

Sadbhav Udaipur Highway Limited
CIN: U45309GJ2017PLC097508
Balance Sheet as at March 31, 2025

(INR in Million)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
1 Non-current Assets			
Receivable from NHAI under Service Concession Arrangement	5	3,558.78	4,529.60
Total Non-current assets (A)		3,558.78	4,529.60
2 Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	113.67	96.53
(ii) Bank balances other than (i) above	7	132.00	-
(iii) Receivable from NHAI under Service Concession Arrangement	5	531.64	501.26
(iv) Other Assets	8	201.34	76.46
(b) Other Current Assets	9	307.14	658.40
(c) Current Tax Assets	10	3.79	3.75
Total Current assets (B)		1,289.58	1,336.40
Total Assets (C) = (A) + (B)		4,848.36	5,866.00
EQUITY AND LIABILITIES			
EQUITY			
1 Equity Share Capital	11	269.66	269.66
2 Other Equity	12	815.09	1,104.19
Total Equity (A)		1,084.75	1,373.85
LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	13	3,279.57	3,641.25
Total Non-current liabilities (B)		3,279.57	3,641.25
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	469.41	576.34
(ii) Trade Payables			
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to other creditors	15	9.81	195.95
(iii) Other Financial Liabilities	16	0.00	74.10
(b) Other Current Liabilities	17	4.82	4.51
Total Current liabilities (C)		484.04	850.90
Total Equity and Liabilities (D) = (A) + (B) + (C)		4,848.36	5,866.00
Summary of material accounting policies	1 to 4		
Accompanying notes are an integral part of the financial statements	1 to 37		
As per our report of even date attached For Manubhai & Shah LLP Chartered Accountants ICAI Firm Registration No. 106041W/W100136 For & On behalf of the Board of Directors of For Sadbhav Udaipur Highway Limited			
Devansh Gandhi Partner Membership No.129255	Mahendrasinh R. Chavda Director DIN: 02607067	Purushottambhai Patel Director DIN: 09794838	
Place: Ahmedabad Date: May 23, 2025	Place: Ahmedabad Date: May 23, 2025		

Sadbhav Udaipur Highway Limited
CIN: U45309GJ2017PLC097508
Statement of Cash Flow for the year ended March 31, 2025

		INR in Million	
Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	
(A) Cash flows from operating activities			
(Loss) Before Tax			
Adjustments for:	(288.90)	(279.61)	
Interest & other borrowing cost			
Amortisation of Processing Fee	363.99	446.33	
Notional Finance Income on Annuity Receivable	4.52	4.19	
Interest Income	-	(191.73)	
Interest Income on Fixed Deposits	(0.42)	(0.08)	
Cash generated before effect of working capital	(1.22)	(0.90)	
Adjustments for:	77.96	(21.80)	
(Increase)/Decrease in financial assets		403.63	
(Increase)/Decrease in Other current assets	940.43	55.22	
(Increase)/Decrease in Other Financial assets	351.26		
(Decrease)/Increase in Financial liabilities	(103.46)	(11.86)	
(Decrease)/Increase in Trade Payables	0.00	(0.11)	
(Decrease)/Increase in Other Current liability	(186.13)	1.78	
Cash (used in) operating activity	0.30	(7.88)	
(+)/(-) : Tax Paid(Net of Refund)	1,080.37	418.98	
Net cash flow generated from operating activities	(0.23)	(1.88)	
(B) Cash Flows from investing activities	1,080.14	417.10	
Interest Income received			
Interest Income on Fixed Deposits	0.42	0.08	
Investment in Fixed Deposits	0.56	0.97	
Net cash flow generated from/(used in) investing activities	(132.00)	-	
(C) Cash Flows from financing activities	(131.02)	1.05	
Proceeds from Long Term Borrowings	-	150.96	
Repayment of Short Term Borrowings	(2.82)	-	
Repayment of Long Term borrowings	(470.31)	(273.75)	
Proceeds from Short Term Borrowings from Gawar Construction Limited	-	296.50	
Repayment of Short Term Borrowings from Gawar Construction Limited	-	(296.50)	
Proceeds from Short Term Borrowings	-	127.30	
Interest and other Finance cost paid	(458.85)	(422.74)	
Net cash flow generated from/(used in) financing activities	(931.98)	(418.23)	
Net increase/(decrease) in cash and cash equivalents	17.14	(0.08)	
Cash and cash equivalents at beginning of the year	96.53	96.61	
Cash and cash equivalents at end of the year	113.67	96.53	

Notes:

(i) Components of cash and cash equivalents (refer note 9)

Cash on hand*

Balances with banks in current accounts

Cash and cash equivalents

*INR 828 as on March 31, 2025 (INR 828 as on March 31, 2024) respectively is below rounding off norms adopted by the company.

