

Sadbhav Nainital Highway Limited
(Formerly known as Sadbhav Nainital Highway Private Limited)
CIN :: U45309GJ2016PLC091777
Balance Sheet as at March 31, 2025

Particulars	Note No.	As at March 31, 2025 INR in Million	As at March 31, 2024 INR in Million
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment		-	-
(b) Financial Assets			
(i) Receivable under Concession Arrangements		-	-
(c) Deferred tax assets (net)		-	-
(d) Other Non Current Assets		-	-
Current Assets			
(a) Financial Assets			
(i) Investments		-	-
(ii) Cash and Cash Equivalents	5	0.01	0.72
(iii) Other Bank Balances	5	-	-
(iv) Receivable under Concession Arrangements		-	-
(v) Other financial Assets	6	-	2.50
(b) Other Current Assets	7	118.57	118.84
(c) Current tax assets (Net)	8	-	8.93
Total Assets		118.58	130.99
		118.58	130.99
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	10.00	10.00
Other Equity	10	106.28	120.41
Total Equity		116.28	130.41
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
Total Non-current liabilities		-	-
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(A) Dues to Micro & small enterprises	11	-	-
(B) Dues to others		2.07	0.33
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	0.23	0.25
(c) Current tax liability (Net)		-	-
Total Equity and Liabilities		2.30	0.58
		118.58	130.99
As per our report of even date attached For Gianendar & Associates Chartered Accountants (Firm Regn No. 04661N)		For & On behalf of the Board of Directors of Sadbhav Nainital Highway Limited	
G.K.Agrawal Partner Membership. No. 081603 Place: New Delhi Date: May 23, 2025		Shashin V Patel Director DIN No 00048328 Place: Ahmedabad Date: May 23, 2025	
		Purshottam B Patel Director DIN No 09794838	

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, 2025

(INR in Million)

Particulars	Note No.	For the year ended	
		March 31, 2025	March 31, 2024
INCOME			
I Revenue From Operations	13	-	5.78
II Other Income	14	0.52	77.59
III Total Income (I+II)		0.52	83.37
EXPENSES			
Construction Expense		-	-
Operating Expense		-	-
Finance Cost		-	-
Other Expenses	15	0.00	74.20
IV Total Expenses	16	5.62	38.47
V Profit /(Loss) For the Period (III-IV)		5.62	112.67
VI Exceptional Items		(5.10)	(29.30)
Profit/(Loss) before tax (V+VI)		(9.02)	(374.45)
VII Tax expenses	19	(14.12)	(403.75)
Current tax		-	-
Deffered tax		-	-
Total tax expenses		-	(175.06)
Profit/(Loss) for the Period (VI-VII)		-	(175.06)
VII Other Comprehensive Income		(14.12)	(228.69)
VIII Total Comprehensive Income for the Period, net of tax		(14.12)	(228.69)
XI Earnings per share (Nominal Value of Share of INR 10/-) Basic & Diluted#			
Material Accounting Policies Information	17	(14.12)	(228.69)
	1-4		

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

1 to

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

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

G.K.Agrawal
Partner
Membership. No. 081603

Shashin V Patel
Director
DIN No 00048328

Purshottam B Patel
Director
DIN No 09794838

Place: New Delhi
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025

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, 2025

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	March 31, 2025		March 31, 2024	
	No of Shares	Amount (INR in Million)	No of Shares	Amount (INR in Million)
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 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	-	-	-	-
Balance at the end of the year	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
Balance at the beginning of the reporting period i.e. 01.04.2023	784.21	349.10	1,133.31
Profit for the year	-	(228.69)	(228.69)
Other Adjustments during the year	-	-	-
Repaid during the year	(784.21)	-	(784.21)
Items of other comprehensive income for the year	-	-	-
Re-measurements of defined benefit plans	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners, recorded directly in Equity	-	120.41	120.41
Total transactions with owners	-	-	-
Balance at the end of the reporting period i.e. 31.03.2024	-	120.41	120.41
Balance at the beginning of the reporting period i.e. 01.04.2024	-	120.41	120.41
Profit for the year	-	(14.12)	(14.12)
Repaid during the year	-	-	-
Received during the year	-	-	-
Items of other comprehensive income for the year	-	-	-
Re-measurements of defined benefit plans	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners, recorded directly in Equity	-	106.28	106.28
Total transactions with owners	-	-	-
Balance at the end of the reporting period i.e. 31.03.2025	-	106.28	106.28

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)

