
4	Rohtak Panipat Tollway Private Limited (RPTPL)	Subsidiary	India	100%	100%
5	Sadbhav Bhavnagar Highway Limited (SBHL)	Subsidiary	India	100%	100%
6	Sadbhav Nainital Highway Limited (SNHL)	Subsidiary	India	100%	100%
7	Sadbhav Rudrapur Highway Limited (SRHL)	Subsidiary	India	100%	100%
8	Sadbhav Una Highway Limited (SUHL)	Subsidiary	India	100%	100%
9	Sadbhav Bangalore Highway Private Limited (SBGHPL)	Subsidiary	India	100%	100%
10	Sadbhav Vidarbha Highway Limited (SVHL)	Subsidiary	India	100%	100%
11	Sadbhav Udaipur Highway Limited (SUDHL)	Subsidiary	India	100%	100%
12	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	Subsidiary	India	100%	100%
13	Sadbhav PIMA Private Limited (SPPL)	Subsidiary	India	NA	100%
14	Sadbhav Kim Expressway Private Limited (SKEPL)	Subsidiary	India	100%	100%
15	Sadbhav Infra Solutions Private Limited (SISPL)	Subsidiary	India	100%	100%
16	Sadbhav Maintenance Infrastructure Private Limited (SMIPL)	Subsidiary	India	100%	100%
17	Sadbhav Hybrid Annuity Projects Limited (SHAPL)	Subsidiary	India	100%	100%

42. Details of Corporate Social Responsibility (CSR) Expenditure

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Gross amount required to be spent by the company during the year		
- CSR obligation for current financial year	-	-
- Unspent amount of CSR obligation of previous financial year	-	-
- Total CSR obligation	-	-
(b) Amount spent during the year:		
On purposes other than construction / acquisition of any assets-Already Paid:	-	-
On purposes other than construction / acquisition of any assets-To be Paid:	-	-

43. Financial instrument risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations as well development and maintenance of SPVs project. The Company's principal financial assets include investments, trade receivables, other receivables, loans and cash and bank balances, which are been derived directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have 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, trade receivables, loans, other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies

Notes to Standalone Financial Statement for the year ended March 31, 2023

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

(i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from non - current borrowings with variable rates. The Company maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The company measures risk through sensitivity analysis.

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The Company is not exposed to interest rate risk because its borrowings in Non convertible debenture carries fixed interest rate.

(ii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

(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 exposed to credit risk related to operating activities (primarily trade receivables and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments.

Trade receivable mainly consist of receivable from related parties. Accordingly, the Company is not exposed to credit risk in relation to Trade receivable.

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk from balance with bank and financial instructions as of March 31, 2020 is INR 339.21 million, March 31, 2019 is INR 128.22 million.

(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 company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

(INR In Million)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2023						
Non-current borrowings	4,820.37	-	-	2,628.90	1,600.00	591.47
Current borrowings	2,782.32	2,782.32	-	-	-	-
Trade payables	1,096.37	-	1,096.37	-	-	-
Other financial liabilities	1,298.25	-	498.22	-	800.03	-
Total	9,997.29	2,782.32	1,594.59	2,628.90	2,400.03	591.47
As at March 31, 2022						
Non-current borrowings	4,946.77	-	-	-	4,413.90	532.87
Current borrowings	3,270.34	3,270.34	-	-	-	-
Trade payables	1,102.79	-	1,102.79	-	-	-
Other financial liabilities	847.83	-	496.43	-	351.39	-
Total	10,414.42	3,270.34	1,599.23	-	4,765.29	532.87

Notes to Standalone Financial Statement for the year ended March 31, 2023

44. Capital management

For the purpose of the Company's capital management, the Company's capital consist of share capital, securities premium, other equity 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. The Company monitors capital using debt equity ratio which is total Borrowings divided by total equity.

The key performance ratios as at 31 March are as follows

	(Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
Non current borrowings* (refer note 16)	4,820.37	4,946.77
Current borrowings (refer note 18)	2,782.32	3,270.34
Total Debts - A	7,602.69	8,217.11
Equity share capital (refer note 14)	3,522.25	3,522.25
Other equity (refer note 15)	9,219.48	12,794.64
Total Equity - B	12,741.73	16,316.89
Debt equity ratio (A/B)	0.60	0.50

* Includes current maturities of non current borrowing disclosed under other current financial liabilities.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and year ended March 31 2022.

45. Exceptional item includes

Particulars	Year ended on	
	March 31, 2023	March 31, 2022
Loss on Sale of Unit of Indinfravit Trust	47.45	659.02
Loss / (Profit) on Sale of 49% stake in Maharashtra Boarder Checkpost Network Limited (Refer Note 45.1)	(37.21)	785.19
Loss on Substitution of concession agreement of Sadbhav Bangalore Highway Private Limited (Refer Note 45.2)	1,927.35	-
Loss on Substitution of concession agreement of Sadbhav Jodhpur Ringroad Private Limited (Refer Note 45.3)	1,149.56	-
Profit on Sale of Stake in Sadbhav PIMA private Limited (Refer Note 45.4)	(11.49)	-
Provision of impairment on Sale of Stake in Sadbhav Bhavnagar Highway Limited (Refer Note 45.5)	97.88	-
Total	3,173.53	1,444.21

45.1 The company and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of the Company, out of which 49% shares have been acquired by ARTL. During the year ended on March 31, 2022, the company has received consideration of INR 3,575 million and it has recognised loss of INR 785.19 million in relation of transfer of 49% stake. Balance 51% shares held by the company in MBCPNL will be transferred to ARTL in terms of SPA, subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents ("the Transaction"). Consequent to this agreement, the amount of 51% shares of MBCPNL alongwith the short term loan to MBCPNL amounting to INR 1,307.23 Million have been classified as Assets held for Sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.

45.2 The Company has investments of INR 309.03 million and subordinate debts of INR 1,040.97 million in one of its subsidiaries namely Sadbhav Bangalore Highway Private Limited (SBGHPL or concessionaire), a subsidiary company which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the lenders of the subsidiary have notified to NHAI about exercise of their right of substitution of concessionaire in the month of January, 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of the Company, subject to execution of appropriate documentation for recording the terms and conditions relating to the proposed substitution of the Company. Consequently, the balances of SBGHPL in the books of the company have written off, impaired during the twelve months ended on March 31, 2023.

Notes to Standalone Financial Statement for the year ended March 31, 2023

- 45.3** The Company has investments of INR 116.50 million and subordinate debts of INR 1240.51 million in one of its subsidiaries namely Sadbhav Jodhpur Ring road Private Limited (SJRRPL or concessionaire), a subsidiary company which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), there is delay in physical work progress due to delay in handing over the land from Authority (NHAI), delay in approval of Change of scope of work, non-funding by the lenders and nationwide lockdown due to Covid-19. Further the NHAI in the month of January 2022 at the request of the company has given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions. Pursuant to this, definitive agreement was entered into between company, SJRRPL, Sadbhav Engineering Limited (The ultimate holding company) and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also executed endorsement agreement between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SJRRPL are transferred the new concessionaire in consideration of INR 520 Millions. Consequently, all the balances outstanding in the books of SJRRPL as at Sept 30, 2022 related to project are adjusted against the consideration receivable from the GCL. Consequently, the following treatment related to the balances of SJRRPL in the books of the company are given during the year ended on March 31, 2023.
- subordinate debts of INR 1,033.07 million (net of recovery of INR 17.56 million during the quarter ended on Sept 30, 2022) has been written off
 - investment in equity share of SJRRPL of INR 116.50 millions has been provided for impairment loss.
- 45.4** Pursuant to Share Purchase and Subscription Agreement dated November 1, 2022 the company has transferred its entire shareholding in Sadbhav PIMA Private Limited (Subsidiary Company) to Indinfravit Trust at an aggregate consideration of 11.50 millions. The profit on transfer of these shares amounting to INR 10.99 million is recognised as an exceptional item during the year ended on March 31, 2023. Consequently provision for Impairment in shares amounting to INR 0.50 millions made in earlier period is reversed during the quarter ended on September 30, 2022.
- 45.5** During the quarter ended on December 31, 2022, the company has entered into Memorandum of Understanding (MOU) with Kalthia Engineering and Construction Limited for proposed stake sale of Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) whereby it has agreed to sell its entire shareholding in SBHL and SUHL at an enterprise value of INR 7,518.20 millions. The sale will be completed on fulfilment of conditions precedent as specified in the said MOUs after execution of Share Purchase agreement. Having regard to this transaction, the company has carried out impairment testing of investment in these subsidiary companies. Based on such assessment, the company has made provision for Impairment amounting to INR 97.88 millions in carrying value of investments in said subsidiaries during the quarter and nine months period ended December 31, 2022. Accordingly Investments (including sub-debt) and other receivables amounting to INR 1,749.95 Million have been classified as Assets held for Sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.

46. Ratios

Sr. No.	Ratio	As at 31-Mar-2023	As at 31-Mar-2022	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
1	Current Ratio	0.50	0.63	(19.64%)	Current Assets	Current Liabilities	-
2	Debt – Equity Ratio	0.60	0.50	18.48%	Total Debt	Shareholder's Equity	-
3	Debt Service Coverage Ratio	(2.22)	(0.07)	3115.49%	Earnings available for debt service	Debt Service (Interest+Principal repayments)	Due to Loss in current year i.e Exceptional items
4	Return on Equity	(0.25)	(0.11)	121.81%	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	Due to Loss in current year i.e Exceptional items
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	0.79	1.51	(48.00%)	Net Credit Sales	Avg. Accounts Receivable	Due to decrease in revenue from operations
7	Trade payables turnover ratio	0.59	1.00	(41.60%)	Net Credit Purchases	Average Trade Payables	Due to decrease in Net Credit Purchases
8	Net capital turnover ratio	(0.38)	(1.08)	(64.62%)	Net Sales	Working Capital	Due to decrease in revenue from operations

Notes to Standalone Financial Statement for the year ended March 31, 2023

46. Ratios

Sr. No.	Ratio	As at 31-Mar-2023	As at 31-Mar-2022	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
9	Net profit ratio	(399.88%)	(93.85%)	326.09%	Net Profit	Net Sales	Due to effect of exceptional items
10	Return on capital employed	(13.24%)	(3.39%)	290.06%	Earning before interest and taxes	Tangible networth+Total debt+Deferred tax liabilities	Due to effect of exceptional items
11	Return on investment	N.A	N.A	N.A	$\{MV(T1) - MV(T0) - \text{Sum}[C(t)]\}$	$\{MV(T0) + \text{Sum}[W(t) * C(t)]\}$	-

47. "The Company has investments of INR 217.74 million and subordinate debts of INR 4688.73 million and trade & other Receivables of INR 79.14 millions in Rohtak Panipat Tollway Private Limited, a subsidiary company which is engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of this subsidiary company has fully eroded.

Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, the subsidiary company could not collect toll user fees from December 25, 2020. The subsidiary company had sent various communications to NHAI for such forceful suspension of toll. The said subsidiary company has issued notice for termination of concession agreement on July 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. The said subsidiary has filed claim amounting to INR 39,578.44 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. with NHAI in terms of concession agreement. In respect of such claims, NHAI has approached to the company for settlement of all these claims by way of conciliation proceedings, which has been consented by the company.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of investments made by the company in the subsidiary and consequently no provision/adjustment to the carrying value of Investments and subordinate debts, loans and advances and trade and other receivables as at March 31, 2023 is considered necessary.

The statutory auditors have expressed qualified opinion on financial results in respect of above as regards recoverable value of Company's investment (including subordinate debt) and loans, trade & other receivable given to RPTPL."

48. "The Company has investments of INR 107.68 million and subordinate debts of INR 2893.42 million and other receivable of INR 44.17 millions in its one subsidiary namely Rohtak Hissar Tollway Private Limited, a subsidiary company which is engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of this subsidiary company has fully eroded.

Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, the subsidiary company could not collect toll user fees from December 25, 2020. The subsidiary company had sent various communications to NHAI for such forceful suspension of toll. The said subsidiary company has issued notice for termination of concession agreement on August 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. The said subsidiary has filed claim amounting to INR 14,969.77 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc with NHAI in terms of concession agreement.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of investments made by the company in the subsidiary and consequently no provision/adjustment to the carrying value of Investments and subordinate debts and loans and advances as at March 31, 2023 is considered necessary. The statutory auditors have expressed qualified opinion on financial results in respect of above as regards recoverable value of Company's investment (including subordinate debt) and loans & other receivables given to RHTPL."

49. "The Company has investments of INR 257.99 million and subordinate debts of INR 813.83 million and other receivables of INR 104.72 million in one of its subsidiaries namely Sadbhav Vidarbha Highway Limited (SVHL or concessionaire), a subsidiary company which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the lenders of the subsidiary in the month of February, 2023, have exercised its right to substitute concessionaire. The SVHL vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), harmonious substitution of concessionaire. The approval of NHAI is awaited.

Pending the final approval for substitution from NHAI, no adjustment to the carrying value of investments has been made in the financial statements.

The statutory auditors have expressed qualified opinion on financial results in respect of above as regards recoverable value of Company's investment (including subordinate debt) and loans, trade & other receivable given to SVHL."

Notes to Standalone Financial Statement for the year ended March 31, 2023

50. The Company has investments of INR 10 million and subordinate debts of INR 784.21 million and other receivables of INR 366.97 million in one of its subsidiaries namely Sadbhav Nainital Highway Limited (SNHL or concessionaire), a subsidiary company which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the lenders of the subsidiary have exercised its right to substitute concessionaire. The National Highway Authority of India (NHAI) vide its letter dated April 17, 2023, has approved harmonious substitution of concessionaire. The company is in the progress of compliance of the conditions prescribed by NHAI for substitution. Pending the compliance of condition for obtaining final approval of substitution, no adjustment to the carrying value of investments have been made in the financial statements.
51. The Company has investments of INR 0.5 million and subordinate debts of INR 152.66 million and other receivables of INR 527.23 million in one of its subsidiaries namely Sadbhav Hybrid Annuity Projects Limited (SHAPL), the subsidiary has accumulated losses of INR 332.57 Million as at March 31, 2023 (INR 281.99 Million as at March 31, 2022), which resulted in erosion of the subsidiary's net worth. SHAPL has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from the company. The company being an investment company and holding portfolio of various Toll and HAM assets, planning & churning the various strategic option to hive off the investment, to support the subsidiary, Having regard to all these aspects, the financial statements of SHAPL have been prepared assuming that the subsidiary will continue as a going concern.
52. The Company's current liabilities exceeded its current assets by INR2348.21 millions considering this there is challenge to going concern assumption adopted in preparation of financial statements for the year ended on March 31, 2023. However the management represents that the company holds investments in various Toll and HAM assets, The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in three of the SPVs. The management of the company has prepared projections of cash flows for the next 12 months with focus on enhancing resource availability by timely execution of HAM Projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management of the company believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date
53. **Other Regulatory requirements**
- (i) The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
 - (ii) The Company is not required to provide QIS to Banks on quarterly basis. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
 - (iii) As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
 - (iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - (v) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
 - (vi) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
 - (vii) 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
 - (viii) The Company has no transaction and or outstanding balance as at 31st March, 2023 with the companies struck off under Companies Act, 2013.
 - (ix) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
 - (x) The Company is not declared as wilful defaulter by any Bank or Financial Institution or Other lenders.
 - (xi) 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 company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (xii) The company is not required to spend any amount towards Corporate Social Responsibility in the year ended on March 31, 2023 and March 31, 2022 as required u/s 135 of the Companies Act, 2013.
54. As per the format of the Statement of Profit and Loss prescribed in Schedule III division II, there is no separate line item for "Sub-contractors Charges". However, considering the industry practice in the sector in which company operates and significance of the sub-contractors charges, for better understanding by the users of financial statements, the company has disclosed "Sub-contractors Charges" by way of a separate line item on the face of Statement of Profit and Loss.

Notes to Standalone Financial Statement for the year ended March 31, 2023

55. The Board of Directors in the meeting held on 15th October, 2022 have resolved to withdraw Scheme of Amalgamation filed with Hon'ble National Company Law Tribunal with regard to amalgamation of Sadbhav Infrastructure Project Limited (Transferor Company) with Sadbhav Engineering Limited (Transferee Company) under section 230 to 232 of the Companies Act, 2013. Consequently, on application made by the company, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 19th October, 2022 has allowed the withdrawal of the said application. Accordingly, the Scheme of merger stands cancelled.

56. Previous year comparatives:

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

As per our report of even date

For S G D G & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi

Partner
Membership No.: 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel

Executive Chairman
DIN: 00048238

Hardik Modi

Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar

Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Independent Auditor's Report on the Consolidated Financial Statements

To
the Members of **Sadbhav Infrastructure Project Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Sadbhav Infrastructure Project Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), as amended in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. As detailed in Note 48 & Note 49 of the accompanying Consolidated Financial Statements, with respect to Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), subsidiaries of the Group in which interest on rupee term loan from banks and financial institutions as well as unsecured loans from group companies have not been accounted considering the fact that both subsidiaries have issued termination notices and lenders of both subsidiaries have classified all the secured borrowings as non-performing assets. This has resulted in the understatement of finance cost and the related interest liability and corresponding understatement of losses, amount of which is unascertained.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statement of RPTPL and RHTPL for the year ended March 31, 2023 vide their Auditor's Report dated May 25, 2023.

2. As detailed in Note 53 of the accompanying consolidated Financial Statements, with respect to **Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)**, subsidiary of the group in which Goods and Service Tax credit receivables are carried in the Balance sheet at INR 155.45 Million under Other Current assets. However, during financial year 2022-2023, the SJRRPL does not have any business activity, nor are we informed about the management plan for taking up other business activity.