** Balances with banks include balance of INR 113.67 million lying in the Escrow Accounts, as per terms of borrowings with the lenders. (March 31, 2024 INR 96.53 million)

March 31, 2025 INR in Million	March 31, 2024 INR in Million
0.00	0.00
113.67	96.53
113.67	96.53

(ii) Reconciliation of Financial liabilities

For the FY 24-25		April 1, 2024	Cash Flows	Non-cash adjustment (Transaction Cost)	Interest Cost	March 31, 2025
Long Term Borrowings (Including current maturities)		4,090.30	(470.31)	4.52	-	3,624.51
Short Term Borrowings		127.30	(2.82)	-	-	124.48
Interest Accrued		74.10	(458.85)	-	363.99	(20.77)
For the FY 23-24		April 1, 2023	Cash Flows	Non-cash adjustment (Transaction Cost)	Interest Cost	March 31, 2024
Long Term Borrowings (Including current maturities)		4,208.90	(122.79)	4.19	-	4,090.30
Short Term Borrowings			127.30	-	-	127.30
Interest Accrued		50.51	(422.74)	-	446.33	74.10

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

(iv) Figures in brackets represent cash outflows.

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

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

Devansh Gandhi
Partner
Membership No.129255

Mahendrasinh R. Chavda
Director
DIN: 02607067

Purushottambhai Patel
Director
DIN: 09794838

Place: Ahmedabad
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025

Sadbhav Udaipur Highway Limited
CIN: U45309GJ2017PLC097508
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	2 69 66 000	269.66	2 69 66 000	269.66
Changes in the equity share capital during the year due to prior period errors	-	-	-	-
Restated Balance at the beginning of the year	2 69 66 000	269.66	2 69 66 000	269.66
Changes in the equity share capital during the year	-	-	-	-
Balance at the end of the year	2 69 66 000	269.66	2 69 66 000	269.66

B Other Equity

Particulars	Retained Earning	Equity Component of Compound Financial Instrument (Sub ordinate Debt)*	Total other equity
	INR in Million	INR in Million	INR in Million
As at April 01, 2023	29.43	1,346.39	1,375.82
Add: Equity Component (Sub Debt)	-	-	-
Loss during the year	(271.63)	-	(271.63)
As at March 31, 2024	(242.20)	1,346.39	1,104.19
As at April 01, 2024	(242.20)	1,346.39	1,104.19
Loss during the year	(289.10)	-	(289.10)
As at March 31, 2025	(531.30)	1,346.39	815.09

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

Accompanying notes are an integral part of the financial statements

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

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

Devansh Gandhi
Partner
Membership No.129255

Place: Ahmedabad
Date: May 23, 2025

Mahendrasinh R. Chavda Purushottambhai Patel
Director Director
DIN: 02607067 DIN: 09794838

Place: Ahmedabad
Date: May 23, 2025

1. Company information:

Sadbhav Udaipur 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.

The Company was incorporated as a Special Purpose Vehicle (SPV) in May, 2017, to augment the existing road from km 118.500 of NH-76 to km 287.400 of NH-8 (approximately 23.883 km) in the state of Rajasthan by Six-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) in which NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction Period of 730 days and Operation Period of 15 years commencing from Commercial Operation Date (COD). The Company received the Provisional Completion Certificate (PCOD) date with effect from 31.07.2020 for the completed length of 18.718 kms.

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.

The Company has applied the applicable standards and/or amendments to existing standards effective from April 1, 2024 in the preparation and presentation of financial statements for the year ending on March 31, 2025.

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

(b.) Basis of Presentation:

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

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 10,00,000), except when otherwise indicated.

(c.) Basis of Measurement:

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

3. Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its financial statements:

3.1 Current versus non-current classification

Sadbhav Udaipur Highway Limited

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

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;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

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

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

3.2 Revenue Recognition

a. Revenue from Operations

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

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

(i) Construction services

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

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer pays

Sadbhav Udaipur Highway Limited

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

consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities

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

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

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

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

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

(iii) **Interest from financial asset:**

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

b. Gain/loss on Mutual fund

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

c. Others

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

3.3 Borrowing costs

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

3.4 Leases

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

Company as lessee

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

payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

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

3.5 Financial Instruments

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

a) Financial Assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or

convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

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

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

• **Financial assets at amortized cost:**

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

• **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

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

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

Sadbhav Udaipur Highway Limited
Notes to Financial statement for the year ended March 31, 2025

comprehensive income (OCI).

