

Sadbhav Vidarbha Highway Limited
CIN: U45500GJ2017PLC097040
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. Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	0.05	0.48
(ii) Other Financial Assets	7	31.50	75.32
(b) Other Current Assets	8	504.71	504.84
(c) Current tax asset (Net)	9	-	2.88
Total Current Assets		536.26	583.51
Total Assets		536.26	583.51
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	257.99	257.99
(b) Other Equity	11	260.83	308.69
Total Equity (A)		518.83	566.68
LIABILITIES			
1. Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	12	-	-
-total outstanding dues of micro and small enterprises		4.51	5.82
-total outstanding dues of creditors other than micro and small enterprises	13	0.00	0.20
(ii) Other Financial Liabilities	14	12.92	10.81
(b) Other Current Liabilities			
Total Current Liabilities (B)		17.43	16.83
Total Equity and Liabilities (C) = (A) + (B)		536.26	583.51
Summary of Material Accounting Policies	1-4		
Accompanying notes are an integral part of the financial statements 1 to 33 As per our report of even date attached For Manubhai & Shah LLP Chartered Accountants ICAI Firm Registration No.106041W/W100136 Devansh Gandhi Partner Membership No. 129255 Place: Ahmedabad Date: May 23, 2025 For & On behalf of the Board of Directors of Sadbhav Vidarbha Highway Limited Shashin Patel Director DIN: 000048328 Rajat Mondal Director DIN: 09811116 Place: Ahmedabad Date: May 23,2025			

Sadbhav Vidarbha Highway Limited
CIN: U45500GJ2017PLC097040
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
I INCOME			
Revenue From Operations	15	-	4.05
Other Income	16	0.93	8.42
Total Income (I)		0.93	12.47
II EXPENSES			
Finance Cost	17	0.13	343.00
Other Expenses	18	13.96	50.83
Total Expenses (II)		14.09	393.83
III (Loss) before tax & exceptional items (I-II)		(13.15)	(381.36)
IV Exceptional item	28	-	763.20
V Profit/(loss) before tax & after exceptional items (III+IV)		(13.15)	381.84
VI Tax expenses	22		
Current tax		-	-
Deferred tax		-	-
VII Profit/(loss) for the year (V-VI)		(13.15)	381.84
Other Comprehensive income		-	-
VIII Total Comprehensive Income for the year (VI+VII)		(13.15)	381.84
Earnings/(loss) Per share (Nominal Value of INR 10/-)			
Basic & Diluted		(0.51)	14.80

Summary of Material Accounting Policies

1-4

Accompanying notes are an integral part of the financial statements

1 to 33

As per our report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No.106041W/W100136

Devansh Gandhi

Partner

Membership No. 129255

Shashin Patel

Director

DIN: 000048328

Rajat Mondal

Director

DIN: 098111116

Place: Ahmedabad

Date: May 23, 2025

Place: Ahmedabad

Date: May 23, 2025

Place: Ahmedabad

Date: May 23, 2025

Sadbhav Vidarbha Highway Limited
Statement of Cash Flows 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			
Profit/(loss) before tax		(13.15)	381.84
Amortisation of Processing Fees		-	25.34
Interest and other borrowing cost		-	317.66
Exceptional Items		-	(763.20)
Cash generated before Effect of Working capital		(13.15)	(38.36)
Adjustments for:			
(Increase) in financial assets		43.82	5,893.90
(Increase) in other current financial asset		-	(46.14)
(Increase)/Decrease in current asset		0.12	(1.76)
(Decrease)/Increase in trade payables		(1.31)	81.41
(Decrease) in Other financial liabilities		(0.20)	(51.33)
(Decrease)/Increase in current liability		2.11	(4.14)
Cash flows generated from operating activities		31.39	5,833.58
(+)/(-) : Tax paid (net of refund)		2.88	16.02
Net cash flows generated from operating activities	(A)	34.27	5,849.60
(B) Cash Flows from investing activities			
Net cash generated from investing activities	(B)	-	0.00
(C) Cash Flows from financing activities			
Secured loan received during the year		-	60.58
Repayment of Non-Current Borrowings		-	(5,471.91)
Repayment of Sub-ordinate debt		(34.70)	(52.33)
Interest and other Finance cost		-	(386.09)
Net Cash Flows (used in) financing activities	(C)	(34.70)	(5,849.75)
Net (decrease) in cash and cash equivalents	(A+B+C)	(0.43)	(0.15)
Cash and cash equivalents at beginning of the year		0.48	0.63
Cash and cash equivalents at end of the year		0.05	0.48

