



Ref: SEL/2025-26/116

September 08, 2025

To, The Dy Gen Manager Corporate Relationship Dept <b>BSE Limited</b> PJ Tower, Dalal Street, Mumbai- 400 001  <b>Equity Scrip Code:532710</b>	To, <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Fax : 022-26598237-38 <b>Equity Scrip Name: SADBHAV</b>
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**Sub: Notice of 36<sup>th</sup> Annual General Meeting ("AGM") and Annual Report for Financial year 2024-2025 of Sadbhav Engineering Limited**

Dear Sir/Madam,

This is to inform that the 36<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Tuesday, 30<sup>th</sup> September, 2025 at 04:30 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 30 and 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2024-25 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice of AGM is also uploaded on the Company's website and can be accessed at [www.sadbhaveng.com](http://www.sadbhaveng.com).

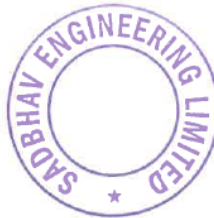
This is for your information and records.

Thanking You,

Yours truly,

**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
**Chairman and Managing Director**  
**DIN: 00048328**



**Encl: As above**



Building a Brighter  
Tomorrow Together



# 36<sup>th</sup> ANNUAL REPORT 2024-25

SADBHAV ENGINEERING LIMITED



Transport



Mining



Irrigation

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**Late Shri Vishnubhai M. Patel**

27 January, 1942 – 25 December, 2018  
Founder and Former Chairman & Managing Director,  
Sadbhav Engineering Ltd.

A visionary who transformed roads  
into pathways of progress.

Your dream continues to guide us,  
your values continue to strengthen us,  
and your legacy continues to inspire us.

The foundations you laid remain  
our guiding strength for the future.





# Corporate Information

## BOARD OF DIRECTORS



**Shri Shashin V. Patel**

Chairman and  
Managing Director



**Shri Jatin Thakkar**

Non-Executive Director



**Dr. Tarang M. Desai**

Independent Director



**Shri Ambalal C Patel**

Independent Director  
(w.e.f. 31.07.2024)



**Smt. Shefali M. Patel**

Independent Director  
(w.e.f. 06.07.2024)

**Shri Rohit Modi**

Group CEO  
(upto 24-10-2024)

**Shri Shidharth Vyas**

Non-Executive Director  
(w.e.f 04.09.2025)

**Shri Dwigesh B. Joshi**

Executive Director & CFO  
(upto. 08.04.2024)

**Shri Sandip V. Patel**

Independent Director  
(upto 31.07.2024)

### BOARD COMMITTEES

#### Audit Committee

**Smt. Shefali Patel**

Chairman (w.e.f. 14.08.2024)

**Dr. Tarang M. Desai**

Member

**Shri Jatin Thakkar**

Member (w.e.f. 21.05.2024)

**Shri Sandip Patel**

Chairman (upto 31.07.2024)

**Shri Shashin V. Patel**

Member (upto 06.07.2024)

#### Nomination and Remuneration Committee

**Dr. Tarang M. Desai**

Chairman (w.e.f. 14.08.2024)

**Shri. Jatin Thakkar**

Member (w.e.f. 09.02.2024)

**Smt. Shefali Patel**

Member (w.e.f. 14.08.2024)

**Shri Sandip V. Patel**

Chairman (upto 31.07.2024)

#### Stakeholders Relationship Committee

**Shri Jatin Thakkar**

Chairman (w.e.f 14.08.2024)

**Dr. Tarang M. Desai**

Member

**Shri Shashin V. Patel**

Member

**Shri Sandip V. Patel**

Chairman (upto 31.07.2024)

#### Finance and Investment Committee

**Shri Shashin V. Patel**

Chairman

**Shri Jatin Thakkar**

Member

**Shri Ambalal C Patel**

Member (w.e.f. 14.08.2024)

**Shri Sandip V. Patel**

Member (upto 31.07.2024)

#### Corporate Social Responsibility Committee

**Shri Shashin V. Patel**

Chairman

**Shri Jatin Thakkar**

Member (w.e.f. 21.05.2024)

**Dr. Tarang Desai**

Member (w.e.f. 14.08.2024)

**Shri Sandip V. Patel**

Member (upto 31.07.2024)

**Shri Dwigesh Joshi**

Member (upto 08.04.2024)

#### Risk Management Committee

**Shri Shashin V. Patel**

Chairman

**Shri Jatin Thakkar**

Member (w.e.f. 21.05.2024)

**Smt. Shefali Patel**

Member (w.e.f. 14.08.2024)

**Shri Sandip V. Patel**

Member (upto 31.07.2024)

**Shri Dwigesh Joshi**

Member (upto 08.04.2024)

### BANKERS

Punjab National Bank

Union Bank of India

Bank of India

State Bank of India

Karur Vysya Bank

IDBI Bank

ICICI Bank

Standard Chartered Bank

Axis Bank

Yes Bank

### STATUTORY AUDITORS

M/s. Manubhai & Shah LLP

### WORKSHOP

Village Ognaj, Tal. Daskroi, Dist. Ahmedabad.

### REGISTERED OFFICE

Sadbhav House, Opp. Law Garden Police Chowki  
Ellisbridge, Ahmedabad - 380 006.

Website : [www.sadbhaveng.com](http://www.sadbhaveng.com)

### CORPORATE OFFICE

1st Floor, "Sadbhav", Nr. Havmor Restaurant,  
B/H. Navrangpura Bus Stand, Navrangpura,  
Ahmedabad - 380 009.

**Corporate Identity Number (CIN):**  
**L45400GJ1988PLC011322**

### REGISTRAR & TRANSFER AGENTS

MUFG Intime India Private Limited

C-101, 1st floor, 247 Park, L.B.S. Marg,

Vikhroli (West), Vikhroli, Mumbai - 400 083

# Message from Chairman & Managing Director



## Dear Shareholders,

As we reflect on the project accomplishments and challenges of FY'24-25, I take this opportunity to present the annual report and the outlook that your Company SADBHAV Engineering Limited foresees.

This year your Company has demonstrated resilience and innovation and it sets a promising foundation to create a sustainable infrastructure for a brighter future. I take this opportunity to share with you the vision, achievements and the path ahead envisaged by your Company.

The roads that your Company constructs today lay the foundation for a prosperous future. The commitment of your Company extends beyond mere construction; it's about shaping lives, connecting communities, and fostering progress. The Indian economy is expected to maintain its growth momentum in the coming years, supported by a young and growing workforce, increasing urbanization, and continued reforms. As we look to the future, we are optimistic about the prospects of the infrastructure sector. The government's continued focus on infrastructure development, coupled with the growing demand for sustainable and innovative solutions, presents a significant opportunity for our company. We are well-positioned to capitalize on this growth and our commitment to excellence.

The road to progress is often fraught with roadblocks and challenges. Your Company remains steadfast and staunchly believes that those roadblocks are the new stepping stones to achieve growth and challenges are the new opportunities. Your Company has weathered storms, overcome obstacles, and emerged stronger from the adverse impacts that it faced during recent past. Your Company's commitment for creating infrastructure in the road and highways construction. Your Company understands that these projects are

not just concrete and steel; they are lifelines that empower people and drive economic growth.

Your Company has executed numerous prestigious projects across India, exemplifying its commitment to this vision. Your Company is proud to have contributed to the key infrastructure projects like Eastern Peripheral Expressway, India's first smart expressway, dedicated to the nation and the iconic to the infrastructure development of the nation, today. Such milestone projects are not just a testament to your Company's excellence but also reflect its dedication to timely execution. Your Company's aggressive approach aligns with the government's vision to establish the country's name in the ivy league of the most developed nations.

SADBHAV Engineering Limited believes that we are not just builders; we are stewards of progress.

During the reporting period, your Company has reported a turnover of Rs. 210.53 Crores with total income of Rs. 255.69 Crores. The Company has completed a total of 46 projects in the transportation sector in which 43 of Highway Projects (Out of which 11 are EPC Projects, 11 BOT projects, 20 Item rate projects and 1 Annuity project) as on March 31, 2025. The irrigation division of your Company has completed canal work over 819 km and the mining division has mined over 574 cubic meters as of March 31, 2025.

Furthermore, I would like to inform that the Company has submitted its restructuring plan for restricting of its existing debts with joint lenders of the Company and approval for the same are in advance stage. We are positive that all joint lenders of the Company shall approve the same in majority.

I would like to express my gratitude to all shareholders, customers, employees and all stakeholders for their continued support and trust in the Company. We are committed to delivering value to all our stakeholders.

Thank you.

Regards,

**Shashin V. Patel**

Chairman & Managing Director

# Financial Highlights

Turnover (₹ in crores)		Profit (Loss) After Tax (₹ in crores)		Net Worth (₹)	
2024-25	₹ 210.53	2024-25	₹ (153.55)	2024-25	₹ 847.70
2023-24	₹ 1013.44	2023-24	₹ (264.66)	2023-24	₹ 1001.37
2022-23	₹ 889.17	2022-23	₹ (346.48)	2022-23	₹ 1082.32
2021-22	₹ 1226.24	2021-22	₹ (716.32)	2021-22	₹ 1428.53
2020-21	₹ 1623.62	2020-21	₹ 41.04	2020-21	₹ 2145.37

Particulars	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Turnover	210.53	1013.44	889.17	1226.24	1623.62
Total Income	255.99	1077.46	1054.16	1322.58	1717.11
Earning Before Depreciation, Interest and Tax (EBDIT)	28.63	-51.76	-109.57	-438.99	304.85
Exceptional Items	-25.44	-13.11	-24.91	-13.65	-19.59
Depreciation	9.39	26.01	44.47	69.20	94.21
Interest	156.6	170.71	164.92	187.88	189.51
Profit After Tax	-153.55	-264.55	-346.48	-716.32	41.04
Equity Dividend %	0%	0%	0%	0%	0%
Dividend Payout	0.00	0.00	0.00	0.00	0.00
Equity Share Capital	17.16	17.16	17.16	17.16	17.16
Warrant Application Money	0.00	0.00	0.00	0.00	0.00
Stock Option Premium Outstanding	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	830.55	984.21	1065.16	1411.37	2128.22
Net Worth	847.7	1001.37	1082.32	1428.53	2145.37
Gross Fixed Assets	97.8	194.27	522.83	562.54	651.93
Net Fixed Assets	26.28	47.34	132.43	195.18	283.43
Total Assets	2699.57	2804.5	3358.36	3817.85	4580.9
Total Debt (Loan Fund)	1200.95	1051.42	1144.58	1143.94	1318.36
Earning Per Share (In Rs.)	-8.95	-15.43	-20.19	-41.75	2.39
Book Value Per Share (In Rs.)	49.78	58.36	63.08	83.26	125.04
Weighted No. of Shares	171570800	171570800	171570800	171570800	171570800

**Note:**

1. EPS has been calculated on Weighted Avg Shares & Book Value on Actual No. of Shares
2. Total Income means credit side of P&L statement
3. EBDIT means PBT+Depreciation+Finance Cost-Other Income-Exceptional Item
4. Total Debt includes interest accrued but not due



## SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

**Registered Office :** 'Sadbhav House', Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat • Tel.: +91 79 40400400

E-mail: [investor@sadbhav.co.in](mailto:investor@sadbhav.co.in) • Web: [www.sadbhaveng.com](http://www.sadbhaveng.com)

### Notice

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Tuesday, September 30, 2025 at 4.30 P.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) The audited standalone financial statements of the Company for the financial year ended on March 31, 2025, the reports of the Board of Directors and Auditors thereon; and
  - b) The audited consolidated financial statements of the Company for the financial year ended on March 31, 2025 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Shashin V. Patel (DIN: 00048328) who retires by rotation and being eligible, offers himself for reappointment

#### 3. Appointment of Statutory Auditors:

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

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as may be applicable and pursuant to the recommendation of the Audit Committee and in pursuance to approval of Board of Directors of the Company, M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration Number – 106041W/W100136), be and is hereby appointed as the Statutory Auditors of the Company to hold office for the period of 5 (Five) consecutive years from the conclusion of the 36th Annual General Meeting until the conclusion of 41st Annual General Meeting to be held in the year 2030, at such remuneration as shall be fixed by the Board of Directors or Audit Committee the Company."

#### SPECIAL BUSINESS:

#### 4. RATIFICATION OF REMUNERATION OF COST AUDITOR:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel & Associates, Ahmedabad Cost Accountant in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2025-26, amounting to Rs.75,000/- (Rupees Seventy-Five Thousand Only) per annum plus GST applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

#### 5. To Re-Appoint Mr. Shashin Patel as Chairman and Managing Director of the company:

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in pursuant to Regulation 17(6)(ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the consent of the members be and is hereby accorded to re-appoint Mr. Shashin V. Patel (DIN:00048328), as the Chairman and Managing Director of the Company for a period of three (3) years w.e.f. 17th December 2025 to 16th December 2028 (both days inclusive) liable to retire by rotation with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice and as recommended by Nomination and Remuneration Committee ("Committee") and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment/remuneration in such manner as deemed fit necessary.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Shashin V. Patel (DIN:00048328), shall not exceed the overall ceiling of the total remuneration payable to a managerial person or persons or other directors or Directors as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Shashin V. Patel (DIN:00048328), as a Chairman and Whole time Director of the Company, the remuneration payable to him shall be in accordance with limit prescribed in section II of Part II of Schedule V of the Companies



Act, 2013 and rules framed thereunder.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide break-up of the remuneration within the above said maximum permissible limit.”

**6. To appoint Secretarial Auditors of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment M/s. Ravi Kapoor & Associates, Company Secretaries (Membership No. FCS 2587, COP No. 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad 380006) as the Secretarial Auditor of the Company for a period of five (5) consecutive years, commencing on April 1, 2025, until March 31, 2030, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

**RESOLVED FURTHER THAT** the any one of Directors of the Company be and are hereby authorised to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board of Director of the company be and is hereby authorised to take such steps and do all such acts, deeds, matters, and things as may be considered necessary, proper, and expedient to give effect to this Resolution.”

**7. To borrow unsecured loans upto Rs. 300 Crores which shall have right to convert the same into equity.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c), 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended and other relevant rules made there under (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions in Memorandum and Articles of Association of the Company, provisions of the listing agreements entered into by the Company with the relevant stock exchange(s) where the shares of the Company are listed (‘Stock Exchange(s)’), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (‘SEBI’), as amended including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (‘SEBI ICDR Regulations’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’), as amended and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Ministry of Corporate Affairs, SEBI and / or any other competent authorities, and subject to the approvals, consents, permissions and / or sanctions, as may be required from SEBI, Stock Exchange(s) and any other relevant statutory, regulatory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee, which the Board has constituted or may hereafter constitute, to exercise one or more of its powers, including the powers conferred hereunder), the consent of the Members of the Company be and is hereby accorded to borrow unsecured loans from the persons belonging to Promoter & Promoter Group or such other entity identified by Company, (collectively called as ‘Lender’) upto Rs. 300 Crores which shall have right to convert the same into fully paid up equity shares of the Company, on such terms and conditions as may be deemed suitable and appropriate to the board of directors in accordance with the provisions of Chapter V of SEBI ICDR Regulations, on such further terms and conditions as may be finalized by the Board of Directors and in the manner specified to the Company (hereinafter referred to as the ‘Notice of Conversion’) and in accordance with the following conditions:

- i. on the date of resolution of such conversion and decision of board, the Company shall, subject to the provisions of the Companies Act, 2013 and relevant SEBI Regulations, allot and issue the requisite number of fully paid-up equity shares to Lenders.
- ii. the unsecured loan or part thereof so required to be converted converted shall from the date of conversion and the loan shall stand correspondingly reduced. The equity shares so allotted and issued to the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company.  
Save as aforesaid, the said shares shall rank pari-passu with the existing equity shares of the Company in all respects.
- iii. The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise the terms and conditions for conversion of loan from promoter and promoters’ group into equity shares of the company,

**RESOLVED FURTHER THAT** upon exercise of option by the Lenders to convert loan into equity shares of the company, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and shall allot and issue requisite number

of fully paid-up equity shares in the Company to Lenders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director and/ or Company Secretary & Compliance Officer of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.”

**8. Appointment of Mr. Siddharth Bhupendrabhai Vyas (Din:01833867) as a Non-Executive Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152, 160 and other applicable provisions of the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 (“Act”), Mr. Siddharth Bhupendrabhai Vyas (DIN:01833867) who was appointed by the Board of Directors of the company as an Additional Non-Executive Director of the company by way of circular resolution on 04th September, 2025 and being eligible, offers himself for appointment and in respect of whom the Company has received recommendation from Nomination and Remuneration Committee of the Company and also received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying its intention to propose the candidature of Mr. Siddharth Bhupendrabhai Vyas (DIN:01833867) for the office of Non-Executive Director, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and to decide break-up of the remuneration within the above said maximum permissible limit.”

**9. Approval of Material Related Party Transactions with persons belonging to Promoter & Promoter Group.**

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

**“RESOLVED THAT** pursuant to the applicable terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), in pursuance to the recommendation of the Audit Committee, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”), for entering into and / or carrying out any contracts / arrangements/ transactions or modification(s) of arrangements/transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with persons belonging to Promoter & Promoter Group, a related party of the Company, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company or along with its subsidiary(ies), may exceed the prescribed thresholds as per provisions of the SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts / arrangements / transactions, settle all questions, difficulties or doubts that may arise in this regard.”

