

**INDEPENDENT AUDITOR'S REPORT****To the Members of SADBHAV NAINITAL HIGHWAY LIMITED (FORMERLY KNOWN AS SADBHAV NAINITAL HIGHWAY PRIVATE LIMITED)****Report on the audit of the Ind AS Financial Statements****Qualified Opinion**

We have audited the Ind AS Financial Statements of **SADBHAV NAINITAL HIGHWAY LIMITED (FORMERLY KNOWN AS SADBHAV NAINITAL HIGHWAY PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of material accounting policy information and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter stated in the "Basis for Qualified Opinion" section of our report**, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) 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 31<sup>st</sup> March, 2024 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

**We draw attention to note no. 8 to the Financial results regarding management assertion of exploring business opportunities and realisability of tax credit receivables which is carried in the Balance sheet at Rs 118.31 Million in other current assets. Management has contention that no adjustment required to be made in carrying value of the GST Input tax credit receivable as at March 31, 2024.**

**We have not been able to corroborate the management's contention of realising the carrying value of GST Input tax credit receivable as on March 31, 2024**

**Accordingly, we are unable to comment on appropriateness of the carrying value of such GST Input tax credit receivables and their consequential impact on the financial results of the company for year ended March 31, 2024**

**Our Audit Opinion on financial statements for year ended March 31, 2024 is qualified in respect in of this matter.**

**Consequently, the unreserved and explicit statement of compliance with Indian Accounting Standards as notified in the Companies (Indian Accounting Standards) Rules, 2015 and further amendments thereto in Note No.2(a) is not proper.**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under

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FY 23-24

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the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to Note No. 38 Ind AS Financial Statement, wherein the Company has mentioned the fact that they have entered into definitive agreement as on July 14, 2023 for substitution of the Company with the new SPV to be nominated by new concessionaire and also executed endorsement agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the company in favour of new concessionaire for implementation of the project. In terms of these agreements the project and project assets as defined in the CA along with the relevant rights and obligations of the company are transferred to the new concessionaire for substitution of the Company in consideration of INR 900 million. Based on the same, the books of accounts are prepared on non-going concern basis.

Our opinion is not modified in this regard.

### **Information other than the Ind AS Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Standards on Auditing ("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 Ind AS 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 Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books **except for the effects of the matter stated in the Basis for Qualified Opinion section of our report.**
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, **except for the effects of the matter stated in the Basis for Qualified Opinion section of our report**, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with related rules as amended from time to time.
  - e) **Our observations made on the matters stated in Qualified Opinion paragraphs above may have a significant effect so as to adversely affect the functioning of the company.**
  - f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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- g) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which expresses an unmodified opinion.
- h) With respect to the Other Matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigation which would impact its financial position;
  - ii. The Company does not envisage any material foreseeable losses in long-term contracts including derivative contract requiring provision;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - vi. Based on our examination which included test checks, the company has used SAP S4 HANA based application as the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Further, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

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3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the managerial remuneration during the year.

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

  
**GK Agrawal  
Partner  
M No. 081603**



**UDIN: 24081603BKQIAZ 9058**  
**Date: 14<sup>th</sup> May 2024**  
**Place: New Delhi**

**Annexure 'A' to the Independent Auditor's Report of SADBHAV NAINITAL HIGHWAY LIMITED (FORMERLY KNOWN AS SADBHAV NAINITAL HIGHWAY PRIVATE LIMITED) for the Year ended as on 31<sup>st</sup> March, 2024**

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

**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. In respect of the Company's Property, Plant and Equipment, Right-of-use Assets and Intangible Assets:
  - a) The Company does not have any fixed asset, Intangible Asset & Immovable property as at 31<sup>st</sup> March, 2024, therefore paragraph 3(i)(a), (b), (c) & (d) of the Order is not applicable to the Company.
  - b) There are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence, reporting under Para 3(i)(e) is not applicable.
- ii. a) The Company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point in time. Hence, reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.  
b) The Company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Hence, reporting under paragraph 3(ii) (b) of the Order is not applicable to the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence, reporting under paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Hence, reporting under paragraph 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted deposits or amounts which are deemed to be deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Hence, reporting under paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company and we are of the opinion that prima-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.



vii. In respect of statutory dues:

- a) The Company has been generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As on 31<sup>st</sup> March, 2024, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
- b) Details of statutory dues referred to in sub-clause (a) which have not been deposited on account of disputes are given below:

Particulars	Period for which the amount relates	Forum where the dispute is pending	Amount (In Rs. Mn)
Income Tax-TDS	Prior to F.Y. 2020-21	TRACES	0.63
	F.Y.2020-21		0.50
	F.Y.2021-22		0.70
	F.Y.2022-23		0.59
	F.Y.2023-24		0.01

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. During the year under audit, company has no borrowings from banks, financial institutions, Government or any Government authority. Hence there is nothing to report as per Para 3(ix)(a),(b),(c),(d),(e), and (f)
- x. a) The Company has not raised the money by way of initial public offer/ further public offer (including debt instruments) during the year.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi. a) According to the information and explanations given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Hence, reporting under paragraph 3(xii) of the Order is not applicable to the Company.





- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 is not applicable to the Company.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, reporting under paragraph 3(xvi) (a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under paragraph 3(xvi) (b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- d) The Group does not have more than one CIC as a part of its Group. Hence, the provisions stated in paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred any cash losses in the current financial year of Rs.287.02 Mn and in the immediately preceding financial year cash loss was nil.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under this clause is not applicable.
- 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 Ind AS Financial Statements our knowledge of the board of directors and management plan and based on our examination of the evidence supporting the assumption, material uncertainty exists as on the date of the audit report that Company is 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 point '1' of the Emphasis of Matter section above)
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. During the year, the Company has no unspent amount that is required to be transferred to Fund specified in Schedule VII to the Companies Act in respect to both ongoing and other than ongoing projects. Hence, reporting under the paras' 3 (xx) (a) & (b) are not applicable.



- xxi. Paragraph 3(xxi) of the Order is not applicable to the Company as the Ind Financial Statements under reporting are not consolidated Ind AS Financial Statements.