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

G.K.Agrawal
Partner
Membership. No. 081603

Shashin V Patel
Director
DIN No 00048328

Purshottam B Patel
Director
DIN No 09794838

Place: New Delhi
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025

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

Cash Flow Statement For the year ended March 31, 2025

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	INR in Million	INR in Million
(A) Cash flows from operating activities		
Net Profit/ (Loss) before Tax	(14.12)	(403.75)
Adjustments to reconcile profit before tax to net cash flows:		
Net (Gain)/Loss on Mutual Fund	-	(1.01)
Interest income on Fixed deposit	-	19.99
Amortised processing fees	-	374.45
Exceptional Items	0.00	54.21
Interest and other borrowing cost	(14.12)	43.89
Operating profit before working capital changes		
Working Capital Changes:		
Decrease/(Increase) in other current financial assets	2.50	36.08
Increase/(Decrease) in other Non - Current Assets	-	1,465.86
Decrease/(Increase) in other current assets	0.27	1,032.50
Increase/(Decrease) in Trade payable	1.74	(77.62)
Increase/(Decrease) in financial liabilities	-	(120.35)
Increase/(Decrease) in other current liabilities	(0.03)	(363.03)
Cash generated from operating activities	(9.63)	2,017.34
Direct taxes paid (net of income tax refund)	8.93	13.40
Net cash generated from operating activities	(0.70)	2,030.74
(B) Cash Flows from investing activities		
Interest income on Fixed deposit	-	1.01
Fixed Deposits Redemption	-	42.50
Net cash generated from investing activities	-	43.51
(C) Cash Flows from financing activities		
Proceeds/(Repayment) of/ from Current borrowings	-	(1,310.01)
Sub Ordinate debt repaid	-	(784.21)
Interest and other borrowing cost paid	(0.00)	(53.84)
Net cash (used) in financing activities	(0.00)	(2,148.06)
Net increase in cash and cash equivalents	(0.71)	(73.81)
Cash and cash equivalents at beginning of the year	0.72	74.53
Cash and cash equivalents at end of the year	0.01	0.72

Notes:

(i)	Components of cash and cash equivalents (refer note 5)	March 31, 2025	March 31, 2024
		INR In Million	INR In Million
	Cash on hand	0.01	0.01
	Balances with banks in current accounts	-	0.72
	Cash and cash equivalents	0.01	0.73

Sadbhav Nainital Highway Limited
(Formerly known as Sadbhav Nainital Highway Private Limited)
CIN :: U45309GJ2016PLC091777
Cash Flow Statement For the year ended March 31, 2025

(INR In Million)						
(ii)	Reconciliation of Financial liabilities	As at March 31, 2024	Cash Flows	Interest Cost	Non-cash adjustment (Transaction Cost)	As at March 31, 2025
	Borrowings	-	-	-	-	-
	Interest cost	-	-	-	-	-

(INR In Million)					
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)	(0.00)

(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)

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

G.K.Agrawal
Partner
Membership. No. 081603

Shashin Patel Purshottam B Patel
Director Director
DIN: 00048328 DIN No 09794838

Place: New Delhi
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025

Sadbhav Nainital Highway Limited

Notes to Financial statement for the year ended March 31, 2025

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 23, 2025.

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 31st March, 2025 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, 2025

- 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, 2025

- 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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

- **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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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 year ended March 31, 2025

5	Cash and Cash Equivalents	March 31, 2025	March 31, 2024
		INR in Million	INR in Million
	<u>Cash and Cash Equivalents</u>		
	Cash on Hand	0.01	0.01
	Balance with Banks in current accounts	-	0.71
	Total (A)	0.01	0.72
6	Other current financial assets	March 31, 2025	March 31, 2024
		INR in Million	INR in Million
	Interest receivable from bank due to excess payment	-	2.50
		-	2.50
7	Other current assets	March 31, 2025	March 31, 2024
		INR in Million	INR in Million
	Prepaid Expense	-	0.53
	Balance with govt authorities-GST receivable	118.57	118.31
	Total	118.57	118.84
8	Current tax assets (Net)	March 31, 2025	March 31, 2024
		INR in Million	INR in Million
	Tax credit receivable	-	8.93
	Total	-	8.93

9 Equity Share Capital

	March 31, 2025		March 31, 2024	
	No. of shares	INR in Million	No. of shares	INR in Million
Authorized Share Capital				
Equity Shares of INR 10 each	10 00 000	10.00	10 00 000	10.00
	10 00 000	10.00	10 00 000	10.00
Issued, Subscribed and fully paid up				
Equity Shares of INR 10 each	10 00 000	10.00	10 00 000	10.00
Total	10 00 000	10.00	10 00 000	10.00

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

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	INR in Million	No. of shares	INR in Million
At the beginning of the year	10 00 000	10.00	10 00 000	10.00
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	10 00 000	10.00	10 00 000	10.00

(b) 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.