**Registered Office:**

“Sadbhav House”, Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad - 380006  
CIN : L45400GJ1988PLC011322

Place : Ahmedabad  
Date : September 04, 2025

By Order of the Board of Directors  
**For Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman & Managing Director  
DIN: No.00048328

**NOTES:**

1. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, and latest General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as (“MCA Circulars”), and Securities and Exchange Board of India (“SEBI”) vide its Master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, have permitted companies to conduct AGM through OAVM, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 ("Listing Regulations"), the 36th AGM of the Company is being convened and conducted through VC/OAVM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) through VC/OAVM is annexed hereto.
3. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/reappointment at this AGM is annexed.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer/ RTA by email through its registered email address to [nilesh.dalwadi@linkintime.co.in](mailto:nilesh.dalwadi@linkintime.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
6. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e- voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 36th AGM being held through VC/OAVM.
7. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
8. In line with the MCA Circulars, the notice of the 36th AGM along with the Annual Report 2024-25 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2024-25 will also be available on the Company's website at <https://www.sadbhaveng.com/investors/#annual-reports> websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
9. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited on [nilesh.dalwadi@linkintime.co.in](mailto:nilesh.dalwadi@linkintime.co.in)
10. Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.
11. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members in electronic mode.
12. Pursuant to Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Board of Directors has fixed record date as Tuesday, 23 rd September, 2025 for the purpose of Annual General Meeting of the Company.
13. In Case of Physical shares, Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be provided on request.
14. Pursuant to the erstwhile provisions of Section 124 (6) of the Companies Act, 2013, dividend for the financial year ended as on 31st March, 2017 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 125 of the Companies Act, 2013.

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2017	26-09-2017	25-10-2024
31-03-2018	27-09-2018	02-11-2025
31-03-2019	25-09-2019	31-10-2026

According to the provisions of the Act, shareholders are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of such claims.

15. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case, shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
16. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's R & T Agent for assistance in this regard.
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating

voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

18. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. The attendance of the Members attending the AGM through VC/OAVM will be counted for ascertaining the quorum under Section 103 of the Companies Act, 2013.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and Circular no. 02/2021 dated January 13, 2021, the Notice calling the AGM has been uploaded on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

#### **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

#### **STEPWISE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.



Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; My Easi New (Token) Tab.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; My Easi New (Token) Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> <p>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xviii. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc.

together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@sadbhav.co.in](mailto:investor@sadbhav.co.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - , Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

**Other Instructions:**

- i. The remote e-voting period commences on Saturday, September 27, 2025 at 9.00 a.m. and ends on Monday, September 29, 2024 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Tuesday, September 23, 2025, may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- iii. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587, COP No. 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad 380006) or in his absence any other practicing professional shall be appointed as the Scrutinizer to scrutinize the Voting and remote e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote-e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any of the Director or CEO or Company Secretary of the Company.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sadbhaveng.com](http://www.sadbhaveng.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two working days of the passing of the resolutions at the 36th AGM of the Company to be held on Tuesday, September 30, 2025 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



**Details of Directors Seeking Appointment/Reappointment**  
**(Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and in terms of the Secretarial**  
**Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.**

<b>Director</b>	Mr. Shashin V. Patel	Mr. Siddharth Bhupendrabhai Vyas
<b>DIN</b>	00048328	1833867
<b>Date of Birth</b>	April 02, 1981	August 04, 1972
<b>Age</b>	44 Years	53 Years
<b>Date of Appointment</b>	April 23, 2000	September 04, 2025
<b>Functional Expertise</b>	In field of Management Information System, Project bidding and execution	In the field of the financial designing, policy making and implementation
<b>Qualifications</b>	MBA	MBA
<b>Experience</b>	More than 20 Years	More than 30 years
<b>Brief Profile of Director</b>	Mr. Shashin Patel holds a Master's degree in Business Administration from K.S. School of Business Management, Gujarat University. He is associated with company since May 23, 2000. His scope of work includes overview of the affairs of our company and making strategic management decisions and suggestions. He is also in-charge of the Management Information System in our office.	
<b>Terms and conditions of Appointment</b>	NA	NA
<b>Details of remuneration paid/ last drawn</b>	NA	NA
<b>Designation</b>	Chairman & Managing Director	Non-Executive Director
<b>Disclosure of relationships between directors inter-se and with Manager and KMP of the Company</b>	Mr. Shashin Patel is not related to any Director or KMP of the Company.	Mr. Siddharth Bhupendrabhai Vyas is not related to any Director or KMP of the Company
<b>Directorship in other listed Companies</b>	Sadbhav Infrastructure Project Limited Ahmedabad Ring Road Infrastructure Limited (Debt Listed) Sadbhav Gadag Highway Private Limited (Debt Listed)	NIL
<b>Chairman/ Member of Committee in other Listed Companies</b>	Member of Audit Committee and Stakeholder Relationship Committee of Sadbhav Infrastructure Project Limited	NIL
<b>No. of Equity Shares held in the Company</b>	2,70,94,342	NIL
<b>No. of Meetings of the Board attended during the year</b>	8	NA
<b>Justification for appointment of Independent Director</b>	NA	NA
<b>Names of companies along with listed entities in which person has resigned in the past three years.</b>	KALTHIA UNA HIGHWAY LIMITED KALTHIA BHAVNAGAR HIGHWAY LIMITED	NIL
<b>The skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	Entrepreneur, Infrastructure domain, Business Strategy and Corporate Management.	Finance Professional, Policy maker in corporate management.

**Note:**

\* Only Audit Committee and the Stakeholders' Relationship Committee Companies have been considered for committee position.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**Item No. 3**

It is proposed to consider reappointment of M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration Number – 106041W/ W100136) as the Statutory Auditor as per provisions of section 139 of the Companies Act, 2013 and rules made thereunder enables such appointment, subject to approval of members.

The fees / remuneration of the Statutory Auditor shall be upto 60 Lakhs for the financial year basis for statutory audit, issue of audit



reports, issue of limited review reports and service relating thereto, audit of internal financial control relating financial reporting and reports to be issued as a statutory auditor. Aforesaid audits and reports includes for standalone and consolidated financial statements. In case the Auditor ceased as auditor due to whatsoever reason, before completing audit or non-issue of audit report or limited review for relevant financial year / quarter, the fees shall be as may be determined by the Board of Directors of the Company. In case the Auditor resign or ceased as such, it shall complete audit / limited review and issue report as per the SEBI (LODR) Regulations, 2015 and circulars issued by SEBI in this respect. It is proposed to authorize the Board to vary the fees as per requirement of the Company.

M/s. Manubhai & Shah LLP, Chartered Accountants, has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Statutory Auditors of the Company. Further, Statutory Auditors confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested, financial or otherwise, in the said Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

<b>Proposed audit fee payable to auditors</b>	Upto 60,00,000 (Rupees Sixty Lakhs Only)
<b>Terms of appointment</b>	The Statutory Auditor would be appointed for period of five consecutive years commencing from the conclusion of 36 <sup>th</sup> AGM till the conclusion of 41 <sup>st</sup> AGM of the company.
<b>Material changes in fee payable and rationale thereof</b>	The fees payable to the Secretarial Auditors is in line with the prevailing industry standards.
<b>Basis of recommendation and auditor credentials</b>	<p>The firm is having highly experienced, knowledgeable, young, enthusiastic and techno savvy partners. It has absorbed majority of partners from within the firm. the firm has gained confidence of the clients over decades of their association with the firm.</p> <p>The firm has been accredited with ISO 9001 certification for its Quality Management System and its Knowledge Processing Division is accredited with ISO 27001 certification for Information Security Management System.</p> <p>The Firm is on the panel of consultants maintained by The World Bank, Asian Development Bank, Reserve Bank of India, Comptroller and Auditor General of India, Securities and Exchange Board. of India, Government Departments, various regulatory bodies and institutions.</p>

#### Item No. 4

The Board of Directors of the Company in pursuance to the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice (Firm Reg. No.10116), to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2025.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2025-26 as set out in the resolution for the aforesaid services to be rendered by them.

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

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

#### Item No. 5

Mr. Shashin Patel was appointed as a Chairman and Managing Director of the Company w.e.f. 17<sup>th</sup> December 2022 for a period of 3 (Three) Years i.e. upto 16<sup>th</sup> December, 2025. The Nomination and Remuneration Committee of the Company has after due deliberation and process of evaluation, recommended to re-appoint Mr. Shashin Patel as a Chairman and Managing director. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 14<sup>th</sup> August, 2025, had subject to approval of members of the Company, appointed Mr. Shashin Patel (DIN: 00048328) as a Chairman and Managing Director of the company for a period of three years i.e. from 17<sup>th</sup> December, 2025 to 16<sup>th</sup> December 2028. The full profile and other details of Mr. Shashin Patel has been attached with this notice.

The terms and conditions for appointment of Mr. Shashin Patel as Chairman and Managing Director is mentioned below:

<b>A</b>	<b>Period of Appointment</b>	Three years (from 17 <sup>th</sup> December, 2025 to 16 <sup>th</sup> December 2028)
<b>B</b>	<b>Remuneration Details</b>	
	<b>Monthly Salary</b>	Upto 30 Lakhs (Rupees Thirty Lakhs only)
	<b>Perquisites and Facilities</b>	
	<b>Commission</b>	The appointee shall be entitled to receive commission on profit as may be determined by the Board for such appointee so that his overall salary including such commission is within the limits provided under the Companies Act, 2013 and rules framed thereunder
	<b>Medical Reimbursement</b>	As per Company's Policy
	<b>Other facilities, if any</b>	It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration.

	<b>Minimum Remuneration</b>	Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Mr. Shashin Patel, remuneration by way of Salary including all perquisites not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time
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Mr. Shashin Patel is to be appointed as a chairman and Managing Director of the company for a period of 3 (Three) years with such terms and condition as specified in the above table under regulation 36 (3) of the SEBI (LODR) Regulations, 2015, Details specified under schedule V hereunder and such other terms as may be determined by the nomination and remuneration committee of the company.

Mr. Shashin V. Patel (DIN: 00048328) is not disqualified from being appointed as an Executive Chairman and Whole Time Director in terms of Section 164 of the Act and has given his consent to act as an Executive Chairman and Whole Time Director of the Company. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20 June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

As per provisions of Section 196 of the Companies Act, 2013 it is required to obtain approval of members at the ensuing general meeting of the Company for re-appointment of Managing Director. Accordingly, approval of members by way of Special Resolution is sought for re-appointment of Mr. Shashin Patel as Managing Director of the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

None of the Directors (except Mr. Shashin Patel), and their relatives are directly and indirectly concerned or interested in above resolution. However, none of the Key Managerial Personnel of the Company and their relatives is directly/ indirectly concerned or interested in the above resolution.

Additional information as required under Schedule V of the Companies Act, 2013 is mentioned separately after explanatory statement.

#### **Item No. 6**

In terms of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and other applicable provisions of the Companies Act, 2013, each as amended, the Company is required to appoint Secretarial Auditors for a period of 5 years commencing FY2025-26, to conduct the Secretarial Audit of the Company in terms of Section 204 and other applicable provisions of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations read with applicable SEBI Circulars.

For identification of Secretarial Auditor, the Management in terms of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and other applicable provisions of the Companies Act, 2013, each as amended, the Company is required to appoint Secretarial Auditors for a period of 5 years commencing FY2025-26, to conduct the Secretarial Audit of the Company in terms of Section 204 and other applicable provisions of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations read with applicable SEBI Circulars.

For identification of Secretarial Auditor, the Management had initiated the process and had detailed interactions with certain eligible audit firms and assessed them against a defined eligibility and evaluation criteria.

The following criteria inter alia were considered for evaluation of Practicing Company Secretary firms capable of conducting audit of Sadbhav Engineering Limited:

- background of the firm, their experience and past associations in handling secretarial audit of large listed companies;
- competence of the leadership and the audit team in conducting secretarial audit of the Company in the past as well as of other large listed companies; and
- ability of the firm to understand the business of the Company and identify compliance of major laws and regulations applicable to the Company.

As part of the assessment, the Management also considered the eligibility of Mr. Ravi Kapoor, who is the. Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India, the firm specializes in corporate law, SEBI and RBI regulations, corporate governance, and compliance.

The firm has been conducting secretarial audit for various large, listed companies in India across sectors such as manufacturing, banking, pharmaceuticals, and service sectors.

The Audit Committee considered the findings of the Management and has recommended to the Board, the appointment of M/s Ravi Kapoor & Associates as the Secretarial as the Secretarial Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 36<sup>th</sup> Annual General Meeting scheduled to be held on September 30, 2025, through the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY2025-26 through FY2029-30.

The Board, at its meeting held on August 14, 2025, considered the recommendation of the Audit Committee with respect to the appointment of M/s Ravi Kapoor & Associates as the Secretarial Auditors. After due consideration and review, the Board recommends for approval of the Members the appointment of M/s Ravi Kapoor & Associates as the Secretarial as the Secretarial Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 36<sup>th</sup> Annual General Meeting scheduled to be held on Tuesday 30<sup>th</sup> September, 2025, through the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY2025-26 through the FY2029-30.

M/s. Ravi Kapoor & Associates have given their consent and confirmed their eligibility for appointment as Secretarial Auditors under the Act and the SEBI Listing Regulations. They have also confirmed that their appointment, if made, shall be in accordance with

Section 204 of the Act and the rules made thereunder and Regulation 24A of the SEBI Listing Regulations.

The proposed remuneration to be paid to M/s Ravi Kapoor & Associates as the Secretarial Auditors, for FY2025-26 is ₹1.25 lakh plus applicable taxes and reimbursement of out-of-pocket expenses. The Audit Committee and the Board is of the view that ₹1.25 lakh is reasonable audit fee considering the size and scale of Limited. The remuneration to be paid to Secretarial Auditors for the remaining term i.e. from FY2026-27 through FY2029-30 shall be mutually agreed between the Board, based on recommendation(s) of the Audit Committee, and the Secretarial Auditors, from time to time. The remuneration for FY2026-27 through the FY2029-30 shall be decided considering changes in scope of audit and to meet inflationary costs of providing the audit service. The Company will seek shareholder approval in case there is a material change in the remuneration of secretarial auditor owing to significant enhancement in scope of work.

None of the Director(s) or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

<b>Proposed audit fee payable to auditors</b>	₹ 1.25 Lakhs per annum plus applicable taxes and reimbursement of travelling and other out-of-pocket expenses actually incurred by Secretarial Auditors in connection with the Secretarial Audit of Company for the financial year 2025-26 and for his remaining tenure subject to revision as mutually agreeable between the Board and Secretarial Auditors of the Company.
<b>Terms of appointment</b>	The Secretarial Auditor would be appointed for period of five consecutive years commencing from FY 2025-26 till FY 2029-30.
<b>Material changes in fee payable and rationale thereof</b>	The fees payable to the Secretarial Auditors is in line with the prevailing industry standards.
<b>Basis of recommendation and auditor credentials</b>	Mr. Ravi Kapoor, Practicing Company Secretaries and Proprietor of M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad is registered with the Institute of Company Secretaries of India. Mr. Ravi Kapoor, having Certificate of Practice Number 2407 has rich and varied experience in Corporate Law matters. He is based at Ahmedabad. The core competency of the firm lies under the Companies Act, 2013, SEBI Regulations, FEMA, NBFC and other allied Corporate Laws.

#### Item No. 7

The Special Resolutions contained in Item No. 7 of the Notice, have been proposed pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013, for the unsecured loans to be borrowed from the Lenders upto Rs. 300 Crores and the Lenders shall have the right to convert into fully paid up equity shares of the Company, on such terms and conditions as may be deemed suitable and appropriate to the board of directors.

Section 62(1)(c) of the Companies Act, 2013, inter-alia, provides that where at any time, a Company having a share capital proposes to increase its subscribed capital by issue of further shares, such shares shall be offered to any person, if it is authorized by a special resolution either for cash or for a consideration other than cash, and the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the Company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in General Meeting.

In view of the current financial position of the Company the Unsecured Loans to be borrowed from Lenders are likely to carry rights to convert such loan into equity at the option of Lenders. Accordingly, the Board of Directors of the Company are seeking your approval for such conversion of loan into equity upon the option exercised by the Lenders.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/ concerned in this resolution, except to their respective shareholdings in the Company, if any.

#### Item No. 8

Mr. Siddharth Bhupendrabhai Vyas (DIN:01833867) was appointed by the Board of Directors of the company as an Additional Non-Executive Director of the Company by way of Circular Resolution on 04th September, 2025. According to provisions of Section 161 of the Companies Act 2013 ("Act"), he holds office as an Additional Non-Executive Director only up to date of the ensuing General Meeting. As required under Section 160 of the Act, the Company has received recommendation from Nomination and Remuneration Committee of the Company and a notice has been received from a member signifying its intention to propose appointment of Mr. Siddharth Bhupendrabhai Vyas (DIN:01833867) as a Non-Executive Director of the company, liable to retire by rotation. As the declarations received from Mr. Siddharth Bhupendrabhai Vyas (DIN:01833867), he is not disqualified from being appointed as a Non-Executive Director in terms of Section 164 of the Act and has given his consent to act as a Non-Executive Director of the Company.