Hence we are unable to comment about the utilization/realization of such tax credits in foreseeable future.

3. As detailed in Note 54 of the accompanying consolidated Financial Statements, with respect to **Sadbhav Bangalore Highway Private Limited (SBGHPL)**, subsidiary of the group in which Goods and Service Tax credit receivables are carried in the Balance sheet at INR 426.74 Million under the Other Current assets. However, during financial year 2022-2023, the SBGHPL does not have any business activity, nor are we informed about the management plan for taking up other business activity.

The auditors of SBGHPL have expressed qualified opinion on the financial statement of SBGHPL for the year ended March 31, 2023 vide their Auditor's Report dated May 26, 2023 mentioning that they are unable to comment about the utilization/realization of such tax credits in foreseeable future.

4. As detailed in Note 55 of the accompanying statement, with respect to **Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL)**, subsidiary of the group in which case lenders of SVHL has exercised right of substitution of concessionaire in the month of February, 2023. The Concessionaire vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), harmonious substitution of concessionaire. The approval of NHAI is awaited. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in financial statements of SVHL and the financial statements of SVHL is prepared on going concern basis. Owing to the uncertainty of outcome of substitution proceedings and lack of other alternate audit evidence, we are unable to comment about adjustment that may be required to the carrying value of assets and liabilities and their consequential impact on financial position of the Group as on March 31, 2023.

The auditors of SVHL have expressed qualified opinion on the financial statement of SVHL for the year ended March 31, 2023 vide their Auditor's Report dated May 26, 2023.

5. As detailed in Note 56 of the accompanying statement, with respect to **Sadbhav Nainital Highway Limited (Concessionaire or SNHL)**, subsidiary of the group in which case National Highway Authority of India (NHAI) vide its letter dated April 17, 2023 has given In-Principal approval for harmonious substitution of concessionaire. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial statements of SNHL and the financial statements of SNHL is prepared on going concern basis pending finalization of substitution.

The auditors of SNHL have expressed qualified opinion on the financial statement of SNHL for the year ended March 31, 2023 vide their Auditor's Report dated May 26, 2023.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the

Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Material uncertainty related to going concern

We draw attention to Note no. 63 to the accompanying consolidated Financial Statements, which indicates that, Group's accumulated losses exceeds paid-up capital and reserves by INR 1651.59 million and, as of that date the current liabilities of the Group exceeded the current assets by INR 5959.07 million. and the Group finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, Group is in the process of divestment of its investment in subsidiary companies and subsidiary companies finds difficulty in meeting obligation of lenders and accounts by the lenders of some of the subsidiary companies have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Emphasis of Matter

We draw attention to:

- Note 48 & 49 of the of the accompanying consolidated financial statements with respect to preparation of financial statement of Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hissar Tollway Private Limited (RHTPL), subsidiaries of the group, on non-going concern basis on account of issue of termination notice by RPTPL and RHTPL to Nation Highway Authority of India (NHAI) and consequently following adjustments to carrying value of assets and liabilities considering non going concern basis.
 - Transfer of carrying value of intangible assets to claims receivable from NHAI
 - De recognition of major maintenance obligation and/or premium obligation under concession agreement.
- Note 59 of the consolidated financial statements in respect of accounting of Intangible Asset/ Intangible Assets under Development of INR 2,228.84 million under the Service Concession Arrangement of one of the subsidiaries of the group namely Maharashtra Border Check Post Network Limited (MBCPNL) based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these consolidated financial statements.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment of Toll Collection Rights and Amount Receivable under Service concession arrangement (Other than SVHL and SNHL) (as described in note 3.8 of the consolidated financial statements)</p> <p>The Group operates toll asset which is constructed on Build Operate and Transfer (BOT) basis and Hybrid Annuity (HAM) assets. The carrying value of the Toll Collection Rights ('TCR') and amount Receivable under Service concession arrangement as at March 31, 2023 is INR 1601.63 million and INR 11897.29 million respectively.</p> <p>For the purpose of impairment testing, recoverable amount has been determined based on discounted future cash flows. Further, the recoverable amount is highly sensitive to changes in key assumptions used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. Thus, the determination of the recoverable amount of the Carrying value involves significant judgement.</p> <p>Accordingly, the impairment assessment of asset operated under concession arrangement was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's valuation methodology applied in determining the recoverable amount of Carrying Value. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll and future operating and finance costs considering the current and estimated future economic conditions. • We assessed the inputs and assumptions around the key drivers of the cash flow forecasts against historical performance, economic and industry indicators. • Performed sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. • Assessed the adequacy of the disclosures made in the Consolidated financial statements.
<p>Revenue from Toll/Checkpoint Operation and Construction services under Service Concession Arrangement (refer note no 3.4 of the Consolidated financial statements)</p>	

Key audit matters	How our audit addressed the key audit matter
<p>The Group has certain operational BOT assets and under construction hybrid annuity assets of road infrastructure under the concession agreement with National Highway Authority of India (NHAI) or state/local authorities which falls within the scope of Appendix C of Ind AS 115, Service Concession Arrangements.</p> <p>In case of operational BOT assets (intangible), the Company operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of technology, specifically, customized equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection. Revenue from Toll operation for the year ended on March 31, 2023 is INR 4867.56 millions.</p> <p>In case of hybrid annuity assets (financial assets), the group provides construction and operational and maintenance services against fixed annuity receivable from NHAI under the concession agreement. Revenue recognition involves significant judgement and estimates relating to identification of distinct performance obligations, determination of fair value of services and finance income on financial assets using effective interest rate. Revenue from Construction Services for the year ended on March 31, 2023 is INR 3342.74 millions.</p> <p>Based on above, we regard this as the key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and controls placed for revenue recognition process, evaluated the key controls around such process and tested those controls for the design and operating effectiveness. • Below are our audit procedures in respect of revenue from Toll Operation: <ul style="list-style-type: none"> • Tested Information Technology General Controls (ITGCs) and application controls relating to the tolling systems' operation, including access, operations and change management controls. • Obtained and tested reconciliation of toll collected as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books. • Tested the rationalisation done by management by multiplying the toll rate charged for each category of vehicle as per NHAI or state/local authorities' notification with the number of vehicles (as per transaction report) and its reconciliation with the revenue recorded in the books. • On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded. • Performed analytical procedures to detect unusual transactions/trends for further examination, including testing of exemptions and other dispensations allowed. • On test check basis, tested classification of vehicle independently from stored images and videos recorded by the Group. • Performed revenue cut off procedures. • Below are our audit procedures in respect of revenue from hybrid annuity assets: <ul style="list-style-type: none"> • Obtained and assessed key terms of the concession agreement. • Obtained and assessed basis of identification performance obligation and determination of fair value of services. • Obtained and assessed the key assumptions around the financial model like forecasting of price escalation and corresponding costs which is used during financial closure documents. • Tested the arithmetical accuracy of the model as well determination of effective interest rate. • Assessed the relevant disclosures made by the Group relating to the revenue.
Receivable from authorities toward various claims (as described in note 13 of the consolidated financial statements)	
<p>As at March 31, 2023, the Group has recognised INR 23,659.44 million of receivables from authorities towards various claims.</p> <p>The receivables comprise of receivables towards arbitration claim, toll suspension, Termination Payment, Operation & Maintenance claims and toll exemption claim.</p> <p>The assessment of the recoverability of receivables requires significant judgment and hence, this is considered as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Inquired status of receivable with the management and understood the management rational of recoverability of such receivable. • Obtained and assessed supporting documents / correspondences with authorities related to such receivable. • Assessed the disclosures made by the Group in relation to this matter. • Assessed the reasonability of judgements exercised and estimates made by management with respect to the amount receivable from authorities and validated them with corroborating evidence.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for 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 Consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information in respect of 14 subsidiary companies, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 72,056.31 Million as at March 31, 2023, total revenues (before consolidation adjustments) of Rs. 7,939.51 Million, total net profit/(loss) after tax (before consolidation adjustments) Rs. (793.89) Million, total comprehensive income of (before consolidation adjustments) Rs. (792.58) Million for the year ended on that date respectively and net cash inflows/(outflows) (before consolidation adjustments) for year ended March 31, 2023 of Rs. (467.39) Million.

These financial statements and other financial information have been audited by other auditors, of which financial statements, other financial information and auditors reports have been furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - a) We / the other auditors whose reports, we have relied upon, have sought and except for the matter described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements
 - b) Except for the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated financial statement;
 - d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
 - e) In our opinion, the matters described in the Basis for Qualified Opinion paragraph above and the going concern matter described in Material Uncertainty Related to Going Concern paragraph above may have an adverse effect on the functioning of the Group;
 - f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report. Our report expresses a Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated financial statements.
 - h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
 - i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 40 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2023.
 - iv) (a) The respective management of the Holding Company, its subsidiaries and respective auditors of such subsidiaries which

are incorporated in India, whose financial statements are audited under the Act have represented to us that to the best of their knowledge and belief, 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 Holding Company, its subsidiaries 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;

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries "Ultimate Beneficiaries" or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding Company, its subsidiaries incorporated in India, whose financial statements are audited under the Act, have represented to us and respective auditors of such subsidiaries have represented to us that to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are incorporated in India, whose financial statements are audited under the Act, 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.

- v) No dividend has been declared or paid during the year by the Holding company and subsidiary companies, incorporated in India.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (Edit Log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. 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 Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 2" a statement on the matters specified in paragraph 3(xxi) of the Order.

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: W100188

Devansh Gandhi
Partner

Membership Number: 129255
UDIN: 23129255BGWSSV2039

Place: Ahmedabad
Date: May 28, 2023

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sadbhav Infrastructure Project Limited.

(Referred to in paragraph 1(g) under "Report on Other legal and Regulatory Requirements" section of our report the member of Sadbhav Infrastructure Project Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sadbhav Infrastructure Project Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Consolidated financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibility of the Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the it's business, including adherence to the respective 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Consolidated financial statements and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements includes obtaining an understanding such internal financial controls, 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 Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to these Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements as at March 31, 2023:

- The Holding Company's internal process with regards to the confirmation and reconciliation of trade payables, trade receivables, other incidental balances pertaining to the said trade payables and trade receivables are not operating effectively which could results into possible adjustment of balances.
- The Holding Company has inadequate system for processing of journal entries in accounting software indicating absence of maker checker system which could results into possible effect to the processing of transaction and its consequential effect on balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the financial statements of the Holding Company, such that there is a reasonable possibility that a material misstatement of the Holding company's annual or interim financial statements of the holding company will not be prevented or detected on a timely basis.

In our opinion and based on the consideration of the report of other auditors on internal financial controls with reference to financial statements of subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements as at March 31, 2023, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note issued by ICAI, and, except for the effects/possible effects material weakness described above on achievement of objective of control, the Group's internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2023.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group which are companies covered under the Act, as at and for the year ended 31 March 2023, and these material weaknesses have not affected our opinion on the consolidated financial statements of the Group and we have not issued a qualified opinion on the consolidated financial statements.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, insofar as it relates to these 14 subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: W100188

Devansh Gandhi
Partner

Membership Number: 129255
UDIN: 23129255BGWSSV2039

Place: Ahmedabad
Date: May 28, 2023

Annexure 2 referred to in paragraph 2 of our report of even date on Other Legal and Regulatory Requirements for the year ended March 31, 2023

Summary of comments and observations given by the respective auditors in the Companies (Auditors Report) Order of the respective holding and subsidiary companies is given hereunder:

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO).

Sr. No	Name	CIN	Holding / Subsidiary	Clause number of the CARO report which may have possible adverse impact
1	Sadbhav Infrastructure Project Limited	L45202GJ2007PLC049808	Holding	(iii), (vii), (xvii), (xix)
2	Sadbhav Bhavnagar Highway Limited (Formerly known as Sadbhav Bhavnagar Highway Private Limited)	U45309GJ2016PLC092557	Subsidiary	(vii), (ix), (xvii)
3	Sadbhav Una Highway Limited (Formerly known as Sadbhav Una Highway Private Limited)	U45500GJ2016PLC092589	Subsidiary	(vii),(ix),(xvii)
4	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PTC094257	Subsidiary	(vii),(ix),(xiv),(xix)
5	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	U45309GJ2017PLC097508	Subsidiary	(vii),(ix),(xiv),(xvii)
6	Sadbhav Kim Expressway Private Limited	U45309GJ2018PTC101800	Subsidiary	(iii),(vii),(xiv)
7	Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private Limited)	U45500GJ2017PLC097040	Subsidiary	(vii),(ix),(xiv),(xvii),(xix)
8	Sadbhav Hybrid Annuity Projects Limited	U45500DL2018PLC335787	Subsidiary	(vii),(ix),(xvii),(xix)
9	Sadbhav Jodhpur Ring Road Private Limited	U45309GJ2018PTC110367	Subsidiary	(vii),(xvii),(xix)
10	Sadbhav Infra Solutions Private Limited (Formerly known as Sadbhav Bhimasar Bhuj Highway Private Limited)	U45309GJ2018PTC101821	Subsidiary	(vii), (xvii)
11	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	Subsidiary	(iii), (vii), (xiv)
12	Sadbhav Rudrapur Highway Limited (Formerly known as Sadbhav Rudrapur Highway Private Limited)	U45203GJ2016PLC091774	Subsidiary	(vii),(xvii),(xx)
13	Rohtak-Hissar Tollway Private Limited	U45203GJ2013PTC074446	Subsidiary	(vii),(ix),(xvii),(xix)
14	Rohtak-Panipat Tollway Private Limited	U45202GJ2010PTC059322	Subsidiary	(vii),(ix), (xvii), (xix)
15	Sadbhav Nainital Highway Limited (Formerly known as Sadbhav Nainital Highway Private Limited)	U45309GJ2016PLC091777	Subsidiary	(vii),(xix), (xx)
16	Sadbhav Maintenance Infrastructure Private Limited (Sadbhav Vizag Port Road Private Limited)	U45309GJ2018PTC101832	Subsidiary	(vii),(xvii)
17	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	Subsidiary	(vii),(ix)

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: W100188

Devansh Gandhi
Partner
Membership Number: 129255
UDIN: 23129255BGWSSV2039

Place: Ahmedabad
Date: May 28, 2023

Consolidated Balance Sheet as at March 31, 2023

(INR In Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	17.48	19.80
(b) Investment property	6	9.41	9.41
(c) Goodwill on consolidation	7	265.30	265.30
(d) Other Intangible assets	7	1,601.71	1,890.61
(e) Financial assets			
(i) Investments	8	1,216.61	1,759.18
(ii) Loans	11	5.41	7.76
(iii) Receivable under service concession arrangement	12	17,575.99	32,794.32
(iv) Other financial assets	13	0.11	3.53
(f) Other non-current assets	14	188.37	76.82
Total non-current assets	(A)	20,880.39	36,826.73
2 Current assets			
(a) Financial assets			
(i) Trade receivables	9	268.00	120.12
(ii) Cash and cash equivalents	10	462.09	1,212.12
(iii) Bank Balances other than (ii) above	10	57.79	458.92
(iv) Loans	11	331.83	0.58
(v) Receivable under service concession arrangement	12	3,574.53	3,396.22
(vi) Other financial assets	13	24,075.17	24,756.05
(b) Other current assets	14	5,042.23	8,189.47
(c) Current tax assets (net)	15	140.08	82.65
Total Current assets	(B)	33,951.72	38,216.12
Assets classified as held for sale	(C)	22,161.22	14,136.37
Total Assets	(A+B+C)	76,993.33	89,179.23
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	3,522.25	3,522.25
Other equity	17	(5,173.84)	(1,231.57)
Equity attributable to owners of the company		(1,651.59)	2,290.69
Non controlling interest		(723.57)	(825.68)
Total equity	(A)	(2,375.16)	1,465.01
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	17,311.04	26,904.65
(ii) Other financial liabilities	21	800.03	351.39
(b) Provisions	23	12.15	7.23
(c) Deferred tax liabilities (net)	32	579.78	863.43
Total non-current liabilities	(B)	18,703.00	28,126.70
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	23,377.76	24,576.17
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	20	2.63	1.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,317.03	5,513.99
(iii) Other financial liabilities	21	11,083.03	11,426.47
(b) Other current liabilities	22	1,472.72	2,884.43
(c) Provisions	23	504.86	350.79
(d) Current tax liabilities (net)	24	152.76	119.93
Total current liabilities	(C)	39,910.79	44,873.06
Liabilities relating to assets classified as held for sale (D)	47	20,754.70	14,714.46
Total Equity and Liabilities	(A+B+C+D)	76,993.33	89,179.23

Summary of significant accounting policies

3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi
Partner
Membership No.: 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel
Executive Chairman
DIN: 00048238