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


**GK Agrawal  
Partner  
M No. 081603**

**UDIN: 24081603BKAIQZ9058  
Date: 14<sup>th</sup> May 2024  
Place: New Delhi**

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in our Report of even date)****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS Financial Statements of **SADBHAV NAINITAL HIGHWAY LIMITED (FORMERLY KNOWN AS SADBHAV NAINITAL HIGHWAY PRIVATE LIMITED)** ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS 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 Ind AS Financial Statements, whether due to fraud or error.

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

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**Meaning of Internal Financial Controls with reference to Ind AS Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to Ind AS Financial Statements issued by the Institute of Chartered Accountants of India.



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

  
**GK Agrawal**  
**Partner**  
**M No. 081603**



**UDIN: 24081603 BKAIAZ 9058**  
**Date: 14<sup>th</sup> May 2024**  
**Place: New Delhi**

**Sadbhav Nainital Highway Limited**  
(Formerly known as Sadbhav Nainital Highway Private Limited)  
CIN :: U45309GJ2016PLC091777  
Balance Sheet as at March 31, 2024

Particulars	Note No.	As at March 31, 2024 INR in Million	As at March 31, 2023 INR in Million
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment		-	-
(b) Financial Assets		-	-
(i) Receivable under Concession Arrangements	5	-	2,204.83
(c) Deferred tax assets (net)		-	-
(d) Other Non Current Assets		-	-
		-	<b>2,204.83</b>
<b>Current Assets</b>			
(a) Financial Assets		-	-
(i) Investments		-	-
(ii) Cash and Cash Equivalents	6	0.72	74.54
(iii) Other Bank Balances	6	-	42.50
(iv) Receivable under Concession Arrangements	5	-	956.40
(v) Other financial Assets	7	2.50	154.63
(b) Other Current Assets	8	118.84	488.19
(c) Current tax assets (Net)	9	8.93	22.33
		<b>130.99</b>	<b>1,738.59</b>
<b>Total Assets</b>		<b>130.99</b>	<b>3,943.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	10	10.00	10.00
Other Equity	11	120.41	1,133.31
<b>Total Equity</b>		<b>130.41</b>	<b>1,143.31</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	12	-	1,131.40
(b) Deferred tax liabilities (Net)	25	-	175.06
<b>Total Non-current liabilities</b>		-	<b>1,306.46</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	13	-	-
(ii) Trade Payables	14	-	158.63
(A) Dues to Micro & small enterprises		-	-
(B) Dues to others		0.33	836.14
(iii) Other Financial Liabilities	15	-	135.63
(b) Other Current Liabilities	16	0.25	363.28
(c) Current tax liability (Net)		-	-
		<b>0.58</b>	<b>1,493.66</b>
<b>Total Equity and Liabilities</b>		<b>130.99</b>	<b>3,943.42</b>
<b>Material Accounting Policies Information</b>	3		
The notes referred above are an integral part of these financial statements			
<p>As per our report of even date attached For Gianendar &amp; Associates Chartered Accountants (Firm Regn No. 04661N)</p> <p><i>G.K. Agrawal</i> G.K. Agrawal Partner Membership No. 081603 Place: New Delhi Date: May 14, 2024</p> 		<p>For &amp; On behalf of the Board of Directors of Sadbhav Nainital Highway Limited</p> <p><i>SV Paty</i> Shashin Patel Director DIN: 00048328</p> <p><i>Purushottambhai Patel</i> Purushottambhai Patel Director DIN: 09794838</p> <p>Place: Ahmedabad Date: May 14, 2024</p> 	

**Sadbhav Nainital Highway Limited**  
**(Formerly known as Sadbhav Nainital Highway Private Limited)**  
**CIN :: U45309GJ2016PLC091777**  
**Statement of Profit and Loss for the year ended March 31, 2024**

(INR in Million)

Particulars	Note No.	For the year ended	
		March 31, 2024	March 31, 2023
<b>INCOME</b>			
I Revenue From Operations	17	5.78	246.57
II Other Income	18	77.59	311.84
III <b>Total Income (I+II)</b>		<b>83.37</b>	<b>558.41</b>
<b>EXPENSES</b>			
Construction Expense	19	-	220.22
Operating Expense	20	-	10.91
Finance Cost	21	74.20	161.55
Other Expenses	22	38.47	15.44
IV <b>Total Expenses</b>		<b>112.67</b>	<b>408.12</b>
V <b>Profit /(Loss) For the Period (III-IV)</b>		(29.30)	150.29
VI <b>Exceptional Items</b>		(374.45)	-
<b>Profit/(Loss) before tax (V+VI)</b>		(403.75)	150.29
VII <b>Tax expenses</b>	25		
Current tax		-	-
Deffered tax		(175.06)	72.99
<b>Total tax expenses</b>		<b>(175.06)</b>	72.99
<b>Profit/(Loss) for the Period (VI-VII)</b>		(228.69)	77.30
VII Other Comprehensive Income		-	-
VIII <b>Total Comprehensive Income for the Period, net of tax</b>		<b>(228.69)</b>	<b>77.30</b>
IX Earnings per share (Nominal Value of Share of INR 10/-) Basic & Diluted	23	(228.69)	77.30
<b>Material Accounting Policies Information</b>	3		

The notes referred above are an integral part of these financial statements

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

G.K.Agrawal  
Partner  
Membership. No. 081603



Place: New Delhi  
Date: May 14, 2024

For & On behalf of the Board of Directors of  
Sadbhav Nainital Highway Limited

Shashin Patel  
Director  
DIN: 00048328

Purushottambhai Patel  
Director  
DIN: 09794838

Place: Ahmedabad  
Date: May 14, 2024



**Sadbhav Nainital Highway Limited**  
(Formerly known as Sadbhav Nainital Highway Private Limited)  
CIN :: U45309GJ2016PLC091777  
Statement of Changes in Equity for the year ended March 31, 2024