He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20 June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

He has a proven ability to improve operations, impact business growth & maximize profits through contributions in financial management, cost reductions & productivity improvements. He also has Expertise in designing and implementing systems to achieve financial discipline and improve the overall efficiency of the organisation.



He is interested in the resolution set out at Item No. 6 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice, except as a member of the Company, if any.

The Board recommends the Ordinary resolution set out at Item No. 8 of the Notice for approval by the members.

#### Item No. 9

Proposed transaction for conversion of the borrowing that a company may obtain from the persons belonging to Promoter & Promoter Group, into the equity shares of the company.

More particularly, this Resolution of the Notice, has been proposed for the possible transaction as set out in item no. 7 which provides for the unsecured loans from Promoter and Promoter Group to be borrowed upto Rs. 300 Crores and the Company may have the right to convert into fully paid-up equity shares of the Company, on such terms and conditions as may be deemed suitable in pursuance to the recommendation of the Audit Committee and appropriate to the board of directors.

Pursuant to the Regulation 23 of the SEBI (LODR) Regulations, 2015, any proposed transaction to be entered into with the related party and which is material in nature, shall require prior approval of shareholders of the company, hence with a view to carry out the transaction as set forth in the item no. 7 of this notice, it is considered necessary to seek approval of the shareholders of the company. The terms of this Related party transaction be read with the explanatory statement of Item no. 7 of this notice.

Details of related party transactions as mandated under SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are as under:

<b>Type, material terms and particulars of the proposed transaction</b>	Proposed transaction for conversion of the borrowing that a company may obtain from the persons belonging to Promoter & Promoter Group, into the equity shares of the company. More particularly, this Resolution of the Notice, has been proposed for the possible transaction as set out in item no. 7 which provides for the unsecured loans from Promoter and Promoter Group to be borrowed upto Rs. 300 Crores and the Company may have the right to convert into fully paid-up equity shares of the Company, on such terms and conditions as may be deemed suitable and appropriate to the board of directors.
<b>Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);</b>	persons belonging to Promoter & Promoter Group of the company.
<b>Tenure of the proposed transaction (particular tenure shall be specified);</b>	In the financial year 2025-26 and 2026-27
<b>Value of the proposed transaction</b>	Borrowing of unsecured loan upto Rs.300 Crores (Rupees Three Hundred Crores Only)
<b>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);</b>	28.95% of the annual consolidated turnover of the company as on financial 2024-25.
<b>Justification for why the proposed transaction is in the interest of the listed entity;</b>	Such transaction if entered into, will have an impact of reducing the debt of the company leading to the reduced interest cost and better financial efficiency. Also, the transaction would positively impact the financial parameters which will contribute the financial growth and prosperity of the company
<b>Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under para 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)</b>	NA
<b>A statement that the valuation or other external report, if any,</b>	NA
<b>Any other information that may be relevant</b>	All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 and relevant SEBI regulations and circulars thereon

**Registered Office:**  
"Sadbhav House", Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad - 380006  
CIN : L45400GJ1988PLC011322

Place : Ahmedabad  
Date : September 04, 2025

By Order of the Board of Directors  
**For Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman & Managing Director  
DIN: No.00048328

## Directors' Report

To,  
The Members,

The Directors have the pleasure in presenting the Thirty Sixth Annual Report together with the audited financial statement for the financial year ended on March 31, 2025.

### Financial Result

The Company's financial performance for the Year ended on March 31, 2025 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Current Year 2024-25	Previous Year 2023-2024	Current Year 2024-25	Previous Year 2023-2024
Total Income	256	1077.46	1132.50	2067.14
Profit (Loss) before Finance Cost, Depreciation & amortization Expense and Tax Expense	28.63	(51.76)	513.08	225.21
Less : Finance Cost	156.60	170.71	457.40	560.46
Depreciation and amortization Expense	9.39	26.01	127.02	127.39
Profit /(Loss) before Exceptional Item and Tax	(137.36)	(248.49)	(71.35)	(462.64)
Exceptional Item (Net of expenses)	25.44	(13.11)	(21.02)	(332.82)
Profit /(Loss) Before Tax	(111.92)	(261.6)	(92.37)	(795.46)
Less : Tax Expenses	1.07	3.06	29.82	17.23
Less:-Deferred tax liability /(asset)(Including MAT Credit) and short (Excess) provision for taxation for earlier years	40.56	-	42.42	(32.82)
Profit /(Loss) for the period from continuing Operations	153.55	(264.66)	(165.70)	(779.87)
Add:- Share of Loss Transferred to Minority Interest			(23.78)	(149.78)
Net Profit for the period after tax	153.55	(264.66)	(189.48)	(630.08)
Balance brought forward from last year	(41.44)	(223.22)	(1575.19)	(1097.67)
Loss of Subsidiary for earlier year transferred (net)				
Other Comprehensive Income (OCI)	0.12	0.13	0.24	0.37
Amount available for Appropriations	(194.99)	(41.44)	(1668.12)	(1575.19)
<b>Appropriations</b>				
Dividend & Tax paid thereon	0.00	0.00	0.00	0.00
Adjustment on account of acquisition of non-controlling interest	0.00	0.00	40.73	(40.18)
Equity Transactions / Share Issue Expenses	0.00	0.00		0.00
Transfer of amount from non-controlling interest	0.00	0.00	3.33	(9.86)
Adjustment Provision for impairment of Investment	0.00	0.00	(100.00)	(102.51)
Adjustment on account of carve out of asset	0.00	0.00	-----	6.04
<b>Closing Balance in Retain earnings</b>	<b>(194.99)</b>	<b>(41.44)</b>	<b>(1668.12)</b>	<b>(1575.19)</b>

### Dividend:

In view of losses incurred, your directors do not recommend any dividend for the financial year ended on 31st March, 2025.

### Dividend Distribution Policy:

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

The Company has adopted a Dividend Distribution Policy on August 20, 2016, which is available on the website of the Company at the link: [https://www.sadbhaveng.com/wp-content/uploads/2018/02/Dividend Distribution Policy SEL.pdf](https://www.sadbhaveng.com/wp-content/uploads/2018/02/Dividend%20Distribution%20Policy%20SEL.pdf). There has been no change to the policy during the year.

### Business Overview Standalone Basis

The total revenue during the year under review was Rs. 256 Crores against Rs. 1077.46 Crores for the previous year.

Profit (Loss) before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is Rs. 28.76 Crores against Rs. (51.76) Crores in previous year. Net Profit (Loss) after tax amounted to Rs. 153.55 Crores against Rs. (264.66) Crores in previous year.

### Consolidated Basis

As per the Consolidated Financial Statements, the Total Income of the Group, operating profit (PBDIT), and net loss for the year were Rs. 1132.50 Crores, Rs. 513.08 Crores and (165.70) Crore respectively.

#### **Transfer to Investor Education and Protection Fund**

The Company has transferred a sum of Rs. 0.38 lakhs to the Investor Education and Protection fund established by the Central Government during the financial year 2024-25, in compliance with Section 124 of the Companies Act, 2013. The said amount represents unclaimed dividend amount for the financial year 2015-16 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2016-17.

#### **Reserves**

The Board of Directors of the Company has recommended not to transfer any amount into General Reserve for the financial year ended on March 31, 2024.

#### **Change in the Nature of Business, if any**

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

#### **Material changes and commitments affecting financial position between end of the financial year and date of report**

There have been no material changes and commitments affecting financial position between end of the financial year and the date of the report.

#### **Share Capital**

During the year, there was no change in total allotted equity share capital of Rs. 17,15,70,800/- (Face Value of Re. 1/- each). During the year under review, Company has not allotted any shares without differential voting rights. During the year under review, the Company has granted total One Crore stock options to the eligible employees under "SADBHAV ENGINEERING LIMITED EMPLOYEE STOCK OPTION PLAN 2024". Also, the authorized capital of the company has been increased to Rs. 50,00,00,000 (Fifty Crores Only). The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

#### **Debentures**

During the financial year 2024-25, there are no outstanding Debentures.

#### **Credit Rating**

CRISIL Ratings Limited and ICRA Limited (Rating Agencies) have issued independent credit evaluation (ICE) of 'RP-4' for the bank facilities (residual debt) of the Company based on a resolution plan submitted for the Company by Lead Bank.

#### **Subsidiaries, Joint Ventures and Associates Companies**

During the year, No Companies has become/ceased to be company's subsidiaries, joint ventures or associate company.

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 the report on performance and financial position of subsidiaries, associates and joint venture companies is attached as a part of Annual Report in Form AOC- 1 prepared under section 129(3) of the Companies Act, 2013 to the consolidated Financial Statements of the Company which forms part of this report.

#### **Consolidated Financial Statements**

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS)-33 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2024-2025.

#### **Board of Directors and Key Managerial Personnel Retirement by Rotation**

Mr. Shashin Patel, is the director liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

#### **Declaration from Independent Directors of the Company**

The terms and conditions of appointment of Independent Directors are in accordance with the applicable Regulations of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015 and also as per the provisions of the Companies Act, 2013 (Act) read with Schedule IV to the Act.

Your Company has received declaration from all the independent Directors of the Company as required under Sec. 149(7) confirming that they meet with the criteria of independence provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

#### **Change in Directors and KMPs**

During the year 2024-25 and upto the approval of Director's Report following changes made in Director and KMPs.

1. Mr. Dwigesh Joshi has tendered his resignation from the post of Chief Financial Officer of the Company with effect from 08.04.2024.
2. Mr. Dwigesh Joshi (DIN: 09733282), Executive Director of the company has tendered his resignation from the post of Director of the Company w.e.f. 08.04.2024.
3. Mrs. Shefali Patel (DIN: 07235872) was appointed as an Independent Director in the category of Non-Executive Independent Director ("Woman Director") for the period of Five (5) years with effect from 06.07.2024.
4. Mr. Ambalal Patel (DIN: 00037870) was appointed as an independent director in the category of the Non-Executive Independent Director of the company for the period of Five (5) years with effect from w.e.f. 31.07.2024.



5. Mr. Sandip Patel (DIN: 00449028), Independent director of the company resigned w.e.f. 31.07.2024

#### **Evaluation of Board Performance**

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc. At the Board Meeting that followed the above-mentioned meeting of the Independent Directors, the performance of the Board, its committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. More details on the same are given in the Corporate Governance Report.

#### **Audit Committee**

The Audit Committee comprises Directors namely Mrs. Shefali Patel (Chairman), Dr. Tarang Desai, Mr. Jatin Thakkar. The composition of the Audit Committee is in compliance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

#### **Stakeholder Relationship Committee**

The Stakeholder Relationship Committee comprises Directors namely Dr. Mr. Jatin Thakkar (Chairman), Mr. Shashin V. Patel, and Dr. Tarang Desai. The composition of the Stakeholder Relationship Committee is in compliance with the requirement of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

#### **Risk Management Committee**

Board constitute Risk Management Committee comprises Directors namely Mr. Shashin V. Patel (Chairman), Mrs. Shefali Patel and Mr. Jatin Thakkar. More details on the same are given in the Corporate Governance Report.

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company is not required to constitute a Risk Management Committee. Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

#### **Committees of Board**

Details of various committees constituted by the Board of Directors along with dates of meetings and attendance of members of committees as per provisions of the Listing Regulations and Companies Act, 2013 are given in the Corporate Governance Report and forms part of this report.

As on date, the Nomination and Remuneration Committee comprises Directors namely Dr. Tarang Desai (Chairman), Mr. Jatin Thakkar, and Mrs. Shefali Patel.

As on date, the Corporate Social Responsibility Committee comprises Directors namely Mr. Shashin V. Patel (Chairman), Mr. Jatin Thakkar and Dr. Tarang Desai.

As on date, the Finance and Investment Committee comprises Directors namely Mr. Shashin V. Patel (Chairman), Mr. Jatin Thakkar and Mr. Ambalal Patel.

#### **Independent Director's Meeting**

The Independent Directors met on 14th February ,2025, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Director and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder and no complaint has been received on sexual harassment during the financial year 2024-25. Further Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

#### **Nomination and Remuneration Policy**

The policy on Director 's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees has been provided under Corporate Governance Report . The weblink for the same is <https://www.sadbhaveng.com/wp-content/uploads/2018/02/REMUNERATION-POLICY.pdf>

#### **Whistle Blower Policy**

The Company has a vigil mechanism named Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The details of the said Policy is explained in the Corporate Governance Report and also posted on the website of the Company. The weblink for the same is [https://www.sadbhaveng.com/wp-content/uploads/2018/02/Whistle\\_Blower\\_Policy-1.pdf](https://www.sadbhaveng.com/wp-content/uploads/2018/02/Whistle_Blower_Policy-1.pdf)

### Development and implementation of Risk Management Policy

In accordance with the Regulation 17 of SEBI (LODR) Regulations, 2015, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy.

Board of Directors of the Company has identified the risks in two categories i.e. (1) Internal and Business Risk and (2) External Risk. The Management has also envisaged the minimization procedure and its perception in respect of each identified risk.

Further, the Company identifies risks with its degree and control systems are instituted to ensure that the risks in business process are mitigated. The Board provides oversight and reviews the Risk Management Policy periodically. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

### Meetings of Board

During the year 2024-25, 8 (Eight) Board Meetings were held on April 30, 2024, May 21, 2024, July 07, 2024, August 14, 2024, August 31, 2024, October 24, 2024, November 14, 2024 and February 14, 2025. The details of attendance of Directors is mentioned in Corporate Governance Report which forms part of this report.

### Directors' Responsibility Statement

Pursuant to the requirement in section 134(3) (c) of the Companies Act, 2013, the Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) that the directors had laid down internal financial controls to be followed by the company and that the financial controls are adequate and are operating effectively; and
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Statutory Auditors

Statutory Auditor of the company is M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 106041W/W100136).

M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration Number: 106041W/W100136), Statutory Auditors of the Company to hold office for the first term of five years from the conclusion of the Thirty First (31st) Annual General Meeting held on September, 29, 2020 until the conclusion of the Thirty Sixth (36th) Annual General Meeting of the Company to be held in the year 2025.

Qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended on March 31, 2025 are given in the Standalone and Consolidated Independent Auditor's Report.

### Explanation or Comments on Qualifications, Reservations or Adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports

The Statutory Auditors' Report contain following qualification on Standalone and Consolidated Results.

#### Reply of Directors with respect to qualifications /observations raised by Statutory Auditor's Report:

##### Details of Audit Qualification (Standalone):

##### Qualification 1:

We draw attention to Note No. 47 to the accompanying Standalone Financial Results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited step-down subsidiary of the Company. As at March 31, 2025, aggregate amount of Rs. 20776.80 lakhs is outstanding towards loan, trade receivable and reimbursement of expenses as receivable from the said step-down subsidiary. The said step-down subsidiary has issued notice of termination of concession agreement to National Highway Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note, the Company has carried out impairment assessment of outstanding balance in this step-down subsidiary duly considering the expected payment arising out of aforesaid termination and other claims filed with NHAI and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of the loan, and other receivables balance is necessary as at March 31, 2025.

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, and Trade and other receivables aggregating to Rs. 20776.80 Lakhs as on the reporting date, related to the said step-down subsidiary.

Accordingly, we are unable to comment on appropriateness of the carrying value of such loan and other receivable and the consequential impact on the standalone financial position and standalone financial result of the Company as at reporting date and for the quarter and year ended on March 31, 2025.

Our Audit Report on financial statements for the financial year ended on March 31, 2024 and review reports on the financial results for the quarter ended on June 30, 2024, September 30, 2024 and December 31, 2024 were also qualified with respect to this matter.

##### Reply to qualification 1:

The Company has outstanding loan, Trade and other receivable aggregating to of Rs. 20776.80 lakhs given to Rohtak Panipat Tollway

Private Limited (RPTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of RPTPL has fully eroded. RPTPL has issued the termination notice on July 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement.

In this regard the management of RPTPL has lodged total claims aggregating to Rs. 3,95,784.40 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In respect of such claims, RPTPL has given notice invoking Arbitration vide letter dated March 27, 2023.

In respect of Arbitration Claim of Rs. 222057.40 lakhs for competing road, the award by Majority is passed on May 30, 2023 against the RPTPL. The RPTPL has filed the application under section 34 of the Arbitration and Conciliation Act, 1996 before the Honourable Delhi High Court. Further with respect to the balance claim of Rs. 173727.00 lakhs, the arbitration proceeding is pending before the Arbitration Tribunal.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and pendency of the matter before Honourable Delhi high Court, the management has assessed that there is no impairment in the value of loan given to RPTPL and consequently no provision/adjustment to the carrying value of loan and other receivable as at March 31, 2025 is considered necessary.

The statutory auditors have expressed qualified opinion on financial statements for the year ended March 31, 2025 and qualified conclusion on financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 in respect of above as regards recoverable value of Company's outstanding loan, Trade and other receivable to RPTPL.

#### **Qualification 2:**

We draw attention to Note No. 48 to the accompanying Standalone Financial Results regarding impairment assessment of investment of Rs 52,768.91 Lakhs, stated at cost and outstanding loan (including interest accrued) of Rs 26,638.64 lakhs as at March 31, 2025 to one of the subsidiary, Sadbhav Infrastructure Project Limited. It is noted that the subsidiary's consolidated net worth as at March 31, 2025, is substantially eroded. Management asserts that the investment and loan outstanding are fully recoverable, based on factors outlined in the said note.