Notes:

1 Components of cash and cash equivalents (Refer note 6)

Particulars	March 31,2025 INR in Million	March 31,2024 INR in Million
Cash on hand		
Balances with banks in current accounts	0.01	0.01
Cash and cash equivalents	0.04	0.47
	0.05	0.48

- 2 Balances with banks include balance of INR Nil (March 31, 2024 0.47 INR Million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

Sadbhav Vidarbha Highway Limited
Statement of Cash Flows for the year ended March 31, 2025

3 Reconciliation of Financial liabilities

(INR In Million)

Long Term Borrowings
(Including Current Maturities)
Short Term Borrowings
Interest accrued

As at April 1, 2024	Cash Flows	Non-cash adjustment (Transaction Cost)	Interest Cost	As at March 31, 2025
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Reconciliation of Financial liabilities

Long Term Borrowings
Short Term Borrowings
Interest accrued

As at April 1, 2023	Cash Flows	Non-cash adjustment (Transaction Cost)	Interest Cost	As at March 31, 2024
5,386.00	(5,411.33)	25.34	-	-
6.40	-	(6.40)	-	-
119.77	(386.09)	(51.34)	317.66	-

4 The statement of cash flows has been prepared under indirect method as per Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows".

5 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
Sadbhav Vidarbha Highway Limited

Devansh Gandhi
Partner
Membership No. 129255

Shashin Patel Rajat Mondal
Director Director
DIN: 000048328 DIN: 09811116

Place: Ahmedabad
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025

Sadbhav Vidarbha Highway Limited
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	2,57,98,550	257.99	2,57,98,550	257.99
Changes in the equity share capital during the year due to prior period errors	-	-	-	-
Restated Balance at the beginning of the year	2,57,98,550	257.99	2,57,98,550	257.99
Changes in the equity share capital during the year	-	-	-	-
Balance at the end of the year	2,57,98,550.00	257.99	2,57,98,550.00	257.99

B Other Equity

Particulars	Equity Component of Compound Financial Instrument (Sub-ordinate debt)	(INR in Million)	
		Retained Earnings	Total Other Equity
Balance as at April 01, 2023	1,163.83	(138.63)	1,025.20
Change during year (Refer Note below) (Loss) during the year	(1,098.35)	-	(1,098.35)
Balance as at March 31, 2024	65.48	381.84	381.84
Change during year (Loss) during the year	(34.70)	243.21	308.69
Balance as at March 31, 2025	30.78	(13.15)	(13.15)
		230.06	260.84

Note 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. This includes INR 350 Million from Sadbhav Hybrid Annuity Projects Limited (SHAPL) a fellow subsidiary of the Company as approved by the lender as promoters contribution. As per Common loan Agreement, such sub ordinate debts are considered as sponsor's contribution to ensure Promoter's commitment for the project. Sub-ordinate debt is interest free and is repayable at the end of the concession period or earlier at the option of the Company. During the FY 2023-24, the Company has substituted the Concession with the new SPV and also executed endorsement agreement dated October 6, 2023 with the approval of NHAI and senior lenders for harmonious substitution of the Company. After full repayment to lenders, part repayment of subdebt has been made amounting to INR 52.33 Million and balance of INR 696.02 Million and INR 350 Million relating to Sadbhav Infrastructure Project Limited & Sadbhav Hybrid Annuity Projects Limited respectively are written off and shown as exceptional in statement of Profit & Loss for the year ended March 31, 2024.