**A Equity Share Capital**

Equity shares of INR 10 each issued, subscribed and fully paid	March 31, 2024		March 31, 2023	
	No of Shares	Amount (INR in Million)	No of Shares	Amount (INR in Million)
<b>Balance at the beginning of the year</b>	10 00 000	10.00	10 00 000	10.00
Changes in the equity share capital during the year due to prior period errors	-	-	-	-
Restated Balance at the beginning of the year	10 00 000	10.00	10 00 000	10.00
Changes in the equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	10 00 000	10.00	10 00 000	10.00

**B Other Equity**

Particulars	Equity Component of Compound Financial Instrument	Reserves and Surplus - Retained Earning	INR in Million
			Total equity attributable to equity holders of the Company
<b>Balance at the beginning of the reporting period i.e. 01.04.2022</b>	784.21	271.84	1,133.31
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	784.21	271.84	1,133.31
Profit for the year	-	77.30	77.30
Other Adjustments during the year	-	(0.04)	(0.04)
Received during the year	-	-	-
Items of other comprehensive income for the year	-	-	-
Re-measurements of defined benefit plans	-	-	-
Total comprehensive income for the year	784.21	349.10	1,133.31
Transactions with owners, recorded directly in Equity	-	-	-
Total transactions with owners	-	-	-
<b>Balance at the end of the reporting period i.e. 31.03.2023</b>	784.21	349.10	1,133.31
<b>Balance at the beginning of the reporting period i.e. 01.04.2023</b>	784.21	349.10	1,133.31
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	784.21	349.10	1,133.31
Profit for the year	-	(228.69)	(228.69)
Repaid during the year	(784.21)	-	(784.21)
Received during the year	-	-	-
Items of other comprehensive income for the year	-	-	-
Re-measurements of defined benefit plans	-	-	-
Total comprehensive income for the year	-	120.41	120.40
Transactions with owners, recorded directly in Equity	-	-	-
Total transactions with owners	-	-	-
<b>Balance at the end of the reporting period i.e. 31.03.2024</b>	-	120.41	120.41

Accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Gianendar & Associates

Chartered Accountants

(Firm Regn No. 04661N)

G.K.Agrawa

Partner

Membership. No. 081603

Place: New Delhi

Date: May 14, 2024



For & On behalf of the Board of Directors of  
Sadbhav Nainital Highway Limited

SVPatel

Shashin Patel

Director

DIN: 00048328

Place: Ahmedabad

Date: May 14, 2024

Purushottambhai Patel

Director

DIN: 09794838



Sadbhav Nainital Highway Limited  
(Formerly known as Sadbhav Nainital Highway Private Limited)  
CIN :: U45309GJ2016PLC091777

Cash Flow Statement For the year ended March 31, 2024

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
	INR in Million	INR in Million
<b>(A) Cash flows from operating activities</b>		
Net Profit/ (Loss) before Tax	(403.75)	150.29
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Net (Gain)/Loss on Mutual Fund	-	-
Interest income on Fixed deposit	(1.01)	(3.22)
Amortised processing fees	19.99	2.08
Exceptional Items	374.45	-
Interest and other borrowing cost	54.21	159.47
<b>Operating profit before working capital changes</b>	<b>43.89</b>	<b>308.62</b>
<b>Working Capital Changes:</b>		
Decrease/(Increase) in other current financial assets	36.08	(384.47)
Increase/(Decrease) in other Non - Current Assets	1,465.86	156.72
Decrease/(Increase) in other current assets	1,032.50	55.16
Increase/(Decrease) in Trade payable	(77.62)	(23.49)
Increase/(Decrease) in financial liabilities	(120.35)	-
Increase/(Decrease) in other current liabilities	(363.03)	(5.33)
<b>Cash generated from operating activities</b>	<b>2,017.34</b>	<b>107.20</b>
Direct taxes paid (net of income tax refund)	13.40	(16.43)
<b>Net cash generated from operating activities</b>	<b>2,030.74</b>	<b>90.77</b>
<b>(B) Cash Flows from investing activities</b>		
Interest income on Fixed deposit	1.01	3.22
Fixed Deposits Redemption	42.50	51.29
<b>Net cash generated from investing activities</b>	<b>43.51</b>	<b>54.51</b>
<b>(C) Cash Flows from financing activities</b>		
Proceeds/(Repayment) of/ from Current borrowings	(1,310.01)	8.23
Sub Ordinate debt repaid	(784.21)	-
Interest and other borrowing cost paid	(53.84)	(136.32)
<b>Net cash (used) in financing activities</b>	<b>(2,148.06)</b>	<b>(128.09)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(73.81)</b>	<b>17.19</b>
Cash and cash equivalents at beginning of the year	74.53	57.35
<b>Cash and cash equivalents at end of the year</b>	<b>0.72</b>	<b>74.53</b>

Notes:

(i) Components of cash and cash equivalents (refer note 6)	March 31, 2024 INR In Million	March 31, 2023 INR In Million
Cash on hand	0.01	0.01
Balances with banks in current accounts	0.71	74.52
<b>Cash and cash equivalents</b>	<b>0.72</b>	<b>74.53</b>





**Sadbhav Nainital Highway Limited**  
(Formerly known as Sadbhav Nainital Highway Private Limited)  
CIN :: U45309GJ2016PLC091777  
**Cash Flow Statement For the year ended March 31, 2024**

(INR In Million)					
(ii) Reconciliation of Financial liabilities	As at March 31, 2023	Cash Flows	Interest Cost	Non-cash adjustment (Transaction Cost)	As at March 31, 2024
Borrowings	1,290.02	(1,310.01)	-	19.99	-
Interest cost	135.63	(53.84)	74.20	(156.00)	-

(INR In Million)					
Reconciliation of Financial liabilities	As at March 31, 2022	Cash Flows	Interest Cost	Non-cash adjustment (Transaction Cost)	As at March 31, 2023
Long Term Borrowings	1,279.70	8.23	-	2.08	1,290.02
Interest cost	112.48	(136.32)	161.56	(2.08)	135.63

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

(iv) Figures in brackets represent outflows.

Accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For Gianendar & Associates  
Chartered Accountants  
(Firm Regn No. 04661N)

  
G.K. Agrawal  
Partner  
Membership. No. 081603



Place: New Delhi  
Date: May 14, 2024

For & On behalf of the Board of Directors of  
Sadbhav Nainital Highway Limited

  
Shashin Patel  
Director  
DIN: 00048328

  
Purushottambhai Patel  
Director  
DIN: 09794838

Place: Ahmedabad  
Date: May 14, 2024



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

#### 1. Company information:

Sadbhav Nainital Highway Limited ("the Company") is a company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is wholly owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two recognized stock exchanges in India. The registered office of the company is located at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in May, 2016, to augment existing road from km 42.791 to km 88.00 (approximately 49.78 km) on the Rampur to Kathgodam Section of National Highway No. 87 in the state of Uttarakhand by Four-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the SCA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction Period of 910 days and Operation Period of 15 years commencing from COD.

The Company executed Endorsement Agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the SNHL in favour of new Concessionaire for implementation of the project and also entered into Definitive Agreement on August 01, 2023 for substitution of the SNHL with the new SPV nominated by new Concessionaire. 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 SNHL are transferred to the new concessionaire for substitution of the SNHL in consideration of INR 900 million. Based on the same, the books of accounts are prepared on non-going concern basis.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 14, 2024.

#### 2. Basis of preparation and presentation of financial statement:

##### (a.) Compliance with IND AS:

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

Financial statements for the period ended 31<sup>st</sup> March, 2024 have been prepared based on non-going concern basis following below mentioned accounting policies.

- i. All assets are depicted at expected realizable value unless otherwise stated
- ii. All Liabilities are depicted at expected settlement value unless otherwise stated.
- iii. Borrowing Cost-Refer Note- 3.5
- iv. Earnings Per Equity Share-Refer Note- 3.13
- v. Taxation –Refer Note- 3.9
- vi. Provisions and Contingent Liabilities-Refer- 3.10
- vii. Cash and cash equivalents-Refer Note- 3.12
- viii. Cash Flow Statement as per IND-AS 7



**Sadbhav Nainital Highway Limited**  
**Notes to Financial statement for the year ended March 31, 2024**

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- ix. Claims are accounted for on expected recoverable value.
- x. Critical accounting estimates and judgements-Refer Note-2(d)
- xi. Other Incomes-Refer Note- 3.4

**(b.) Basis of Presentation:**

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

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

**(c.) Basis of Measurement:**

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

**(d.) Use of estimates and judgements:**

The preparation of these financial statements is in conformity with IND AS which requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for major maintenance expenses, provision for premium obligations, provision for incomplete work, fair value measurement etc. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**3. Summary of significant accounting policies**

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

**3.1 Current versus non-current classification**

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

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



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

- 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 Company classifies all other liabilities as non-current.

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

#### Operating cycle

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

#### 3.2 Service Concession Arrangement

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

#### Financial Assets Model

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

#### 3.3 Revenue from contract with customers

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



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

#### 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.

#### Contract balances

##### Contract Assets

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

##### Contract Liabilities

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

### 3.4 Other Income

#### Gain or loss on sale of Mutual Fund

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

#### Interest

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

#### Dividend

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

### 3.5 Borrowing costs

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



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

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.

#### 3.6 Leases

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

##### Company as Lessee

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

##### Short-term leases and leases of low-value assets

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

#### 3.7 Financial Instruments

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

##### a) Financial assets

##### i. Initial recognition and measurement of financial assets

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

However, trade and other receivables are recognised on amortised cost.

##### ii. Subsequent measurement of financial assets

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

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

- **Financial assets at amortized cost:**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

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 asset at fair value through other comprehensive income**

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

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

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

iii. **De-recognition of financial assets**

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

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

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



**Sadbhav Nainital Highway Limited**

**Notes to Financial statement for the year ended March 31, 2024**

**iv. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables and
- Other financial assets

**Trade receivable:**

Also the receivable from companies are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Company receivables, therefore Impairment losses are not recognised as per Ind AS 109.

**b) Financial Liabilities**

**i. Initial recognition and measurement of financial liabilities**

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

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

**ii. Subsequent measurement of financial liabilities**

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.





## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

- **Financial liabilities at amortised cost (Loans and Borrowings)**

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

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

- **Equity component of Compound financial instruments**

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

- iii. **Derecognition of financial liabilities**

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

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

- c) **Offsetting of financial instruments**

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

### 3.8 Fair Value Measurement

The company measures financial instruments at fair value at each balance sheet date.

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

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

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

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



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

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

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

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

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

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

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

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

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

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

### 3.9 Income tax

Income tax expense comprises current tax and deferred tax.



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

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

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

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

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



## Sadbhav Nainital Highway Limited

### Notes to Financial statement for the year ended March 31, 2024

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

#### 3.10 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss, net of any reimbursement, if any.

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

#### 3.11 Contingent liabilities

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

#### 3.12 Cash and cash equivalents

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

#### 3.13 Earnings per share

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

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



**Sadbhav Nainital Highway Limited**  
**Notes to Financial statement for the year ended March 31, 2024**

**3.14 Segment reporting**

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

**4. Significant accounting judgements, estimates and assumptions**

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

**(i) Estimates and assumptions**

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

**(ii) 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.

**(iii) Revenue from contract with customer**

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

**(iv) Impairment of non-financial asset**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the 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 risk specific to the asset for which



**Sadbhav Nainital Highway Limited**

**Notes to Financial statement for the year ended March 31, 2024**

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the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**5 Receivable under Service Concession Arrangements**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Non Current</b>		
Receivable from NHAI	-	2,204.83
<b>Current</b>		
Receivable from NHAI	-	956.40
<b>Total</b>	<b>-</b>	<b>3,161.23</b>

Note: Fair value disclosures for financial assets are given in note 28.

**6 Cash and Cash Equivalents**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Cash and Cash Equivalents</b>		
Cash on Hand	0.01	0.01
Balance with Banks in current accounts	0.71	74.52
<b>Total (A)</b>	<b>0.72</b>	<b>74.53</b>
<b>Other balances with bank:</b>		
Deposits with Original maturity more than three months and less than 12 months	-	42.49
<b>Total (B)</b>	<b>-</b>	<b>42.49</b>
<b>Total (A+B)</b>	<b>0.72</b>	<b>117.02</b>

**Note:**

- Balances with banks include balance of INR Nil million (March 31, 2023 INR 74.52 million) lying in the escrow accounts as per terms of borrowings with the lenders.
- Deposits lying with bank in designated account for specific purpose as per terms of common loan agreement i.e. Debt Service Reserve Account. Hence, considered as restricted cash and bank balance.