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

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

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

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

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

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

ii. Subsequent measurement of financial liabilities

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

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

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

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

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

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

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

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

iii. Derecognition of financial liabilities

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

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

c) Offsetting of financial instruments

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

3.6 Fair Value Measurement

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which

sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

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

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

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

3.7 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

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

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

Sadbhav Udaipur Highway Limited
Notes to Financial statement for the year ended March 31, 2025

Deferred Tax

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

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

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

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

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

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

3.8 Provisions

General

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

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

Contractual obligation to restore the infrastructure to a specified level of service ability

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre- tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted

as appropriate.

3.9 Contingent liabilities and Contingent Assets

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

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

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

3.10 Cash and cash equivalents

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

3.11 Earnings per share

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

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

3.12 Segment reporting

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

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

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

(i) Estimates and assumptions

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

Sadbhav Udaipur Highway Limited
Notes to Financial statement for the year ended March 31, 2025

are reflected in the assumptions when they occur.

(ii) Fair value measurement of financial instruments

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

(iii) Taxes

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

Sadbhav Udaipur Highway Limited
Notes to Financial Statements for the period ended March 31, 2025

5 Receivable from NHAI under Service Concession Arrangements

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Non Current		
Receivable from NHAI	3,558.78	4,529.60
Total (A)	3,558.78	4,529.60
Current		
Receivable from NHAI	531.64	501.26
Total (B)	531.64	501.26
Total (C) = (A) + (B)	4,090.44	5,030.86

Notes:

- (i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- (ii) Refer note 32 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA')

6 Cash and Cash Equivalents

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Cash in Hand*	0.00	0.00
Balance with Banks in current accounts**	113.67	96.53
Total	113.67	96.53

Note:

*INR 828 as on March 31, 2025 & INR 828 as on March 31, 2024 respectively is below rounding off norms adopted by the company.

** Balances with banks include balance of INR 113.67 million lying in the Escrow Accounts, as per terms of borrowings with the lenders. (March 31, 2024 INR 96.53 million)

7 Other bank balances

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Deposits with maturity of more than 3 months and less than 12 months	132.00	-
Total	132.00	-

8 Other Current Financial Assets

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Withheld amount receivable from NHAI	117.87	14.41
Interest Receivable on Mobilization Advance given to SEL (Refer Note 26)	62.04	62.04
Excess Interest Receivable from Bank	20.77	-
Interest accrued but not due on Fixed Deposit	0.66	-
Total	201.34	76.46

9 Other Current Assets

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
GST Input Credit Receivable	179.78	366.93
Prepaid Expenses	0.72	-
Advance to SIPL & SEL (Refer Note 26)	126.64	291.33
Advance to Vendors	-	0.14
Total	307.14	658.40

10 Current Tax Assets

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Tax Credit Receivable	3.79	3.75
Total	3.79	3.75

11 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	2,70,00,000	270.00	2,70,00,000	270.00
	2,70,00,000	270.00	2,70,00,000	270.00
Issued, Subscribed and fully paid up				
Equity Shares of INR 10 each	2,69,66,000	269.66	2,69,66,000	269.66
Total	2,69,66,000	269.66	2,69,66,000	269.66

(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	2,69,66,000	269.66	2,69,66,000	269.66
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	2,69,66,000	269.66	2,69,66,000	269.66

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

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

(c) Share held by holding Company:

All 2,69,66,000 equity shares issued, subscribed and paid up 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, 2025 No. of shares	% of shareholding	March 31, 2024 No. of shares	% of shareholding
Equity Shares of Rs 10 each fully paid				
Sadbhav Infrastructure Project Ltd and its	2,69,66,000	100	2,69,66,000	100
Total	2,69,66,000	100	2,69,66,000	100

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

(e) Shareholding of Promoters

Name of Promoter	No of Shares	% of Total Share	% Change During Period
As at March 31, 2025			
Sadbhav Infrastructure Project Limited and its nominees	2,69,66,000	100.00	-
Total	2,69,66,000	100.00	-
As at March 31, 2024			
Sadbhav Infrastructure Project Limited and its nominees	2,69,66,000	100.00	-
Total	2,69,66,000	100.00	-

12 Other Equity

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Equity Component of Compound Financial Instrument-Sub Ordinate Debts (Refer note under Other Equity in Statement of Changes in Equity)		
Opening Balance		
Received during the period	1,346.39	1,346.39
Balance at the end of the year	-	-
Total (A)	1,346.39	1,346.39
Retained Earnings*		
Opening Balance		
Add: (Loss) during the year	(242.20)	29.43
Balance at the end of the year	(289.10)	(271.63)
Total (B)	(531.30)	(242.20)
Total (C) = (A+B)	815.09	1,104.19