However, we are unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by management regarding the underlying assumptions adopted by the management for impairment assessment. Consequently, we are unable to provide a conclusive comment on the adjustments, if any, necessary to the carrying value of the said investment and loan and the consequential impact, if any, on the standalone financial position and standalone financial results of the Company as at reporting date and for the quarter and year ended on March 31, 2025.

Our Audit Report on financial statements for the year ended on March 31, 2024 and review reports on financial results for the quarter ended on June 30, 2024, September 30, 2024 and December 31, 2024 were also qualified with respect to this matter.

#### **Reply to Qualification 2:**

The Company has investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL, the amount of which is Rs. 79407.54 lakhs as on March 31, 2025. As per the consolidated financial statements of the Sadbhav Infrastructure Project Limited (SIPL) and its subsidiaries, there is negative net worth of the Group of SIPL and its subsidiaries.

The management has carried out impairment assesment of these assets as on March 31, 2025 considering the projected cash flow from revenue of operating SPV's, sale of HAM assets and realization of GST claims. Based on the assessment it is concluded receoverable amounts of these assets are more than the carrying value. Hence no impairment is required to the carrying value of investment in equity shares and loan to SIPL as on March 31, 2025.

The statutory auditors have expressed qualified opinion on financial statements for the year ended March 31, 2025 and financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 in respect of investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL

#### **Qualification 3:**

The Company has not complied with the requirements of Section 203 of the Companies Act, 2013 read with the applicable rules framed thereunder due to the non-appointment of Chief Financial Officer (CFO) with effect from April 8, 2024.

The financial impact of this non-compliance is not ascertainable.

#### **Reply to Qualification 3:**

The Board of directors of the company have considered the comment made by the statutory auditor and have unanimously stated that company shall find the suitable candidate and comply with the said requirement of Companies Act, 2013 at the earliest.

#### **Qualification 4:**

We draw attention to Note 6 to accompanying Standalone Financial Results regarding expected recoverability of Contract Assets amounting to Rs 35019.32 lakhs outstanding as at March 31, 2025 which represent receivables in respect of closed/ substantially closed/ suspended projects. The Company is at various stages of negotiation/ discussion with the clients or matters under arbitration/ litigation in respect of aforementioned receivables. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/litigations and as legally advised in certain contentious matters, the Management has represented that these contract assets amounting to Rs 35019.32 are fully recoverable within a period of one year, based on factors detailed in the said note and hence classified under other current assets in the financial statement. However, we were unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by the management in relation to the expected recoverability of these contract assets within a period of one year. Accordingly, we are unable to determine whether any adjustments are required to the carrying value of the said contract assets and the consequential impact, if any, on the standalone financial position and results of the Company as at and for the quarter and year ended March 31, 2025.



**Reply to Qualification 4:**

Contract Assets of Rs. 35019.32 lakhs and other non-current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.

**The statutory Auditors report contain following qualification on Standalone financial statements on the basis of the report on the internal financial controls:**

**Qualification No. 1**

The Company's internal financial control system towards estimating the carrying value of loan, trade and other receivables and investment in the step down subsidiary company and subsidiary company as explained in Note 47 and Note 48 respectively to the standalone financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values of loan, trade and other dues recoverable from such step down subsidiary company as well as carrying value of investment in a subsidiary and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.

**Reply to Qualification No.1:**

The Company has outstanding loan and other receivable aggregating to of Rs. 14881.02 lakhs given to Rohtak Panipat Tollway Private Limited (RPTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of RPTPL has fully eroded. RPTPL has issued the termination notice on July 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement.

In this regard the management of RPTPL has lodged total claims aggregating to Rs. 3,95,784.40 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In respect of such claims, RPTPL has given notice invoking arbitration vide letter dated March 27, 2023

In respect of Arbitration Claim of Rs. 222057.40 lakhs for competing road, the award b Majority is passed on May 30, 2023 against the RPTPL. The RPTPL has filed the application under section 34 of the Arbitration and Conciliation Act, 1996 before the Honourable Delhi High Court. Further with respect to the balance claim of Rs. 173727.00 lakhs, the arbitration proceeding is pending before the Arbitration Tribunal.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and pendency of the matter before Honourable Delhi high Court, the management has assessed that there is no impairment in the value of loan given to RPTPL and consequently no revision/adjustment to the carrying value of loan and other receivable as at March 31, 202 is considered necessary.

The statutory auditors have expressed qualified opinion on financial statements for the year ended March 31, 2024 and financial results for the quarter ended June 30, 2023, September 30, 2023 and December 31, 2023 in respect of above as regards recoverable value of Company's outstanding loan given to RPTPL.

**Qualification No. 2**

The Company's internal financial control system towards estimating time of recoverability of contract assets as explained in Note 51 to the standalone financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values Contract Assets and its consequential impact on other equity and related disclosures in the standalone financial statements.

**Reply to Qualification No.2:**

Contract Assets of Rs. 35019.32 lakhs and other non-current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.

**Qualification No. 3**

There was weakness in operating effectiveness over system processing of invoices and obtaining balance confirmation from vendors and processing of journal entries into accounting software due to absence of maker checker mechanism and non-appointment of CFO which could result into possible adjustments of transactions / balances.

**Reply to Qualification No.3:**

The Holding Company's internal financial control system towards estimating time of recoverability of contract assets as explained in Note 61 to the consolidated financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values Contract Assets and its consequential impact on the earnings, other equity and related disclosures in the consolidated financial statements.

**Details of Audit Qualification (Consolidated):**

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

1. As detailed in the Note No 10 of the accompanying Consolidated Financial Results, with respect to the Company regarding expected recoverability of Contract Assets amounting to Rs 35,019.32 lakhs outstanding as at March 31, 2025, relating to closed, substantially closed, or suspended projects, are considered fully recoverable by the Company within one year, based on ongoing negotiations, arbitration/litigation proceedings, and legal advice. These have been classified under "Other Current Assets." We have expressed qualified opinion on the standalone financial results for the year ended on March 31, 2025 as we were unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by the management in relation to the expected recoverability of these contract assets within a period of one year. Accordingly, we are unable to determine whether any adjustments are required to the carrying value of the said contract assets and the consequential impact, if any, on the standalone financial position and results of the Company as at and for the quarter and year ended March 31, 2025
2. As detailed in Note Nos. 4 & 5 to the accompanying Consolidated Financial Results, with respect to Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), step down subsidiaries of the Group in which interest on rupee term loan from banks and financial institutions have not been accounted considering the fact that both subsidiaries have issued termination notices and lenders of both step down subsidiaries have classified all the secured borrowings as non-performing assets. This has resulted in the understatement of finance cost and the related interest liability and corresponding understatement of losses, amount of which is unascertained. Further financial statement of RPTPL and RHTPL are prepared on non-going concern basis.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statements for the year ended March 31, 2025 and March 31, 2024, as well as qualified review conclusion on financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 in respect of this matter.

**Qualification 3:** The Holding Company has not complied with the requirements of Section 203 of the Companies Act, 2013 read with the applicable rules framed thereunder due to the non-appointment of Chief Financial Officer (CFO) with effect from April 8, 2024. The financial impact of this non-compliance is not ascertainable.

**Qualification 4:** As detailed in Note No 3.8 to the accompanying consolidated financial results, with reference to request of the Sadbhav Udaipur Highway Limited (SUDHL), a step-down subsidiary company of the Group in which case National Highway Authority of India (NHAI) vide its letter dated December 27, 2023 has given In-Principal approval for harmonious substitution of concessionaire. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial statements of SUDHL. Owing to the uncertainty of the outcome of substitution proceeding and lack of other alternate audit evidence, we are unable to comment about adjustments that may be required to the carrying value of assets and liabilities and their consequential impact on the financial position of the Company as at March 31, 2025. We have expressed qualified opinion on the financial statement of SUDHL for the year ended March 31, 2025 and March 31, 2024, as well as qualified review conclusion on financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 mentioning about the uncertainty of outcome of harmonious substitution proceedings and lack of other alternate audit evidence.

**Qualification 5:** As detailed in Note No 13 to the accompanying statement, tax credits amounting to Rs 16,050.10 lakhs are included in the consolidated Balance sheet under the Other Current Assets in respect of following step-down subsidiaries.

Sr. No.	Name of Step-Down Subsidiary	Amount of Tax No Credit in Lakhs
1	Sadbhav Vidarbha Highway Limited (SVHL)	5,047.10
2	Sadbhav Kim Expressway Private Limited (SKEL)	4,089.60
3	Sadbhav Bangalore Highway Private Limited (SBGHPL)	4,206.50
4	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,521.20
5	Sadbhav Nainital Highway Limited (SNHL)	1,185.70
	<b>Total</b>	<b>16,050.10</b>

The management is confident about the utilization of the credit as mentioned in Note no 13 to the accompanying statement.

However, at present the Company does not have any business activity nor are we informed about the management plan for taking up other activity. In view of this, we are unable to comment about the utilization of tax credits in foreseeable future.

#### **Reply of Directors with respect to qualifications /observations raised by Statutory Auditor's Report:**

##### **Reply to qualification 1**

Contract Assets of Rs. 35019.32 lakhs and other non-current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.

The statutory auditors have expressed qualified opinion on financial results for the quarter and year ended March 31, 2025 in respect of above Contract Assets of Rs. 35019.32 lakhs.

##### **Reply to qualification 2:**

One of the step-down subsidiary of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the Company has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern



basis.

The management of RPTPL has lodged a total claim amounting to Rs. 193792 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid 19. The NHAI had lodged its counter Claims amounting to Rs. 62270 lakhs. The Company had submitted its reply on such counter claims. The Arbitral proceedings for the same are completed and the Arbitral Award is declared on 23.01.2025 unanimously, except for Counter Claim of NHAI regarding Premium that one Ld. Arbitrator has rejected it completely. As on the date of the said Majority award, the net awarded amount after deducting all dues of NHAI including Premium works out to Rs. 108054.50 lakhs (principal of Rs. 77963.10 lakhs and interest of Rs. 30091.40 lakhs).

The Arbitration matter of Competing Road was referred to Arbitration. In the said matter, the majority award was passed on May 30, 2023 in favour of NHAI setting aside claims of Company and Minority Award dated 05.06.2023 in favour of Company amounting to Rs. 85098 lakhs. The Company has challenged the Majority Award dated 30.05.2023 and filed a petition under Section 34 of Arbitration & Conciliation Act 1996 before the Hon'ble Delhi High Court to set aside the Majority Award dated 30.05.2023. The same is sub-judice before Hon'ble Delhi High Court.

The dispute of Claim for Additional Cost on account of ban of quarrying of stone and loss of Toll collection due to delayed issuance of Provisional Certificate was referred to Arbitration. A unanimous Award dated 06.10.2017 by Arbitral Tribunal was awarded in favour of Company amounting to Rs. 89020 lakhs (amount inclusive of costs & interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. The Delhi High Court in its Judgment dated 16.02.2023, the value of award payable by NHAI to RPTPL as on 15.10.2023 works out to Rs. 12119 lakhs. NHAI had challenged the said award under Section 37 before Division Bench of Delhi High Court. The said matter is now withdrawn by NHAI on account of ongoing Vivad se Vishwas II settlement proposal.

NHAI had claimed on RPTPL a claim on account of negative FRL which was referred to Arbitration. The Majority Award on 31.10.2020 by Tribunal was in favour of NHAI amounting to Rs. 2034 lakhs. The interest on delayed payment is awarded at 7.4% simple interest, as on 15.10.2023 works out to Rs. 2479 lakhs. The dissenting note by the Minority of the Tribunal had stated to reject the claim of NHAI. The Company has challenged the said Majority Award under Section 34 before the Delhi High Court, which is sub-judice. The Company had challenged the said Majority Award under Section 34 before the Delhi High Court.

The Arbitration Award dated 06.10.2017 and Arbitration Award dated 31.10.2020 has been settled through Settlement Agreement dated 20.03.2025 under Vivad se Vishwas II Scheme of Govt. of India for the net settlement amount of about Rs. 6500 lakhs. Also, RPTPL has received intimation letter dated April 08, 2024 from National Asset Reconstruction Company Limited (NARCL) intimating that the deed of assignment dated March 22, 2024 under the provisions of Section 5 of the SARFASI Act, the consortium of lenders except one lender have assigned/ transferred the outstanding debt /financial assets alongwith underline securities interest, pledged of shares, guarantees, receivables etc charge for such financial assistance granted to RPTPL in favour of NARCL and NARCL acting in its capacity as trustee of NARCL Trust.

During the quarter ended March 31, 2023, RPTPL has reversed interest of Rs. 10269.40 lakhs provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non Performing Assets.

During the year ended March 31, 2025 and March 31, 2024, RPTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RPTPL has classified borrowing as NPA and financial statements are prepared on non going concern basis, for which the statutory auditors of RPTPL have expressed qualified opinion on financial statements in this regards.

Notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the Company has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RHTPL has lodged total claim amounting to Rs. 192871 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid19. The NHAI had lodged its Counter Claims amounting to Rs. 3,6658 lakhs. The Company had submitted its reply on such counter claims. The Arbitral proceedings for the same are currently ongoing. The current stage of arbitral proceeding is of Arguments which are ongoing.

Also, RHTPL has received intimation letter dated April 08, 2024 from National Asset Reconstruction Company Limited (NARCL) intimating that the deed of assignment dated March 22, 2024 under the provisions of Section 5 of the SARFASI Act, the consortium of lenders have assigned/ transferred the outstanding debt /financial assets alongwith underline securities interest, pledged of shares, guarantees, receivables etc charge for such financial assistance granted to RHTPL in favour of NARCL and NARCL acting in its capacity as trustee of NARCL Trust.

During the quarter ended on March 31, 2023, RHTPL has reversed interest of Rs. 12280.90 lakhs provided during the earlier period considering the fact that the project of RHTPL has been terminated and lenders have classified loans as Non-Performing Assets (NPA).

During the year ended March 31, 2025 and March 31, 2024, RHTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RHTPL has classified borrowing as NPA and financial statements are prepared on nongoing concern basis, for which the statutory auditors of RHTPL have expressed qualified opinion on the financial statements in this regards.

**Reply to Qualification 3:** The Board of directors of the company have considered the comment made by the statutory auditor and have unanimously stated that company shall find the suitable candidate and comply with the said requirement of Companies Act, 2013 at the earliest.

**Reply to Qualification 4:** In case of Sadbhav Udaipur Highway Limited (SUDHL or concessionaire), a step-down subsidiary of the group which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI, the project work has been completed and the subsidiary has received the Commercial Operation



Date (COD) from NHAI dated July 19, 2024.

However, SUDHL has requested the NHAI & Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely - M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative to give its consent for allowing harmonious substitution of the SUDHL

The NHAI vide its letter dt December 27, 2023, conveyed its "InPrinciple" approval for substitution of Original Concessionaire with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions and final approval from the NHAI. Since the conditions precedent to the harmonious substitution are under compliance, no adjustment to the carrying value of assets and liabilities related to this project have been made in these consolidated financial results, for which the statutory auditors of SUDHL have expressed qualified opinion of the financial statements for the year ended March 31, 2025 and March 31, 2024.

The SIPL has entered into Definitive agreement dated March 12, 2025 with Gawar Construction Limited during the quarter ended March 31, 2025 for harmonious substitution of the project. The Final approval of the NHAI is still pending. However, the Company has provided for Rs. 10000 lakhs in the books of accounts and disclosed as an exceptional item in the audited consolidated financial results for the quarter and year ended March 31, 2025.

**Reply to Qualification 5:** GST tax credit receivables amounting to Rs. 16050.10 lakhs are included in the consolidated books of accounts as at March 31, 2025 in respect of following subsidiaries. The management of the Group is evaluating various option for utilising above mention tax credits and is confident about the utilization of the credit. The statutory auditors of respective step down subsidiary Companies have expressed qualified opinion on the financial results for the quarter and year ended March 31, 2025 vide their independent audit report dated as mentioned below:

Sr. No.	Name of Step-Down Subsidiary	Amount of Tax No Credit in Lakhs
1	Sadbhav Vidarbha Highway Limited (SVHL)	5,047.10
2	Sadbhav Kim Expressway Private Limited (SKEL)	4,089.60
3	Sadbhav Bangalore Highway Private Limited (SBGHPL)	4,206.50
4	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,521.20
5	Sadbhav Nainital Highway Limited (SNHL)	1,185.70
	<b>Total</b>	<b>16,050.10</b>

**The statutory Auditors report contain following qualification on consolidated financial statements on the basis of the report on the internal financial controls: Add points as per attached in the new heading:**

**Qualification 1:**

There was weakness in operating effectiveness over system processing of invoices and obtaining balance confirmation from vendors and processing of journal entries into accounting software due to absence of maker checker mechanism and non-appointment of CFO of Holding Company which could result into possible adjustments of transactions / balances.

**Qualification 2:**

The Holding Company's internal financial control system towards estimating time of recoverability of contract assets as explained in Note 61 to the consolidated financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values Contract Assets and its consequential impact on the earnings, other equity and related disclosures in the consolidated financial statements

**Qualification 3:**

The Group's internal financial control system towards estimating the carrying value of assets and liabilities of step down subsidiary companies as explained in Note 63 and Note 69 respectively to the consolidated financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values of assets and liabilities of step down subsidiary and its consequential impact on financial performance and financial position in the Consolidated Financial Statements.