Hardik Modi
Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar
Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(INR In Million)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
I Revenue from operations	25	8,247.27	9,623.25
II Other income	26	2,683.58	8,747.70
III Total Income (I+II)		10,930.85	18,370.95
IV EXPENSES			
a. Sub-contractors charges		2,871.91	3,507.94
b. Operating expenses	27	957.78	2,589.41
c. Employee benefits expenses	28	289.82	310.53
d. Finance costs	29	5,465.56	8,504.00
e. Depreciation and amortisation expenses	30	864.98	976.76
f. Other expenses	31	341.60	1,342.73
Total expenses		10,791.65	17,231.37
V Profit/(Loss) before exceptional item and tax (III - IV)		139.20	1,139.58
VI Exceptional items	52	(3,994.65)	(1,515.22)
VII (Loss) before tax (V - VI)		(3,855.45)	(375.64)
VIII Tax expense:	32		
(a) Current tax		204.86	99.24
(b) Deferred tax		(232.26)	(254.80)
(c) Adjustment of tax relating to earlier years		(178.90)	(7.29)
Total tax expense (a+b+c)		(206.30)	(162.85)
IX (Loss) for the year (VII-VIII)		(3,649.15)	(212.79)
X Other Comprehensive Income Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (net of tax) (refer note 37)		1.07	9.18
Total Other Comprehensive Income for the year (net of tax)		1.07	9.18
XI Total Comprehensive Income for the year (net of tax) (IX+X)		(3,648.08)	(203.61)
Net Profit / (Loss) for the year attributable to:			
Owners of the company		(3,751.27)	(210.24)
Non-controlling Interest		102.12	(2.55)
Other comprehensive Income attributable to:			
Owners of the company		0.51	9.18
Non-controlling Interest		0.55	-
Total Comprehensive Income for the year attributable to:			
Owners of the company		(3,750.76)	(201.06)
Non-controlling Interest		102.67	(2.55)
Earning / (Loss) per equity share [Face value of shares INR 10/- (31 March 2022 - INR 10/-)]			
Basic & diluted (in INR)	36	(10.65)	(0.60)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi
Partner
Membership No.: 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel
Executive Chairman
DIN: 00048238

Hardik Modi
Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar
Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid (Note 16)	Number of shares	INR in Million
As at April 1, 2021	35,22,25,216	3,522.25
Changes in the equity share capital during the year due to prior period errors	-	-
Restated Balance at the the beginning of the year	35,22,25,216	3,522.25
Changes in the equity share capital during the year	-	-
As at March 31, 2022	35,22,25,216	3,522.25
As at April 1, 2022	35,22,25,216	3,522.25
Changes in the equity share capital during the year due to prior period errors	-	-
Restated Balance at the the beginning of the year	35,22,25,216	3,522.25
Changes in the equity share capital during the year	-	-
As at March 31, 2023	35,22,25,216	3,522.25

B Other Equity

(INR in million)

Particulars	Equity component of compound financial instrument (Note 17)	Attributable to the equity holders of the parent						Total	Non Controlling Interest (Refer Note 17)	Total
		Reserve & Surplus								
		Securities premium (Note 17)	Capital reserve (Note 17)	Debenture Redemption Reserve (Note 17)	General Reserve (Note 17)	Retained earnings (Note 17)				
As at April 1, 2021	731.48	9,039.27	75.80	189.35	965.32	(12,653.99)	(1,652.76)	-	(1,652.79)	
Loss for the year	-	-	-	-	-	(212.79)	(212.79)	-	(212.79)	
Other comprehensive income										
Remeasurement (losses) on defined benefit plans, net of tax	-	-	-	-	-	9.18	9.18	-	9.18	
Total comprehensive income for the year	-	-	-	-	-	(203.61)	(203.61)	-	(203.61)	
Reduction in compound financial instrument	(199.26)	-	-	-	-	-	(199.26)	-	(199.26)	
Transfer from debenture redemption reserve to general reserve	-	-	-	(189.35)	189.35	-	-	-	-	
Transfer of amount from non-controlling interest	-	-	-	-	-	825.68	825.68	(825.68)	-	
Share issue expense	-	-	-	-	-	(1.64)	(1.64)	-	(1.64)	
As at March 31, 2022	532.22	9,039.27	75.80	-	1,154.67	(12,033.56)	(1,231.57)	(825.68)	(2,057.30)	
As at April 1, 2022	532.22	9,039.27	75.80	-	1,154.67	(12,033.56)	(1,231.57)	(825.68)	(2,057.30)	
Loss for the year	-	-	-	-	-	(3,649.15)	(3,649.15)	-	(3,649.15)	
Other comprehensive income										
Remeasurement gain on defined benefit plans, net of tax	-	-	-	-	-	1.07	1.07	-	1.07	
Total comprehensive income for the year	-	-	-	-	-	(3,648.08)	(3,648.08)	-	(3,648.08)	

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

B Other Equity

(INR in million)

Particulars	Equity component of compound financial instrument (Note 17)	Attributable to the equity holders of the parent						Non Controlling Interest (Refer Note 17)	Total
		Reserve & Surplus					Total		
		Securities premium (Note 17)	Capital reserve (Note 17)	Debenture Redemption Reserve (Note 17)	General Reserve (Note 17)	Retained earnings (Note 17)			
Reduction in compound financial instrument	-	-	-	-	-	-	-	-	-
Adjustment on account of carve out asset	-	-	-	-	-	(60.41)	(60.41)	-	(60.41)
Effect of change in holding in subsidiary	-	-	-	-	-	(131.62)	(131.62)	-	(131.62)
Transfer of amount from non-controlling interest	-	-	-	-	-	(102.12)	(102.12)	102.12	-
Share issue expense	-	-	-	-	-	-	-	-	-
As at March 31, 2023	532.22	9,039.27	75.80	-	1,154.67	(15,975.80)	(5,173.84)	(723.57)	(5,897.41)

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For S G D G & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi

Partner
Membership No.: 129255

Date: May 28, 2023

Place: Ahmedabad

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

Shashin Patel

Executive Chairman
DIN: 00048238

Hardik Modi

Company Secretary
M.No.: F9193

Date: May 28, 2023

Place: Ahmedabad

Jatin Thakkar

Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023

Place: Ahmedabad

Consolidated Cash Flow Statement for the year ended on March 31, 2023

	(INR In Million)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash flows from operating activities		
(Loss) before tax	(3,855.46)	(375.64)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	864.98	976.76
Finance cost	5,465.56	8,504.00
Change in Minority Interest	102.12	(825.68)
Provision of Periodic maintenance expenses	223.55	335.27
Exceptional item	2,055.81	1,515.22
Liabilities no longer required written back	-	(33.65)
Interest income	(120.75)	(298.19)
Dividend received	(22.26)	(10.24)
Operating Profit before working capital changes	4,713.56	9,787.84
Movement in working capital:		
(Increase)/Decrease in trade receivables (including receivable under service concession)	11,901.69	(2,133.59)
Decrease / (Increase) in other financial assets	684.30	(751.63)
(Increase) in other assets	3,035.70	801.89
Increase/(Decrease) in trade payables	(2,195.60)	(1,735.39)
Increase/(Decrease) in other financial liabilities	105.21	(4,727.79)
Increase/ (Decrease) in other liabilities	(1,411.71)	(1,374.50)
Increase/ (Decrease) in provisions	(64.55)	(1,753.30)
Cash generated from operating activities	16,768.61	(1,886.48)
Direct taxes paid (net of refund received)	(334.97)	(62.67)
Net cash flows generated from/(used in) operating activities	(A) 16,433.64	(1,949.15)
(B) Cash flows from investing activities		
Sale/(Purchase) of PPE and other intangible assets (including Intangible asset under development)	(573.78)	14,494.93
Proceed from Sale of Units / Mutual fund	494.82	4,770.45
Investments & bank deposits	401.13	(423.61)
Proceeds from carved out Assets	(60.14)	-
Loans received back/(Given)	(328.90)	195.83
Interest received	120.75	298.19
Assets/liability held for Sale	(1,984.61)	(8,471.31)
Dividend received	22.26	10.24
Net cash flows generated from/(used in) investing activities	(B) (1,908.47)	10,874.72
(C) Cash flows from financing activities		
Proceeds/(Repayment) of non-current borrowings	(8,611.22)	277.28
Proceeds/(Repayment) of current borrowings	(1,198.41)	(1,263.62)
Proceeds from compound financial instruments	-	796.82
Interest and other borrowing cost paid	(5,465.56)	(8,504.00)
Net cash flows (used) in financing activities	(C) (15,275.20)	(8,693.52)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) (750.03)	232.05
Cash and cash equivalents at beginning of the year	1,212.12	980.07
Cash and cash equivalents at end of the year	462.09	1,212.12

	(INR In Million)	
	As at March 31, 2023	As at March 31, 2022
Notes:		
1 Components of cash and cash equivalents:		
Cash on hand	3.44	7.50
Balances with banks:		
- In current accounts	409.21	1,196.32
- In current accounts - unpaid share application refund money and unclaimed dividend	0.14	0.14
- Deposits with original maturity of less than 3 months	49.30	8.16

Consolidated Cash Flow Statement for the year ended on March 31, 2023

(INR In Million)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents at end of the year	462.09	1,212.12
	462.09	1,212.12

2 The statement of cash flow has been prepared under indirect method as per Ind AS -7 "Statement of Cash Flows".

3 Changes in liabilities arising from financing activities:

(INR in Million)

Particulars	01-Apr-22	Net Cash flow	Change in fair value	Others*	March 31, 2023
Non-current borrowings (including current maturities)	28,540.10	(151.37)	58.61	(10,161.29)	18,286.05
Current borrowings	22,940.72	(386.80)	-	(151.18)	22,402.74
Interest accrued	6,866.35	(2,413.93)	-	2,697.40	7,149.83
Total	58,347.17	(2,952.10)	58.61	(7,615.07)	47,838.62

Particulars	April 1, 2021	Net Cash flow	Change in fair value	Others*	March 31, 2022
Non-current borrowings (including current maturities)	56,489.07	1,021.14	52.81	(29,022.92)	28,540.10
Current borrowings	6,523.68	(1,491.89)	-	17,908.93	22,940.72
Interest accrued	4,977.06	(6,614.90)	-	8,504.00	6,866.35
Total	67,989.81	(7,085.66)	52.81	(2,609.99)	58,347.17

4 Figures in brackets represent cash outflows.

As per our report of even date

For S G D G & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi

Partner
Membership No.: 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel

Executive Chairman
DIN: 00048238

Hardik Modi

Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar

Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad

Notes to Consolidated Financial Statements for the year ended March 31, 2023

1. Company information:

The Consolidated Ind AS Financial Statements comprise of financial statements of Sadbhav Infrastructure Project Limited ('the Company' or 'SIPL') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2023. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at "Sadbhav House", Opp. Law Garden Police Chowki, Ellis bridge, and Ahmedabad - 380006.

The Group undertakes road and related infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements on BOT or Hybrid Annuity basis. The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a company listed on Indian stock exchanges and engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 28, 2023.

2. Basis of preparation:

2.1 The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirements of Division II of Schedule the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to consolidated financial statements.

The Consolidated financial statements have been prepared on accrual and historical cost basis, except for:

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

The Consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2023. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

Consolidation Procedure:

- i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

- ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point iv. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv) The Build, Operate & Transfer (BOT)/ Hybrid Annuity Model (HAM) / Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

The following entities are considered in the Consolidated Ind AS Financial Statements as well as the Company's voting power in entities listed below:

Sr. No.	Name of Entity	Proportion of Ownership Interest (%)	
		As at March 31, 2023	As at March 31, 2022
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Maharashtra Border Check Post Network Limited (MBCPNL)	50.63%	100%
3.	Rohtak Panipat Tollway Private Limited (RPTPL) (note (ii) below)	100%	100%
4.	Rohtak Hissar Tollway Private Limited (RHTPL) (note (ii) below)	100%	100%
5.	Sadbhav Bhavnagar Highway Limited (SBHL) [Formerly known as Sadbhav Bhavnagar Highway Private Limited (SBHPL)]	100%	100%
6.	Sadbhav Rudrapur Highway Limited (SRHL) [Formerly known as Sadbhav Rudrapur Highway Private Limited (SRHPL)]	100%	100%
7.	Sadbhav Una Highway Limited (SUHL) [Formerly known as Sadbhav Una Highway Private Limited (SUHPL)]	100%	100%
8.	Sadbhav Nainital Highway Limited (SNHL) [Formerly known as Sadbhav Nainital Highway Private Limited (SNHPL)]	100%	100%
9.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
10.	Sadbhav Udaipur Highway Limited (SUDHL) [Formerly known as Sadbhav Udaipur Highway Private Limited (SUDHPL)]	100%	100%
11.	Sadbhav Vidarbha Highway Limited (SVHL) [Formerly known as Sadbhav Vidarbha Highway Private Limited (SVHPL)]	100%	100%
12.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	100%	100%
13.	Sadbhav Pima Private Limited (SPPL) [Formerly known as Sadbhav Tumkur Highway Private Limited (STHPL)]	N.A	100%
14.	Sadbhav Maintenance Infrastructure Private Limited (SMIPL) [Formerly known as Vizag Port Road Private Limited (SVPRPL)]	100%	100%
15.	Sadbhav Kim Expressway Private Limited (SKEPL)	100%	100%
16.	Sadbhav Infrastructure Solutions Private Limited (SISPL) [Formerly known as Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL)]	100%	100%
17.	Sadbhav Hybrid Annuity Project Limited (SHAPL)	100%	100%

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Notes:

- i. All the above entities have principal nature of activity is Infrastructure and are incorporated in India.
- ii. The concession agreements with National Highway Authority of India (NHAI) are terminated in case of these subsidiaries during the year.

3. Summary of significant accounting policies

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

3.1 Business combinations and goodwill/Capital Reserve:

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' in the consolidated financial statements.

3.2 Current versus non-current classification

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

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

The Group 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 Group has identified twelve months as its operating cycle.

3.3 Service concession arrangement

Toll Collection / User fee right (BOT Model):

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

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognized and classified as "Intangible Assets" in accordance with Appendix D to Ind AS 115. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement. In case of MBCPNL (entity operating multiple border check posts in the state of Maharashtra), each check post is capitalized when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group.

Financial Assets Model

The group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115. The group 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Premium capitalization

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India (“NHAI”), Grantor, over the concession period. Such obligation has been recognized upfront on a discounted basis when the project gets completed as per the Concession Agreements as ‘Intangible assets – Toll Collection Right’ and corresponding obligation for committed premium is recognized as liabilities.

Amortization

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

As required, total Projected traffic or revenue are reviewed by the management at the end of each financial year and accordingly, the total projected traffic or revenue is adjusted to reflect any changes in the estimates which lead to the actual number of traffic or revenue at the end of the concession period.

3.4 Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

i. Toll / check post operation services

Revenue from Toll operation services is recognized over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Group. However, given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the group recognizes toll revenue when it collects the tolls as per rates notified by NHAI / state authorities.

ii. Construction services

Revenue from construction services is recognized over a period as the customer simultaneously receives and consumes the benefits provided by the Group 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.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as “contract asset” and billing in excess of contract revenue is reflected under “contract liabilities”.

Contract balances

Contract assets

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

Trade receivables

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.14 Financial instruments – initial recognition and subsequent measurement.

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 Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3.5 Other Income

Interest

For financial assets 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 Group 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.

Profit or loss on sale of Mutual Fund

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Dividend

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.6 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

Depreciation

Depreciation on Property, Plant and Equipment is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual value, useful live and method of depreciation of Property, Plant and Equipment's are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Amortization

Software is amortized over management estimate of its useful life of 3-6 years

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets under development

Expenditure related to and incurred during implementation of infrastructure project are included under "Intangible Assets under Development". The same is transferred to the respective intangible assets on completion of project.

3.8 Impairment – Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount or cash-generating unit's (CGU). An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is

Notes to Consolidated Financial Statements for the year ended March 31, 2023

based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CUG exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to consolidated statement of profit and loss accounts.

3.9 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price and borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

An Investment property is derecognised either when it has been disposed of or when it has been permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

3.10 Inventory

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.11 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 Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.12 Leases

The Group 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.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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.

3.13 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

1.) 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.

II.) Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- **Financial assets at amortised cost**

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

- **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

- **Financial assets at fair value through 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 recognized in the statement of profit and loss.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

III.) De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

IV.) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

b.) Financial Liabilities

I.) Initial recognition and measurement of financial liabilities

The Group'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 payables, fair value is reduced by directly attributable transaction costs.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

II.) Subsequent measurement of financial liabilities

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)
- **Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the Consolidated Statement of Profit and Loss. The group has not designated any financial liability as at fair value through profit and loss.

- **Financial liabilities at amortised cost (Loans and Borrowings)**
After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized through the EIR amortization process.

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 as finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings.

- **Compound financial instruments**
Compound financial instruments are separated into liability and equity components based on the terms of the contract. At inception, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption.
- **Financial guarantee contracts**
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

III.) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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

c.) Offsetting of financial instruments

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

3.14 Fair Value Measurement

The Group measures financial instruments such as derivatives and Investments 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 Group.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

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 Group 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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.

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 Group 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 Group'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 Group'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 Group 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.

3.15 Employee Benefits

a.) Short Term Employee Benefits

All employee benefits expected to be settled wholly within 12 months after the end of the reporting period are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the consolidated statement of profit and loss in the period in which the employee renders the related services.

b.) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund and employee state insurance fund. The Group recognize contribution paid/payable under the provident fund is charged to consolidated statement of profit & loss account during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c.) Other employment benefits:

Notes to Consolidated Financial Statements for the year ended March 31, 2023

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Group's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

3.16 Government grants

Government grants are recognized where there is reasonable assurance that grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related assets.

3.17 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.

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 recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, unused tax losses and the carry forward of unused 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.

As per provision of Income tax Act 1961, the Group's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. 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 Group 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.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company

Notes to Consolidated Financial Statements for the year ended March 31, 2023

will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.18 Provisions

General

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

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

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

3.19 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date.

3.20 Premium deferment

Premium deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

3.21 Cash and cash equivalents

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

3.22 Cash dividend distribution to equity holders

The Group recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.23 Earnings per share

Basic earnings per share is calculated by dividing the profit / loss for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

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

3.24 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 Group's performance.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

3.25 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

4. Significant accounting judgements, estimates and assumption

The preparation of the Group'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.

4.1 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 Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. 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.