*Retained Earnings are the profits/loss that the company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

13 Non Current Borrowings

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Term Loans - Secured		
-Rupee Term Loan from Banks	3,491.29	3,897.92
-Rupee Term Loan from Banks GECL Facility	157.85	221.53
Un-Amortized Processing Fees - Rupees - Notional	(24.64)	(29.16)
(A)	3,624.50	4,090.29
(B)	344.93	449.05
Total (A - B)	3,279.57	3,641.25

* Includes the effect of transaction cost paid to lenders on upfront basis

(i) Nature of Security:

The details of security in respect of term loans are as under:

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

B GECL Facility (Emergency Credit Line Guarantee Scheme)

The GECL facility is secured by 100% credit guarantee from National Credit Guarantee Trustee Company Limited (NCGTC) in addition to second charge on security mentioned in point (i)

(ii) Terms of Repayment:

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the May 31, 2021 on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% to 11.80% per annum as on March 31, 2025.

As per the provision of CLA, after the PCOD, the Company has to create Debt Service Reserve Account (DSRA) and keep the balance of 6 Months Interest and amount equal to two installments of Principal in DSRA. There was a delay in payment of Interest amounting to INR Nil (March 31, 2024: INR 74.10 million) against which the fund was lying in DSRA Account amounting to INR 113.67 million (March 31, 2024 96.53 million). Accordingly, there was no delay in payment of Interest.

There was delay in receipt of full annuity amount from NHAI which was due half yearly. As a result of this the Company could not make the repayment of installment of principal amount of INR Nil (March 31, 2024: INR 101 million) payable March 2025.

Details of Defaults in payment of Interest as on the Balance sheet date

Due Date	(INR in Million)			
	Principal		Interest	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
January	-	-	-	18.38
February	-	-	-	24.62
March	-	101.00	-	31.10

B GECL Facility (Emergency Credit Line Guarantee Scheme)

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 48 structured monthly instalments, commencing from July 31, 2023 and last date of Instalment is June, 2027.

The loans carry average interest rate of 9.25% to 11.25% per annum.

14 Current Borrowings

Current Maturities of Long term borrowings (Refer Note 13)

Unsecured Loan

Interest free loan from related party (Refer Note 26)*

	March 31,2025 INR in Million	March 31, 2024 INR in Million
	344.93	449.04
	124.48	127.30
Total	469.41	576.34

	March 31,2025 INR in Million	March 31, 2024 INR in Million
	-	-
	3.52	9.71
	6.29	186.24
Total	9.81	195.95

15 Trade Payables

Dues to Micro & Small Enterprises (Refer note 28)

Due to others

Due to Related Party (Refer note 26)

	March 31,2025 INR in Million	March 31, 2024 INR in Million
	-	-
	3.52	9.71
	6.29	186.24
Total	9.81	195.95

As at March 31, 2025

Sr No	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME		-	-	-	-	-
2	Others	0.01	2.48	0.31	0.12	-	-
3	Others-Related Parties	-	0.03	0.45	-	0.60	3.52
4	Disputed dues - MSME	-	-	-	-	5.82	6.29
5	Disputed dues - Others	-	-	-	-	-	-
	Total	0.01	2.51	0.76	0.12	6.41	9.81

As at March 31, 2024

Sr No	Particulars	Outstanding for following periods from due date of Payment*					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME		-	-	-	-	-
2	Others	6.06	2.58	0.30	0.77	-	9.71
3	Others-Related Parties	0.04	38.04	19.98	9.18	118.99	186.24
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	6.10	40.62	20.28	9.95	118.99	195.95

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

16 Other Current Financial Liabilities

Interest Accrued and due on borrowings

	March 31,2025 INR in Million	March 31, 2024 INR in Million
	-	74.10
Total	-	74.10

17 Other Current Liability

Statutory dues

	March 31,2025 INR in Million	March 31, 2024 INR in Million
	4.82	4.51
Total	4.82	4.51

18 Revenue From Operations

Construction Contract Revenue (Notional)
Change of Scope Work Income
Operation & Maintenance Income

March 31, 2025	March 31, 2024
INR in Million	INR in Million
39.69	365.16
44.52	30.43
93.26	-
Total	395.59

Revenue from contract with customers

18.1 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 required.