**Reply to Qualification 1:**

The Holding Company has adequate system of manual approval of processing of journal entries in accounting software and journal entries are also verified by the internal auditor. Holding Company are in process of incorporating the maker checker process in accounting software for processing of journal entries.

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

**Reply to Qualification 2:**

Contract Assets of Rs. 35019.32 lakhs and other non-current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.

**Reply to Qualification 3:**

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

The company has adequate system of manual approval of processing of journal entries in accounting software and journal entries are also verified by the internal auditor. The Company has an internal audit system which is commensurate with the size and nature of its business. Company are in process of incorporating the maker checker process in accounting software for processing of journal entries. It may be noted that there were no material misstatements due to the weakness in system for processing of journal entries in accounting software due to absence of maker checker system.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Ravi Kapoor and Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report is annexed herewith as 'Annexure 1' to this Report. The adverse remarks by Secretarial auditor and management reply are given below

Secretarial Audit Report contains following observations and Board of Directors of the Company submitted responses for the same as follows.

1. Pursuant to Regulation 17(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Company shall have at least six Directors in the Board. After resignation of Mr. Sandip Patel on 31-07-2024, total number of Directors of the Company were five whereas the requirement was of minimum six directors. Company has received a notice from both the Stock Exchange(s) i.e. BSE Ltd. and NSE for Non-Compliance of Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director levied a fine of Rs. 3,05,000/- plus GST with each stock exchange.
2. Pursuant to Section 17(1)(a) of SEBI LODR Regulations, the Company shall have at least one-woman Director in the Board. After Resignation of Ms. Anjali Choksi on 17-01-2024, Company was required to appoint Women Director within 3 months. However, Ms. Shefali Patel was appointed as a women Director on 06-07-2024. Hence Company was in Non-Compliance of appointing a women Director from 18th April, 2024 till 5th July, 2024. Thus, the Company has made non-compliance of Regulation 17(1)(a) of SEBI LODR Regulations from 18th April, 2024 till 5th July, 2024
3. Pursuant to Regulation 26A(2) of SEBI LODR Regulations and Section 203 of the Companies Act, 2013 the Company was required to fill vacancy in the post of Chief Financial Officer of the Company after resignation of Mr. Dwigesh Joshi on 8th April, 2024 within a period of three months from the date of such vacancy i.e. 8th April, 2024. However, the Company has not filled the said vacancy in the post of CFO till the closure of financial year i.e. as on 31.03.2025 and thus not complied with the provisions of Regulation 26A(2) and Section 203 of the Companies Act, 2013.

#### Reply of Directors with respect to qualifications / Observations raised by Secretarial Auditors are as under:

1. **Reply to qualification No. 1:** Company is in search of suitable candidate for the position of the director in the company, the same shall be complied expeditiously.
2. **Reply to qualification No. 2:** As at the end of the financial year the company has complied with the said requirement.
3. **Reply to qualification No. 3:** Company is in search of suitable candidate for the position of the director in the company, the same shall be complied expeditiously.

#### Cost Auditors

The Board had, on the recommendation of the Audit Committee, appointed M/s Rajendra Patel & Associates, Cost Accountants, Ahmedabad to audit the cost records of the Company for the financial year 2024-25 will on a remuneration of Rs. 75,000/-p.a. The Cost Audit Report for the year 2024-25 will be filed before the due date with the Ministry of Corporate Affairs. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s. Rajendra Patel & Associates is included at Item No. 4 of the Notice convening 36th Annual General Meeting.

#### Compliance with Secretarial Standards

The Company is in compliance with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

#### Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of fraud committed against your Company by its officers or employees to the Audit Committee or the Board, under Section 143(12) of the Act.

#### Corporate Governance

As per Regulation 27 of SEBI (LODR) Regulations, 2015, a separate section on Corporate governance practices followed by the Company, together with a certificate from M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad, confirming compliance conditions of Corporate Governance forms an integral part of this Report.

#### Management Discussion and Analysis (MDA)

MDA, for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges is presented in a separate section, which forms a part of the Annual Report.

#### Corporate Social Responsibility

The Annual Report on CSR activities is annexed as Annexure-2 to this Report. The CSR policy is available on the <https://www.sadbhaveng.com/wp-content/uploads/2021/09/Corporate-Social-Responsibility-Policy.pdf>

#### Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees

drawing remuneration in excess of the limits set out in the said rules is attached as 'Annexure-3' which forms part of this report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 4' which forms part of this report.

#### **Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo**

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. However, details of Foreign Exchange Earnings and Outgo are mentioned below:

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

#### **Particulars of Loans, Guarantees or Investments**

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

#### **Contracts and Arrangements with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contract / arrangement / transaction entered into by the Company with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions forms integral part of this report in form AOC-2 as per 'Annexure -5'.

The Company in terms of Regulation 23 of SEBI (LODR) Regulations, 2015 submits disclosures of related party transactions on a consolidated basis for the half yearly period upto March 31, 2025, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The said disclosures can be accessed on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com).

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <https://www.sadbhaveng.com/wp-content/uploads/2021/09/RELATED-PARTY-TRANSACTION-POLICY.pdf> Your Directors draw attention of the members to notes no. 46 to the Standalone Financial Statements which sets out related party disclosures.

#### **Annual Return**

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, Company has placed Annual Return in Form MGT-7 for the financial year ended on March 31, 2025 on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com) and the same can be addressed at weblink <https://www.sadbhaveng.com/investors/#agm-egm-documents>

#### **Internal Financial Controls**

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134[5][e] of the Act. For the year ended on March 31, 2025, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

#### **Business Responsibility and Sustainability Reporting**

As our Company does not fall in one thousand listed entities based on market capitalization as on 31st March, 2025, therefore, Business Responsibility and Sustainability Reporting does not applicable to our company.

#### **Fixed Deposit**

During the year under review, your Company has not accepted any fixed deposits from the public Pursuant to Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2025, there were no deposits which were unpaid or unclaimed and due for repayment.

#### **Code for Prevention of Insider Trading**

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures or fair disclosure of unpublished price sensitive information which has been made available on the Company's website at [www.sadbhaveng.com](http://www.sadbhaveng.com).

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and upto the approval of directors report alongwith their status.

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

Sr. No.	Particulars	Type of Creditor	Status as at the end of financial year
1	RKD Constructions Pvt. Ltd.	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
2	IDBI Bank Limited	Financial Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
3	N S Company	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
4	A.R. Company	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
5	Ajay Protech Pvt Ltd	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad



Sr. No.	Particulars	Type of Creditor	Status as at the end of financial year
6	Potaliya Enterprises Pvt Ltd	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad
7	Suwarna Buildcon Private Limited (3)	Operational Creditor	Pending before the Hon'ble NCLT Bench, Ahmedabad

The Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof Not Applicable during the year under review

#### General

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.
5. All properties and insurable interests of the company to the extent required have been adequately insured.
6. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's future operations.

#### Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry and the Management appreciates the employees of all cadres for their dedicated services to the Company.

#### Acknowledgments

Your Directors place on record their gratitude to the Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited, Securities and Exchanges Board of India, Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, supplier, sub-contractors, business associates and employees in ensuring an excellent all around operational performance.

Place: Ahmedabad  
Date: August 14, 2025

For and on behalf of the Board of Directors  
**Shashin V. Patel**  
Chairman & Managing Director  
DIN No.: 00048328

Form No. MR-3  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025**

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

To,  
The Members,  
Sadbhav Engineering Limited

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

Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

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

We have also examined compliance with applicable clauses of the following

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

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

1. Pursuant to Regulation 17(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Company shall have at least six Directors in the Board. After resignation of Mr. Sandip Patel on 31-07-2024, total number of Directors of the Company were five whereas the requirement was of minimum six directors. Company has received a notice from both the Stock Exchange(s) i.e. BSE Ltd. and NSE for Non-Compliance of Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director levied a fine of Rs. 3,05,000/- plus GST with each stock exchange.
2. Pursuant to Section 17(1)(a) of SEBI LODR Regulations, the Company shall have at least one-woman Director in the Board. After Resignation of Ms. Anjali Choksi on 17-01-2024, Company was required to appoint Women Director within 3 months. However, Ms. Shefali Patel was appointed as a women Director on 06-07-2024. Hence Company was in Non-Compliance of appointing a women Director from 18th April, 2024 till 5th July, 2024. Thus, the Company has made non-compliance of Regulation 17(1)(a) of SEBI LODR Regulations from 18th April, 2024 till 5th July, 2024.
3. Pursuant to Regulation 26A(2) of SEBI LODR Regulations and Section 203 of the Companies Act, 2013 the Company was required to fill vacancy in the post of Chief Financial Officer of the Company after resignation of Mr. Dwigesh Joshi on 8th April, 2024 within a period of three months from the date of such vacancy i.e. 8th April, 2024. However, the Company has not filled the said vacancy in the post of CFO till the closure of financial year i.e. as on 31.03.2025 and thus not complied with the provisions of Regulation 26A(2) and Section 203 of the Companies Act, 2013.

#### **We further report that**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per the provisions of the Companies Act, 2013 and SEBI LODR Regulations.

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

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

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

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

Place: Ahmedabad  
Date: September 2, 2025

For, Ravi Kapoor & Associates  
**Ravi Kapoor**  
Company Secretary in practice  
FCS No.: 2587  
C P No.: 2407  
UDIN: F002587G001145597

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

## ***Annexure - A***

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To,  
The Members,  
**Sadbhav Engineering Limited**

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

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

Place: Ahmedabad  
Date: September 2, 2025

For, Ravi Kapoor & Associates  
**Ravi Kapoor**  
Company Secretary in practice  
FCS No.: 2587  
C P No.: 2407  
UDIN: F002587G001145597



## Annexure - 2 Report on Corporate Social Responsibility

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

### 1. Brief outline on CSR Policy of the Company:

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

The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <https://www.sadbhaveng.com/wp-content/uploads/2021/09/Corporate-Social-Responsibility-Policy.pdf>

Key Focus Areas of the CSR Policy are

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

### 2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Shashin V. Patel	Director- Chairman of CSR Committee	1	1
02	Jatin Thakkar (w.e.f. 21.05.2024)	Non-Executive Director-Member	1	1
03	Mr. Tarang Desai (w.e.f. 14.08.2025)	Independent Director -Member	1	1
04	Sandip V. Patel (Upto 31.07.2025)	Independent Director -Member	1	NA
05	Dwighesh B Joshi (Upto 08.04.2025)	Executive Director-Member	1	NA

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company <https://www.sadbhaveng.com/wp-content/uploads/2021/09/Corporate-Social-Responsibility-Policy.pdf>

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

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs.)
01	2022-2023	Rs. 1.73 Lakhs	Rs. 1.73 Lakhs

6. Average net profit of the Company as per Section 135(5) Rs. (21667) Lakhs

7. a) Two percent of average net profit of the Company as per Section 135(5) Rs. (433) Lakhs
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil
- c) Amount required to be set off for the financial year, if any 1.73
- d) Total CSR obligation for the financial year (7a + 7b - 7c) Rs. (434.73) Lakhs

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

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (In Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in Rs. Lakhs)	Date of Transfer	Name of the Fund	Amount (in Rs. Lakhs)	Date of Transfer
-	-	-	-	-	-

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

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

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.	Amount spent for the project (in Rs. Lakhs)	Mode of implementation on – Direct (Yes/ No).	Mode of implementation -Through implementing agency.	
				State	District		Name	CSR registration number

(d) Amount spent in Administrative Overheads: Nil

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

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

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

Sr. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. (433)
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.73

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

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (Rs in Lakhs)	Amount spent in the Reporting Financial Year (Rs. in Lakhs)	Amount Spent to any Specified Fund mentioned in Schedule VII as per Section 135(6), if any	Amount remaining to be spent in remaining Financial Years (Rs in Lakhs)		
				Name of the Fund	Amount (Rs) in lakhs	Date of Transfer	
1	2023-24	-	-	-	-	-	
2	2022-23	-	-	-	-	-	
3	2021-22	-	-	-	-	-	Nil
	TOTAL	-	-	-	-	-	

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.**

Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of the reporting Financial year	Status of the project- Completed/ Ongoing
1								
2								
	<b>Total</b>							

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): N.A.
  - a.) Date of creation or acquisition of the capital asset(s) -
  - b.) Amount of CSR spent for creation or acquisition of capital asset-
  - c.) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.-
  - d.) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
2. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) N.A.

**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman of CSR Committee & Director  
DIN: 00048328

Place: Ahmedabad  
Date: 14th August, 2025



## Annexure - 3

**Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2025.**

- a) Employees who are employed throughout the year and in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per Annum: NIL
- b) Employees who are employed part of the year and in receipt of remuneration aggregating Rs. 8,50,000/- or more per month: 01

Name & Qualification	Age in Years	Designation	Date of commencement of Employment	Gross Remuneration p.m. received (Rs. in Lakhs)	Nature of Employment, whether contractual or otherwise	Experience (No. of years)	Last Employment	% age of equity shares held by employee
*Mr. Rohit Modi Qualification:- MA in Economics from Delhi School of Economics & BA (Hons) Economics from SRCC, and Advanced Management Program from Harvard Business School. IAS of 1985 Batch	62	Group CEO	15-02-2023	30.00	Permanent	More than 36 years	S B Energy Ltd	-

\*Mr. Rohit modi has resigned from the company w.e.f. 24<sup>th</sup> October, 2024.

**Notes:**

- Remuneration includes Salary, Contribution to Provident and other funds and perquisites (including medical, leave travel and leave encashment on payment basis and monetary value of taxable perquisites) etc.
  - All the above said appointment are in the nature of contractual employment.
- c) The statement containing the names of top ten employees will be made available on request sent to the Company on [investor@sadbhav.co.in](mailto:investor@sadbhav.co.in).

**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman of CSR Committee & Director  
DIN: 00048328

Place: Ahmedabad  
Date: 14th August, 2025

## Annexure - 4

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2024-25;**

Name of the Directors	Designation	Remuneration of the directors (Rs. in Lakhs)	Median remuneration of the employees (Rs. in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Shashin V. Patel	Chairman and Managing Director	-	-	-
Dwighesh Joshi (Resigned w.e.f. 08.04.2024)	Executive Director	2.34	3.29	0.71:1
Jatin Thakkar^	Non-Executive Director	03	3.29	0.91:1
Sandip V. Patel^	Independent Director	0.5	3.29	0.15:1
Dr. Tarang M. Desai^	Independent Director	03	3.29	0.91:1
Mr. Ambalal Patel	Independent Director	2.5	3.29	0.76:1
Mrs. Shefali Patel	Independent Director	2.5	3.29	0.76:1

^ Reflects sitting fees based on attendance of Board Meeting.

**ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25;**

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Shashin V. Patel^	Chairman and Managing Director	-	Loss before Tax was (11191.69 Lakhs) and Loss after Tax was (15356.76 Lakhs) in the Financial Year 2024-2025
Dwighesh Joshi (Resigned w.e.f. 08.04.2024)	Executive Director	-	
Jatin Thakkar^	Non-Executive Director	40%	
Sandip V. Patel^	Independent Director	-	
Dr. Tarang M. Desai^	Independent Director	20%	
Mr. Ambalal Patel	Independent Director	-	
Mrs. Shefali Patel	Independent Director	-	
Hardik J. Modi	Company Secretary	-	

Reflects sitting fees based on attendance of Board Meeting.