Service concession arrangement – Toll collection / user fee right

The Cash flow model indicates the cash flow to be generated over the project lifecycle. The key inputs of the model comprise of revenue inflows (Toll/user fee), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

Amortization - Toll collection / user fee right

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

Provision for periodical Major Maintenance

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

Revenue from contract with customer

The Group uses the input method for recognize construction revenue. Use of the input method require the group 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. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Fair value measurement of financial instruments

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

5. Property plant and equipment

(INR in Million)

Particulars	Right to use	Building	Machineries and equipments	Furniture and fixtures	Vehicles	Computers	Office equipments	Total
Gross Block (refer note (i) below)								
As at April 01, 2021	-	53.21	17.20	6.27	14.99	6.40	35.54	133.61
Transfer from Asset held for Sale (refer note 47)	-	-	80.17	1.15	10.50	6.50	2.00	100.32
Addition	-	-	0.66	0.25	1.78	2.26	2.91	7.86
Disposal / Adjustment	-	-	(0.07)	(0.05)	-	(0.60)	(0.35)	(1.07)
Transfer to Asset held for sale (refer note 47)	-	(53.21)	(7.34)	(6.40)	(12.84)	(5.74)	(35.73)	(121.25)
As at March 31, 2022	-	-	90.61	1.22	14.44	8.82	4.37	119.47
Transfer from Asset held for Sale (refer note 47)	-	-	-	-	-	-	-	-
Addition	20.30	-	3.70	-	-	1.64	4.26	29.90
Disposal / Adjustment	-	-	(1.03)	(0.03)	(2.33)	(0.09)	(0.13)	(3.61)
Transfer to Asset held for sale (refer note 47)	(20.30)	-	(0.13)	-	-	-	(3.20)	(23.63)
As at March 31, 2023	-	-	93.15	1.19	12.11	10.37	5.30	122.13
Accumulated Depreciation								
As at April 01, 2021	-	13.78	11.91	4.46	6.71	4.41	27.35	68.63
Transfer from Asset held for Sale (refer note 47)	-	-	63.38	0.92	8.61	3.85	1.12	77.89
Charge for the year	-	1.92	6.84	0.39	3.14	2.43	4.07	18.80
On disposal / adjustment	-	-	-	-	-	-	-	-
Transfer to Asset held for sale (refer note 47)	-	(15.70)	(4.03)	(4.78)	(7.09)	(4.24)	(29.79)	(65.63)
As at March 31, 2022	-	0.00	78.10	0.99	11.37	6.45	2.75	99.67
Transfer from Asset held for Sale (refer note 47)	-	-	-	-	-	-	-	-
Charge for the year	3.52	0.36	4.72	0.34	2.13	2.05	4.09	17.22
On disposal / adjustment	-	-	(0.16)	-	(1.99)	-	-	(2.15)
Transfer to Asset held for sale (refer note 47)	(3.52)	(0.36)	(0.70)	(0.33)	(1.52)	(0.85)	(2.81)	(10.09)
As at March 31, 2023	-	0.00	81.96	1.00	9.99	7.65	4.03	104.65
Net Block								
As at March 31, 2022	-	-0.00	12.52	0.23	3.07	2.37	1.62	19.80
As at March 31, 2023	-	-	11.20	0.19	2.12	2.72	1.27	17.48

Note:

- Property, plant and equipments have been pledged against non-current borrowings in order to fulfil the collateral requirement for the lenders (refer note 18).

Notes to Consolidated Financial Statements for the year ended March 31, 2023

6. Investment property

(INR in Million)

Particulars	Freehold land	Total
At Cost		
As at April 01, 2021	9.41	9.41
Addition	-	-
Disposal / Adjustment on account of:	-	-
As at March 31, 2022	9.41	9.41
Addition	-	-
Disposal / Adjustment	-	-
As at March 31, 2023	9.41	9.41
Accumulated Depreciation		
As at April 01, 2021	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2022	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2023	-	-
Net Block		
As at March 31, 2022	9.41	9.41
As at March 31, 2023	9.41	9.41

Notes:

- There is no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
- The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of investment property.

7. Intangible asset and Intangible asset under development

(INR in Million)

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Cost						
As at April 01, 2021	29,040.18	15,162.15	0.51	44,202.84	265.30	964.53
Additions	4,358.91	30.91	1.32	4,391.14	-	-
Less:						
Disposal / Adjustment on account of	-	-	-	-	-	-
Transfer to Financial Asset (refer note 13)	(29,040.18)	-	-	(29,040.18)	-	(964.53)
Transfer to Asset held for Sale (refer note 47)	-	(15,193.06)	-	(15,193.06)	-	-
As at March 31, 2022	4,358.91	0.00	1.83	4,360.74	265.30	(0.00)
Additions	31.60	976.45	-	1,008.05	-	-
Less:						
Disposal / Adjustment on account of	-	-	-	-	-	-
Transfer to Financial Asset (refer note 13)	-	-	-	-	-	-
Transfer to Asset held for Sale (refer note 47)	-	(976.45)	-	(976.45)	-	-
As at March 31, 2023	4,390.51	-	1.83	4,392.34	265.30	-
Accumulated Amortisation						
As at April 01, 2021	3,249.37	1,875.28	0.49	5,125.15	-	-
Transfer from Asset held for Sale (refer note 47)	2,034.52	-	1.25	2,035.77	-	-
Charge for the year	433.96	524.03	0.01	958.00	-	-
Less:						
Disposal / Adjustment on account of:	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023

7. Intangible asset and Intangible asset under development

(INR in Million)

Particulars	Toll collection rights	Use fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Transfer to Financial Asset (refer note 13)	(3,249.46)	-	-	(3,249.46)	-	-
Transfer to Asset held for Sale (refer note 47)	-	(2,399.31)	-	(2,399.31)	-	-
As at March 31, 2022	2,468.39	(0.00)	1.75	2,470.14	-	-
Transfer from Asset held for Sale (refer note 47)	-	-	-	-	-	-
Charge for the year	320.49	527.26	-	847.76	-	-
Less:						
Disposal / Adjustment on account of	-	-	-	-	-	-
Transfer to Financial Asset (refer note 13)	-	-	-	-	-	-
Transfer to Asset held for Sale (refer note 47)	-	(527.26)	-	(527.26)	-	-
As at March 31, 2023	2,788.88	-	1.75	2,790.64	-	-
Net Block						
As at March 31, 2022	1,890.52	0.00	0.08	1,890.61	265.30	-0.00
As at March 31, 2023	1,601.63	-	0.08	1,601.71	265.30	-

Notes:

- Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note 18).
- Refer note 46 for additional disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ('SCA').

8. Investments

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Other investments (FVTPL) (quoted)		
10,857,196 (31 March 2022: 15,510,280) fully paid up units of INR 116 each in Indinfravit Trust after adjusting redemption towards capital	1,216.61	1,759.18
Total (A)	1,216.61	1,759.18
Total (C=A+B)	1,216.61	1,759.18
Aggregate book value of quoted investments	1,216.61	1,759.18
Market value of quoted investments	1,216.61	1,759.18
Aggregate amount of unquoted investments	-	-

9. Trade receivables

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good (refer note 39)	268.00	120.12
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	268.00	120.12

Notes:

- No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- For terms and conditions relating to related party receivable, refer note 39

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	Secured, considered good	-	-	-	-	-	-
2	Unsecured, considered good	-	73.33	66.88	57.30	70.49	268.00

Notes to Consolidated Financial Statements for the year ended March 31, 2023

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
3	Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
4	Trade Receivables - credit impaired	-	-	-	-	-	-
	Total	-	73.33	66.88	57.30	70.49	268.00

As at March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	Secured, considered good	-	-	-	-	-	-
2	Unsecured, considered good	-	67.19	21.86	18.23	12.84	120.12
3	Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
4	Trade Receivables - credit impaired	-	-	-	-	-	-
	Total	-	67.19	21.86	18.23	12.84	120.12

* Date of transaction is considered as due date in case where no due date of payment is specified.

10. Cash and bank balances

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand (refer note (iii) below)	3.44	7.50
Balance with banks:		
In current accounts (refer note (ii) below)	409.21	1,196.32
In current accounts - unpaid share application refund money and unclaimed dividend	0.14	0.14
Deposits with original maturity for less than 3 months	49.30	8.16
Total (A)	462.09	1,212.12
Other balances with banks		
Deposits with remaining maturity less than 12 months	57.79	458.92
Total (B)	57.79	458.92
Total (C=A+B)	519.88	1,671.04

Notes:

- Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- Balances with banks includes balances of INR 259.28 million (March 31, 2022: INR 571.87 million) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.

11. Loans (unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to employees	5.41	7.76
Total - A	5.41	7.76
Current		
Loan to Related party	331.23	-
Loan to employees	0.60	0.58
Total - B	331.83	0.58
Total A+B	337.24	8.34

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Notes:

- Since all the above loans given by the group are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.
- There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- The fair value of non-current loans is not materially different from the carrying value presented.

12. Receivable under Service concession arrangement (Unsecured, considered good) (INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non current		
Receivable under Service concession arrangements (refer note below)	17,575.99	32,794.32
Total (A)	17,575.99	32,794.32
Current		
Receivable under Service concession arrangements (refer note below)	3,574.53	3,396.22
Total (B)	3,574.53	3,396.22
Total (C=A+B)	21,150.52	36,190.54

Notes:

- Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- Refer note 46 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

13. Other financial assets (Unsecured, considered good) (INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Deposits with banks having remaining maturity period more than 12 months	0.01	3.49
Security deposits	0.10	0.04
Total (A)	0.11	3.53
Current		
Security deposits	-	3.99
Fixed Deposit	2.40	-
Receivable towards Change of Scope	889.53	889.53
Receivable from NHAI- toll collection rights (Refer Note (i) & (ii) below)	21,939.68	21,939.68
Receivable toward carve out assets (refer note (iii) below)	15.06	61.17
Receivable from concessionaire authorities toward claims / utility shifting / change in scope	816.66	1,074.16
Receivable from concessionaire authorities towards toll suspension (refer note (iv) below)	13.56	41.01
Interest receivable from deposit with bank and others (refer note 39)	390.86	730.01
Other receivables	7.42	16.51
Total (B)	24,075.17	24,756.05
Total (C=A+B)	24,075.28	24,759.58

Notes:

- In case of Rohtak Hissar Tollway Private Limited (RHTPL), the subsidiary company has terminated the concession agreement with NHAI on August 27,2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the Company, the company has filed a claim for Rs. 12,331.72 million as a termination payment and other Claims amounting to Rs. 3,793.61 million (refer note 49) on the account of O&M cost due to force majeure , Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the subsidiary company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by the subsidiary company.

On the basis of the above, the company has transferred the carrying value of intangible asset of INR 9,420.64 million to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the company due to NHAI defaults under CA.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Notes:

- ii. In case of Rohtak Panipat Tollway Private Limited (RPTPL), the subsidiary company has terminated the concession agreement with NHAI on July 27, 2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the Company, the company has filed a claim for Rs. 12,519.05 million as a termination payment and other Claims amounting to Rs. 3,395.57 million (refer note 48) on the account of O&M cost due to force majeure, Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the subsidiary company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by the subsidiary company.
- On the basis of the above, the company has transferred the carrying value of intangible asset of INR 12,519.05 million to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the company due to NHAI defaults under CA.
- iii. Pursuant to the definitive share purchase agreement (SPA) dated 1 July 2019 related to sale of equity share of subsidiaries. Certain assets such as land, investment properties and arbitration claim receivable ('carve out assets') do not form part of the equity consideration and hence, all beneficial rights of the same are retained by the group. Accordingly, the group has accounted such carve out assets as receivable from respective entities in these consolidated financial statement.
- iv. Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, Ahmedabad Ring Road Infrastructure Limited (ARRIL), had claimed and recognised revenue of 41.01 million during the year 2016-17. In the current year, the company has received the partial claim of Rs 27.45 million out of the total claim of Rs 41.01 towards demontisation.

14. Other assets (Unsecured, considered good)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non current		
Deposits (refer note 40)	2.49	1.17
Tax paid under protest (refer note 40)	-	4.33
Advance income tax (net of provision)	136.72	20.04
Unamortised Processing Fees	45.19	45.27
Tax credit receivables	3.97	6.01
Total (A)	188.37	76.82
Current		
Contract assets (refer note 38 and 39)	581.52	520.52
Advance to contractors	2,241.73	4,033.40
Prepaid expense	28.39	39.46
Tax credit receivables	2,188.43	3,534.51
Other assets	2.16	61.58
Total (B)	5,042.23	8,189.47
Total (C=A+B)	5,230.60	8,266.29

15. Current tax assets (net)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision)	140.08	82.65
Total	140.08	82.65

16. Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorised share capital				
Equity shares of INR 10 each	40,30,00,000	4,030.00	40,30,00,000	4,030.00
	40,30,00,000	4,030.00	40,30,00,000	4,030.00
Issued, subscribed and fully paid				
Equity shares of INR 10 each	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Total	35,22,25,216	3,522.25	35,22,25,216	3,522.25

Notes to Consolidated Financial Statements for the year ended March 31, 2023

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
At the beginning of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25

(b) Terms/rights attached to equity shares:

The Group has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Group, the holders of equity shares shall be entitled to receive any of the residual assets of the group, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates:

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries / associates is as below:

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Sadbhav Engineering Limited, holding company	24,57,21,252	2,457.21	24,57,21,252	2,457.21
245,721,252 (31 March 2022: 245,721,252) equity shares				

(d) Details of shareholders holding more than 5% shares in the company:

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid				
Sadbhav Engineering Limited	24,57,21,252	69.76%	24,57,21,252	69.76%
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				

(e) Shareholding of Promoters

Name of Promoter	No of Shares	% of Total Share	% Change During Period
As at March 31, 2023			
Sadbhav Engineering Limited and its nominees	24,57,21,252	69.76%	0.00%
Shantaben Vishnubhai Patel	12,13,374	0.34%	0.00%
Shashin Vishnubhai Patel	8,14,110	0.23%	0.00%
Total	24,77,48,736	70.33%	0%
As at March 31, 2022			
Sadbhav Engineering Limited and its nominees	24,57,21,252	69.76%	0.00%
Shantaben Vishnubhai Patel	12,13,374	0.34%	0.00%
Shashin Vishnubhai Patel	8,14,110	0.23%	0.00%
Total	24,77,48,736	70.33%	0%

17. Other Equity

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
17.1 Equity component of compound financial Instruments		
Balance at the beginning of the year	532.22	731.48
Less: Reduction during the year	-	(199.26)
Balance at the end of the year	Total 532.22	532.22

Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity and liability component under Long term borrowings (refer note 18). Interest on liability component is recognised using the effective interest method.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
17.2 Capital reserve		
Balance at the beginning of the year	75.80	75.80
Balance at the end of the year	Total 75.80	75.80
The Group has created capital reserve out of acquisition of subsidiaries.		
17.3 Securities premium		
Balance at the beginning of the year	9,039.27	9,039.27
Balance at the end of the year	Total 9,039.27	9,039.27
Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.		
17.4 Debenture Redemption Reserve (DRR)		
Balance at the beginning of the year	-	189.35
Add : Transfer from surplus of statement of profit and loss	-	-
Less: Transfer to General Reserves	-	(189.35)
Balance at the end of the year	Total -	-
The group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the company to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve. During the year, the Ministry of Corporate Affairs has issue Companies (Share Capital and Debentures) Amendment rules, 2019 dated August 16, 2019 whereby it has exempted listed companies from creation of DRR. Accordingly, the company has not created additional DRR during the year. Further, the Company has transferred INR NIL million (March 31, 2022: INR 189.35 million) from DRR to general reserve upon redemption of debentures during the year ended March 31, 2023.		
17.5 General Reserve		
Balance at the beginning of the year	1,154.67	965.32
Add: Transfer from Debenture Redemption Reserve	-	189.35
Balance at the end of the year	Total 1,154.67	1,154.67
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity and is not an item of other comprehensive income. Items included in General Reserve will not be reclassified subsequently to statement of profit and loss.		
17.6 Retained earning*		
Balance at the beginning of the year	(12,033.57)	(12,653.99)
Adjustments during the year		
Add: (Loss) for the year	(3,649.15)	(212.79)
Add/(Less): Other comprehensive income for the year (net of tax)	1.07	9.18
Add: Share issue expense	-	(1.64)
Add/(Less): Transfer of amount from non-controlling interest	(102.12)	825.68
Add/(Less): Effect of change in holding of subsidiary	(131.62)	-
Add/(Less): Adjustment on account of carve out asset	(60.41)	-
Balance at the end of the year	(15,975.80)	(12,033.57)
Total (17.1 + 17.2 + 17.3 + 17.4 + 17.5 + 17.6)	(5,173.84)	(1,231.57)

*Retained earnings are the profits that the Group has earned till balance sheet date, less any transfers to dividends or other distributions paid to shareholders.

18. Non-current borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Secured*		
Redeemable, Non Convertible Debentures		
19,500 Allianz NCD (31 March 2022: 19,500) of INR 67,407.69 each	1,314.45	1,406.95
19,500 AMP CAPITAL NCD (31 March 2022: 19,500) of INR 67,407.69 each	1,314.45	1,406.95
8,000 Allianz NCD (31 March 2022: 8,000) of INR 1,00,000 each	800.00	800.00
8,000 AMP CAPITAL NCD (31 March 2022: 8,000) of INR 1,00,000 each	800.00	800.00
Term loan from banks		
Indian rupee loan	10,461.16	20,005.63

Notes to Consolidated Financial Statements for the year ended March 31, 2023

18. Non-current borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Loan from financial institutions	3,004.52	3,587.70
	17,694.58	28,007.23
Unsecured		
Liability component of compound financial instrument (refer note 39)	591.47	532.87
Total (A)	18,286.05	28,540.10
Less: Current maturities of non-current borrowing* (refer note 19)		
Term loan from banks	812.51	1,541.69
Loan from financial institution	162.50	93.76
Total (B)	975.01	1,635.44
Total (C=A+B)	17,311.04	26,904.65

* Includes the effect of transaction cost paid to Lenders on upfront basis.