**7 Other current financial assets**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
Interest receivable from bank due to excess payment	2.50	13.14
Interest receivable on Mobilisation advance to SEL (refer note 24)	-	116.05
With held amount by NHAI	-	25.46
<b>Total</b>	<b>2.50</b>	<b>154.64</b>

**8 Other current assets**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
Mobilisation advance to SEL (refer note 24)	-	324.49
Prepaid Expense	0.53	-
Balance with govt authorities-GST receivable	118.31	163.70
<b>Total</b>	<b>118.84</b>	<b>488.19</b>

**9 Current tax assets (Net)**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
Tax credit receivable	8.93	22.33
<b>Total</b>	<b>8.93</b>	<b>22.33</b>



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**10 Equity Share Capital**

	March 31, 2024		March 31, 2023	
	No. of shares	INR in Million	No. of shares	INR in Million
<b>Authorized Share Capital</b>				
Equity Shares of INR 10 each	10 00 000	10.00	10 00 000	10.00
	<b>10 00 000</b>	<b>10.00</b>	<b>10 00 000</b>	<b>10.00</b>
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of INR 10 each	10 00 000	10.00	10 00 000	10.00
<b>Total</b>	<b>10 00 000</b>	<b>10.00</b>	<b>10 00 000</b>	<b>10.00</b>

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

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	INR in Million	No. of shares	INR in Million
<b>At the beginning of the year</b>	10 00 000	10.00	10 00 000	10.00
Add: Issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>10 00 000</b>	<b>10.00</b>	<b>10 00 000</b>	<b>10.00</b>

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

The Company has only one class of shares referred to as equity shares having a par value of INR 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amounts. However, currently no such preferential amount exists. The amount to be distributed will be in proportion to the number of equity shares held by the shareholders.

All equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders (if any) to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the board of directors is to be adopted by the shareholders at the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive dividend proposed by the board of directors is subject to the approval of shareholders.

The Company has not reserved any shares for issue under options and contracts / commitments for the sale of shares/disinvestment.

**(c) Share held by holding Company:**

All 10,00,000 shares issued, subscribed and paid up equity capital are held by Sadbhav Infrastructure Project Limited- holding company and its nominees.

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

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
<b>Equity Shares of INR 10 each fully paid</b>				
Sadbhav Infrastructure Project Ltd and its Nominees	10,00,000	100	10,00,000	100
<b>Total</b>	<b>10,00,000</b>	<b>100</b>	<b>10,00,000</b>	<b>100</b>

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

**(e) Shareholding of Promoters**

Name of Promoter	No of Shares	% of Total Share	% Change During Period
<b>As at 31-March-2024</b>			
Sadbhav Infrastructure Project Ltd and its nominees	10,00,000	100.00%	0.00%
<b>Total</b>	<b>10,00,000</b>	<b>100%</b>	<b>0%</b>
<b>As at 31-Mar-2023</b>			
Sadbhav Infrastructure Project Ltd and its nominees	10,00,000	100.00%	0.00%
<b>Total</b>	<b>10,00,000</b>	<b>100%</b>	<b>0%</b>





**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**11 Other Equity**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Equity Component of Compound Financial Instrument</b>		
Beginning of the year	784.21	784.21
Repaid during the year	(784.21)	-
<b>Total (A)</b>	<b>-</b>	<b>784.21</b>
<b>Retained Earning</b>		
Surplus at the beginning of the year	349.10	271.84
Other Adjustement of previous year	-	(0.04)
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	(228.69)	77.30
Surplus at the end of the year	<b>120.41</b>	<b>349.10</b>
<b>Total (B)</b>	<b>120.41</b>	<b>349.10</b>
<b>Total (A+B)</b>	<b>120.41</b>	<b>1,133.31</b>

**Note**

- The Project of the Company has been funded through sub ordinate debt from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common Loan Agreement, such sub ordinate debts is considered as sponsor's contribution to ensure Promotors commitment for the project as per Common Loan Agreement. Sub-ordinate debt is interest free and shall be repayable at the option of the company at the end of the concession period or earlier.
- No dividends are declared or paid by the company during the year.

**12 Long Term Borrowings**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Secured</b>		
From Bank		975.09
From Financial Institution		314.93
<b>Total (A)</b>	<b>-</b>	<b>1,290.02</b>
<b>Less: Current maturities of non-current borrowing</b>		
<b>Secured</b>		
From Bank	-	120.90
From Financial Institution	-	37.73
<b>Total (B)</b>	<b>-</b>	<b>158.63</b>
<b>Total (A-B)</b>	<b>-</b>	<b>1,131.40</b>

**(i) Nature of Security:**

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

- first mortgage and charge on all the Company's immovable (investment) properties, both present and future, save and except the Project Assets;
- first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to DSR and MMR and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.
- first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- first charge on assignment by way of security in:
  - all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
  - the right, title and interest of the Company in, to and under all the Clearances;
  - all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and
  - all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- pledge of 51% (fifty one percent) of the paid up and voting equity share capital of the Company as held by Sadbhav Infrastructure Project Limited, for a year up to repayment of entire borrowings.
- the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

**(ii) Terms of Repayment:**

**Rupee Term Loans from Bank & Financial Institutions:**

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, 2024.

Note: The loan has been prepaid fully on August 18, 2023.



**Sadbhav Nainital Highway Limited**  
Notes to Financial Statements for the period ended March 31, 2024

**13 Short Term Borrowings**

Current maturities of non-current borrowing

Secured

From Bank

From Financial Institution

	March 31, 2024	March 31, 2023
	INR in Million	INR in Million
	-	120.90
	-	37.73
<b>Total</b>	<b>-</b>	<b>158.63</b>

**14 Trade Payables**

Trade Payable

-Dues to micro & small enterprises\*

-Dues to others

-Dues to related parties (refer note 24)

	March 31, 2024	March 31, 2023
	INR in Million	INR in Million
	-	1.81
	0.33	25.32
	-	809.01
<b>Total</b>	<b>0.33</b>	<b>836.14</b>

\*The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statement as at 31-Mar-2024 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises.