- The percentage increase in the median remuneration of employees in the financial year 2024-25;**  
The median remuneration of employee in the financial year 2024-25 was Rs.3.29 Lakhs (4.20 Lakhs in FY 2023-24). So, there was 21.67% decrease in median remuneration of employee.
- There were 164 employees on the rolls of company as on March 31, 2025.**
- Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year i.e 2024-2025 was NIL whereas the increased in the managerial remuneration for the same financial year was also NIL.**
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.**

**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman of CSR Committee & Director  
DIN: 00048328

Place: Ahmedabad  
Date: 14th August, 2025

## Annexure - 5

### AOC-2

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

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

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

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

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

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

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Lakhs	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
1	Sadbhav Udaipur Highway Pvt. Ltd.	Step Down Subsidiary	Sub-contracting Income	2024-25	0.00	14-08-2017	Nil
2	Sadbhav Kim Expressway Pvt. Ltd	Step Down Subsidiary	Sub-contracting Income	2024-25	0.00	24-04-2018	Nil
3	Sadbhav Gadag Highway Pvt. Limited	Step Down Subsidiary	Sub-contracting Income	2024-25	208.72	13-11-2019	Nil
4	Sadbhav Infrastructure Projects Ltd.	Subsidiary	Sub-contracting Income	2024-25	0.00	03-04-2021	Nil
5	Ahmedabad Ring Road Infrastructure	Step Down Subsidiary	Sub-contracting Income	2024-25	859.90	03-04-2021	Nil
6	Ahmedabad Ring Road Infrastructure Ltd.	Step Down Subsidiary	Rent Income	2024-25	0.00	03-04-2021	Nil
7	Sadbhav Infrastructure Projects Ltd.	Subsidiary	Rent Income	2024-25	0.00	03-04-2021	Nil

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

For, **Sadbhav Engineering Limited**

**Shashin V. Patel**  
Chairman of CSR Committee & Director  
DIN: 00048328

Place: Ahmedabad  
Date: 14th August, 2025



**FORM AOC-1**

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

**Part "A": Subsidiaries**

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17
Name of the Subsidiary Company	Ahmedabad Ring Road Infrastructure Limited	Maharashtra Border Check Post Network Limited	Rohtak-Hissar Tollway Private Limited	Rohtak-Panipat Tollway Private Limited	Sadbhav Rudrapur Highway Limited	Sadbhav Nainital Highway Limited	Sadbhav Bangalore Highway Private Limited	Sadbhav Vidarbha Highway Limited	Sadbhav Udaipur Highway Limited	Sadbhav Jodhpur Ringroad Private Limited	Sadbhav Kim Expressway Private Limited	Sadbhav Infra Solutions Private Limited	Sadbhav Maintenance Infrastructure Private Limited	Sadbhav Hybrid Annuity Projects Limited	Sadbhav Infrastructure Project Limited	Sadbhav Gadag Pvt Ltd
Reporting period	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	1,046.00	5.00	1,076.80	218.60	100.00	100.00	3,090.30	2,579.86	2,696.60	1,165.00	10,115.70	5.00	5.00	5.00	35,222.50	3,247.50
Reserves & Surplus	30178.84	(3,083.60)	(29665.01)	(44143.23)	10232.46	1062.84	1052.41	2608.35	8150.90	306.75	(4189.51)	(1.03)	(18.70)	(26.31)	26374.30	13363.80
Total Assets	72,502.60	1,36,155.40	94,225.32	1,34,113.30	38,513.50	1,185.83	4,217.29	5,362.59	48,483.61	1,529.48	6,231.00	5.02	0.13	0.10	1,32,715.00	52,686.30
Total Liabilities (excluding Share Capital and Reserves & Surplus)	1,01,635.44	1,33,066.80	63,483.51	89,751.47	48,645.96	2,148.67	2,179.40	5,391.09	53,937.91	671.22	(8,074.21)	(1.01)	(23.57)	(31.21)	1,23,866.80	62,802.60
Investments	21.50	0.00	12.40	10.30	0.00	0.00	10.80	0.00	0.00	0.00	10.30	0.00	0.00	-	-	-
Turnover	26661.70	41,006.70	0.00	0.00	621.55	0.00	0.00	0.00	1774.74	0.00	330.79	0.00	0.00	0.00	0.00	25516.70
Profit/(Loss) Before Taxation	6771.85	10,072.00	5.98	(32.34)	(1178.18)	(50.97)	(4.02)	(131.52)	(2889.00)	(17.17)	16.22	4.29	(4.36)	(16.10)	(8922.40)	2976.60
Exceptional Items	0.00	0.00	0.00	0.00	0.00	(90.16)	0.00	0.00	0.00	0.00	0.00	0.00	-330.46	0.00	(4,886.90)	0.00
Provision for Taxation	664.20	1760.30	0.00	0.00	(26.38)	-	0.00	0.00	0.20	0.00	3.36	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) After Taxation	6107.65	8311.70	5.98	(32.34)	(1151.80)	(141.13)	(4.02)	(131.52)	(2889.19)	(17.17)	12.86	4.29	326.10	(16.10)	(4035.50)	2976.60
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of Shareholding	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Figures in bracket show negative figures.

**Notes:**

1. Name of Subsidiaries which are yet to commence operations: Not Applicable
2. Part B is not applicable as there are no associate Companies/ Joint Ventures of the Company as on 31st March, 2025

**For and on behalf of Board of Directors**

**Shashin V. Patel**

Chairman & Managing Director

DIN: 00048328

**Jatin Thakkar**

Non-Executive Director

DIN: 09312406

**Hardik Modi**

Company Secretary

Date: August 14, 2025

Place: Ahmedabad

**FORM AOC-1**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

**Part "B": Associates and Joint Ventures**

(Rs. in Lacs)																	
	Name of Associates/ Joint Ventures	SEL-GKC JV Radhanpur - Manpura Project	SEL-GKC JV Vishakhapatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Managuru Project	SEL-GKC JV BSH-11 Project	SEL-GKC JV Govindpur Project	SEL- Annapurna JV Basantimata Project	SEL- Vishnushiva Maheshpur Project	SEL- Vishnushiva Jalipa / Kapudi Project	SEL-Vaishnvi JV - Halon Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PIPL JV	SEL-SPSCPL JV
1	Latest audited Balance Sheet Date	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
2	Shares of Associates/ Joint Ventures held by the company on the year end																
	No.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Amount of Investment in Associates/Joint Ventures (Rs. in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Extend of Holding %	52.00	50.00	60.00	52.00	40.00	51.00	50.00	50.00	80.00	75.00	98.00	72.00	40.00	40.00	51.00	74.00
3	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note
5	Network attributable to Shareholding as per latest audited Balance Sheet	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Profit / (Loss) for the year (Rs. in Lakhs)																
	i. Considered in Consolidated (Rs. in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii. Not Considered In Consolidated (Rs. in Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

\*Note : Accounted as per Jointly Control Operation method. Assets, Liabilities, Income &amp; Expenses are recognised in the respective Joint Venture partners' books of accounts.

**Notes:**

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the year: None

**For and on behalf of Board of Directors****Shashin V. Patel**

Chairman &amp; Managing Director

DIN: 00048328

**Hardik Modi**

Company Secretary

Date: August 14, 2025

Place: Ahmedabad

# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

Corporate Governance is about meeting our strategic goals, responsibly and transparently, while being countable to our stakeholders. Sadbhav Engineering Limited ("the Company" / "SEL") is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth. The Company is majorly in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), as applicable.

## Board of Directors

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors & Independent Directors. As on March 31, 2025, the Board comprised of 5 Directors which include one Executive Director, One Non-Executive Non-Independent Director and Three Non-Executive Independent Directors.

None of the Directors on the Board is a member in more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations), across all the Companies in which he/ she is a director. All the Directors have made the necessary disclosures regarding committee positions.

Composition and Directorship(s)/Committee Membership(s)/Chairmanship(s) and number of other Board and Committees upto the date of approval of Director's Report:

### COMPOSITION

Name	Designation	Category	No. of Directorship held in Other Companies *	No. of Independent Directorship in Listed entities *	No. of committee membership in other companies #	No. of committee chairmanship in other companies #	List of Directorship held in Other Listed Companies (Category of Directorship)	No. of Shares and convertible Instruments held
Mr. Shashin V. Patel DIN:00048328	Promoter Managing Director & Chairman	Executive Director	9	0	2	0	1. Sadbhav Infrastructure Project Limited (Non- Executive Director)	2,70,94,342
Mr. Jatin Thakkar DIN: 09312406	Director	Non-Executive Director, Non-Independent Director	3	0	0	0	1. Sadbhav Infrastructure Project Limited (Executive Director)	-
Dr. Tarang M. Desai DIN:00005100	Director	Independent, Non-Executive Director	7	1	2	0	Independent, Non-Executive Director in: 1. Sadbhav Infrastructure Project Limited	5000
Mr. Ambalal C. Patel DIN: 00037870 (Appointed w.e.f. 31.07.2024)	Director	Independent, Non-Executive Director	4	3	1	2	Independent Non-Executive Director: 1. Shah Alloys Limited 2. Shree Rama Newsprint Limited 3. Sadbhav Infrastructure Project Limited	-
Mrs. Shefali Patel DIN: 07235872 (Appointed w.e.f. 06.07.2024)	Director	Independent, Non-Executive Director	8	3	5	2	Independent, Non-Executive Director in: 1. Shah Alloys Limited 2. SAL Steel Limited	-



Name	Designation	Category	No. of Directorship held in Other Companies *	No. of Independent Directorship in Listed entities *	No. of committee membership in other companies #	No. of committee chairmanship in other companies #	List of Directorship held in Other Listed Companies (Category of Directorship)	No. of Shares and convertible Instruments held
Mr. Sandip V. Patel DIN:00449028 (Resigned w.e.f. 31-07-2024)	Director	Independent, Non-Executive Director	1	0	0	0	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)	10000
Mr. Dwigesh B Joshi DIN: 09733282 (Resigned w.e.f. 08-04-2024)	Director	Executive Director	0	0	0	0	-	0

\* Directorship including step-down subsidiaries of Sadbhav Engineering Limited.

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

**Relationship between directors inter-se:-** None of other directors are related to any other Board Member in terms of definition of 'relative' as per Companies Act, 2013.

#### Board Meeting and Attendance

The Board meets at least four times in a year and the maximum time gap between any two meetings is not more than 120 days. During the year 2024-25, 8 (Eight) Board Meetings were held on April 30, 2024, May 21, 2024, July 07, 2024, August 14, 2024, August 31, 2024, October 24, 2024, November 14, 2024 and February 14, 2025.

**The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board**

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

Sr. No.	Name of Directors	Skill/ Expertise/ Competency					
		General Management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders.	Finance and Accounting skills: Understanding the financial statements, risk management, mergers and acquisition, etc	Leadership experience: Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.	Board service and Governance: Service on a Public/ Listed Company Board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices with an understanding of changing regulatory framework.	Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation.	Diversity: Representation of gender, ethnic, geographic, Cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders.
1	Mr. Shashin V. Patel	✓	✓	✓	✓	✓	✓
2	Mr. Jatin Thakkar	✓	✓	✓	✓	✓	✓
3	Dr. Tarang M. Desai	x	x	✓	✓	✓	x
4	Mr. Ambalal C. Patel**	✓	✓	✓	✓	✓	✓
5	Mrs. Shefali Patel^	✓	✓	✓	✓	✓	✓
6	Mr. Sandip V. Patel#	✓	✓	✓	✓	✓	✓
7	Mr. Dwigesh B. Joshi##	✓	✓	✓	✓	✓	✓

**Note:**

## Resigned w.e.f. April 08, 2024.

^ Appointed w.e.f. July 06, 2024.

# Resigned w.e.f. July 31, 2024.

\*\* Appointed w.e.f. July 31, 2024

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

Attendance at Board meetings and Annual General Meeting (AGM):

Name of the Directors	No. of Board Meeting held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Shashin V. Patel	8	8	Yes
Mr. Jatin Thakkar	8	7	Yes
Dr. Tarang M. Desai	8	8	Yes
Mrs. Shefali Patel^	8	5	Yes
Mr. Ambalal C. Patel**	8	5	Yes
Mr. Sandip V. Patel*	8	3	NA
Mr. Dwigesh B. Joshi#	8	0	NA

**Note:**

# Resigned w.e.f. April 08, 2024

^ Appointed w.e.f. July 06, 2024

\*Resigned w.e.f. July 31, 2024

\*\* Appointed w.e.f. July 31, 2024

**Evaluation of Board Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The entire Board carried out the performance evaluation of the Independent Directors and Board Committees. The Independent Directors carried out the performance evaluation of the Board as whole and Non-Independent Directors of the Company while Independent as well as Non-Independent Directors of the Company evaluated performance of Chairman of the Board.

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

**Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 14, 2025 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board.

**Familiarization Programmes for Independent Directors:**

Your company has conducted the familiarization Programme for Independent Directors of the Company on February 14, 2025. The Programme was designed to familiarize the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

The details of Familiarization Programme for Independent Directors are available on the Company's website at <https://www.sadbhaveng.com/programme-and-policies/>

**Board membership criteria**

The Company inducts eminent individuals from diverse fields as director on its Board. The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company, and ability to contribute to the Company's growth.

**Confirmation from the Independent Directors:**

The Company received confirmation from the independent directors that they fulfill the conditions specified in these regulations and are independent of the management.

Detailed reasons for the resignation of an independent director who resigns before the expiry of the tenure:

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

During the year, Mr. Sandip Patel, Independent Director of the Company ceased to be Director of the Company with effect from July 31, 2025 due to his pre-occupation. Company has received a letter from Mr. Sandip Patel that there are no other reasons for his resignation.

**Committees of the Board Audit Committee**

The terms of reference stipulated by the Board to the Audit Committee are as contained in Section 177 of the Companies Act, 2013



and Regulation 18(3) of SEBI (LODR) Regulations, 2015. Mrs. Shefali Patel, Chairperson of the Audit Committee, was present at the Annual General Meeting of the Company held on Monday, September 30, 2024 (through VC / OAVM).

The Composition of Audit Committee, details of number of meetings held during the year 2024-25 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance						Committee meetings attended
		27.05.2024	06.07.2024	14.08.2024	31.08.2024	14.11.2024	14.02.2025	
Mrs. Shefali Patel <sup>^</sup>	Non-Executive - Independent Director and Chairperson of the committee	NA	NA	Yes	Yes	Yes	Yes	4
Dr. Tarang Desai	Non-Executive - Independent Director and member of the committee	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Jatin Thakkar <sup>*</sup>	Non-Executive – Non-Independent Director and Member of the committee	NA	Yes	Yes	Yes	Yes	Yes	5
Mr. Sandip V. Patel <sup>#</sup>	Independent Non-Executive Director and Chairman of the Committee	Yes	Yes	NA	NA	NA	NA	2
Mr. Shashin V. Patel	Managing Director and member of the Committee	Yes	NA	NA	NA	NA	NA	1

**Note:**

\* Appointed w.e.f. 21-05-2024

@ Resigned from the committee w.e.f. 06.07.2024

# Resigned from committee w.e.f. 31.07.2024

<sup>^</sup> Appointed w.e.f. 14.08.2024

The terms of reference of the Audit Committee are formulated in accordance with the regulatory requirements mandated by the Companies Act and Listing Regulations.

The Audit Committee is, inter alia, entrusted with the following responsibilities by the Board of Directors of the Company:

1. To oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend for appointment, remuneration and terms of appointment of auditors of the Company;
3. To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter; To review and monitor the auditor's

independence and performance, and effectiveness of audit process;

7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and eniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. To discuss with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 the Board has constituted the “Nomination and Remuneration Committee”.

The Composition of Nomination and Remuneration Committee, details of number of meetings held during the year 2024-25 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				
		06-07-2024	14-08-2024	24-10-2024	14-02-2025	Committee Meeting Attended
Dr. Tarang M. Desai*	Independent, Non—Executive Director and Chairperson of the Committee	Yes	Yes	Yes	Yes	4
Mr. Jatin Thakkar	Non-Independent, Non—Executive Director and Member of the Committee	Yes	Yes	No	Yes	3
Mrs. Shefali Patel^	Independent, Non—Executive Director and Member of the Committee	NA	Yes	Yes	Yes	3
Mr. Sandip V. Patel#	Independent, Non—Executive Director and Chairperson of the Committee	Yes	NA	NA	NA	1

**Note:** # Resigned from committee w.e.f. 31.07.2024

\*Appointed as chairman w.e.f. 14.08.2024

^ Appointed w.e.f. 14.08.2024

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained in Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015.

#### Policy for Appointment and Remuneration

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director.

It contains followings:

##### a) Education Qualification for Director:

Person being appointed as Director should hold certain education qualification as defined by Nomination & Remuneration Committee of Company.

##### b) Positive Attributes of Directors:

Person being appointed as Director should possess any of the following attribute;

- 1) Leadership quality
- 2) Work knowledge, sufficient experience and achievement in execution of project
- 3) Expertise in respective field
- 4) Sense of Responsibility
- 5) Seniority

**c) Independency of Directors**

Person being appointed as an Independent Director should possess the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

**d) Criteria for evaluation of Independent Directors**

Performance of evaluation of Independent Director shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Director being evaluated shall be evaluated on the basis of Role and Functions performed and duties discharged by him during the year. His role, functions and duties should be evaluated on basis of Role, Functions and Duties specified in Schedule IV of Companies Act 2013.

**e) Criteria for evaluation of Board**

The performance of the Board shall be reviewed in the separate meeting of Independent Directors at least once in year.

The meeting shall:

- 1) review the performance of Non-Independent Directors and the Board as a whole;
  - 2) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
  - 3) assess the equality, quantity and time lines of flow of information between the Company management and the Board that
  - 4) is necessary for the Board to effectively and reasonably perform their duties.
- The Nomination and Remuneration Committee has recommended to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management which contains following:
    1. Nomination and Remuneration Committee has empowered the Managing Director of the Company to frame the remuneration policy for Directors, Key Managerial Personnel and other employees including Senior Management Personnel on yearly basis.
    2. While formulating Policy, Managing Director of the Company shall ensure that:
      - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
      - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
      - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
    3. The Directors and Key Management Personnel such as Managing Director, Whole-time Directors and other Executive Directors shall be remunerated pursuant to the provisions of the Section 196 and 197 read with Schedule V of Companies Act, 2013.
    4. Other senior official's salary shall be based and determined having regard to their experience, responsibilities, performance and initiative taking abilities.

Details of the remuneration paid during the year 2024-25 and other terms of appointment of Directors

Name of Directors	Salary ( Rs. In lakhs )	Sitting Fees ( Rs. In lakhs )	Terms of Appointment	No. of equity shares held as on 31st March, 2024	No. of outstanding Stock options
Mr. Shashin V. Patel	-	-	-	-	-
Mr. Jatin Thakkar#	-	3.5	-	-	-
Dr. Tarang M. Desai #	-	4	-	5000	-
Mr. Ambalal C. Patel#	-	2.5	-	-	-
Mrs. Shefali Patel#	-	2.5	-	-	-
Mr. Sandip V. Patel** #	-	1.5	-	10000	-
Mr. Dwigesh Joshi*	3.74	-	-	-	-

**Note:-** \* Resigned w.e.f. April 08, 2024.

**\*\***Resigned w.e.f. July 31, 2024.

**#** Reflects sitting fees based on attendance of Board Meeting

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors, Key Managerial Personnel & Senior Management of the Company. The policy has been placed on the Company's official website at the web-link <http://www.sadbhaveng.com>

The Non-Executive Directors receive remuneration by way of sitting fee for attending the Board Meetings.