The details in respect of non-current borrowings are as under:

(i) **As on March 31, 2023**

(a) **39,000 (March 31, 2022: 39,000) Redeemable , Non Convertible debentures (NCD) are secured by:**

(i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the Company in its subsidiary Companies. Pledge of shares of various subsidiaries are given in table below.

(b) **16,000 (March 31, 2022: 16,000) Redeemable , Non Convertible debentures (NCD) are secured by:**

(i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the Company in its subsidiary Companies. Pledge of shares of various subsidiaries are given in table below.

Pledge of Securities for both the NCDs

Part A – Details Of Initial Pledged Securities

Sr. No.	Project SPV	Initial Pledged Securities	Percent of Initial Pledged Securities	Total No of Shares issued
1	Sadbhav Rudrapur Highway Limited (SRHL)	4,89,940	48.99%	10,00,000
2	Sadbhav Nainital Highway Limited (SNHL)	4,89,940	48.99%	10,00,000
3	Sadbhav Bhavnagar Highway Limited (SBHL)	96,33,340	49.00%	1,96,60,000
4	Sadbhav Una Highway Limited (SUHL)	73,25,440	49.00%	1,49,50,000
5	Sadbhav Bangalore Highway Private Limited (SBGHPL)	1,51,42,258	49.00%	3,09,02,690
6	Sadbhav Vidarbha Highway Limited (SVHL)	1,26,41,275	49.00%	2,57,98,550
7	Sadbhav Udaipur Highway Limited (SUDHL)	1,32,13,280	49.00%	2,69,66,000
8	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	57,08,485	49.00%	1,16,50,000
9	Sadbhav Kim Expressway Private Limited (SKEPL)	4,95,66,801	49.00%	10,11,56,860
10	Rohtak-Panipat Tollway Private Limited (RPTPL)	10,71,198	48.99%	21,86,445
11	Rohtak-Hissar Tollway Private Limited (RHTPPL)	52,76,170	49.00%	1,07,68,000

Part B – Details Of Subsequent Pledged Securities

Sr. No.	Project SPV	Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Total No of Shares issued
1	Maharashtra Border Check Post Network Limited (MBCPNL)	2,250	4.50%	50,000
2	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	48,11,600	46.00%	1,04,60,000

(c) **Terms of Repayment for:**

39,000 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	19,500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025
Series B	19,500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025

16,000 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	8,000	23%	63 months from the 1st deemed date of allotment	July 15, 2026
Series B	8,000	23%	63 months from the 1st deemed date of allotment	July 15, 2026

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(iii) Rupee Term Loans from banks and other parties availed by subsidiaries are secured by:

- 1 a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the respective subsidiary's tangible moveable assets, including 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 Debt service reserve ('DSR') and Major maintenance reserve ('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 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- 5 a first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
 - charge/ assignment on all the intangible assets of the respective subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by the Company and promoters holding in the respective subsidiary as stipulated in the Loan agreements.
- 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.

(iv) GECL Facility (Emergency Credit Line Guarantee Scheme)

The GECL facility is secured by 100% credit guarantee from National Credit Guarantee Trustee Company Limited (NCGTC) in addition to second charge on security mentioned in point (i).

Terms of Repayment of borrowings availed by existing subsidiaries as at March 31, 2023:

(a) RPTPL

During the previous year ended March 31, 2022 Term Loans from banks amounting to INR 8,784.93 million have been included in Current Borrowings.

(b) RHTPL

During the previous year ended March 31, 2022 Term Loans from banks amounting to INR 9,336.19 million have been included in Current Borrowings.

(c) SBHL

Term loan include loans amounting to INR 3,562.96 million as on March 31, 2023 (March 31, 2022: INR 3,473.39 million) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the 1st Repayment date (December 01, 2020) on the first day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loan carries average interest rate of 9.5% to 11.5% p.a as on March 31, 2023.

Details of Delay in Interest as on March 2023

Due for the month of	Interest
Jan-23	0.71
Feb-23	18.05
Mar-23	36.19

(d) SUHL

Term loan include loans amounting to INR 2,291.91 million as on March 31, 2023 (March 31, 2022: INR 2,272.69 million) taken from consortium of banks.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the 1st Repayment date (August 31, 2020) on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loan carries average interest rate of 9.25% to 11.25% p.a as on March 31, 2023.

Details of Delay in Interest and Principal as on March 2023

Due for the month of	Interest	Principal
Jan-23	0.56	-
Feb-23	5.68	97.95
Mar-23	15.57	-

(e) **SRHL**

Term loan include loans amounting to INR 2,535.56 million as on March 31, 2023 (March 31, 2022: INR 2,722.45 million) taken from consortium of banks.

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, 2023.

(f) **SNHL**

Term loan include loans amounting to INR 1,290.02 million as on March 31, 2023 (March 31, 2022: INR 1,279.71 million) taken from consortium of banks.

As per the second amendment agreement to the amended and restated common loan agreement dated 23rd July,2021. The Principal Amounts of the Loan to each of the Lenders shall be repayable in 28 structured Bi-Annually instalments, commencing from the May 28,2022 and last date of Instalment is November 28,2035.

Term loans carry interest at bank base rate plus spread i.e. 9.50% to 11.25% per cent per annum as on March 31, 2023.

(g) **SBGHPL**

Term loan include loans amounting to NIL as on March 31, 2023 (March 31, 2022: INR 4,412.81 million) taken from consortium of banks.

On account of the reason mentioned in Note no 54, the balances outstanding have been adjusted in the books of accounts. Hence disclosure about repayment schedule is not given.

(h) **SUDHL**

Term loan include loans amounting to INR 4,208.90 million as on March 31, 2023 (March 31, 2022: INR 4,132.63 million) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the May 31, 2021 on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% to 11.80% per annum as on March 31, 2023.

As per the provision of CLA, after the PCOD, the company has to create Debt Service Reserve Account (DSRA) and keep the balance of 6 Month Interest and 2 Principal Repayment in DSRA. Accordingly amount of INR 96.61 million was lying deposited on March 31, 2023.

During the year there was delay in receipt of annuity amount from NHAI which was due in the month of February 2023. As a result of this the company could not make the repayment of installment of principal amount of INR 110.53 millions payable in the month of March 2023. Further the company could not make the payment of interest of INR 50.51 millions due upto March 31 2023.

Details of Delay in Interest and Principal as on March 2023

Due for the month of	Interest	Principal
Jan-23	3.25	-
Feb-23	14.83	-
Mar-23	32.43	110.71

GECL Facility (Emergency Credit Line Guarantee Scheme)

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 48 structured monthly instalments, commencing from July 31, 2023 and last date of Instalment is June, 2027.

The loans carry average interest rate of 10.50% to 11.50% per annum.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(i) **SVHL**

Term loan include loans amounting to INR 5,386 million as on March 31, 2023 (March 31, 2022: INR 4,950.03 million) taken from consortium of banks.

The subsidiary company had requested for extension of Schedule Commercial Operation Date (SCOD) to the lender for delay in completion of work for the reasons not attributed to the subsidiary company. The lenders have granted extension of SCOD to August 31, 2022 with matching deferment of repayment schedule. Accordingly the first repayment date of loan has been deferred to April 2023.

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 27 structured Bi-Annual instalments, commencing from July, 2021 and last date of Instalment is February, 2037.

The loans carry average interest rate of 9.25 per cent to 11.25 per cent per annum.

Details of Delay in Interest as on March 2023

Due for the month of	Interest
Jan-23	2.10
Feb-23	28.61
Mar-23	37.71

GECL Facility

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 48 structured monthly instalments, commencing from March, 2023 and last date of Instalment is February, 2034.

The loans carry average interest rate of 9.25 per cent to 11.25 per cent per annum.

Details of Delay in Principal as on March 2023

Due for the month of	Principal
Mar-23	6.25

(j) **ARRIL**

Term loan include loans amounting to INR NIL as on March 31, 2023 (March 31, 2022: INR 349.61 million) taken from a consortium consisting of bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly installments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021. Due to Moratorium on account of Covid-19, as per the revised repayment schedule the said loan shall be repaid by May 31, 2022.

The loans carry average interest rate of 8.60 per cent to 11.70 per cent per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly installments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024. Due to Moratorium on account of Covid-19, as per the revised repayment schedule the said loan shall be repaid by November 30, 2024. Subsequent to the year end March 31, 2023 the company has repaid its dues to lenders in full on April 20, 2023.

The loans carry average interest rate of 11.60 per cent per annum.

ICICI Bank Car Loan

The ICICI Bank Car Loan is repayable to the lender in 45 structured quarterly installments commencing from June 01, 2021. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by April 01, 2025. The loans carry average interest rate of 7.80 per cent per annum.

(iv) **Liability component of compound financial instruments:**

Interest free loan given by Promoters (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby promoters has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity (refer note 17) and liability component under Long term borrowings. Interest on liability component is recognised using the effective interest method.

19. Current borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Loan repayable on demand		
Current maturities of non current borrowing	975.01	1,635.44

Notes to Consolidated Financial Statements for the year ended March 31, 2023

19. Current borrowings

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Loan repayable on demand to Related parties (unsecured) (refer note 39)	4,281.82	4,819.80
Term Loan from financial institution (Secured)	1,110.77	1,110.77
Term Loan from Banks (Secured) (refer note (i) below)	17,010.16	17,010.16
Total	23,377.76	24,576.17

Notes:

- i. In case of RHTPL and RPTPL, the accounts has been prepared on non going concern basis as per the accounting policies stated in note no. 2.1 , hence the non current borrowings has been reclassified under current borrowings of INR 9,336.19 million and INR 8,784.74 million respectively.

20. Trade payables

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note (i) below)	2.63	1.28
Total outstanding dues of creditors other than micro and small enterprises (refer note 39)	3,317.03	5,513.99
Total	3,319.66	5,515.27

Notes:

- (i) Disclosure in respect of Micro and Small Enterprises:

A	Principal amount remaining unpaid to any supplier as at year end	2.63	1.28
B	Interest due thereon	-	-
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D	Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Group.

- (ii) For terms & conditions relating to subsidiaries, refer note 39

As at March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	1.73	-	0.90	-	2.63
2	Others	300.61	272.28	471.42	277.13	118.15	1,439.59
3	Others-Related Parties	-	464.54	568.10	103.35	741.47	1,877.45
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	300.61	738.55	1,039.52	381.38	859.62	3,319.66

As at March 31, 2022

Sr. No	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	1.28	-	-	-	1.28
2	Others	17.90	1,544.39	135.02	53.93	155.22	1,906.46
3	Others-Related Parties	284.75	916.62	730.97	504.16	1,171.03	3,607.53
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	302.65	2,462.30	866.00	558.09	1,326.24	5,515.27

*Date of transaction is considered as due date in case where no due date of payment is specified

Notes to Consolidated Financial Statements for the year ended March 31, 2023

21. Other financial liabilities

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non current		
Interest accrued but not due on debentures	800.03	351.39
Total (A)	800.03	351.39
Current		
Current maturities of premium obligation (refer note (i) below)	3,982.55	3,982.55
Interest accrued to financial institutions	68.43	79.53
Interest accrued to banks	3,815.77	4,026.21
Interest accrued to holding company (refer note 39)	501.07	581.09
Interest accrued and due on NHAI premium obligation	1,578.44	1,289.82
Interest accrued but not due on mobilization advance	386.11	538.30
Payable towards capital expenditure (refer note 39)	588.01	588.02
Security Deposits	26.52	24.08
Employee emoluments payable	30.77	29.20
Other payable	20.55	287.67
Advance against Sale of Shares	84.81	-
Total (B)	11,083.03	11,426.47
Total (C=A+B)	11,883.06	11,777.86

Notes:

- (i) In case of one of the subsidiary, RPTPL, Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter company shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. In the previous year, the project has been terminated (refer note 48) and there is no premium obligation payable to NHAI after termination period and accordingly the liability of premium obligation of INR 4710.43 million has been written back.
- As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the company is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.
- (ii) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022: Nil).

22. Other current liabilities

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Current		
Contract liabilities (refer note 38 and 39)	1,208.53	2,574.11
Statutory dues payable	223.99	310.32
Security Deposit	37.62	-
Others	2.58	-
Total	1,472.72	2,884.43

23. Provisions

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non current		
Provision for employee benefits - gratuity (refer note 37)	12.15	7.23
Total (A)	12.15	7.23
Current		
Provision for employee benefits - gratuity (refer note 37)	4.36	5.16
Provision for employee benefits - Leave encashment	8.76	10.36
Provision for periodical major maintenance (refer note 41)	491.74	335.27
Total (B)	504.86	350.79
Total (C=A+B)	517.01	358.02

24. Current tax liabilities (net)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance tax and tax deducted at source)	152.76	119.93
Total	152.76	119.93

Notes to Consolidated Financial Statements for the year ended March 31, 2023

25. Revenue from operations

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Revenue from contract with customer (refer note 38)		
Revenue from toll / check post operation services (refer note (ii) below)	4,867.56	3,895.25
Revenue from construction services	3,342.74	5,700.61
	8,210.30	9,595.86
Other operating revenue (refer note (i) below)	36.97	27.39
Total	8,247.27	9,623.25

Notes:

- ii. Other operating revenue comprises of advertisement income, advisory and project management fees.
- iii. Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. However the AUDA has not prepared any policy or modalities by which the company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the Company has recognised revenue of toll collection of INR 717.15 Millions for the year ended March 31, 2023 (March 31, 2022 : INR 1,101.65 Millions) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during April 2017 to September 2017.

26. Other income

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on:		
Bank deposits	149.21	100.37
Investments	67.66	100.60
Income tax refund	5.95	8.10
Others	93.47	133.05
Finance income on financial assets carried at amortised cost	2,163.65	2,846.81
Liabilities no longer payable written back (refer note (i) below)	77.13	825.62
Profit on sale of units of mutual funds	0.37	1.04
Dividend income on investment	22.26	10.24
Miscellaneous income	20.80	4.85
Excess provision of Unwinding of discount on NHAI premium written back (refer note (ii) below)	-	4,710.43
Profit on sale of shares	0.32	6.59
Profit on sale of assets	25.14	-
Income in relation to carve out assets ((refer note 13 (iii))	57.62	-
Total	2,683.58	8,747.70

Notes:

- i. In the view of the termination of the RHTPL project, there is no major maintenance obligation and pending works completion on the subsidiary company RHTPL and accordingly the provision of major maintenance & pending work completion has been written back.
- ii. In the view of the termination of the RPTPL project, there is no obligation for NHAI premium on the subsidiary company RPTPL and accordingly the provision of Unwinding of discount on NHAI premium written back.

27. Operating expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Operation and maintenance charges to sub-contractors	354.99	1,984.19
Periodical major maintenance expense (refer note 41)	339.54	299.50
Power and fuel	108.57	97.39
Security expenses	68.12	172.89
Miscellaneous expenses	86.56	35.45
Total	957.78	2,589.41

28. Employee benefit expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, bonus and other allowances (including managerial remuneration) (refer notes 37 and 39)	254.14	269.90
Contribution to provident and other funds (refer note 37)	17.67	19.52

Notes to Consolidated Financial Statements for the year ended March 31, 2023

28. Employee benefit expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Gratuity expenses (refer note 37)	11.19	9.52
Staff welfare expenses	6.82	11.60
Total	289.82	310.53

29. Finance cost

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on:		
Rupee term loans from banks and others	4,383.29	7,182.89
Current borrowings (refer note 39)	360.75	489.82
Deferment of premium obligation	288.62	301.57
Mobilization advance given	137.75	141.84
Others	21.25	2.02
Unwinding of discount on		
Provision of major maintenance (refer note 41)	33.53	29.56
Interest free loan	58.62	96.73
Other borrowing costs		
Amortization of processing fees	15.11	115.63
Bank charges and other finance costs	166.64	143.92
Total	5,465.56	8,504.00

30. Depreciation and amortisation expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 5)	17.22	18.80
Amortisation on intangible assets (refer note 7)	847.76	957.96
Total	864.98	976.76

31. Other expenses

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Expense related to short term leases (refer note 39 and 43)	14.02	2.61
Insurance	28.92	46.65
Rates and taxes	4.26	19.22
Repairs and maintenance - Others	0.38	3.33
Legal and professional fees (refer note 39)	171.27	301.48
Communication expense	1.16	1.16
Travelling expenses	0.24	0.37
Auditor's remuneration (refer note below)	5.47	7.51
Director's sitting fees (refer note 39)	0.82	1.16
Cash collection charges	1.84	1.82
Corporate Social Responsibility Expense (refer note 51)	16.98	13.52
Impairment of Intangible asset (refer note 48)	-	909.78
Miscellaneous expenses	96.24	34.11
Total	341.60	1,342.73

31.1 Auditor Remuneration

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Fees for Statutory Audit	4.92	5.52
Fees for Tax Audit	0.30	-
Fees for Certification	0.25	1.99
Total	5.47	7.51

Notes to Consolidated Financial Statements for the year ended March 31, 2023

32. Income tax expense

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are as under:

(a) Profit and Loss

(INR in Million)			
		Year ended March 31, 2023	Year ended March 31, 2022
Current tax			
Current income tax charges		204.86	99.24
Adjustment in respect of tax of earlier years		(178.90)	(7.29)
	Total (A)	25.96	91.95
Deferred tax			
Relating to origination and reversal of temporary differences		(232.26)	(254.80)
Adjustments of deferred tax relating to previous year		-	-
Total deferred tax charged in the statement of profit and loss	Total (B)	(232.26)	(254.80)
MAT credit utilised against tax payments due for the year		-	-
		(232.26)	(254.80)
Tax expense reported in the statement of profit and Loss	Total (C=A+B)	(206.30)	(162.85)