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

Devansh Gandhi
Partner
Membership No. 129255

Place: Ahmedabad
Date: May 23, 2025

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

Shashin Patel
Director
DIN: 000048328

Rajat Mondal
Director
DIN: 09811116

Place: Ahmedabad
Date: May 23, 2025

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

1. Company information:

Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private 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 April 2017, to augment the existing road from km 253.700 of NH-361 to km 320.580 of NH-361 (approximately 66.880 km) on the Waranga to Mahagaon section in the state of Maharashtra by Four-Lining 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 910 days and Operation Period of 15 years commencing from Commercial Operation Date (COD). The National Highways Authority of India (NHAI) in the month of July 2023 at the request of the Company has given in principal approval for harmonious substitution of the Company as a concessionaire with new special purpose vehicle to be incorporated by the Gawar Construction Limited. The Company has entered into definitive agreement as on August 16, 2023 for substitution of the Company with the new SPV to be nominated by new concessionaire and also executed endorsement agreement dated October 06, 2023 with the approval of NHAI and senior lenders for harmonious substitution of the Company in favour of new concessionaire for implementation if the project.

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

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

financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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 realised or intended to be sold or consumed in the normal operating cycle;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- 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 recognize 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

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

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).

(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 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

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

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.

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 serviceability

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 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 Vidarbha Highway Limited
Notes to Financial Statements for year ended March 31, 2025

6 Cash and Cash Equivalents

Cash on hand
Balances with Banks
In Current Accounts

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	0.01	0.01
	0.04	0.47
Total	0.05	0.48

Note : Balances with banks include balance of INR Nil Million (March 31, 2024 0.47 INR Million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

7 Other Financial Assets

(Unsecured, Considered Good)
Receivable against sale of concession
Other Receivables

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	31.50	62.60
	-	12.72
Total	31.50	75.32

8 Other Current Asset

GST - Input Tax Credit Receivable

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	504.71	504.83
Total	504.71	504.84

9 Current tax assets (Net)

Tax Credit Receivable

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	-	2.88
Total	-	2.88

10 Equity Share Capital

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	INR in Million	No. of shares	INR in Million
Authorised Share Capital				
Equity Shares of INR 10 each				
Total	2 60 00 000	260.00	2 60 00 000	260.00
Issued, Subscribed and fully paid up	2 60 00 000	260.00	2 60 00 000	260.00
Equity Shares of INR 10 each				
Total	2 57 98 550	257.99	2 57 98 550	257.99
	2 57 98 550	257.99	2 57 98 550	257.99

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

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				
Add: Issue during the year	2 57 98 550	257.99	2 57 98 550	257.99
Outstanding at the end of the year	2 57 98 550	257.99	2 57 98 550	257.99

(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 2,57,98,550 equity shares issued, subscribed and paid up equity (2,57,98,550 shares as at March 31, 2024) 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		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	2 57 98 550	100	2 57 98 550	100
Total	2 57 98 550	100	2 57 98 550	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	2,57,98,550	100.00%	0%
Total	2,57,98,550	100%	0%
As at March 31, 2024			
Sadbhav Infrastructure Project Limited and its nominees	2,57,98,550	100.00%	0%
Total	2,57,98,550	100%	0%

11 Other Equity

Equity Component of Compound Financial Instrument (Sub-ordinate debt) (Refer note under Other Equity in Statement of Changes in equity)

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
Opening Balance		
Changes during the year (Refer note 21 & 29)	65.48	1,163.83
Balance at the end of the year	(34.70)	(1,098.35)
Retained Earnings*	30.78	65.48
Surplus/(Deficit) at the beginning of the Year		
Net profit/(loss) after tax transferred from Statement of Profit and Loss	243.21	(138.64)
Surplus at the end of the Year	(13.15)	381.84
Total	230.06	243.21
	260.83	308.69

* Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

12 Trade Payables

-Dues to other
-Dues to related parties (Refer Note No. 21)

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	4.48	5.79
	0.03	0.03
Total	4.51	5.82

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	0.05	0.49	0.20	2.56	1.20	4.51
3	Others-Related Parties	-	-	-	-	-	-
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	0.05	0.49	0.20	2.56	1.20	4.51

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	1.33	0.21	2.58	1.67	-	5.79
3	Others-Related Parties	-	0.03	-	-	-	0.03
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	Total	1.33	0.24	2.58	1.67	-	5.82

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

13 Other Current Financial Liabilities

Other

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	-	0.20
Total	-	0.20

14 Other Current Liabilities

Statutory dues
Other dues to related parties (Refer Note 21)

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	10.92	10.81
	2.00	-
Total	12.92	10.81

Sadbhav Vidarbha Highway Limited
(Formerly known as Sadbhav Vidarbha Highway Private Limited)
Notes to Financial Statements for year ended March 31, 2025

15 Revenue from Operations

Construction Contract Revenue

	March 31, 2025 (INR in Million)	March 31, 2024 (INR in Million)
	-	4.05
Total	-	4.05

Revenue from contract with customers

15.1 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.