18.2 Trade receivables 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.

18.3 The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 are, as follows:

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2025 INR Nil. Remaining performance obligation estimates are subject to change and affected by several factors including terminations, change of scope of contracts, occurrence of same is expected to be remote. The company vide letter dated August 24, 2023 has recommended NHAI for harmonious substitution of the concession. The Company has received 'Completion Certificate' for the project highway on July 19, 2024. Hence information of remaining performance obligation (unsatisfied or partially satisfied) as at March 31, 2025 is not given.

18.4 Reconciliation of the amount of revenue recognised in the statement of profit and loss with contract price is not given as there is no adjustment made with respect to contract price.

19 Other Revenue

Interest on Fixed Deposit
Notional Finance Income on Annuity Receivable
Interest on Mobilization Advance (Refer Note 26)
Interest on Income Tax Refund
Sale of Scrap
Liabilities written back
Misc. Income*

March 31, 2025	March 31, 2024
INR in Million	INR in Million
1.22	0.90
-	191.73
-	3.96
0.42	0.08
0.51	-
1.84	3.64
0.00	-
Total	200.30

*INR 1428 as on March 31, 2025 is below rounding off norms adopted by the company.

20 Construction Expenses (Refer Note 26)

EPC Contract Expense
Change of Scope Expense

March 31, 2025	March 31, 2024
INR in Million	INR in Million
39.69	365.16
43.52	30.43
Total	395.59

21 Employee Benefit Expense (Refer Note 26)

Salaries, wages and other allowances

March 31, 2025	March 31, 2024
INR in Million	INR in Million
-	0.35
Total	0.35

22 Finance Cost

Interest Expenses on:

Long Term Loan
Short Term Loan
Mobilization Advance

Other Borrowing Cost:

Amortisation of Processing Fees
Interest on delayed payment of TDS
Bank Review & Inspection Charges
Bank Charges

March 31, 2025	March 31, 2024
INR in Million	INR in Million
363.99	444.64
-	1.20
-	1.79
4.52	4.19
0.48	-
0.12	0.49
0.01	0.01
Total	452.32

23 Other Expenses

Rates & Taxes
Insurance Expenses
Auditor Remuneration (Refer note 23.1)
Professional Fees & Expenses
Director Sitting Fees (Refer Note 26)
Corporate Social Responsibility Expenses (Refer note 23.2)
Independent Consultant Fees
Miscellaneous Expenses

	March 31, 2025	March 31, 2024
	INR in Million	INR in Million
	3.28	0.01
	6.82	4.26
	0.20	0.25
	1.86	6.85
	0.12	0.12
	2.65	-
	3.09	15.49
	0.01	0.26
Total	18.03	27.24

23.1 Auditor Remuneration

Statutory Audit Fees
Certification Fees

	March 31, 2025	March 31, 2024
	INR in Million	INR in Million
	0.15	0.14
	0.05	0.11
Total	0.20	0.25

23.2 Corporate Social Responsibility

The provisions of section 135 of the Companies Act, 2013 is not applicable to the Company during F Y 2024-25.

Details of Corporate social responsibility expenditure
Particulars

A. Opening carry forwarded Amount

B. Gross amount required to be spent by the Company

C. Amount spent during the year

(i) Construction/acquisition of any assets

(ii) For purpose other than (i) above

D. Amount carry forwarded to next year

Unspent CSR amount

	March 31, 2025	March 31, 2024
	INR in Million	INR in Million
	-	-
	2.65	-
	-	-
	2.65	-
	-	-
	-	-

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

24 Earnings/(loss) Per Share:

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

Particulars	March 31, 2025	March 31, 2024
Net (loss) as per Statement of Profit & Loss (INR in Million)	(289.10)	(271.63)
Total no. of equity shares at the end of the year	2 69 66 000	2 69 66 000
Weighted average of number of equity shares outstanding during the year	2 69 66 000	2 69 66 000
Nominal value of equity shares	10	10
Basic & Diluted earning per share	(10.72)	(10.07)

25 Contingent Liabilities & Commitments

1 Contingent Liability not acknowledge as debt

- (i) The GST department has issued DRC-7 dt February 03, 2025 with Total demand of INR 792.80 million (including Interest and Penalty for FY 2017-18. The company has filled the appeal against the said order on May 01, 2025 (before signing of this financial statement)

2 Commitment

- (i) The following are the estimate amount of contractual commitments relating to project expenditure of the Company.