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

(INR in Million)			
Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit /(loss) before tax		(3,855.45)	(375.64)
Statutory income tax rate		25.63%	25.63%
Expected income tax expenses		(988.15)	(96.28)
Tax effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses			
Tax effect of non deductible items		-	-
Tax in respect of earlier years		(178.90)	(7.29)
Tax effect due to indexation benefits		(930.59)	(352.98)
Tax on effect due to change in rates		-	-
Tax on effect due to different rates		(93.08)	(35.30)
Effect of unused tax losses		-	-
Tax losses not recognised due to absence of probable certainty of reversal (refer note (e) below)		1,987.86	328.99
Income tax expenses as per normal tax rate		(202.85)	(162.86)
Consequent to reconciliation items shown above, the effective tax rate		0.00%	0.00%

(c) Deferred tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022

(INR in Million)				
	Opening balance as at April 1, 2022	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 47)	Closing balance as at March 31, 2023
	(A)	(B)	(C)	(D=A+B+C)
i) Impact on liability component of Compound instruments	(63.22)	(63.22)	-	-
ii) Impact of fair valuation of financial instruments	(1,742.63)	(44.71)	(400.87)	(1,297.05)
iii) Accelerated depreciation for tax purpose	1.04	0.08	-	0.96
iv) Expenditure allowed on payment basis	1,257.84	459.52	-	798.32
v) Expenditure allowed over the period	(271.09)	(38.37)	-	(232.72)
vi) Income tax allowable on actual receipt basis	(154.19)	(150.33)	-	(3.86)
viii) Unused tax losses available for offsetting against future taxable income	108.82	(395.24)	349.49	154.57
Total deferred tax expenses	(863.43)	(232.26)	(51.38)	(579.78)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Net deferred tax assets/(liabilities)

	Opening balance as at April 1, 2021	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 47)	Closing balance as at March 31, 2022
	(A)	(B)	(C)	(E=A+B-C-D)
i) Impact on liability component of Compound instruments	(76.75)	(13.53)	-	(63.22)
ii) Impact of fair valuation of financial instruments	28.85	1,902.69	(131.21)	(1,742.63)
iii) Accelerated depreciation for tax purpose	1.00	0.20	(0.24)	1.04
iv) Expenditure allowed on payment basis	(1,884.64)	(3,070.02)	(72.46)	1,257.84
v) Expenditure allowed over the period	502.70	159.35	614.44	(271.09)
vi) Income tax allowable on actual receipt basis	(569.84)	(415.65)	-	(154.19)
vii) Tax credit entitlement under MAT (refer note (e) below)	-	-	-	-
viii) Unused tax losses available for offsetting against future taxable income	1,059.36	1,182.13	(231.59)	108.82
Total deferred tax expenses	(939.32)	(254.85)	178.94	(863.43)

(d) Reconciliation of Deferred tax

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax liabilities (net)	579.78	863.43
Total	579.78	863.43

- (e) Certain subsidiary companies have carried forward business losses aggregating INR 24,548.76 million (March 31, 2022: INR 20,741.67 million) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of 8 years of the respective year from the date of origin.

Deferred tax asset has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, which have arisen in subsidiaries that have been loss-making for some time, and there are no reasonable certainty supported by convincing evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by INR 6,417.62 million (March 31, 2022: INR 6,470.44 million).

- (f) The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

33. Disclosure of Financial Instruments by category

(INR in Million)

Particulars	Note no.	As at March 31, 2023				As at March 31, 2022			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial assets									
Investments	8	1,216.61	-	-	-	1,759.18	-	-	-
Trade receivables	9	-	-	268.00	-	-	-	120.12	-
Cash and cash equivalents	10	-	-	462.09	-	-	-	1,212.12	-
Other bank balances	10	-	-	57.79	-	-	-	458.92	-
Loans	11	-	-	337.24	-	-	-	8.34	-
Receivable under service concession arrangements	12	-	-	21,150.52	-	-	-	36,190.54	-
Other financial assets	13	-	-	24,075.28	-	-	-	24,759.58	-
Total financial assets		1,216.61	-	46,350.92	-	1,759.18	-	62,749.62	-
Financial liabilities									
Non current borrowings	18	-	-	17,311.04	-	-	-	26,904.65	-
Current borrowings	19	-	-	23,377.76	-	-	-	24,576.17	-
Trade payables	20	-	-	3,319.66	-	-	-	5,515.27	-
Other financial liabilities	21	-	-	11,883.06	-	-	-	11,777.86	-
Total financial liabilities		-	-	55,891.53	-	-	-	68,773.96	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023

34. Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in Million)

Particulars	Note no.	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Investments in units of Indinfravit Trust	8	1,216.61	1,216.61	1,759.18	1,759.18
Total financial assets		1,216.61	1,216.61	1,759.18	1,759.18
Financial liabilities					
Redeemable, Non-convertible debentures	18	5,113.56	5,113.56	4,849.92	4,849.92
Premium obligation under Concession agreement	21	3,982.55	3,982.55	3,982.55	3,982.55
Total financial liabilities		9,096.11	9,096.11	8,832.47	8,832.47

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The fair value of premium obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- The carrying value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

35. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities which are measured at fair value:

Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities as at March 31, 2023 and March 31, 2022:

(INR in Million)

	Note no.	Fair value measurement using Significant observable inputs (Level 2)					
		As at March 31, 2023			As at March 31, 2022		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value							
Fair value through profit & loss							
Investments in units of Indinfravit Trust	8	1,216.61	-	-	1,759.18	-	-
Investments in mutual funds	8	-	-	-	-	-	-
Liabilities measured at fair value							
Liabilities for which fair values are disclosed							
Redeemable, Non-convertible debentures	18	-	5,113.56	-	-	4,849.92	-
Premium obligation under Concession agreement	21	-	3,982.55	-	-	3,982.55	-

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between level 1 and level 2 during the years.

36. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(INR in Million)

		Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) after tax for the year attributable to equity shareholders:	(A)	(3,751.27)	(210.24)
Number of equity shares at the end of the year		35,22,25,216	35,22,25,216

Notes to Consolidated Financial Statements for the year ended March 31, 2023

36. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations: (INR in Million)

		Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares for basic and diluted EPS	(B)	35,22,25,216	35,22,25,216
Nominal value of equity shares		10	10
Basic and diluted earning /(loss) per share	(A/B)	(10.65)	(0.60)

37. Employee benefits disclosure

A Defined contribution plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident funds	12.42	16.67
Contribution to employee state insurance	0.29	2.74
Contribution to benevolent funds	-	0.04
Maharashtra labour welfare fund	-	0.02
Total	12.71	19.47

B Defined benefit plans - Gratuity benefit plan:

The Group has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded in all entities except ARRIL where scheme is funded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

(INR in Million)

		As at March 31, 2023	As at March 31, 2022
Cost charged to statement of profit and loss (Excluding amount of subsidiaries sold during the year)			
Current service cost		8.99	6.48
Interest cost		2.20	2.33
Sub-total included in statement of profit and loss	Total	11.19	8.81
Remeasurement losses/(gains) in other comprehensive income (Excluding amount of subsidiaries sold during the year)			
Actuarial loss/(gain) due to change in financial assumptions		(2.83)	(0.94)
Actuarial loss/(gain) due to experience changes		1.76	(8.89)
Sub-total included in other comprehensive income	Total	(1.07)	(9.83)
Reconciliation of net defined benefit obligation			
Reconciliation of defined benefit obligations as at beginning of the year			
Defined benefit obligations as at beginning of the year		35.15	36.28
Cost charged to statement of profit and loss		11.19	8.81
Remeasurement (gains)/losses in other comprehensive income		(1.07)	(9.83)
Benefit paid		(4.95)	(0.11)
Defined benefit obligation of subsidiaries sold during the year		-	-
	Sub total	40.32	35.15
Defined benefit obligation pertaining to asset held for sale		(23.78)	(22.74)
Defined benefit obligations as at end of the year	Total (A)	16.54	12.41
Reconciliation of fair value of plan assets			
Plan asset as at beginning of the year		0.02	0.11
Interest Income		0.03	-
Return on plan assets excluding amounts included in interest income		(0.02)	(0.09)
Benefits paid		-	-
Plan asset as at end of the year	Total (B)	0.03	0.02
Net Defined benefit obligations as at end of the year	Total (C=A-B)	16.51	12.39
Current		4.36	5.16

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Non-current	12.15	7.23

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	6.70%
Salary Growth rate	6.00%	6.00%
Withdrawal rate	15% at younger ages, reducing to 3% at older ages	15% at younger ages, reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

(INR in Million)

Particulars	Sensitivity level	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	0.50% increase	(0.29)	(1.25)
	0.50% decrease	0.29	1.33
Salary Growth Rate	0.50% increase	0.22	1.29
	0.50% decrease	(0.22)	(1.21)
Attrition Rate	10% increase	-	0.26
	10% decrease	-	(0.67)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

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

Since the obligation is unfunded, there is no Assets-Liability Matching strategy device for the plan. Accordingly, there is no expected contribution in the next annual reporting period reported.

C Maturity Profile of the Defined Benefit Obligation

	(INR in Million) As at March 31, 2023
2024	2.54
2025	2.58
2026	0.90
2027	5.58
2028	1.65
2029-2033	1.92

	(INR in Million) As at March 31, 2022
2023	2.47
2024	1.01
2025	0.75
2026	0.91
2027	4.08
2028-2032	4.78

D Other employee benefits:

Salaries, wages and bonus include INR 34.70 million (March 31, 2022: INR 25.46 million) towards provision made as per actual basis in respect of accumulated leave encashment / compensated absences, bonus and leave travel allowance.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

38. Revenue from contract with customers

38.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
Type of service rendered		
Revenue from toll / check post operation services	4,867.56	3,895.25
Revenue from construction services	3,342.74	5,700.61
Total revenue from contracts with customers	8,210.30	9,595.86
Place of service rendered		
India	8,210.30	9,595.86
Total revenue from contracts with customers	8,210.30	9,595.86
Timing of revenue recognition		
Services transferred over time	8,210.30	9,595.86
Total revenue from contracts with customers	8,210.30	9,595.86

38.2 Contract balances

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Contract assets	581.52	520.52
Contract liabilities	1,208.53	2,574.11

Contract assets are initially recognised for revenue earned from the construction services render to the customer. Upon completion of work, the contract assets are classified as trade receivable.

Contract liabilities for the year ended March 31, 2023 include advance received under the concession agreement from the National Highway Authority of India ('NHAI') of amounting to INR 1,207.15 million (March 31, 2022: INR 2,573.63 million) which will be adjusted on a progressive basis against the services.

38.3 Performance obligation

Information about the company's performance obligations are summarised below:

a. Toll and Checkpost operation services

The performance obligation is satisfied over time as each toll road-user simultaneously receives and consumes the benefits provided by the Group. Given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Group recognises toll revenue when it collects the tolls.

b. Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Group. The Group received progressive payment toward provision of construction services.

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

	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	17,738.22	20,380.48
More than one year	9,399.09	14,632.94

38.4 Reconciliation of the amount of revenue recorded in Consolidated statement of Profit and loss is not required as there are no adjustments to the contracted price.

39. Related Party disclosures

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

(a) Name of Related Parties and related party relationship

Related Parties where control exists:

Holding Company Sadbhav Engineering Limited (SEL)

(b) Related parties with whom transactions have taken place:

Fellow Subsidiary Sadbhav Gadag Highway Private Limited (SGHPL)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

39. Related Party disclosures

Entities in which Key Managerial Personnel having significant interest

Ennar Infra Solutions LLP
Ravi Kapoor & Associates

Key management personnel (KMP) of the Company

Mr. Shashin V. Patel, Chairman and Non-Executive Director
Mr. Jatin Thakkar, Executive Director and Chief Financial Officer (CFO) (w.e.f March 15, 2023)
Mr. Dwigesh Joshi, Non-Executive Director (w.e.f March 15, 2023)
Mr. Sandip Patel, Independent Director
Mr. Arun Kumar Patel, Independent Director
Mrs. Dakshaben Shah, Independent Director
Mr. Vasistha C. Patel, Managing Director (upto November 21, 2022)
Mr. Nitin R. Patel, Non-Executive Director (upto November 21, 2022)
Mr. Pradip Agarwal, Chief Financial Officer (upto November 02, 2022)
Mr. Hardik Modi, Company Secretary

Key management personnel (KMP) of the Subsidiary Companies

Mr. Shashin V. Patel, Director of Subsidiary
Mr. Jatin Thakkar, Managing Director of Subsidiary (w.e.f March 15, 2023)
Mr. Niketan Patel, Director of Subsidiary (upto November 30, 2022)
Mr. Mahendrasinh Chavda, Director of Subsidiary
Mr. Rajkumar Dhoot, Director of Subsidiary (upto July 05, 2021)
Mr. Vikas Birla, Director of Subsidiary (upto September 09, 2021)
Mr. Ravi Kapoor, Director of Subsidiary
Mr. Vasistha C. Patel, Managing Director (upto November 21, 2022 & December 05, 2022)
Mr. Nitin R. Patel, Non-Executive Director (upto November 21, 2022)
Mr. Girish Patel, Director of Subsidiary
Mr. Purushottambhai Patel, Director of Subsidiary (w.e.f November 18, 2022)
Mr. Kalpesh Shah, Director of Subsidiary
Mr. Rajat Mondal, Director of Subsidiary (w.e.f December 03, 2022)
Mr. Sandip Patel, Independent Director of Subsidiary
Mr. Arun Kumar Patel, Independent Director of Subsidiary
Mrs. Dakshaben Shah, Independent Director of Subsidiary
Mr. Shailesh Koshti, Company Secretary of Subsidiary (upto January 09, 2022)
Mr. Daksh Parikh , Company Secretary of Subsidiary (upto June 04, 2022)
Mr. Foram Parikh , Company Secretary of Subsidiary (upto August 31, 2021)
Mrs. Radhika Ranninga, Company Secretary of Subsidiary
Mr. Jayesh Bhavsar, Company Secretary of Subsidiary (from March 01, 2022 to August 01, 2022)
Mrs. Dhruva Thakkar, Company Secretary of Subsidiary (upto August 31, 2021)
Mr. Rahul Sheth , Company Secretary of Subsidiary
Mr. Hitesh Chelani, Chief Financial Officer of Subsidiary
Mr. Kaivan Vora, Chief Financial Officer of Subsidiary
Mr. Manish Pandya, Manager of Subsidiary (upto August 06, 2022)

(c) Transactions with related parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Fellow Subsidiary		Entities in which Key Managerial Personnel having substantially interest		Key Management Personnel	
		Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
1	Current borrowings taken								
	SEL	1,037.06	3,470.09	-	-	-	-	-	-
2	Current borrowings repaid (including interest)								
	SEL	1,423.86	4,720.64	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(c) Transactions with related parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Fellow Subsidiary		Entities in which Key Managerial Personnel having substantially interest		Key Management Personnel	
		Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
3	Interest expense								
	SEL	357.13	481.52	-	-	-	-	-	-
4	Loan given								
	SEL	695.05	-	-	-	-	-	-	-
5	Loan received back								
	SEL	363.82	47.95	-	-	-	-	-	-
6	EPC Contract, utility shifting and variation service availed								
	SEL	1,515.91	3,779.11	-	-	-	-	-	-
7	Availment of professional services								
	Ennaar Infra Solutions LLP	-	-	-	-	-	2.50	-	-
	Ravi Kapoor & Associates	-	-	-	-	-	1.51	-	-
8	Mobilization, Material & Other Advances given								
	SEL	517.87	126.17	-	-	-	-	-	-
9	Mobilization, Material & Other Advances adjusted against EPC								
	SEL	279.79	1,231.74	-	-	-	-	-	-
10	Interest on mobilization advance / claim								
	SEL	93.48	82.38	-	-	-	-	-	-
11	Rent, reimbursement and allocation of expenses								
	SEL	263.23	354.04	-	-	-	-	-	-
	SGHPL	-	-	0.02	0.06	-	-	-	-
12	Sitting fees								
	Shashin V Patel	-	-	-	-	-	-	0.06	0.14
	Nitin R Patel	-	-	-	-	-	-	0.05	0.09
	Arunkumar Patel	-	-	-	-	-	-	0.15	0.17
	Sandip Patel	-	-	-	-	-	-	0.35	0.35
	Daksha Shah	-	-	-	-	-	-	0.28	0.31
	Ravi Kapoor	-	-	-	-	-	-	-	0.06
13	Remuneration								
	Shashin Patel	-	-	-	-	-	-	-	7.20
	Vasistha Patel	-	-	-	-	-	-	2.54	3.25
	Pradip Agarwal	-	-	-	-	-	-	3.57	6.05
	Jatin Thakkar	-	-	-	-	-	-	2.63	-
	Mahendrasinh Chavda	-	-	-	-	-	-	1.64	1.40
	Shailesh Koshti	-	-	-	-	-	-	0.05	0.48
	Jayesh Bhavsar	-	-	-	-	-	-	0.27	0.06
	Radhika Ranninga	-	-	-	-	-	-	0.65	0.50
	Rahul Sheth	-	-	-	-	-	-	0.88	0.85
	Dhrupa Thakkar	-	-	-	-	-	-	-	0.08
	Daksh Parikh	-	-	-	-	-	-	0.07	0.34
	Sejal Desai	-	-	-	-	-	-	0.14	-
	Foram Parikh	-	-	-	-	-	-	-	0.05
14	Reversal of balances								
	SEL	3,634.02	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023