As at March 31, 2023

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	0.30	0.03	-	-	-	0.33
3	Others-Related Parties	-	-	-	-	-	-
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>0.30</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.33</b>

As at March 31, 2023

Sr No	Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	0.91	-	0.90	-	1.81
2	Others	8.06	2.23	7.11	2.89	5.03	25.32
3	Others-Related Parties	33.47	132.77	184.33	16.07	442.37	809.01
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>41.53</b>	<b>135.91</b>	<b>191.44</b>	<b>19.86</b>	<b>447.40</b>	<b>836.14</b>

**15 Other Current Financial Liabilities**

Interest accrued to NHAI

Interest accrued to bank

Interest accrued to related parties (refer note 24)

	March 31, 2024	March 31, 2023
	INR in Million	INR in Million
	-	120.31
	-	0.04
	-	15.28
<b>Total</b>	<b>-</b>	<b>135.63</b>

**16 Other Current Liabilities**

Statutory dues

Mobilisation advance from NHAI

Other Payables

	March 31, 2024	March 31, 2023
	INR in Million	INR in Million
	0.25	4.38
	-	356.91
	-	1.99
<b>Total</b>	<b>0.25</b>	<b>363.28</b>



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**17 Revenue From Operations**

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
Construction Contract Revenue (Notional)	5.78		174.34
Change of Scope Income	-		44.41
Utility Shifting Income	-		16.90
Routine O&M Income	-		10.91
<b>Total</b>	<b>5.78</b>		<b>246.57</b>

**Revenue from contract with customers**

**17.1 Disaggregated revenue information**

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

**17.2 Receivable under concession arrangement and contract balances**

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

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

In the financial year FY 2023-24, the company entered into Definitive Agreement on August 01, 2023 for substitution of the SNHL with the new SPV nominated by new Concessionaire (Refer note 38). Hence the information for remaining performance obligation (unsatisfied or partially satisfied) as at March 31, 2024 and March 31, 2023 is not given,

**18 Other Income**

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
Notional finance income	75.82		285.62
Interest on Fixed Deposits	1.01		3.22
Interest Income	0.54		23.00
Other Income*	0.21		0.00
<b>Total</b>	<b>77.59</b>		<b>311.84</b>

\*Amount of INR 122 in FY 2022-23 is below rounding off norms adopted by the company.

**19 Construction Expenses (refer note 24)**

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
Road Maintenance Expense	-		135.96
Utility shifting expense	-		61.32
Price Escalation Expense - WPI	-		22.94
<b>Total</b>	<b>-</b>		<b>220.22</b>

**20 Operating Expenses**

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
Road Maintenance Expense	-		10.91
<b>Total</b>	<b>-</b>		<b>10.91</b>



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**21 Finance Cost**

Interest on Short Term Loan  
Interest on Long Term Loan  
Interest on Mobilisation advance  
Other borrowing Cost

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
	0.37		1.41
	53.19		132.59
	-		24.27
	20.64		-
<b>Total</b>	<b>74.20</b>		<b>158.26</b>

**22 Other Expenses**

Rates & taxes  
Director sitting fees  
Auditor Remuneration - Statutory Audit (refer note 22.1)  
Professional Fees & Expenses  
Insurance Expense  
Miscellaneous expense\*  
CSR expenses (refer note 22.2)

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
	0.14		0.32
	0.11		0.04
	0.35		0.40
	1.56		10.27
	2.50		2.41
	31.48		0.00
	2.33		1.99
<b>Total</b>	<b>38.47</b>		<b>15.44</b>

\*Miscellaneous Expenses of INR 300/- in FY 2022-23 is below rounding off norms adopted by the company.

**22.1 Payment to auditors:**

as Statutory Auditor  
for other Services

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
	0.35		0.35
	-		0.05
<b>Total</b>	<b>0.35</b>		<b>0.40</b>

**22.2 Corporate Social Responsibility (CSR) Expenses**  
**Particulars**

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

	Year ended March 31, 2024 INR in Million	Year ended 31, 2023 INR in Million	March
	2.33		1.99
	2.33		1.99
	-		-
	-		-
	-		-
1. Education	NA	1. Education	NA
	NA		NA



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**23 Earning Per Share (EPS):**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Net (Loss) as per Statement of Profit & Loss (INR in Million)	(228.69)	77.30
Total no. of equity shares at the end of the year	10 00 000	10 00 000
Weighted average of number of equity shares outstanding during the year	10 00 000	10 00 000
Nominal value of equity shares	10	10
<b>Basic &amp; Diluted (Loss) per share IN INR</b>	<b>(228.69)</b>	<b>77.30</b>

**24 Related Party Disclosures:**

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

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

Sr. No	Description of Relationship	Name of the Related Party
<b>(A)</b>	<b>Enterprises having control:</b>	
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)
	Key Managerial Personnel (KMPs)	Mr. Shashin V. Patel (Director) Mr. Purushottambhai B. Patel (Director) (w.e.f : November 18, 2022) Mr. Sandip V. Patel (Independent Director) Mr. Nitin R. Patel (Director) (upto November 21, 2022)

**(II) Transactions with Related Parties during the year:**

No. Particulars	(INR in Million) March 31, 2024	(INR in Million) March 31, 2023
<b>(i)</b> Sub-debt Received back -SIPL	784.21	-
<b>(ii)</b> Interest on Unsecured Loan -SIPL	0.37	1.41
<b>(iii)</b> EPC & change of scope Expense -SEL	-	220.22
<b>(iv)</b> Operating and Maintenance Expense -SIPL	-	10.91
<b>(v)</b> Reimbursement of Expenses -SIPL	5.33	6.38
<b>(vi)</b> Mobilisation Advance adjusted against EPC -SEL	-	22.84
<b>(vii)</b> Mobilisation Advance being written off -SEL	324.49	-
<b>(viii)</b> Interest Income on Mobilization Advance -SEL	-	23.00
<b>(ix)</b> Interest Payable on Short Term Loan -SIPL	15.65	-
<b>(x)</b> Payable towards Performance of EPC & Maintenance Contracts (Including Utility Shifting and Variation) written off -SEL -SIPL	459.29 232.55	- -
<b>(xi)</b> Payable towards Office Rent & Reimbursement written off -SEL	0.01	-
<b>(xii)</b> Director Sitting Fees -Shashin Patel	0.03	-
-Sandip Patel	0.04	0.04
-Purushottambhai Patel	0.04	-