Capital Commitments	(INR in Million)	
	March 31, 2025	March 31, 2024
Road Construction and Development Work	-	-

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

26 Related Party Disclosures:

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

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

Sr. No	Description of Relationship	Name of the Related Party
(A)	Enterprises having control:	
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)
	Key Managerial Personnel (KMP)	Mr.Mahendrasinh R. Chavada (Director)
		Mr. Purushottambhai B. Patel
		Mr.Arunbhai S. Patel (Independent Director) (upto November 15, 2024)
		Mr. Tarang M Desai (Independent Director) (w.e.f : November 11, 2024)
		Mrs Radhika Raninga (Up to July 21, 2023)

(II) Transactions with Related Parties during the year:

No.	Particulars	(INR in Million)	
		March 31, 2025	March 31, 2024
(i)	Construction Contract Charges		
	-SEL	-	69.26
(ii)	Reimbursement for payment made on behalf		
	-SIPL	2.91	12.61
	-SEL	(14.53)	0.42
(iii)	Interest Income on Mobilization Advance		
	-SEL	-	3.96
(iv)	Loan received		
	- SIPL	-	127.30
(v)	Loan repaid		
	- SIPL	2.82	-
(vi)	Advance given/ (recovery)		
	- SIPL	-	(37.82)
	- SEL	164.69	41.59
(vii)	Director Sitting Fees		
	- Arun S Patel	0.02	0.04
	- Mahendrasinh Chavada	0.04	0.04
	- Purushottambhai Patel	0.04	0.04
	- Tarang Madhukar Desai	0.02	
(viii)	Remuneration paid to CS		
	- Radhika Raninga	-	0.35

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

(III) Balance outstanding as at the year end:

No.	Particulars	(INR in Million)	
		March 31, 2025	March 31, 2024
(i)	Sub-debt		
	-SIPL	1,346.39	1,346.39
(ii)	Payable towards Construction contract including Retention		
	-SEL	6.27	164.39
(iii)	Payable towards Utility Shifting including Retention		
	-SEL	-	15.40
(iv)	Payable towards Reimbursement of Expense		
	-SIPL	-	0.74
	-SEL	-	5.69
(v)	Advance Given		
	-SEL	126.64	291.33
(vi)	Interest Receivable from SEL		
	-SEL	62.04	62.04
(vii)	Director Sitting Fees		
	- Arun S Patel	-	0.01
	- Tarang S Desai	0.01	-
	- Mahendrasinh Chavada	0.01	0.01
	- Purushottambhai Patel	0.01	0.01
(viii)	Loan Payable		
	-SIPL	124.48	127.30

(IV) Terms and conditions :

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except 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.
3. Loan in INR taken from the related party is interest free.

27 Segment Reporting

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

28 Trade dues to MSME

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

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

29 Income Tax Expenses

The major components of income tax expense 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	-	(7.98)
Earlier Year Tax Adjusted	0.20	-
Tax Expense reported in the Statement of Profit and Loss	0.20	(7.98)

B) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2024

	March 31, 2025 (INR In Million)	March 31, 2024 (INR In Million)
Accounting profit before tax	(288.90)	(279.61)
Statutory Income tax rate	25.17%	25.17%
Expected Income Tax Expenses	-	-
Deferred tax Adjustment	-	(7.98)
Earlier Year Tax Adjusted	0.20	-
Income Tax Expenses considered in accounts	0.20	(7.98)

* The company has no taxable income as per the Income Tax Act 1961 during the current and previous year. Hence no provision of income tax is made

C) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2025 & March 31, 2024.

Details of Deferred Tax

Particulars	(INR in Million)			
	Balance sheet		Statement of Profit & Loss	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Unused losses available for offsetting against future taxable	-	-	-	233.94
Temporary Differences on account of Notional income	-	-	-	(241.92)
Deferred Tax Expense/ (Income)	0.00	(7.98)	-	(7.98)
Net deferred tax (Assets)/Liabilities	-	(7.98)	-	(7.98)
Deferred Tax Assets not recognised	(161.05)	(54.04)	-	-

Notes :

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- As a matter of prudence, the Company has recognised deferred tax assets on deductible temporary differences and carry forward of unused tax losses in the books to the extent of deferred tax liability balance as it is not probable that future taxable profit will be available against which deferred tax asset on account of those temporary differences, losses and tax credit can be utilized.

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

30 Financial Instruments

(I) Disclosure of Financial Instruments by Category

Financial instruments by Category					(INR in Million)		
Financial instruments by categories	Note no.	March 31, 2025			March 31, 2024		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Asset							
Cash and Cash Equivalent	6	-	-	113.67	-	-	96.53
Bank balances	7	-	-	132.00	-	-	-
Current Financial Assets	8	-	-	201.34	-	-	76.46
Receivable from NHAI	5	-	-	4,090.44	-	-	5,030.86
Total Financial Assets		-	-	4,537.45	-	-	5,203.85
Financial Liabilities							
Non Current Borrowings	13	-	-	3,279.57	-	-	3,641.25
Current Borrowings	14	-	-	469.41	-	-	576.34
Trade Payable	15	-	-	9.81	-	-	195.95
Current Financial Liabilities	16	-	-	-	-	-	74.10
Total Financial Liabilities		-	-	3,758.79	-	-	4,487.64

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

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

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. Hence fair value hierarchy is not given for the same.