(d) Balances of related parties at the year end:

(INR in Million)

Sr. No.	Particulars	Holding		Fellow Subsidiary		Entities in which Key Managerial Personnel having substantially interest		Key Management Personnel	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	Mobilisation and other advances paid against contract								
	SEL	2,125.72	3,759.66	-	-	-	-	-	-
2	Interest receivable against Mobilization advance								
	SEL	351.64	676.93	-	-	-	-	-	-
3	Interest payable								
	SEL	336.50	416.51	-	-	-	-	-	-
4	Trade payable (including capital payables and retention money)								
	SEL	2,496.72	4,475.61	-	-	-	-	-	-
	SGHPL	-	-	0.02	8.63	-	-	-	-
	Ravi Kapoor & Associates	-	-	-	-	-	0.43	-	-
5	Current Borrowings								
	SEL	4,376.83	4,914.82	-	-	-	-	-	-
6	Loan Given								
	SEL	331.23	-	-	-	-	-	-	-
7	Interest free unsecured loan (Equity and liability components less finance cost recognised till date reporting date)								
	SEL	779.56	779.56	-	-	-	-	-	-
8	Trade Receivable								
	SEL	0.36	-	-	-	-	-	-	-
9	Remuneration payable								
	Vasistha Patel	-	-	-	-	-	-	0.79	0.50
	Varun Mehta	-	-	-	-	-	-	-	1.08
	Pradip Agarwal	-	-	-	-	-	-	0.26	0.95
	Jatin Thakkar	-	-	-	-	-	-	0.88	-
	Mahendrasinh Chavda	-	-	-	-	-	-	0.15	0.11
10	Sitting Fees payable								
	Sandip Patel	-	-	-	-	-	-	0.20	0.22
	Nitin R Patel	-	-	-	-	-	-	0.01	0.01
	Shashin V Patel	-	-	-	-	-	-	0.01	-
	Daksha Shah	-	-	-	-	-	-	0.15	0.14
	Arunkumar Patel	-	-	-	-	-	-	0.06	0.03
	Ravi Kapoor	-	-	-	-	-	-	-	0.03
11	Salary Payable to Company Secretary								
	Radhika Raninga	-	-	-	-	-	-	0.11	0.04
	Jayesh Bhavsar	-	-	-	-	-	-	-	0.06
	Shailesh Koshti	-	-	-	-	-	-	0.05	-
	Daksh Parikh	-	-	-	-	-	-	0.03	0.07
	Sejal Desai	-	-	-	-	-	-	0.06	-
	Rahul Sheth	-	-	-	-	-	-	0.14	0.07

Notes:

- 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 except short term loan and settlement occurs in cash as per the terms of the agreement.
- Non convertible debenture of INR 4,228.90 Million as at 31 March 2023 (31 March 2022: INR 4,413.90 million) are secured by way of corporate guarantee by Sdbhav Engineering Limited (SEL), the Parent Company, first ranking charge created on shares of Company's certain subsidiaries and of SEL.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

- iii. The loans received from Sadbhav Engineering Limited (SEL), the Parent Company is based on demand which carries interest of 11.00%.
- iv. The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

40. Contingent liabilities and commitments

(a) Contingent liabilities (to the extent not provided for)

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
Income Tax:-		
Income tax demand (refer note (i) below)	-	13.73
Goods and Service Tax (GST)	96.56	-
Claim filed by National Highway Authorities of India (NHAI) (refer note (ii) below)	203.45	203.45
	300.01	217.18

- i. The income tax demand is pertaining to Rohtak Panipat Tollway Private Limited ('RPTPL') on account of disallowance in computation of income claimed by the subsidiary under the Income tax Act, 1961. The subsidiary is contesting the demand and management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.
- ii. NHAI has lodged claim against Rohtak Panipat Tollway Private Limited ('RPTPL') for non-achievement of minimum Finished Road Level (FRL) of INR 203.45 million including interest in arbitration. During the year, two arbitrators has declared award in favour of NHAI which has been dissented by one arbitrator. Since the award was not unanimous, the matter has been referred to Hon'ble High Court of Delhi by the company under Section 34 of Arbitration and Conciliation Act, 1996. Currently, the matter is pending with Hon'ble High Court of Delhi.
- iii. The Deputy commissioner of income tax, Circle 1(1) has disallowed the expenditure for AY 2017-18. CIT(A)-11 has passed the order and given the relief for disallowances of expenditure of INR 167.72 Million. The DCIT, filled appeal against the order of CIT(A), 11 for AY 2017-18 for relief of disallowances of expenses of INR 167.72 Million. The Tax effect of the same is INR 61.12 Million and the matter is pending with Income Tax Appellate Tribunal, Ahmedabad.

(b) Guarantees

Company has given corporate guarantee to banks for INR 3,829.42 million (PY INR 4,011.95 million) against the finance facility given by the banks to subsidiary companies

(i) Details of Loan given, investment made and guarantee given covered u/s 186 (4) of the Companies Act, 2013

Loans given and investment made are given under respective heads

Corporate guarantee given by the Holding Company in respect of loans as at March 31, 2023 and March 31, 2022.

(INR in Million)

Sr. No.	Name of Company	As at March 31, 2023	As at March 31, 2022
1	Sadbhav Nainital Highway Limited	1,296.91	1,288.53
2	Sadbhav Rudrapur Highway Limited	2,532.51	2,723.42
	Total	3,829.42	4,011.95

(c) Commitments

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

(INR in Million)

	As at March 31, 2023	As at March 31, 2022
(i) EPC Sub-contract & Operation & Maintenance commitments	4,125.36	4,174.60
(ii) Capital commitment (net of capital advances)	12,773.76	12,465.88
(iii) The BOT/HAM projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the lender, the Group has executed agreements with respective lenders whereby the Group has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:		

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	As at March 31, 2023	As at March 31, 2022
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%	30.00%	30.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	30.00%	30.00%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	As at March 31, 2023	As at March 31, 2022
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Una Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Udaipur Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Bhavnagar Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Limited	51.00%	26.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	51.00%
Sadbhav Hybrid Annuity Projects Limited	-	-	51.00%	51.00%
Sadbhav Kim Expressway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Nainital Highway Limited	51.00%	26.00%	51.00%	51.00%

41. Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

Particulars	As at March 31, 2023 INR in Million	As at March 31, 2022 INR in Million
Carrying amount at the beginning of the year	335.27	1,998.68
Add: Provision made during the year	346.49	305.73
Add: Increase during the year in the discounted amount due to passage of time	33.53	29.56
Less: Amounts used (i.e. incurred and charged against the provision) during the year	(223.55)	(283.09)
Less: Reversal of Provision (Refer Note 26)		(1,715.63)
Sub total	491.74	335.27
Less: Pretaining to entity held for sale (refer note 47)	-	-
Carrying amount at the end of the year	491.74	335.27
Current	491.74	335.27
Non-current	-	-
Total	491.74	335.27
Year of expected cash outflow	2024-2026	2024-2026

42. Segment Reporting

The operating segment of the group is identified to be "Build Operate and Transfer (BOT)/ Annuity Projects (including hybrid annuity) and its related activities", as the Chief Operating Decision Makers (CODM) reviews business performance at an overall group level as one segment and hence, no additional disclosures are required to be made under Ind AS 108 "Operating Segments". Further, the group also primarily operates under one geographical segment namely India. Revenue from one customer i.e concession authorities (NHAI) amounted to INR 1,780.96 million (31 March 2022: INR 2,667.15 million) arising during the year ended March 31,2023.

43. Operating Lease

The Group has taken office space on operating lease on short term basis. There are no sub-leases and the leases which are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There are neither any contingent rent nor any escalation clause in the lease arrangements. The Group has applied the 'short-term lease' recognition exemptions for above lease.

During the year, the Group has incurred expense relating to short-term leases (included in other expenses) INR 14.02 million (March 31, 2022: INR 2.61 million) toward above lease premises.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

44. Financial risk management objective and policies:

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, trade receivables, other receivables including those under service concession, loans and cash and bank balances, which has been directly derived from its operations.

The Group's business activities are exposed to variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Board of Directors oversee compliance with the Group'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, trade and other receivables, loans, trade and other payables.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2023 and March 31, 2022.

(i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the group mainly from non - current borrowings with variable rates. The Group maintains its borrowings at fixed rate using interest rate swaps to achieve this if necessary. The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The group measures risk through sensitivity analysis.

The banks now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

(INR in Million)		
	Effect on profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
Increase in 25 basis point	(102.39)	(134.11)
Decrease in 25 basis point	102.39	134.11

The effect of interest rate changes on future cash flows is excluded from this analysis.

(ii) Equity price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions

(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 Group is exposed to credit risk related to operating activities (primarily receivables from authorities and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments. The management of the group believes that the credit risk related to receivable from authorities are negligible as the same is receivable from the government authorities.

The group has significant credit exposure related to receivable from authorities which as mentioned below:

1. National Highway Authority of India - INR 21,490.24 million (March 31, 2022: INR 36,726.79 million).
2. State Government Authorities - INR 490.50 million (March 31, 2022: INR 578.92 million).

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as well as temporary investment in mutual fund as of March 31, 2023 is INR 522.29 million and March 31, 2022 is INR 1,674.54 million.

(c) Liquidity risk

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

The Group measures the risk by forecasting cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

(INR In Million)						
Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2023						
Non-current borrowings#	18,342.47	-	936.47	3,772.94	5,067.54	8,565.53
Loans repayable on demand	22,402.75	22,402.75	-	-	-	-
Trade payables	3,319.66	-	3,319.66	-	-	-
Other financial liabilities	11,883.06	-	11,392.43	-	800.03	-
Total	55,947.94	22,402.75	15,648.56	3,772.94	5,867.57	8,565.53
As at March 31, 2022						
Non-current borrowings#	28,721.14	-	1,687.53	1,457.19	9,793.54	15,782.89
Loans repayable on demand	22,940.72	22,940.72	-	-	-	-
Trade payables	5,515.27	-	5,515.27	-	-	-
Other financial liabilities	11,777.86	-	11,426.46	-	351.40	-
Total	68,955.00	22,940.72	18,629.27	1,457.19	10,144.94	15,782.89

Current maturities of non-current borrowings is included and unamortised transaction cost paid to lenders on upfront basis is excluded.

45. Capital Management

For the purpose of the Group's capital management, the Group's capital consist of share capital, securities premium, other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group'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 Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and year ended March 31 2022.

46. Disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to toll collection rights (intangible assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date (in years)
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	4.76 years
2	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	10.51 years

Notes to Consolidated Financial Statements for the year ended March 31, 2023

46. Disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ("SCA")

(A) Disclosures with regard to toll collection rights (intangible assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date (in years)
3	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	(Refer note (iii) below)
4	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	(Refer note (iii) below)

Notes:

- i. The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:-
 - a. Rights to use the Specified assets
 - b. Obligations to provide or rights to expect provision of services
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- ii. The actual concession period may vary based on terms of concession agreement.
- iii. In case Rohtak Hissar Tollway Private Limited (RHTPL) and Rohtak Panipat Tollway Private Limited (RPTPL), the respective subsidiaries has submitted the termination notice with NHAI on August 27, 2021 and July 27, 2021 respectively.

(B) Disclosures with regard to Annuity project / Hybrid annuity model ('HAM') project

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements":

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of commercial operation	Scheduled construction completion date under the concession agreement	Revised construction completion date based on extension claimed (refer note (v))
1	Sadbhav Una Highway Limited*	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019	(Refer note 52)
2	Sadbhav Bhavnagar Highway Limited*	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019	(Refer note 52)
3	Sadbhav Rudrapur Highway Limited*	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019	October 11, 2023
4	Sadbhav Bangalore Highway Private Limited*	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019	(Refer note 54)
5	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020	(Refer note 53)
6	Sadbhav Nainital Highway Limited *	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019	November 30, 2023
7	Sadbhav Udaipur Highway Limited*	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019	September 30, 2023
8	Sadbhav Vidarbha Highway Limited	May 21, 2018	November 15, 2035	15 years from COD	May 15, 2021	(Refer note 55)
9	Sadbhav Kim Highway Private Limited	November 01, 2019	October 27, 2036	15 years from COD	October 31, 2021	December 31, 2023

* During the previous year, three of its subsidiaries namely Sadbhav Bangalore Highway Private Limited (SBGHPL), Sadbhav Una Highway Limited (SUHL) and Sadbhav Nainital Highway Limited (SNHL) have received the Provisional Completion Certificate (PCOD) and the Settlement Agreement has been executed with NHAI by respective subsidiaries and in the year 2020-21, three of its subsidiaries namely Sadbhav Udaipur Highway Limited (SUDHL), Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Rudrapur Highway Limited (SRHL) have received the Provisional Completion Certificate (PCOD) and the Settlement Agreement has been executed with NHAI by respective subsidiaries.

Notes:

In HAM projects, revenue is received / receivable as under:

- i. 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

- ii. The remaining bid project cost, with adjustment relating to 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 the SCA.
- iii. Interest shall be due and receivable 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 receivable biannually along with each installment specified in of SCA.
- iv. In case of three subsidiaries viz., Sadbhav Bhimasar Bhuj Highway Private Limited, Sadbhav Tumkur Highway Private Limited and Sadbhav Vizag Expressway Private Limited, due to non availability of required 80% right of way (ROW) by NHAI within stipulated time period, the Concession Agreement executed with NHAI has been terminated with mutual consent via supplementary agreements.
- v. 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 for a period of 3 months to 6 months depending upon the site condition. The Company is in the process to avail the extension of time due to Covid-19 pandemic and due to reasons not attributable to the Concessionaire.

47. Asset held for Sale

(a) Description

- (i) During the year, the holding company has executed the Share Purchase Agreement (SPA) with Adani Road Transport Limited (ARTL) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of the Company, out of which 49% shares have been acquired by ARTL. Subsequent to March 31, 2022, 51% shares held by the company in MBCPNL will be transferred to ARTL in terms of SPA. subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents ("the Transaction"). Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as assets held for sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.
- (ii) During the year ended on March 31, 2023, the company has entered into Binding Term Sheet with Kalthia Engineering and Construction Limited for proposed stake sale of Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) whereby it has agreed to sell its entire shareholding in SBHL and SUHL at an enterprise value of INR 7,518.20 millions. The sale will be completed on fulfilment of conditions precedent as specified in the said MOUs after execution of Share Purchase agreement. Consequent to this agreement all assets and liabilities pertaining to this subsidiaries has been classified as assets held for sale in accordance with INDAS 105- Non current Assets held for Sale and Discontinuing Operations.

(b) Assets and liabilities classified as held for sale

The following assets and liabilities were classified as held for sale as on March 31, 2023 & March 31, 2022:

Assets classified as held for sale

(INR in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets		
Property, plant and equipments	15.60	56.03
Right of use asset	16.78	-
Other intangible assets	13,242.96	12,793.77
Intangible Asset under Development	-	969.78
Financial assets		
Receivable under Concession Arrangements from NHAI	6,412.88	-
Other financial assets	63.37	-
Other non-current assets	112.54	2.41
Sub-total (A)	19,864.13	13,821.99
Current assets		
Financial assets		
i. Trade receivables	1.22	2.35
ii. Cash and cash equivalents	129.06	162.59
iii. Bank Balances other than (iii) above	337.65	-
iv. Receivable under Concession Arrangements from NHAI	1,242.57	-
v. Other financial assets	99.13	0.20
vi. Current Tax Assets	6.95	-
Other current assets	480.51	149.24
Sub-total (B)	2,297.09	314.38
Total assets classified as held for sale (A+B)	22,161.22	14,136.37

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Liabilities directly associated with assets classified as held for sale

(INR in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current liabilities		
Financial liabilities		
Borrowings	18,011.74	13,621.99
Lease Liabilities	11.06	-
Provisions	20.74	20.22
Deferred tax liabilities (Net)	51.41	-
Sub-total (A)	18,094.95	13,642.21
Current liabilities		
Financial liabilities		
(i) Borrowings	1,575.13	788.36
Lease Liabilities	6.05	-
(ii) Trade payables		
• Total outstanding dues of micro enterprises and small enterprises	28.37	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	124.70	126.52
(iii) Other financial liabilities	672.19	93.02
Other current liabilities	240.89	60.37
Provisions	3.27	3.98
Current tax liabilities (net)	9.14	-
Sub-total (B)	2,659.75	1,072.26
Total liabilities classified as held for sale (A+B)	20,754.70	14,714.46

48. One of the subsidiaries of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the company has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RPTPL lodged total claims amounting to INR 39,578.44 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of the above, RPTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Impaired intangible assets related to Toll Collection Rights, amounting to INR 909.78 million and transferred balance amount from Intangible Assets to "Receivable from the NHAI" under the head Other Current Financial Assets. The management of RPTPL is of the view that amount recoverable from NHAI are fully recoverable.
- Written back the liability of premium obligation amounting to INR 3,695.92 million.
- Written back major maintenance provision amounting to INR 929.43 million.

During the quarter ended on March 31, 2023, RPTPL has reversed interest of INR 1,026.94 million provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non Performing Assets. For which statutory auditors have expressed qualified opinion on financial statements in this regards.

49. One of the subsidiaries of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the company has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RHTPL lodged total claims amounting to INR 14,969.77 million relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of this RHTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Transferred amount of Toll Collection Rights from Intangible Assets to Receivable from the NHAI under the head Other Current Financial Assets. Further, the management of RHTPL is of the view that amounts recoverable from NHAI are fully recoverable and hence no impairment loss is envisaged.
- Written back major maintenance provision amounting to INR 786.18 million.