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

<b>(III) Balance outstanding as at the year end:</b>		<b>(INR in Million)</b>	<b>(INR in Million)</b>
<b>No.</b>	<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(i)</b>	Equity Share Capital		
	-SIPL & its nominees	10.00	10.00
<b>(ii)</b>	Sub-debt		
	-SIPL	-	784.21
<b>(iii)</b>	Interest Payable		
	-SIPL	-	15.28
<b>(iv)</b>	Payable towards Performance of EPC & Maintenance Contracts (Including Utility Shifting and Variation)		
	-SEL	-	459.29
<b>(v)</b>	Payable towards Office Rent & Reimbursement		
	-SEL	-	0.01
<b>(vi)</b>	Payable towards Operating, Maintenance & Reimbursement of Expenses		
	-SIPL	-	351.70
<b>(vii)</b>	Mobilization Advance		
	-SEL	-	324.49
<b>(viii)</b>	Interest Receivable on Mobilization Advance		
	-SEL	-	116.05
<b>(ix)</b>	Director Sitting Fees Payable		
	-Shashin Patel	0.01	-
	-Sandip Patel	0.01	-
	-Purushottambhai Patel	0.01	-

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

**(IV) Terms and conditions of the balance outstanding:**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free excepts short term loan and settlement occurs in cash as per the terms of the agreement.
- The Company has not provided any commitment to the related party as at March 31, 2024.



Sadbhav Nainital Highway Limited  
Notes to Financial Statements for the period ended March 31, 2024

25 **Income Tax Expenses**

The major components of income tax expenses for the year ended March 31, 2024 are as under:

(a) **Profit and Loss Section**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
Current tax	-	-
Deferred tax	-	-
Short/(Excess) Provision for earlier period	(175.06)	72.99
<b>Total</b>	<b>(175.06)</b>	<b>72.99</b>

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

Particulars	March 31, 2024 INR in Million	March 31, 2023 INR in Million
Accounting profit before tax	(29.30)	150.29
Statutory Income tax rate	25.17%	25.17%
Expected Income tax expenses	-	37.83

**Tax Effect of adjustments to reconcile expected Income**

**tax expenses to reported income tax expenses**

Tax effect of non taxable items

Tax effect of loss of earlier years

Deferred Tax Adjustment

**Income Tax Expenses considered in accounts**

**Consequent to reconciliation items shown above, the effective tax rate**

Note:

- The company has no taxable income as per the Income Tax Act 1961 during the current year. Hence no provision of income tax is made.
- The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as an introduction of the Taxation Laws (Amendment) Ordinance, 2019 (the Ordinance) on September 20, 2019 and availed an option to pay taxed at reduced rate of 22% (plus surcharge and cess) from the F.Y. 2019-20 onwards.

(c) **Deferred Tax**

The movement in deferred tax assets and liabilities during the year ended March 31, 2024

Particulars	INR in Million			
	Balance sheet		Statement of Profit and Loss	
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
<b>Deferred tax Assets/(liabilities)</b>				
Temporary Differences	-	(222.65)	(222.65)	62.65
Unused losses available for offsetting against future taxable income	-	47.59	47.59	10.34
<b>Total deferred tax expenses/(Income)</b>		<b>(175.06)</b>		<b>72.99</b>
<b>Net deferred tax Assets/(liabilities)</b>	<b>-</b>		<b>(175.06)</b>	

26 **Segment Reporting**

**Basis for Segmentation**

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

**Information About Geographical Areas**

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

**Information About Major Customers**

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



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

- 27 There are Micro, Small and Medium Enterprises, to whom the company owes dues, which are not outstanding for more than 45 days from the date of acceptance and booking till at the balance sheet date as under.

	Particulars	As on	
		March 31, 2024	March 31, 2023
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	1.81
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
7	Further interest remaining due and payable for earlier years	-	-

28 **Financial Instruments**

(i) **Disclosure of Financial Instruments by Category**

Financial instruments by categories	Note no.	(INR in Million)					
		March 31, 2024			March 31, 2023		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Asset</b>							
Cash On Hand	6	-	-	0.01	-	-	0.01
Balance with Banks	6	-	-	0.71	-	-	117.01
Other Bank Balances	6	-	-	-	-	-	74.52
Receivable from NHAI	5	-	-	-	-	-	3,161.23
Other Financial Assets	7	-	-	2.50	-	-	154.64
<b>Total Financial Assets</b>		-	-	<b>3.23</b>	-	-	<b>3,507.42</b>
<b>Financial Liabilities</b>							
Borrowings	12	-	-	-	-	-	1,290.02
Trade Payable	14	-	-	0.33	-	-	836.14
Other Financial liabilities	15	-	-	-	-	-	135.63
<b>Total Financial Liabilities</b>		-	-	<b>0.33</b>	-	-	<b>2,261.78</b>

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

- a. The management assessed that the fair values of cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b. The carrying value of Company's interest-bearing borrowings are reasonable approximations of fair values as the borrowing are carries floating interest rate.
- c. All resulting fairvalue estimates of above financial assets and liabilities are considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.





**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**29 Financial Risk Management**

**(I) Financial instruments 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 and to support its operations. The Company's principal financial assets include other receivables and cash and bank balance that derive directly from its operations.