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

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

31 Financial Risk Management

Financial instruments risk management objectives and policies

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

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

(a) Market Risk

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

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025.

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 Millions)	
	31.03.2025	31.03.2024
Variable rate borrowings	3,649.14	4,119.45

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest Rate Risk Analysis	(INR in Million)	
	Impact on profit/ loss after tax	
	31.03.2025	31.03.2024
Interest rate increase by 25 basis point	(9.12)	(10.30)
Interest rate decrease by 25 basis point	9.12	10.30

(b) Credit Risk

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

(c) Liquidity Risk

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

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

As at March 31, 2025		(INR in Million)					
Non Derivative Financial Liability	Carrying Amount	On Demand	up to 1 year	1 - 2 years	2 - 5 years	> 5 years	
Secured Borrowings*	3,649.14	-	349.44	375.85	1,048.49	1,875.36	
Current Borrowings	124.48	-	124.48	-	-	-	
Trade Payables	9.81	-	9.81	-	-	-	
As at March 31, 2024		Carrying Amount	On Demand	up to 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability							
Secured Borrowings	4,119.45	-	449.04	349.44	1,057.03	2,263.94	
Current Borrowings	127.30		127.30				-
Trade Payables	195.95	-	195.95	-	-	-	-
Current Financial Liabilities	74.10	-	74.10	-	-	-	-

*Current maturity of non-current borrowings is included under current borrowings

*Current maturity of non-current borrowings is included and unamortised transaction cost paid to lenders on upfront basis is excluded.

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

32 Disclosure pursuant to Appendix - E to Ind AS 115 - "Revenue from Contract with Customers"

(I) Description and classification of the arrangement

The Company has entered into Concession Agreement ('CA') with National Highway Authority of India (NHAI) dated June 06, 2017 for the purpose of augmenting the existing road from km 118.500 of NH-76 to existing km 287.400 of NH-8 (approximately 23.883 km) on the Kishangarh-Udaipur Ahmedabad section in the state of Rajasthan by Six-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the CA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction period of 730 days and Operation year of 15 years commencing from COD. The company received the PCOD date with effect from 31/07/2020 for the completed length of 18.718 kms. The Company has also received COD w.e.from July 19, 2024

(II) Significant Terms of the Arrangements

(a) Bid Project Cost:-

The cost of the construction of the project which is due and payable by NHAI as on the Bid date is considered as the bid project cost under the concession agreement. The bid project cost has been finalised as INR 8910.00 Million as at the bid date. Bid project cost is inclusive of the cost of construction, interest during construction, working capital, physical contingencies and all other costs, expenses and charges for and in respect of the construction of the project.

(b) Adjusted Bid Project Cost

The Bid Project cost adjusted to variation between the Price Index occurring between the Reference Index Date preceding the Bid Date and the Reference Index Date immediately preceding the Appointed Date shall be deemed to be the Bid Project Cost at commencement of construction.

(c) Payment of Bid Project Cost:-

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

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

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

(d) Bonus on early completion:-

The SCA also provides for the payment of Bonus to the company in the event the COD is achieved on or more than 30 days prior to the schedule completion date. The schedule completion date of the construction is 30/11/2019.

(e) Operation & Maintenance Payments:-

All Operation and Maintenance expenditure shall be borne by the concessionaire. However, as provided in SCA, the company shall be entitled to received lump sum financial support in the form of biannual payments by the NHAI, which shall be computed on the amount quoted in the O&M bid. Each instalment of O&M payment shall be the product of the amount determined in accordance with the terms of the SCA and the price index multiple on the reference index date preceding the due date of payment thereof.

(f) Escrow Account:-

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

(g) Termination of the SCA:-

SCA can be terminated on account of default of the company or NHAI in the circumstances as specified under Article 37 of the SCA.

(h) Restriction on assignment and charges:-

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

(i) Changes in SCA:-

There has been no change in the concession arrangement during the year. However attention is invited to note no. 34 regarding substitution of concessionaire.

The Company has received 'Completion Certificate' for the project highway on July 19, 2024.

(j) Force Majeure Event:-

As per the Concession Agreement; the Concessionaire, in case any force majeure event occurs before COD, is eligible to get the extension of time for a period equal in length to the duration for which the force majeure event subsist. The Company has received 'Completion Certificate' for the project highway on July 19, 2024.