During the quarter ended on March 31, 2023, RHTPL has reversed interest of INR 1,228.09 million provided during the earlier period considering the fact that the project of RHTPL has been terminated and lenders have classified loans as Non Performing Assets. For which statutory auditors have expressed qualified opinion on financial statements in this regards.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

50. Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As on March 31, 2023

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
Parent Company								
SIPL	-512.72%	12,177.97	103.08%	(3,761.45)	35.59%	0.38	103.10%	(3,761.07)
Subsidiary Companies								
Indian								
ARRIL	-72.38%	1,719.10	-22.77%	830.97	-41.44%	(0.44)	-22.77%	830.52
MBCPNL	29.91%	(710.48)	-2.91%	106.29	-	-	-2.91%	106.29
RPTPL	382.83%	(9,092.83)	8.31%	(303.42)	0.00%	-	8.32%	(303.42)
RHTP	246.69%	(5,859.25)	0.09%	(3.14)	0.00%	-	0.09%	(3.14)
SBHL	12.36%	(293.64)	7.63%	(278.41)	-	-	7.63%	(278.41)
SUHL	4.18%	(99.31)	4.72%	(172.31)	-	-	4.72%	(172.31)
SRHL	-9.25%	219.65	0.99%	(36.09)	-	-	0.99%	(36.09)
SNHL	-14.70%	349.10	-2.46%	89.62	-	-	-2.46%	89.62
SBGHPL	-6.49%	154.26	0.97%	(35.51)	-	-	0.97%	(35.51)
SUDHL	-1.24%	29.43	0.71%	(25.90)	-	-	0.71%	(25.90)
SVHL	5.84%	(138.61)	6.31%	(230.11)	-	-	6.31%	(230.11)
SJRRPL	-1.62%	38.59	2.42%	(88.45)	-	-	2.42%	(88.45)
SPPL	0.00%	-	0.00%	-	-	-	0.00%	-
SKEPL	-13.67%	324.66	-4.30%	156.88	-	-	-4.30%	156.88
SISPL	0.01%	(0.35)	0.00%	(0.08)	-	-	0.00%	(0.08)
SMIPL	1.48%	(35.20)	0.00%	(0.10)	-	-	0.00%	(0.10)
SHAPL	14.00%	(332.57)	0.00%	(0.07)	-	-	0.00%	(0.07)
Minority interest in all subsidiaries	34.76%	(825.68)	-2.80%	102.12	1.06	1.13	-2.83%	103.25
Total	100.00%	(2,375.16)	100.00%	(3,649.17)	100.00%	1.07	100.00%	(3,648.09)

As on March 31, 2022

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
Parent Company								
SIPL	1085.47%	15,902.26	1408.55%	(2,997.22)	21.91%	2.01	1471.15%	(2,995.20)
Subsidiary Companies								
Indian								
ARRIL	62.12%	909.99	-49.66%	105.66	4.36%	0.40	-52.09%	106.06
MBCPNL	-58.69%	(859.88)	-58.52%	124.53	0.00%	-	-61.16%	124.53
RPTPL	-599.96%	(8,789.40)	-1019.24%	2,168.82	5.07%	0.47	-1065.48%	2,169.29
RHTP	-399.73%	(5,856.11)	355.36%	(756.16)	18.23%	1.67	370.58%	(754.49)
SBHL	2.64%	38.66	-101.98%	217.01	0.00%	-	-106.59%	217.01
SUHL	6.91%	101.16	-142.81%	303.88	0.00%	-	-149.25%	303.88
SRHL	18.74%	274.49	-44.32%	94.30	0.00%	-	-46.32%	94.30
SNHL	18.56%	271.84	-104.50%	222.37	0.00%	-	-109.22%	222.37
SBGHPL	12.95%	189.78	-109.27%	232.52	0.00%	-	-114.21%	232.52
SUDHL	3.78%	55.32	4.76%	(10.13)	0.00%	-	4.98%	(10.13)
SVHL	6.24%	91.48	-2.00%	4.25	0.00%	-	-2.09%	4.25
SJRRPL	8.67%	127.05	8.34%	(17.74)	0.00%	-	8.71%	(17.74)
SPPL	-1.12%	(16.36)	0.06%	(0.13)	0.00%	-	0.06%	(0.13)
SKEPL	11.45%	167.78	-73.97%	157.40	0.00%	-	-77.31%	157.40

Notes to Consolidated Financial Statements for the year ended March 31, 2023

As on March 31, 2022

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
SISPL	-0.02%	(0.28)	-2.10%	4.46	0.00%	-	-2.19%	4.46
SMIPL	-2.40%	(35.11)	0.03%	(0.06)	0.00%	-	0.03%	(0.06)
SHAPL	-19.25%	(281.99)	30.07%	(63.98)	0.00%	-	31.42%	(63.98)
Minority interest in all subsidiaries	-56.36%	(825.68)	1.20%	(2.55)	50.43%	4.63	-1.02%	2.08
Total	100.00%	1,465.01	100.00%	(212.79)	100.00%	9.18	100.00%	(203.60)

51. Details of Corporate Social Responsibility (CSR) Expenditure

As per Section 135 of the Companies Act, 2013, a corporate social responsibility ('CSR') committee has been formed by the Group. The expenditure incurred by the Group on CSR activities during the year has been stated below:

(INR in Million)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Gross amount required to be spent by the company during the year		
- CSR obligation for current financial year	16.98	13.52
- Unspent amount of CSR obligation of previous financial year	-	-
- Total CSR obligation	16.98	13.52
(b) Amount spent during the year:	16.98	13.52

52. Exceptional items include the following :

(INR in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Loss on Sale of Unit of Indinfravit Trust	47.45	659.02
(Profit)/Loss on Sale of 49% stake in Maharashtra Border Checkpost Network Limited (Refer Note (i))	(37.21)	785.20
Loss on account of substitution of concession agreement of Sadbhav Bangalore Highway Private Limited (Including provision of Impairment of INR 309.03 Million) (Refer Note (ii))	2,008.06	-
Substitution of concession agreement of Sadbhav Jodhpur Ringroad Private Limited (Including provision of Impairment of INR 116.50 Million) (Refer Note (iii))	1,279.92	-
Profit on Sale of Stake in Sadbhav PIMA Private Limited(Including Reversal of Impairment provision of INR 0.5 Million) (Refer Note (iv))	(10.99)	-
Provision of impairment on Investment in Sadbhav Bhavnagar Highway Limited (Refer Note (v))	97.88	-
Balance written off on account of proposed stake sale of Sadbhav Bhavnagar Highway Limited (Refer Note (v))	347.75	-
Balance written off on account of proposed stake sale of Sadbhav Una Highway Limited (Refer Note (v))	261.79	-
Write off of Input Tax Credit of Maharashtra Border Checkpost Network Limited	-	95.20
Net difference on account of claim received by Ahmedabad Ring Road Infrastructure Limited from AUDA	-	(24.20)
Total	3,994.65	1,515.22

Notes:

- The holding company and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of the Company, out of which 49% shares have been acquired by ARTL. During the year ended on March 31, 2022, the company has received consideration of INR 3,575 million and it has recognised loss of INR 785.19 in relation of transfer of 49% stake. Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as assets held for sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Notes:

- ii. Sadbhav Bangalore Highway Private Limited (SBGHPL), one of the subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, the lenders of the subsidiary have notified to NHAI about exercise of their right of substitution of concessionaire i.e SBGHPL in the month of January, 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of the Company, subject to execution of appropriate documentation for recording the terms and conditions relating to the proposed substitution of the Company. In terms of concession agreement, in case of substitution of the concessionaire, the project of the company shall be transfer to nominated company selected by the lenders. Consequently, the Company has written off the assets and written back the liability which is shown as exceptional items in the Statement of Profit and loss.
 - iii. In view of the Harmonious substitution of Sadbhav Jodhpur Ringroad Private limited (SJRRPL), a Definitive agreement entered into between holding company, SJRRPL, one of the subsidiary, Sadbhav Engineering Limited (The ultimate holding company) and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also endorsement agreement was executed between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SJRRPL are transferred to the new concessionaire. Consequently, the Company has written off the assets and written back the liability which is shown as exceptional items in the Statement of Profit and loss.
 - iv. The company has entered into Share Purchase and Subscription Agreement on November 1, 2022 whereby it has agreed to sell its entire shareholding in Sadbhav PIMA Private Limited (Subsidiary Company) to Ind Indinfravit Trust at an aggregate consideration of INR 11.50 millions. During the quarter ended on December 31, 2022, the company has transferred shares in subsidiary company on 12.12.2022. The profit on transfer of these shares amounting to INR 10.99 million is recognised as an exceptional item during the quarter and nine months period ended on December 31, 2022. Further provision for Impairment in shares amounting to INR 0.50 millions made in earlier period is reversed during the quarter ended on September 30, 2022.
 - v. During the year ended on March 31, 2023, the company has entered into Binding Term Sheet with Kalthia Engineering and Construction Limited for proposed stake sale of Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) whereby it has agreed to sell its entire shareholding in SBHL and SUHL at an enterprise value of INR 7,518.20 millions. The sale will be completed on fulfilment of conditions precedent as specified in the said MOUs after execution of Share Purchase agreement. Having regard to this transaction, the company has carried out impairment testing of investment in these subsidiary companies. Based on such assessment, the company has made provision for Impairment in shares amounting to INR 97.88 millions in value of investments in said subsidiaries during the quarter and nine months period ended December 31, 2022. Further, all the balance outstanding, pertaining to EPC Contractor, in the books of the SBHL And SUHL have been adjusted and net difference of INR 347.75 Million and 261.79 million respectively have been written off by SBHL and SUHL respectively.
53. a) Sadbhav Jodhpur Ringroad Private Limited (SJRRPL), one of the subsidiary companies which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, was delayed in due to delay in handing over the land from Authority (NHAI), delay in approval of change of scope work, non-funding by the lenders and nationwide lockdown due to Covid-19. At the request of the SJRRPL, NHAI in the month of January 2022 had given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions.
- Pursuant to this, definitive agreement was entered into between holding company, SJRRPL, Sadbhav Engineering Limited (The ultimate holding company) and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also endorsement agreement was executed between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SJRRPL are transferred to the new concessionaire in consideration of INR 520 Millions. Consequently, all the balances outstanding in the books of SJRRPL as at June 30, 2022 related to project are adjusted against the consideration receivable from the GCL. The net difference of INR 1181.17 Million is transferred to Statement in Profit and Loss and disclosed as loss on endorsement of concession on harmonious substitution of the SJRRPL.
- In view of the Harmonious substitution of the Company, the net amount of consideration of INR 374.88 Million to be received/receivable by the company will be utilised for payment of sub debt provided by the holding company and balance amount of Sub debt of INR 1050.63 Million is waived by the holding company and hence written back in the statement of Profit and loss and shown as exceptional items. (Refer note 52)
- b) Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 155.45 Million under the Other Current assets and Carry forward losses under Income Tax act of INR 26.82 millions as per Income Tax return filed by the company for the year ended March 31, 2022. The Management of the SJRRPL is exploring various strategic option to utilise/ encash the said GST Credit and also carryforward Losses under the Income Tax Act, 1961. For this purpose it is considering the options of restructuring and / or taking up some business activities. In view of this the accounts are prepared under going concern basis For which the statutory auditors have expressed qualified opinion on financial statements in this regards.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

54. a) Sadbhav Bangalore Highway Private Limited (SBGHPL), one of the subsidiary companies which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, the lenders of the subsidiary have notified to NHAI about exercise of their right of substitution of concessionaire i.e SBGHPL in the month of January, 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of the Company, subject to execution of appropriate documentation for recording the terms and conditions relating to the proposed substitution of the Company. Consequent upon this, Endorsement agreement has been executed on 13th February 2023 between NHAI, Lead Banker, New SPV of GCL and the Company. Since the Company's right under Concession Agreement is extinguished, it is not required to continue any activities relating to project and all rights and obligations have also extinguished all the balances in the books of the company have written off, impaired during the year ended on March 31, 2023. (Refer Note 52)
- b) Sadbhav Bangalore Highway Private Limited (SBGHPL), subsidiary of the group in which Tax credit receivables are carried in the Balance sheet at INR 426.74 Million under the Other Current assets and Carry forward losses under Income Tax act of INR 1243.93 millions as per Income Tax return filed by the company for the year ended March 31, 2022. The Management of SBGHPL is exploring various strategic option to utilise/ encash the said GST Credit and also carryforward Losses under the Income Tax Act, 1961. For this purpose it is considering the options of restructuring and / or taking up some business activities. In view of this, the accounts are prepared under going concern basis. For which the statutory auditors have expressed qualified opinion on financial statements in this regards.
55. Sadbhav Vidarbha Highway Limited (Concessionaire or SVHL), subsidiary of the group in which case lenders of SVHL has exercised right of substitution of concessionaire in the month of February, 2023. The proposed buyer, Gawar Construction Limited (GCL), has submitted Expression Of Interest (EOI) to the Lenders. However, the Concessionaire vide its letter dated May 5, 2023 had recommended National Highway Authority of India (NHAI), Harmonious substitution of concessionaire. The approval of NHAI is awaited. The company and SVHL are in active discussion with GCL for executing endorsement agreement. Owing to the uncertainty of outcome of substitution proceeding note, no adjustment is made to the carrying value of assets and liabilities in the financial statements of SVHL and the financial statements of SVHL is prepared on going concern basis. For which statutory auditors have expressed qualified opinion on financial statements in this regards.
56. Sadbhav Nainital Highway Limited (Concessionaire or SNHL), subsidiary of the group in which case National Highway Authority of India (NHAI) vide its letter dated April 17, 2023 has given In-Principal approval for harmonious substitution of concessionaire. The proposed buyer, Gawar Construction Limited (GCL), has submitted Expression Of Interest (EOI) to the SNHL. SNHL are in active discussion with Gawar Construction Limited for executing endorsement agreement. As per the Binding Term Sheet, the recoverability of the amount invested by the company as Equity and Sub-debt is substantially certain and hence as per management estimate, no provision is required to be made to the carrying value of assets and liabilities in the financial statements of SNHL and the financial statements of SNHL is prepared on going concern basis. For which statutory auditors have expressed qualified opinion on financial statements in this regards.
57. There is delay in physical progress of work as at March 31, 2023 in respect of projects being executed by Sadbhav Kim Expressway Private Limited (SKEPL), Sadbhav Rudrapur Highway Private Limited (SRHPL) subsidiaries of the company on account of delay in handing of over land from authority, occurrence of Force Majeure event of pandemic of COVID-19 various other reasons beyond the control of the said subsidiary. Further the Company, SKEPL and SRHPL could not execute the project due to resource constrain. The company is exploring various option for completion of the project. Further respective subsidiary have sought for extension of Concession Period including Construction period and is confident that necessary approvals relating to extension of Concession Period including Construction period will be received.
58. **Other Regulatory requirements**
- (i) The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company is required to provide QIS to Banks on quarterly basis. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- (iii) As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- (iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (v) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (vi) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
- (vii) 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
- (viii) The Company has no transaction and or outstanding balance as at 31st March, 2023 with the companies struck off under Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2023

- (ix) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Company is not declared as wilful defaulter by any Bank or Financial Institution or Other lenders.
- (xi) 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 company shall
- 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 to or on behalf of the Ultimate Beneficiaries
59. Maharashtra Border Check Post Network Limited ('MBCPNL') one of the subsidiaries, has accepted and accounted certain project related cost variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project including 2 additional check post ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to March 31, 2022 is INR 2,228.84 Million (March 31, 2021 INR 2,228.84 Million). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
60. The Indian Parliament has approved the code on Social Security, 2020. This has also received consent of the Hon'ble President of India. The code when implemented will impact the contribution by the company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code is yet to be notified. In view of this, any financial impact due to the change will be assessed and accounted for in the period of notification.
61. The Board of Directors in the meeting held on 15th October, 2022 have resolved to withdraw Scheme of Amalgamation filed with Hon'ble National Company Law Tribunal with regard to amalgamation of Sadbhav Infrastructure Project Limited (Transferor Company) with Sadbhav Engineering Limited (Transferee Company) under section 230 to 232 of the Companies Act, 2013. Consequently, on application made by the company, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 19th October, 2022 has allowed the withdrawal of the said application. Accordingly, the Scheme of merger stands cancelled.
62. The confirmations of balances of some trade payables and incidental balances and loans and advances are pending. The management is confident that on receipt of confirmation there will not be any material impact on the financial statements.
63. The Group's accumulated losses exceeds paid-up capital and reserves by INR 1651.59 million and, as of that date the current liabilities of the Group exceeded the current assets by INR 5959.07 million considering this there is challenge to going concern assumption adopted in preparation of financial statements for the year ended on March 31, 2023. However the management represents that the company holds investments in various Toll and HAM assets, The liquidity position improved on account of receipt of PCOD for six HAM projects , conclusion of sale of stake in three of the SPVs and strategic planning of utilization of cashflow of one of the subsidiary companies Ahmedabad Ringroad Infrastructure Limited. The management of the company has prepared projections of cash flows for the next 12 months with focus on enhancing resource availability by timely execution of HAM Projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management of the company believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date
64. Previous year comparatives
Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our report of even date

For S G D G & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No.: W100188

Devansh Gandhi

Partner
Membership No.: 129255

Date: May 28, 2023
Place: Ahmedabad

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

Shashin Patel

Executive Chairman
DIN: 00048238

Hardik Modi

Company Secretary
M.No.: F9193

Date: May 28, 2023
Place: Ahmedabad

Jatin Thakkar

Director & Chief Financial Officer
DIN: 09312406

Date: May 28, 2023
Place: Ahmedabad



Disclaimer

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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