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

Name of Shareholder	March 31, 2025		March 31, 2024	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity Shares of INR 10 each fully paid				
Sadbhav Infrastructure Project Ltd and its Nominees	10,00,000	100	10,00,000	100
Total	10,00,000	100	10,00,000	100

(d) Shareholding of Promoters

Name of Promoter	No of Shares	% of Total Share	% Change During Period
As at 31-Mar-2025			
Sadbhav Infrastructure Project Ltd and its nominees	10,00,000	100.00%	0.00%
Total	10,00,000	100%	0%
As at 31-Mar-2024			
Sadbhav Infrastructure Project Ltd and its nominees	10,00,000	100.00%	0.00%
Total	10,00,000	100%	0%

10 Other Equity

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Equity Component of Compound Financial Instrument		
Beginning of the year	-	784.21
Repaid during the year	-	(784.21)
Total (A)	-	-
Retained Earning		
Surplus at the beginning of the year	120.41	349.10
Other Adjustment of previous year	-	-
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	(14.12)	228.69
Surplus at the end of the year	106.28	120.41
Total (B)	106.28	120.41
Total (A+B)	106.28	120.41

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 Promoters 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.

11 Trade Payables

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Trade Payable		
-Dues to micro & small enterprises	-	-
-Dues to others	2.07	0.33
-Dues to related parties	-	-
Total	2.07	0.33

*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-2025 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, 2025

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	1.32	0.16	0.59	-	-	2.07
3	Others-Related Parties	-	-	-	-	-	-
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	1.32	0.16	0.59	-	-	2.07

As at March 31, 2024

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	-	-	-	-	-	-
	Total	0.30	0.03	-	-	-	0.33

12 Other Current Liabilities

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Statutory dues	0.23	0.25
Total	0.23	0.25

13 Revenue From Operations

Construction Contract Revenue (Notional)

	Year ended March 31, 2025 INR in Million	Year ended March 31, 2024 INR in Million
	-	5.78
Total	-	5.78

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 383. Hence the information for remaining performance obligation (unsatisfied or partially satisfied) as at March 31, 2025 and March 31, 2024 is not given.

14 Other Income

Notional finance income
Interest on Fixed Deposits
Interest Income
Other Income

	Year ended March 31, 2025 INR in Million	Year ended March 31, 2024 INR in Million
	-	75.82
	-	1.01
	0.52	0.54
	-	0.21
Total	0.52	77.59

15 Finance Cost

Interest on Short Term Loan
Interest on Long Term Loan
Other borrowing Cost*
Interest on Taxes **

	Year ended March 31, 2025 INR in Million	Year ended March 31, 2024 INR in Million
	-	0.37
	-	53.19
	0.00	20.64
	0.00	-
Total	0.00	74.20

*Amount of INR 16 in FY 2024-25 is below rounding off norms adopted by the company.

**Amount of INR 308 in FY 2024-25 is below rounding off norms adopted by the company.

16 Other Expenses

Rates & taxes
Director sitting fees
Auditor Remuneration - Statutory Audit
Professional Fees & Expenses
Insurance Expense
Miscellaneous expense
CSR expenses

	Year ended March 31, 2025 INR in Million	Year ended March 31, 2024 INR in Million
	0.08	0.14
	0.09	0.11
	0.16	0.35
	1.98	1.56
	0.53	2.50
	2.78	31.48
	-	2.33
Total	5.62	38.47

16.1 Payment to auditors:

as Statutory Auditor
for other Services

	Year ended March 31, 2025 INR in Million	Year ended March 31, 2024 INR in Million
	0.10	0.35
	0.06	-
Total	0.16	0.35

Sadbhav Nainital Highway Limited
Notes to Financial Statements for the year ended March 31, 2025

17 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, 2025	As at March 31, 2024
Net (Loss) as per Statement of Profit & Loss (INR in Million)	(14.12)	(228.69)
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
Basic & Diluted (Loss) per share IN INR	(14.12)	(228.69)