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

**(II) Market Risk**

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

**(III) Interest Rate Risk**

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

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

(INR in Million)

Particulars	31.03.2024	31.03.2023
Variable rate borrowings in INR	-	1,290.02

**Sensitivity analysis based on average outstanding term loan borrowings:**

Particulars

March 31, 2024	March 31, 2023
INR in Million	INR in Million
-	12.90

Increase or decrease in interest rate by 100 basis point\*

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

**(IV) Liquidity Risk**

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

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

(INR in Million)

Particulars	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>As at March 31, 2024</b>						
Non Derivative Financial Liability						
Borrowings	-	-	-	-	-	-
Trade Payables	0.33	-	0.33	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>As at March 31, 2023</b>						
Non Derivative Financial Liability						
Long term Borrowings	1,310.01	-	158.63	256.07	568.91	326.40
Trade Payables	859.63	-	859.63	-	-	-
Other Payables	112.48	-	112.48	-	-	-

**(V) Credit risk**

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



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**30 Disclosure pursuant to Appendix - E to Ind AS 115 - "Revenue from Contract with Customer"**

During the year, the project has been transferred to the new concessionaire (Refer note 38) and disclosure as per Appendix E to INDAS 115 has not been given.

**31 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, Other equity in form of Subordinate Debt, all other reserves attributable to the equity holders of the Company and short term unsecured loans for short fall in cash flow.

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

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

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

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

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

Short term Borrowing (refer note 13)  
 Long term Borrowings (refer note 12)

Equity share Capital (refer note 10)  
 Other Equity (refer note 11)

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
	-	158.63
	-	1,131.40
<b>Total Debt - A</b>	<b>-</b>	<b>1,290.02</b>
	10.00	10.00
	120.41	1,133.31
<b>Total Equity - B</b>	<b>130.41</b>	<b>1,143.31</b>
<b>Debt to Equity Ratio - (A/B)</b>	<b>-</b>	<b>1.13</b>

**Capital Commitments towards pending EPC vlaue**

Pending EPC value with SEL

Mobilisation advances

**Net Commitment**

The company does not have any externally imposed capital requirement.

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
	-	2,018.27
	-	(324.49)
	-	1,693.78

**32 Disclosure Pursuant to Ind AS-19 "Employee Benefits"**

Disclosure under Ind AS-19 is not applicable on the company.

**33 Impairment of Financial Assets**

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

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

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

**36** There were no litigation pending against the company which could be materially impact its financial position as as on March 31, 2024. (March 31, 2023 : NIL)

**37 Contingent Liabilities and Capital Commitments**

Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31, 2024 is INR 2.44 Million.

**38** The National Highway Authority of India (NHAI) at the request of the Company vide its letter dated April 17, 2023, has approved harmonious substitution of concessionaire i.e. SNHL. Thereafter the Company executed Endorsement Agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the SNHL in favour of new Concessionaire for implementation of the project and also entered into Definitive Agreement on August 01, 2023 for substitution of the SNHL with the new SPV nominated by new Concessionaire. 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 SNHL are transferred to the new concessionaire for substitution of the SNHL in consideration of INR 900 million. Accordingly the Company has written off / written back the balances outstanding payable to SEL and SIPL and net amount of INR 374.43 Million is disclosed as as exceptional item in financial statements for the year ended March 31, 2024 respectively.



**Sadbhav Nainital Highway Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**39 Ratios**

Ratio	As at 31-Mar-2024	As at 31-Mar-2023	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
1 Current Ratio	225.32	1.16	19258.01%	Current Assets	Current Liabilities	Due to Increase in Current Assets
2 Debt – Equity Ratio	-	1.13	NA	Total Debt	Shareholder's Equity	-
3 Debt Service Coverage Ratio	-	1.86	NA	Earnings available for debt service	Debt Service (Interest+Principal repayments)	-
4 Return on Equity	-175.37%	6.76%	-2693.75%	Net Profits after taxes – Preference Dividend (if any)	Closing Shareholder's Equity	Due to Loss in the current year as compared to previous year
5 Inventory Turnover Ratio	N.A	N.A	N.A	Cost of goods sold OR sales	Average Inventory	The Company engaged in Construction activities. Hence, these Ratios are not relevant to the company.
6 Trade receivables turnover ratio	N.A	N.A	N.A	Net Credit Sales	Avg. Accounts Receivable	-
7 Trade payables turnover ratio	-	0.06	N.A	Net Credit Purchases	Average Trade Payables	-
8 Net capital turnover ratio	0.04	1.01	-95.61%	Net Sales	Working Capital	Due to decrease in Net Sales of the company
9 Net profit ratio	-274.32%	13.84%	-2081.63%	Net Profit	Total Income	Due to Loss in the current year as compared to previous year.
10 Return on capital employed	34.43%	11.96%	187.98%	Earning before interest and taxes	Tangible net worth + Total debt + Deferred tax liabilities	Due to Loss in the current year as compared to previous year
11 Return on investment	N.A	N.A	N.A	$\frac{MV(T1) - MV(T0) - \text{Sum}[C(t)]}{\text{Sum}[W(t) * C(t)]}$	$\frac{MV(T0) + \text{Sum}[W(t) * C(t)]}{\text{Sum}[W(t) * C(t)]}$	-

**40 Events Occurring after the Balance Sheet date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 14, 2024 there were no subsequent events to be recognized or reported that are not already disclosed.

**41 Additional regulatory information required by Schedule III**

**Details of benami property**

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

**Borrowing secured against current assets**

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

**Wilful defaulter**

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

**Relationship with struck off companies**

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

**Compliance with number of layers of companies**

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

**Compliance with approved scheme(s) of arrangements**

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

**Utilisation of borrowed funds and share premium**

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

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**Undisclosed income**

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

**Details of crypto currency or virtual currency**

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

**42** The financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 14, 2024.

Accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Gianendar & Associates

Chartered Accountants

(Firm Regn No. 04661N)

*G.K. Agrawal*  
 G.K. Agrawal  
 Partner

Membership No. 081603

Place: New Delhi  
 Date: May 14, 2024



For & On behalf of the Board of Directors of  
 Sadbhav Nainital Highway Limited

*SV Patel*

Shashin Patel  
 Director  
 DIN: 00048328

Place: Ahmedabad  
 Date: May 14, 2024

*Purushottambhai Patel*  
 Purushottambhai Patel  
 Director  
 DIN: 09794838