(III) Below is the details of revenue and profit recognised in the year ended March 31, 2025 on exchange of construction services.

The Company has recognised construction revenue of INR 36.69 million (March 31, 2024: INR 365.16 million) received from NHAI towards contract revenue. The Company recognised profit/(loss) of INR (289.10) million (March 31, 2024: INR (271.63) million) from construction operation.

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

33 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 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 Sponsor Support Agreement to support the company for capital requirement in case of cost over run and short fall in cash flow.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain 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.

Summary of Quantitative Data is given hereunder:

Particulars	(INR in Million)	
	March 31, 2025	March 31, 2024
Secured Borrowings	3,649.14	4,119.45
Total Debt - A	3,649.14	4,119.45
Equity Share Capital	269.66	269.66
Other Equity	815.09	1,104.19
Total Equity - B	1,084.75	1,373.85
Debt to Equity Ratio - (A/B)	3.36	3.00

- 34 The Company has received 'Completion Certificate' for the project highway on July 19, 2024. However the Company has requested to National Highways Authority of India (NHAI) and lenders to allow Harmonious Substitution of the concessionaire with the SPV to be nominated by Gawar Construction Limited vide letter dated August 24, 2023 with the consent of Facility Agent on behalf of Senior lender. In terms of concession agreement, in case of substitution of the concessionaire, the project of the Company shall be transferred to nominated Company. NHAI, in the month of December 2023 has given in principal approval for harmonious substitution of the concessionaire i.e. Company subject to various terms and conditions which also provides for payment of penalty before final approval for substitution. The Company is in the process of compliance of the conditions prescribed by NHAI for substitution and has also requested for waiver of penalty and other levies. In view of the above, the Company has suspended recognising notional finance income in temporary basis.
- During the year ended on March 31, 2025, the Company has also entered into Definitive agreement amongst Sadbhav Infrastructure Project Limited, Gawar Construction Limited and Gawar Udaipur Highway Private Limited on March 12, 2025 for substitution of the concessionaire. Pending the compliance of conditions including execution of endorsement agreement, no adjustment to the carrying value of Assets and liabilities have been made in these financial statements and these financial statements are prepared on going concern basis.

35 Ratios

Sr No	Ratio	Numerator	Denominator	As at 31-Mar-2025	As at 31-Mar-2024	Deviation	Reason for Deviation if > 25%
1	Current Ratio	Current Assets	Current Liabilities	2.66	1.57	69.63%	Due to decrease Outstanding amount of Trade Payables
2	Debt – Equity Ratio	Total Debt	Shareholder's Equity	3.36	3.00	12.19%	-
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Interest+Principal repayments)	0.09	0.26	-66.80%	Due to decrease in Finance Income on financial asset carried at amortised cost in the current year as compare to previous year
4	Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Equity Shareholders' Fund	-23.52%	-17.99%	30.72%	Share holder's fund decreases due to increase in losses during the year.
5	Inventory Turnover Ratio	Cost of goods sold OR sales	Average Inventory	N.A	N.A	N.A	The Company engaged in Construction activities. Hence, these Ratios are not relevant to the company.
6	Trade receivables	Net Credit Sales	Avg. Accounts	N.A	N.A	N.A	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.81	2.03	-60.16%	Decrease in trade payable during the year as compared to previous year
8	Net capital turnover ratio	Revenue from Operations	Working Capital	0.22	0.81	-72.96%	Decrease in revenue during the year as compared to previous year
9	Net profit ratio	Net Profit	Total Income	-159.32%	-45.58%	249.51%	Due to increase in losses during the year.
10	Return on capital employed	Earning before interest and taxes	Tangible networth+Total debt+Deferred tax liabilities	1.66%	3.09%	-46.27%	Due to decrease in Finance Income on financial asset carried at amortised cost in the current year as compared to previous year
11	Return on investment	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$	N.A	N.A	N.A	-

36 Other Regulatory Requirements:

- (a) The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and
- (b) The company has not received disbursement of loan from financial institution and has availed term loan hence is not required to file quarterly statements to financial
- (c) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (e) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
- (f) 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.
- (g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (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.
- (h) The Company has no transaction and or outstanding balance as at 31st March, 2025 and March 31,2024 with the Companies struck off under Companies Act, 2013.

36 Events Occurring after balance sheet date:

According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to, in these financial statements.

37 Previous year figures:

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

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

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

Devansh Gandhi
Partner
Membership No.129255

Mahendrasinh R. Chavda
Director
DIN: 02607067

Purushottambhai Patel
Director
DIN: 09794838

Place: Ahmedabad
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025