15.2 Receivable under concession arrangement and contract balances

During the F Y 2023-24, the Company has substituted the Concession with the new SPV and also executed endorsement agreement dated October 6, 2023 with the approval of NHAI and senior lenders for harmonious substitution of the Company. Hence there is no receivable under concession arrangement and no contract balances at the year end.

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

During the F Y 2023-24, the Company has substituted the Concession with the new SPV and also executed endorsement agreement dated October 6, 2023 with the approval of NHAI and senior lenders for harmonious substitution of the Company. Hence the information of remaining performance obligation (unsatisfied or partially satisfied) as at March 31, 2025 and March 31, 2024 is not given.

15.4 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.

16 Other Income

Interest on Income Tax Refund
Provision no longer required written back
Bank Guarantee Commission

	March 31, 2025 (INR in Million)	March 31, 2024 (INR in Million)
	0.12	1.15
	0.81	6.98
	-	0.29
Total	0.93	8.42

17 Finance Cost

Interest on Long Term Loan
Interest on Delayed payment of TDS
Other Borrowing Cost
Amortisation of Processing fees
Bank Charges

	March 31, 2025 (INR in Million)	March 31, 2024 (INR in Million)
	-	317.65
	0.13	-
	-	25.34
	0.00	0.01
Total	0.13	343.00

18 Other Expenses

Rates & taxes
Auditor's Remuneration - Statutory Audit (Refer Note 18.1)
Professional & Legal Fees
Directors Sitting Fees (Refer Note 21)
Corporate Social Responsibility Expenses (CSR) (Refer Note 18.2)
Provision for Expected credit loss
Write off
Penalty

	March 31, 2025 (INR in Million)	March 31, 2024 (INR in Million)
	0.19	0.01
	0.11	0.21
	0.15	3.44
	0.12	0.11
	0.90	-
	3.88	-
	8.60	0.06
	-	47.00
Total	13.96	50.83

18.1 Auditor's remuneration comprises following :

Fees for Statutory Audit
Fees for Certification

	March 31, 2025 (INR in Million)	March 31, 2024 (INR in Million)
	0.11	0.11
	-	0.10
Total	0.11	0.21

18.2 Corporate Social Responsibility

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

Total

	March 31, 2025 INR in Million	March 31, 2024 INR in Million
	-	-
	0.90	-
	-	-
	0.90	-
	-	-
Total	-	-

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

19 Earnings/(loss) Per Share (EPS):

Earnings/(loss) per share is calculated by dividing the Net Profit/(loss) 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 profit/(loss) as per Statement of Profit & Loss (INR in Million)	(13.15)	381.84
Total no. of equity shares at the end of the year	2,57,98,550	2,57,98,550
Weighted average of number of equity shares	2,57,98,550	2,57,98,550
Nominal value of equity shares	10	10
Basic & Diluted Earnings/(loss) per share in INR	(0.51)	14.80

20 Contingent Liabilities/Commitments

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

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

*(Refer Note 29)

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

21 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)
(B)	Fellow Subsidiary :	Sadbhav Hybrid Annuity Private limited (SHAPL)
(C)	Key Managerial Personnel (KMP)	Mr. Girish D. Patel (Director) (Up to June 18, 2024) Mr. Shashin V. Patel (Director) Mrs. Shefali Manojbhai Patel (W.e.f.11.11.2024) Mr. Sandip V. Patel (Independent Director) (Up to November 15, 2024) Mr Rajat Mondal (Director) (W.e.f. 20.05.2024)

(II) Transactions with Related Parties during the year:

No.	Particulars	March 31, 2025	March 31, 2024
(i)	Reimbursement (net)		
	-SIPL		
	-SEL	2.00	104.13
(ii)	Advance given/(recovered) for EPC work		
	-SEL	-	0.05
(iii)	Directors Sitting Fee		
	-Sandip Patel	-	(4.22)
	-Rajat Mondal		
	-Shefali Manojbhai Patel	0.02	0.04
	-Girish Patel	0.04	-
	-Shashin Patel	0.02	-
(iv)	Reversal of Payable towards EPC & Price Escalation (including retention)*		
	-SEL	0.04	0.03
(v)	Reversal of Payable towards Utility Shifting Expense *		
	-SEL	-	463.48
(vi)	Reversal of Advance given for EPC work*		
	-SEL	-	46.65
(vii)	Reversal of Interest Receivable on Mobilization Advance*		
	-SEL	-	709.07
(viii)	Reversal of Payable/(Receivable) towards Operating, Maintenance & Reimbursement of Expenses*		
	-SEL	-	66.68
	-SIPL		
(ix)	Reversal of Loan payable including Interest *		
	-SIPL	-	(11.20)
		-	185.69
(x)	Reversal of Sub-ordinate debt*		
	-SIPL	-	6.40
	-SHAPL		
(xi)	Repaid Sub-ordinate debt		
	-SIPL	-	696.02
		-	350.00
	* Refer Note 28	34.70	52.33

(III) Balance outstanding as at the year end:

No.	Particulars	March 31, 2025	March 31, 2024
(i)	Sub-ordinate debt		
	-SIPL		
(ii)	Reimbursement Payable		
	-SIPL	30.78	65.48
(iii)	Directors Sitting Fee payable		
	-Sandip Patel	2.00	-
	-Rajat Mondal		
	-Shefali Manojbhai Patel	-	0.01
	-Girish Patel	0.01	-
	-Shashin Patel	0.01	-
		-	0.01
		0.01	0.01

(IV) Terms and conditions:

- 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 and settlement occurs in cash as per the terms of the agreement.
- The Company has not provided any commitment to the related party as at March 31, 2025.
- During the previous year, no interest is provided on loan taken from related party.

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

22 Income Tax Expenses

(a) Current Tax

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.

(b) Deferred Tax

1. 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.
2. On the basis of best possible estimate and probability of availability of future taxable profit under Income Tax provisions, for which unused losses would be set off, the Company has not recognised deferred tax assets on carry forward of losses it in the books as at the balance sheet date. Such estimate will be revisited each year and impact if any on future changes in estimates would be accounted in the respective year based on probability of its set off.

23 Segment Reporting

The operating segment of the Company is identified to be "Design, Build, Operate and Transfer (DBOT)" or "Hybrid Annuity" Basis, 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 Operating Segments. Further, the Company also primarily operates under one geographical segment namely India.

24 Trade Dues to Micro and Small Enterprises

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.

25 Financial Instruments

(I) Disclosure of Financial Instruments by Category

		(INR in Million)		
Financial instruments by categories	Note no.	March 31, 2025		
Financial Asset		FVTPL	FVTOCI	Amortized cost
Cash on Hand	6	-	-	0.01
Balances with Banks	6	-	-	0.04
Other Financial Assets	7	-	-	31.50
Total Financial Assets		-	-	31.55
Financial Liabilities				
Trade Payables	12	-	-	4.51
Total Financial Liabilities		-	-	4.51

		(INR in Million)		
Financial instruments by categories	Note no.	March 31, 2024		
Financial Asset		FVTPL	FVTOCI	Amortized cost
Cash on Hand	6	-	-	0.01
Balances with Banks	6	-	-	0.47
Other Financial Assets	7	-	-	75.32
Total Financial Assets		-	-	75.80
Financial Liabilities				
Trade Payables	15	-	-	5.82
Current Financial Liabilities	16	-	-	0.20
Total Financial Liabilities		-	-	6.02

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

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. Therefore, There is no requirement of disclosure of fair value hierarchy.

26 Financial Risk Management

The Company's principal financial liabilities comprise of 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 includes 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.

(I) 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.

A Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk because the company does not have outstanding any borrowing as at reporting

(II) 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	Carrying Amount	(INR in Million)				
		On Demand	up to 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2025						
Non Derivative Financial Liability						
Trade Payables	4.51	-	4.51	-	-	-
Other Payables	-	-	-	-	-	-
As at March 31, 2024						
Non Derivative Financial Liability						
Trade Payables	5.82	-	5.82	-	-	-
Other Payables	0.20	-	0.20	-	-	-

(III) 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 the terms of Concession Agreement and does not have any other outstanding receivables.