18 Related Party Disclosures:

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

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

Sr. No	Description of Relationship	Name of the Related Party
(A)	Enterprises having control:	
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)
	Key Managerial Personnel (KMPs)	Mr. Shashin V. Patel (Director)
		Mr. Purushottambhai B. Patel (Director) (w.e.f : November 18, 2022)
		Mr. Sandip V. Patel (Independent Director) (upto November 11, 2024)
		Mrs Shefali Manojbhai Patel (Independent Director) (from November 08, 2024)

(II) Transactions with Related Parties during the year:

No. Particulars	(INR in Million) March 31, 2025	(INR in Million) March 31, 2024
(i) Sub-debt Received back		
-SIPL		784.21
(ii) Interest on Unsecured Loan		
-SIPL	-	0.37
(iii) EPC & change of scope Expense		
-SEL	-	-
(iv) Operating and Maintenance Expense		
-SIPL	-	-
(v) Reimbursement of Expenses		
-SIPL	-	-
(vi) Mobilisation Advance adjusted against EPC	1.32	5.33
-SEL	-	-
(vii) Mobilisation Advance being written off		
-SEL	-	-
(viii) Interest Income on Mobilization Advance		324.49
-SEL	-	-
(ix) Interest Payable on Short Term Loan		
-SIPL	-	15.65
(x) Payable towards Performance of EPC & Maintenance Contracts (Including Utility Shifting and Variation) written off		
-SEL	-	459.29
-SIPL	-	232.55
(xi) Director Sitting Fees		
-Shashin Patel	0.03	0.03
-Sandip Patel	0.02	0.04
-Purushottambhai Patel	0.03	0.04

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Notes to Financial Statements for the year ended March 31, 2025

(III) Balance outstanding as at the year end:

No.	Particulars	(INR in Million) March 31, 2025	(INR in Million) March 31, 2024
(i)	Equity Share Capital		
	-SIPL & its nominees	10.00	10.00
(ii)	Reimbursement of Expenses		
	-SIPL	1.32	-
(ii)	Director Sitting Fees Payable		
	-Shashin Patel	0.01	0.01
	-Sandip Patel	-	0.01
	-Purushottambhai Patel	0.01	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:

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free excepts short term loan and settlement occurs in cash as per the terms of the agreement.
2. The Company has not provided any commitment to the related party as at March 31, 2025.

19 **Income Tax Expenses**

The major components of income tax expenses for the year ended March 31, 2025 are as under:

(a) **Profit and Loss Section**

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Current tax	-	-
Deferred tax	-	-
Short/(Excess) Provision for earlier period	-	(175.06)
Total	-	-
	-	(175.06)

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

Particulars	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Accounting profit before tax		
Statutory Income tax rate	(5.10)	(29.30)
Expected Income tax expenses	25.17%	25.17%
	-	-
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	-	(175.06)
Consequent to reconciliation items shown above, the effective tax rate	-	(175.06)
Note:	-	-

- 1 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.
- 2 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, 2025

Particulars	INR in Million			
	Balance sheet March 31, 2025	Statement of Profit and Loss March 31, 2025	Balance sheet March 31, 2024	Statement of Profit and Loss March 31, 2024
Deferred tax Assets/(liabilities)				
Temporary Differences	-	-	-	-
Unused losses available for offsetting against future taxable income	-	-	-	(222.65)
Total deferred tax expenses/(Income)	-	-	-	47.59
Net deferred tax Assets/(liabilities)	-	-	-	(175.06)

20 **Segment Reporting**

Basis for Segmentation

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

Information About Geographical Areas

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

Information About Major Customers

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

Sadbhav Nainital Highway Limited
Notes to Financial Statements for the year ended March 31, 2025

- 21 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, 2025	March 31, 2024
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
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	-	-

22 **Financial Instruments**

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

Financial instruments by categories	Note no.	March 31, 2025			March 31, 2024			(INR in Million)
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	
Financial Asset								
Cash On Hand	5	-	-	0.01	-	-	0.01	
Balance with Banks	5	-	-	-	-	-	-	
Other Bank Balances	5	-	-	-	-	-	-	
Receivable from NHAI	5	-	-	-	-	-	-	
Other Financial Assets	6	-	-	-	-	-	-	
Total Financial Assets		-	-	0.01	-	-	2.50	
Financial Liabilities								
Borrowings	0	-	-	-	-	-	-	
Trade Payable	11	-	-	2.07	-	-	-	
Other Financial liabilities	12	-	-	-	-	-	-	
Total Financial Liabilities		-	-	2.07	-	-	0.33	

(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.