The remuneration paid to the Executive Director is determined keeping in view his professional qualification, relevant industry experience, size of the Company and current remuneration standards for such senior executive positions in the Engineering Industries.

Apart from above, Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.

**Notes:**

Service Contract, Notice Period and Severance Fees.

There is no Service Contract executed between the Company and Executive or Non-executive Directors for availing service and the Company has not paid any severance fees to the Directors.

Stock option details, if any:

On 14-02-2025, the company has granted one crore options under 'Sadbhav Engineering Limited ESOP Scheme 2024' to the eligible employees.



### Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20(4) of the SEBI (LODR) Regulations, 2015 the Board has constituted the “Stakeholders’ Relationship Committee”.

The terms of reference stipulated by the Board to the Stakeholders Relationship Committee are as contained in Section 178 of the Companies Act, 2013 and Regulation 20(4) of the SEBI (LODR) Regulations, 2015.

The Composition of Stakeholders Relationship Committee, details of number of meetings held during the year 2024-25 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				Committee Meeting attended
		21-05-2024	14-08-2024	14-11-2024	14-02-2024	
Mr. Jatin Thakkar*	Non-Independent, Non-Executive Director and Chairman of the Committee	NA	Yes	Yes	Yes	3
Mr. Shashin V. Patel	Managing (Executive) Director and Member of Committee	Yes	Yes	Yes	Yes	4
Dr. Tarang M. Desai	Independent, Non-Executive Director and Member of Committee	Yes	Yes	Yes	Yes	4
Mr. Sandip V. Patel**	Independent, Non-Executive Director and Chairman of Committee	Yes	NA	NA	NA	1

\*\*Resigned w.e.f. July 31, 2024

\* Appointed as a Chairman of committee w.e.f. 14.08.2024

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. To consider and resolve the grievances of security holders of the Company including complaints related to transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports etc .
2. In order to expedite the process of share transfer, committee is authorized to delegate the powers of approving of transfer of securities to Company’s registrar and share transfer agent under the supervision and control of Company secretary subject to placing of summary for the transfer and transmission of securities etc.
3. An investor relation department (IRD) to be set up if required in future. The IRD will focus on servicing the need of retail investors, institutional investors, analysts, brokers and the general public
4. To authorize to implement and monitor the various requirements as set out in the Code of Conduct for Prevention of Insider Trading of SADBHAV Engineering Limited (“Code”).

The Committee reviews all matters connected with securities transfer and redressed of investor complaints. The Committee also oversees the performance of the Registrars and Transfer Agent, MUFG Intime India Private Limited and recommends measures for overall improvement in the quality of the investor services. The Board of Directors of the company have delegated the powers of approving transfer of securities to Company’s Registrar under the supervision and control of the Company Secretary, subject to placing of a summary statement of transfer/transmission, etc. of securities of the company at meeting of the said committee. In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the code of conduct for prevention of Insider Trading and authorized the committee to implement and monitor the various requirements as set out in the Code.

The Board has designated Mr. Hardik Modi, Company Secretary & Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirement under the SEBI (LODR) Regulations, 2015.

The total number of complaints received and resolved during the year to the satisfaction of the shareholders during the year under review was 12. No complaints were pending as on March 31, 2024.

### Risk Management Committee:

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee on May 4, 2019. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company. During the year under review, two meetings were held for the said Committee on August 31, 2024 and February 14, 2025.

The Composition of Risk Management Committee was as under:

1. Mr. Shashin V. Patel - Promoter, Chairman and Managing Director, Chairman of the Committee
2. Mr. Jatin Thakkar^ - Non-Independent, Non-Executive Director and Member of the Committee
3. Mrs. Shefali Patel!\*\* - Independent, Non-Executive Director and Member of the Committee

4. Mr. Dwigesh Joshi# - Executive Director and Member of the Committee
5. Mr. Sandip V. Patel\* - Independent, Non-Executive Director and Member of the Committee

#AResigned w.e.f. April 08, 2024

^Appointed w.e.f. May 21, 2024

\*Resigned w.e.f. July 31, 2024

\*\* Mrs. Shefali Patel was appointed as a member of the committee w.e.f. August 08, 2024

The terms of reference stipulated by the Board to the Risk Management Committee are as per the Companies Act, 2013 and Regulation 21(5) of the Listing Regulations.

The Role and Responsibility of Risk Management Committee are as under:

**(A) ROLE:**

- To assess the Company's risk profile and key areas of risk in particular.
- To recommend the Board and adoption of risk assessment and rating procedures.
- To articulate the Company's policy for the oversight and management of business risks.
- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To assess and recommend the Board acceptable levels of risk.
- To develop and implement a risk management framework and internal control system.
- To review the nature and level of insurance coverage.
- To have special investigations into areas of corporate risk and break-downs in internal control.
- To review management's response to the Company's auditors' recommendations those are adopted.
- To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.

**(B) RESPONSIBILITY:**

- To define the risk appetite of the organization.
- To exercise oversight of management's responsibilities, and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board.
- To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk.
- To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control.
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained.
- To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level.
- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts.
- To provide an independent and objective oversight and view of the information presented by the management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing by the Company.
- To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.
- To fulfill its statutory, fiduciary and regulatory responsibilities.
- To ensure that the risk awareness culture is pervasive throughout the organization.
- To review issues raised by Internal Audit that impact the risk management framework.
- To ensure that infrastructure, resources and systems are in place for risk management is adequate to maintain a satisfactory level of risk management discipline.
- The Board shall review the performance of the risk management committee annually.
- Perform other activities related to risk management as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

**Other Committees**

**Finance and Investment Committee**

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Shashin V. Patel, Mr. Jatin Thakkar, Mr. Ambalal Patel# and Mr. Sandip V. Patel\*\* and to review banking arrangements, reviews and approves certain short terms and long-term loans, investment transaction etc. as per the authority granted to the said committee. Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises. During the year under review, four meetings were held for the said Committee July 07 2024, November 16 2024, December 05,2024 and December 16, 2024.

\*\*Resigned w.e.f. July 31, 2024.

#Appointed w.e.f. August 14, 2024.

**Corporate Social Responsibility (CSR) Committee**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee comprises of Mr. Shashin V. Patel as a Chairman, Mr. Jatin Thakkar<sup>^</sup>, Mr. Tarang Desai<sup>##</sup>, Mr. Dwigesh Joshi<sup>#</sup> and Mr. Sandip V. Patel<sup>\*\*</sup> as members of the Committee. During the year 2024-25, One meetings of Committee were held on 14th August, 2024

<sup>#</sup> Resigned w.e.f. April 08, 2024.

<sup>^</sup> Appointed w.e.f. May 05, 2024

<sup>\*\*</sup> Resigned w.e.f. July 31, 2024

<sup>##</sup> Appointed w.e.f. August 14, 2024

**The Key Managerial Personnel and Senior Management of the Company as on March 31, 2025 are as under:**

Name	Designation
Mr. Shashin Patel	Chairman & Managing Director
Mr. Dwigesh Joshi (Upto 08.04.2024)	CFO and Executive Director
Mr. Hardik Modi	Company Secretary and Compliance Officer
Mr. Rohit Modi (Upto 24.10.2024)	Group CEO

**General Body Meetings**

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2021-22	September 30, 2022	03.30 P.M.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)
2022-23	September 30, 2023	3.30 P.M.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)
2023-24	September 30, 2024	3.30 P.M.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)

The details of special resolutions passed by Company in last three Annual General Meetings are as under:

Date of AGM	Special Resolution Passed
September 30, 2022	<ul style="list-style-type: none"> <li>Increase in borrowing limit of the company</li> <li>Creation of Charge on Company's Property</li> <li>Approval of Loans, Guarantee or Security under Section 185 of Companies Act, 2013.</li> </ul>
September 30, 2023	NIL
September 30, 2024	<ul style="list-style-type: none"> <li>Reappointment of Mr. Tarang Desai as an independent director of the company from February 13, 2025 to February 12, 2030.</li> <li>Approval of Implementation of the 'Employee Stock Option Plan 2024' and to approve Grant of Employee Stock Options under the 'Employee Stock Option Plan 2024' to the eligible employees of the Company.</li> <li>Approval of Grant of Employee Stock Options under the 'Employee Stock Option Plan 2024' to the eligible employees of the Company's Subsidiary Companies (Including Step-Down Subsidiary Companies) and Holding Companies.</li> <li>Grant of Options to eligible employees equal to or exceeding one percent of the Issued Capital of the Company during any one year under Employee Stock Option Plan 2024.</li> <li>Increase and Alteration of Authorized Share Capital and Consequent Alteration in The Capital Clause of Memorandum of Association of The Company.</li> </ul>

**Postal Ballot:**

During the year F.Y. 2024-25 no resolution was passed by way of postal ballot.

In current financial year, no special resolution is proposed to be passed through postal ballot.

**Unclaimed Shares lying in Demat Suspense Account:**

In terms of Regulation 39(4) of the SEBI (LODR) Regulations, 2015 the Company reports that no unclaimed equity shares lying in the demat suspense account.

**Other Disclosures**

- The Company has majorly complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, of the SEBI (LODR) Regulations, 2015.
- There is no major non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI (LODR) Regulations, 2015.
- In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.
- There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.



- E) During the last three years, there were no strictures imposed by SEBI or Stock Exchanges or any statutory authority, for non-compliance of any matter related to the capital markets. However, following penalties were imposed by the stock exchange:

Sr. No.	Authority which has imposed penalty	Reason for Penalty	Date of Penalty	Status of Payment of the Penalty
1	BSE	Penalty for Non-Compliance of LODR regulations	17-03-2025	Paid
2	NSE	Penalty for Non-Compliance of LODR regulations	17-03-2025	Paid

**F) Whistle Blower Policy**

The Company has established a vigil mechanism called 'Whistle Blower Policy' In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (LODR) Regulations, 2015 for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Company has established a mechanism for employees vide 'Whistle Blower Policy' which seeks (i) to ensure greater transparency in all aspects of the Company's functioning by formulating a procedure to bring to the attention of Company incidents of improper-activities or violation of the company's Code of Conduct & Ethics for Board Members and Senior Management, and (ii) to provide for adequate safeguards against victimization of employees who avail of the mechanism.

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company. Whistle Blower by virtue of his/her having reported a Protected Disclosure under the policy is fairly protected.

All Protected Disclosures should be in writing and can be submitted by hand delivery, courier or by post addressed to the Chairman of the Audit Committee of the Company. The contact details of the Chairman of the Audit Committee are as under:

By Post: Chairman of Audit Committee  
Sadbhav Engineering Limited  
'Sadbhav', Near Havmor Restaurant,  
B/h Navrangpura Bus Stand,  
Navrangpura,  
Ahmedabad-380009 Gujarat.

If Audit Committee through proper investigation process as described in policy to conclude through proper investigation that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as deem fit.

**G) Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015.

**H) Subsidiary Companies**

All the subsidiary companies of the Company (including step down subsidiaries) are managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority of shareholders, the Company nominates its representative on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means –

- Financial Statements, in particular the investment made by the subsidiary companies are reviewed quarterly by the Audit Committee of the Company
- All the minutes of the meeting of unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered in to by the subsidiary companies is placed before the Company's Board.

Pursuant to provisions of Regulation 27 of SEBI (LODR) Regulations, 2015, The policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website at the web <https://www.sadbhaveng.com/wp-content/uploads/2021/09/Material-Subsidiary.pdf>

**I) Disclosure of Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. The transactions with related parties are disclosed in Notes to the accounts (Note No. 46). The policy on Related Party Transactions as approved by the Board is uploaded on the Company's web site at the web link. <https://www.sadbhaveng.com/wp-content/uploads/2021/09/RELATED-PARTY-TRANSACTION-POLICY.pdf>. The Company in terms of Regulation 23 of SEBI (LODR) Regulations, 2015, submits on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The said disclosures can be accessed on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com).

**J) Disclosure of Accounting Treatment**

In preparation of financial statements, the Company has followed the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**K) The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, are as under:**

The following non-mandatory requirements have been adopted by the Company:

The Report of Auditors is with Modified opinion with respect to the Audited Financial Results (Standalone and consolidated) of the Company for the quarter and year ended on 31st March, 2025.

The Internal Auditors report directly to the Audit Committee.

**L) Disclosure on Risk Management**

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures.

The company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

**M) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable**

**N) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year i.e. 2024-25: Not Applicable**

**O) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the Statutory Auditors are given in Note No.32.1 to the Standalone Financial Statements.

**P) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2025 is given in the Directors' report.

**Q) Disclosure of commodity price risks and commodity hedging**

The Company does not deal in commodities price risks and commodity hedging activities. Hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**R) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

The Company in the ordinary course of its business given loans subsidiaries companies in which directors are interested. The details of the same is mentioned hereunder: (Rs. In Lakhs)

Sr. No.	Name of the Subsidiaries including step down subsidiaries companies	Balance as on March 31.,2025
01	Sadbhav Infrastructure Project Limited-Interest Free Loan	7287.66
02	Sadbhav Infrastructure Project Limited-Loan	26822
03	Rohtak-Panpat Tollway Pvt. Ltd.-Loan	14624.14
04	Rohatk-Hissar Tollway Pvt.Ltd.-Loan	1471.76

**S) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

Please find the following details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Sr. No.	Name of Material Subsidiary Company	Date of Incorporation	Name of Statutory Auditor	Date of Appointment of Statutory Auditor
1	Sadbhav Infrastructure Project Limited	18-01-2007	M/s S G D G & Associates LLP	27-09-2018
2	Sadbhav Gadag Highway Private Limited	29-06-2018	M/s Manubhai & Shah LLP	24-09-2019
3	Ahmedabad Ring Road Infrastructure Limited	31-08-2006	M/s S G D G & Associates LLP	20-09-2017
4	Sadbhav Nainital Highway Limited (Formerly known as Sadbhav Nainital Highway Private Limited)	01-05-2016	M/s Gianender & Associates	22-09-2017
5	Sadbhav Rudrapur Highway Limited (Formerly known as Sadbhav Rudrapur Highway Private Limited)	01-05-2016	M/s Gianender & Associates	22-09-2017
8	Sadbhav Bangalore Highway Private Limited	29-10-2016	M/s Manubhai & Shah LLP	22-09-2017
9	Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private Limited)	24-04-2017	M/s Manubhai & Shah LLP	22-09-2018
10	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	23-05-2017	M/s Manubhai & Shah LLP	22-09-2018
11	Sadbhav Jodhpur Ring Road Private Limited	03-01-2018	M/s S G D G & Associates LLP	29-09-2022
12	Sadbhav Kim Expressway Private Limited	12-04-2018	M/s Manubhai & Shah LLP	20-09-2019

**Code of Conduct**

The Board has formulated a code of conduct for the Board Members and Senior Management of Company which has also been posted on the website of Company. All Board members and senior management personnel have affirmed their compliance with code. A declaration to this effect signed by the Vice Chairman – Non-Executive Director of the Company is given as a part of the Annual Report.

**Managing Director /CFO Certificate**

Managing Director of the Company provided annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.

### Certificate from Company Secretary in Practice:

The Company has obtained a certificate affirming the compliances from M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad, of the Company and the same is attached to this report.

### Certification from Company Secretary in Practice

M/s. Ravi Kapoor & Associates, Practicing Company Secretary, has issued a certificate as required under Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority and the same certificate is attached to this report.

### Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2024-25, Company has published its quarterly results as under:

Quarter News Papers

- Q1 Financial Express (English & Gujarati)
- Q2 Financial Express (English) & Gujarati
- Q3 Financial Express & Lokmitra (English & Gujarati respectively)
- Q4 Financial Express (English & Gujarati)

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2024-25, Company has published its quarterly / half yearly / annually financial results in leading newspaper one English language national daily newspaper (English Edition) and one daily vernacular language newspaper (Gujarati Edition).
- The Company has its own website [www.sadbhaveng.com](http://www.sadbhaveng.com). Financial results on approval of the Board, presentations made to institutional investors or to the analysts, conference call etc. are simultaneously hosted on website of the Company.
- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.
- Annual Reports containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information are circulated to the members and other entitled thereto.

The Company also submits electronically various compliances reports, announcements etc. from time to time in accordance with the SEBI (LODR) Regulations, 2015 with NSE & BSE on [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) through NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre respectively and also on the website of the Company [www.sadbhaveng.com](http://www.sadbhaveng.com)

### General Shareholders Information

#### 1. Annual General Meeting

- Date and Time** : Tuesday, September 30, 2025 at 04.30 p.m.
- Venue** : Through Video Conferencing or other Audio Visual means
- Financial calendar** : April 01, 2024 to March 31, 2025.
- Book Closure date** : Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (both days inclusive)
- Dividend payment date** : N.A.
- Stock Code**
  - Script Code at BSE** : 532710
  - Trading Symbol at NSE** : SADBHAV
  - ISIN No.** : INE226H01026

#### 6. Listing on Stock Exchanges

##### A: Equity Shares:

Name of the Stock Exchange	Address
BSE Limited (BSE)	Floor 25, P.J. Towers, Dalal Street, Mumbai-400001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400051

##### B: Debt Securities:

The Company Is Not Having Any Listed Debt Securities. As on The Date of This Report.