27 Capital Management

For the purpose of the Company's capital management, capital includes issued Equity Capital and Other equity in form of Sub-ordinate Debt.

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 sub-ordinate debt and operating cash flows generated.

The Sponsor i.e. Sadbhav Infrastructure Project Limited (SIPL) & Sadbhav Hybrid Annuity Projects Limited (SHAPL) which is a wholly owned subsidiary of SIPL have also entered into Sponsor Support Agreement & Subordinate Loan Agreement, to support the Company for capital its requirement in case of cost over run and short fall in cash flow.

Summary of Quantitative Data is given hereunder:

Particulars	(INR in Million)	
	March 31, 2025	March 31, 2024
Equity		
Other Equity	257.99	257.99
	260.83	308.69
Total	518.83	566.68

The company does not have any externally imposed capital requirement as on March 31, 2025 (March 31, 2024 : Nil)

- 28** National Highways Authority of India (NHAI) in the month of July 2023 at the request of the Company has given in principal approval for harmonious substitution of the Company as a concessionaire with new special purpose vehicle to be incorporated by the Gawar Construction Limited. Thereafter Definitive agreement was entered into between the Company, Sadbhav Infrastructure Project Limited (SIPL) (The holding Company), Sadbhav Engineering Limited (SEL) (The Ultimate holding Company), Gawar Constuction Limited (GCL) and Gawar Waranga Highways Private Limited ("Nominated SPV") as on Augutst 16, 2023 for substitution of the project with the new SPV and also executed endorsement agreement dated October 6, 2023 with the approval of NHAI and senior lenders for harmonious substitution of the Company in favour of new concessionaire for implementation of the project. The nominated SPV has taken over the rights and obligations to implement the Project as per the provisions of the Concession Agreement. Consequently, all the balances outstanding in the books of the Company related to the project are adjusted against the consideration receivable from the GCL and the remaining balances related to project outstanding are written back/ written off and disclosed as as exceptional items in statement of profit and loss for the F Y 2023-24.
- 29** The Company has GST Credit (ITC) INR 504.71 millions as on March 31, 2025 and also Carry forward losses under the Income Tax Act of INR 6413.61 millions as per Income Tax Return filed for the year ended March 31, 2024. The Management of the Company is exploring various strategic option to utilise/ encash the said GST Credit and also carryforward Losses under the Income Tax Act, 1961. For this purpose it is considering the options of restructuring and / or taking up some business activities. In view of this, the accounts are prepared under going concern basis.

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

30 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	30.76	34.66	-11.24%	
2	Debt – Equity Ratio	Total Debt	Shareholder's Equity	N.A	N.A	N.A	No debt outstanding at the end of the year
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Interest + Principal repayments)	N.A	0.12	N.A	No debt outstanding at the end of the year
4	Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(0.02)	0.41	-105.91%	Due to loss in the current 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 turnover ratio	Net Credit Sales	Avg. Accounts Receivable	N.A	N.A	N.A	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	N.A	N.A	N.A	
8	Net capital turnover ratio	Revenue	Working Capital	N.A	0.01	N.A	Due to Nil revenue during the year ratio is not calculated
9	Net profit ratio	Net Profit	Revenue	(14.07)	30.62	-145.94%	As the Company has losses during the year
10	Return on capital employed	Earning before interest and taxes	Tangible net worth+ Total debt+ Deferred tax liabilities	(0.03)	1.28	-101.96%	Due to loss in the current 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	The Company has no investment and hence the ratio is not calculated.

31 Other Regulatory Requirements:

- The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 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 institution.
- 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).
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- 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 Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has no transaction and or outstanding balance as at March 31, 2025 and March 31, 2024 with the Companies struck off under Companies Act, 2013.

32 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.

- 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
Sadbhav Vidarbha Highway Limited

Devansh Gandhi
Partner
Membership No. 129255

Shashin Patel
Director
DIN: 000048328

Rajat Mondal
Director
DIN: 09811116

Place: Ahmedabad
Date: May 23, 2025

Place: Ahmedabad
Date: May 23, 2025