23 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:

Particulars	INR in Million	
	31.03.2025	31.03.2024
Variable rate borrowings in INR	-	-

Sensitivity analysis based on average outstanding term loan borrowings:

Particulars

Increase or decrease in interest rate by 100 basis point*

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

March 31, 2025	March 31, 2024
INR in Million	INR in Million
-	-

(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:

Particulars	Total Amount	On Demand	INR in Million			
			upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2025						
Non Derivative Financial Liability						
Borrowings	-	-	-	-	-	-
Trade Payables	2.07	-	1.48	0.59	-	-
Other financial liabilities	-	-	-	-	-	-
As at March 31, 2024						
Non Derivative Financial Liability						
Long term Borrowings	-	-	-	-	-	-
Trade Payables	0.33	-	0.33	-	-	-
Other Payables	-	-	-	-	-	-

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 year ended March 31, 2025

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

During the FY 2023-24, the project has been transferred to the new concessionaire (Refer note 33) and disclosure as per Appendix E to INDAS 115 has not been given.

25 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 debt equity ratio which does not exceed 4:1, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

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

	March 31, 2025	March 31, 2024
	INR in Million	INR in Million
Short term Borrowing (refer note 13)	-	-
Long term Borrowings (refer note 12)	-	-
Total Debt - A	-	-
Equity share Capital (refer note 10)	10.00	10.00
Other Equity (refer note 11)	106.28	120.41
Total Equity - B	116.28	130.41
Debt to Equity Ratio - (A/B)	-	-
Capital Commitments towards pending EPC vlaue		
Pending EPC value with SEL	March 31, 2025	March 31, 2024
Mobilisation advances	INR in Million	INR in Million
Net Commitment	-	-
The company does not have any externally imposed capital requirement.	-	-

26 Disclosure Pursuant to Ind AS-19 "Employee Benefits"

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

27 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.

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

29 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.

30 There were no litigation pending against the company which could be materially impact its financial position as as on March 31, 2025. (March 31, 2024 : NIL)

31 Contingent Liabilities and Capital Commitments

- (i) Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31, 2025 is INR 2.44 Million.
- (ii) GST Department has issued DRC-7 for FY 2018-19 vide order dated 30.03.2024 for demand of INR 72.87 million including penalty. The company has filled appeal against the said order on 18.06.2024.
- (iii) GST Department has issued DRC-7 for FY 2020-21 vide order dated 18.01.2025 for demand of INR 226.26 million including penalty. The company has filled appeal against the said order on 17.04.2025 i.e. before the signing of this financials.
- (iv) GST Department has issued DRC-7 for FY 2019-20 vide order dated 29.08.2024 for demand of INR 213.14 million including penalty. The company has filled appeal against the said order.
- (v) GST Department has issued DRC-7 for FY 2018-19 & 2019-20 vide order dated 04.02.2025 for demand of INR 2031.27 million including penalty. The company has filled appeal against the said order and received stay order from High court of Nainital.

32 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 and 9.02 million for the year ended March 31, 2025.

Sadbhav Nainital Highway Limited
Notes to Financial Statements for the year ended March 31, 2025

33 Ratios

	Ratio	As at 31-Mar-2025	As at 31-Mar-2024	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
1	Current Ratio	51.59	225.32	-77.10%	Current Assets	Current Liabilities	
2	Debt – Equity Ratio	-	-	NA	Total Debt	Shareholder's Equity	Due to Increase in Current Assets
3	Debt Service Coverage Ratio	-	-	NA	Earnings available for debt service	Debt Service (Interest+Principal repayments)	-
4	Return on Equity	-12.15%	-175.37%	-93.07%	Net Profits after taxes – Preference Dividend (if any)	Closing Shareholder's Equity	Due to reduction in 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	N.A	Net Credit Purchases	Average Trade Payables	
8	Net capital turnover ratio	-	0.04	-100.00%	Net Sales	Working Capital	
9	Net profit ratio	-2731.45%	-274.32%	895.72%	Net Profit	Total Income	Due to decrease in Net Sales of the company
10	Return on capital employed	-4.38%	34.43%	-112.73%	Earning before interest and taxes	Tangible net worth + Total debt + Deferred tax liabilities	Due to Loss in the current year and previous year
11	Return on investment	N.A	N.A	N.A	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$	-

34 Events Occuring after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 23, 2025 there were no subsequent events to be recognized or reported that are not already disclosed.

35 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:

- 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 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:

- 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.

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.

36 The financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 23, 2025.

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)

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

K.Agrawal
Partner
Membership. No. 081603

Shashin Patel
Director
DIN: 00048328

Purshottam B Patel
Director
DIN No 09794838

Office: New Delhi
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025