##### C: Debenture Trustees: NA

**Note:** Annual listing fees for the year 2024-25 have been paid to the BSE and NSE.

#### 7. Credit Rating:

CRISIL Ratings Limited and ICRA Limited (Rating Agencies) have issued independent credit evaluation (ICE) of the bank facilities (residual debt) of the Company based on a resolution plan submitted for the Company by Lead Bank as follows:

ICE	
Total sustainable debt rated	Rs. 1,500* crore
Ratings	RP-4**

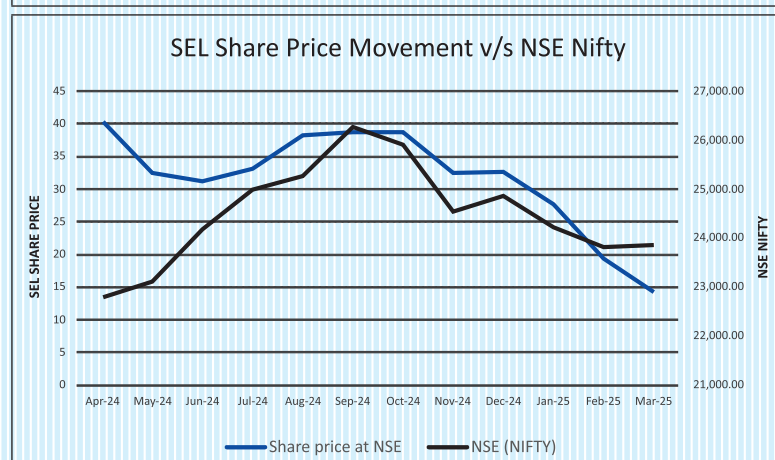
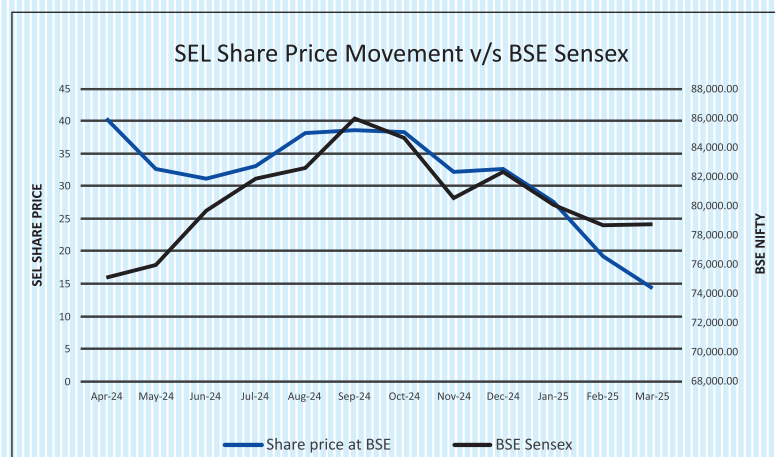
\*includes Rs ~742 crore of fund based facility outstanding as on March 31, 2024, accrued interest of ~Rs 50.5 crore upto RP implementation date of December 31 2024, devolved bank guarantee (BG) of ~Rs 97.5 crore and non-fund based limit of Rs 610 crore (Subject to lender's reconciliation).

\*\* RP-4 Definition: Debt facilities/instruments with this symbol are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such debt facilities/instruments carry moderate credit risk.

The details of Credit Rating are available on the website at [www.sadbhaveng.com](http://www.sadbhaveng.com).

## 8. Market price data (Face Value of Re. 1)

Month	Share price at BSE		BSE Sensex		Share price at NSE		NSE (NIFTY)	
	amount in Rs.				amount in Rs.			
	High	Low	High	Low	High	Low	High	Low
Apr-24	40.41	28.90	75,124.28	71,816.46	40.30	29.05	22,783.35	21,777.65
May-24	32.69	25.40	76,009.68	71,866.01	32.55	25.20	23,110.80	21,821.05
Jun-24	31.24	24.43	79,671.58	70,234.43	31.27	24.65	24,174.00	21,281.45
Jul-24	33.19	26.70	81,908.43	78,971.79	33.11	26.41	24,999.75	23,992.70
Aug-24	38.18	26.61	82,637.03	78,295.86	38.28	26.72	25,268.35	23,893.70
Sep-24	38.70	29.78	85,978.25	80,895.05	38.70	29.75	26,277.35	24,753.15
Oct-24	38.46	26.55	84,648.40	79,137.98	38.67	27.20	25,907.60	24,073.90
Nov-24	32.33	26.40	80,569.73	76,802.73	32.47	26.36	24,537.60	23,263.15
Dec-24	32.74	26.21	82,317.74	77,560.79	32.70	26.27	24,857.75	23,460.45
Jan-25	27.64	16.97	80,072.99	75,267.59	27.63	16.95	24,226.70	22,786.90
Feb-25	19.29	12.73	78,735.41	73,141.27	19.35	12.65	23,807.30	22,104.85
Mar-25	14.41	10.79	78,741.69	72,633.54	14.22	10.54	23,869.60	21,964.60



## 9. Registrar & Transfer Agent: MUFG Intime India Private Limited

C-101,247 Park, L.B.S. Marg Vikhroli (West), Mumbai- 400 083  
 Contact: 022-49186270, Fax: 022-49186060  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## 10. Share Transfer System

Presently, the requests for transfer of shares which are in physical form are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated the powers of approving transfer of securities to the Company's Registrars and Transfer Agents under the supervision and control of the Company Secretary, subject to placing of summary statement of transfer/transmission of securities, etc. at the shareholders'/investors' grievance committee meetings. The Company obtains half-yearly compliance certificate from a Company Secretary in Practice under Regulation 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for



reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI Listing Regulations.

#### 11. Shareholding as on March 31, 2024

##### a) Distribution of shareholding as on March 31, 2025

No. of shares	No. of shareholders	% to total	No. of shares held	% to total
1-500	50245	72.9076	6885184	4.0130
501-1000	7356	10.6739	6070323	3.5381
1001-2000	4736	6.8721	7354226	4.2864
2001-3000	1829	2.6540	4743713	2.7649
3001-4000	916	1.3292	3310071	1.9293
4001-5000	971	1.4090	4653457	2.7123
5001-10000	1438	2.0866	11033137	6.4307
10001 to 999999999	1425	2.0677	127520689	74.3254
<b>Total</b>	<b>68916</b>	<b>100.00</b>	<b>171570800</b>	<b>100.00</b>

##### b) Categories of shareholders as on March 31, 2025

Category	No. of shares	% to total
Promoters	6,21,37,981	36.22
Mutual Fund	0	0
Banks, Financial institutions, Insurance companies, Government companies	6,35,505	0.37
Other private corporate bodies	1,65,42,995	9.64
Indian Public	8,30,77,524	48.42
NRI / OCB	26,08,523	1.52
Foreign Portfolio Investor (Corporate)	7,18,270	0.42
Independent Directors and Relatives of Directors	5,000	NA
Any others	58,45,002	3.41
<b>Total</b>	<b>171570800</b>	<b>100.00</b>

#### 12. Dematerialization of shares and liquidity

99.99% of the Company's paid-up equity share capital has been dematerialized. Trading in equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).

#### 13. Transfer of unclaimed dividend amount for the financial year 2016-2017 to Investor Education and Protection Fund

During the year under review, the Company has credited Rs. 27090 amount being unclaimed dividend for the year 2016-2017 to the Investor Education and Protection Fund (IEPF) pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

#### 14. Transfer shares in respect of which dividend has not been claimed for seven consecutive years or more to the Investor Education and Protection Fund

During the financial year 2024-2025, company has transferred 991 equity shares on which dividend has not been claimed for seven consecutive years or more to the Investor Education and Protection Fund ('IEPF Authority') as per statutory requirement.

#### 15. SEBI Complaints Redress System (SCORES)

Investors complaints are processed on the centralized web based complaints redressal system. The salient features of the systems are centralized Database of all Complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of action taken on the complaints and their current status.

#### 16. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Company has no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity as on 31st March, 2025.

#### 17. Commodity price risk or Foreign Exchange Risk and Hedging Activities

The details of foreign exchange exposures as on 31st March, 2025 are disclosed in Note no. 3.13 of the Significant Accounting Policies to the standalone financial statements.

#### 18. Work Shop: At Village Ognaj, Tal. Daskroi, Dist. Ahmedabad

#### 19. Address for Correspondence: Sadbhav Engineering Limited

"Sadbhav" House, Nr. Havmor Restaurant, B/H Navrangpura Bus Stand,  
Navrangpura, Ahmedabad – 380009  
Phone: +91 79-40400400  
Fax: +91 79-40400444

#### DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 17 (5) of the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2025.

**For Sadbhav Engineering Limited**  
**Shashin V. Patel**  
Chairman & Managing Director  
DIN: 00048328

Date: August 14, 2025  
Place: Ahmedabad

## ***Certification on Financial Statements of the Company***

I, Shashin V. Patel, Chairman and Managing Director of Sadbhav Engineering Limited ('the Company'), certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief, we state that:

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

Date: August 14, 2025  
Place: Ahmedabad

**Shashin V. Patel**  
Chairman & Managing Director  
DIN: 00048328

## ***Compliance Certificate on Corporate Governance***

To,  
The Members of  
**Sadbhav Engineering Limited**

We have examined the Compliance Conditions of Corporate Governance by Sadbhav Engineering Limited for the year ended on 31st March, 2025 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2024 to 31st March, 2025. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

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

Date: August 14, 2025  
Place: Ahmedabad

**Ravi Kapoor & Associates**  
**Ravi Kapoor**  
Proprietor  
Mem. No FCS. 2587  
COP No.: 2407  
UDIN: F002587G001169016

# Certificate of Non-Disqualification of Directors

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

To,  
The Members of  
**SADBHAV ENGINEERING LIMITED**  
Sadbhav House, Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad – 380 006.

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of Sadbhav Engineering Limited having CIN L45400GJ1988PLC011322 and having registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380 006. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Shashin Vishnubhai Patel	00048328	01/07/2009
2	Jatin Thakkar	09312406	15/03/2023
3	Tarang Madhukar Desai	00005100	14/02/2020
4	Shefali Patel	07235872	06/07/2025
5	Ambalal Patel	00037870	31/07/2025

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

**Ravi Kapoor & Associates**

**Ravi Kapoor**

Proprietor

Mem. No FCS. 2587

COP No.: 2407

UDIN: F002587G001169016

Date: August 14, 2025  
Place: Ahmedabad

# Management Discussion & Analysis

## CAVEAT

Certain statements in this report are “forward-looking statements” that reflect management’s expectations regarding Sadbhav Engineering’s future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are presented for the purpose of assisting the stakeholders and financial analysts in understanding the Company’s operating environment and may not be appropriate for other purposes. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. However, such forward-looking statements involve a certain number of risks and uncertainties, including those discussed under the heading “Risks and Uncertainties” and elsewhere in this report. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this report are based on what management believes to be reasonable assumptions, Sadbhav Engineering Limited cannot assure investors that actual results will be consistent with these forward looking statements. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective.

Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company’s operations’ substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to any new information, future events or otherwise. Hereby, we at Sadbhav Engineering Limited present our report for the financial year 2024-25.

## ABOUT SADBHAV ENGINEERING LIMITED

Since its inception in 1988, Sadbhav Engineering Limited (hereafter referred to as ‘SEL’) has undertaken and executed projects of national importance, including the construction of roads and highways, bridges, and mining and irrigation infrastructure. SEL has successfully constructed 9,621 lane kilometers of roads and highways (encompassing both state and national highways) and is recognized as one of the leading infrastructure companies in India. The company is listed on both the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE), and has had the privilege of collaborating with prominent organizations such as NHAI, Coal India, GIPCL, GHCL, L&T, HCC, Punj Lloyd, and Sardar Sarovar Narmada Nigam, among others. As SEL progresses, it continues to adapt to various factors influencing growth, including emerging market trends, evolving policies, geopolitical uncertainties, and other dynamic conditions.

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

India’s drive toward a USD 5 trillion economy hinges on accelerating infrastructure development, with a strong emphasis on transport, roads, railways, aviation, shipping, and inland waterways to meet the demands of its expanding population and rapid economic growth. Robust investments in these sectors bolster connectivity and facilitate efficient movement, lowering logistics costs and fostering regional development. The road sector is witnessing significant expansion driven by large-scale government projects such as Bharatmala Pariyojana, Sagarmala Programme, and Parvatmala, with the total length of National Highways reaching 146,204 km as of March 2025. In FY26, the government set a target to construct 10,000 km of new highways, focusing on high-speed corridors and expressways. Innovative financial arrangements, including public-private partnerships and asset monetization, continue to drive investment, with NHIT completing four fund-raising rounds exceeding Rs. 46,000 crore, while the FY26 budget allocation for the Ministry of Road Transport and Highways reached Rs. 2.87 lakh crore. Private equity and venture capital activity remains strong, and new projects such as 35 multimodal logistics parks further signal momentum in sectoral growth. Technological advances and policy support, including 100% FDI, reinforce India’s vision for integrated, modernized, and sustainable infrastructure expansion into 2025.

### 2. GLOBAL ECONOMIC OVERVIEW

In 2025, the global construction and infrastructure industry maintains steady growth despite macroeconomic pressures, with the market expected to reach approximately \$16.46 trillion, up from \$15.78 trillion in 2024, reflecting an annual growth rate of around 4%. Expansion is fueled by urbanization, public investments, and stimulus-driven infrastructure spending—particularly in Asia-Pacific, which contributes nearly 40% of global output. Major nations like China, the U.S., and India account for nearly 60% of global construction output, with large-scale projects in transport, utilities, green buildings, and digital infrastructure driving progress. The sector’s focus is increasingly on sustainability and technology adoption, as investments in smart cities and modular construction accelerate, while building information modeling (BIM) and AI enable improved planning and productivity. However, persistent labor shortages and rising material costs temper sectoral optimism. Stimulus packages in the U.S. and Europe, alongside government infrastructure initiatives worldwide, underpin the industry’s resilience. As governments and private players prioritize efficiency and environmental responsibility, the construction and infrastructure sector is poised to remain a key driver of global economic growth and modernization in 2025.

### 3. PANORAMA OF INDIAN ECONOMIC SITUATIONS

India’s economic outlook for 2025-26 remains strong, with infrastructure as a key growth driver and roads as the main focus. The government’s increased capital outlay is supporting vital transport, housing, logistics, and energy sectors, helping create jobs and boost economic inclusion.

The road sector’s focus in 2025-26 is on constructing 10,000 km of national highways, particularly high-speed corridors and expressways. This has created major economic impacts such as improved national and regional connectivity, lower logistics costs, higher freight movement efficiency, and increased private investment through public-private partnerships and asset



monetization. Modern road networks reduce travel time, enhance safety, and facilitate trade across states, directly contributing to faster supply chains and industrial growth.

In irrigation, watershed and modernization initiatives target higher agricultural productivity and climate resilience, supporting rural demand and economic stability.

Mining sector reforms and digitalization have energized growth in critical minerals, supporting employment, energy transition, and overall economic diversification.

Collectively, these infrastructure moves, especially in roads, make the sector the backbone of India's strategy for sustainable growth, deeper economic integration, and long-term prosperity in 2025-26.

#### **4. OUTLOOK OF OPPORTUNITIES AND STRENGTHS**

##### **Roads and Highways**

India's roads and highways sector demonstrated exceptional opportunity and resilience in FY 2024-25, continuing to anchor the nation's infrastructure-led growth story. The National Highways network, strategic expressways, and flagship programmes like Bharatmala Pariyojana have strengthened India's arterial routes, logistics hubs, and rural-urban linkages, catalyzing socio-economic transformation. The sector's strengths include an extensive, rapidly expanding network, a high implementation pace, ongoing upgrades to new technologies, and growing participation of private capital through Public-Private Partnerships and asset monetization models.

Major completed and ongoing projects—such as the Delhi-Mumbai Expressway, Frontier Highway, and Char-Dham connectivity—underline engineering acumen, improved safety, and accelerated mobility for both freight and passengers. The PM Gati Shakti National Master Plan has further streamlined project approvals, prioritized logistics efficiency, and reduced transaction costs for industry, commerce, and rural supply chains.

Policy impetus has ensured roads remain crucial for job creation, export competitiveness, and global supply chain integration. Multimodal logistics parks and economic corridors offer fresh opportunities for warehousing, ancillary logistics, and cross-sectoral investments, while rural connectivity programs help drive inclusive development and increase market access for farmers. India's roads and highways are thus positioned as a backbone of economic growth, with strengths in scale, innovation, financing, and integrated planning. These advantages offer a robust platform for future expansion and increased stakeholder value in the years ahead.

##### **Irrigation**

Country's irrigation sector displayed robust growth and significant modernization in FY 2024-25, presenting extensive opportunities and notable strengths for the future. Government-led initiatives and dedicated funding, particularly through the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), have vastly increased the coverage of irrigated areas and brought water-efficient technologies to rural landscapes. The sector's strength lies in its expanding irrigation coverage—rising from 49.3% to 55% of gross cropped area in recent years—coupled with increased irrigation intensity and improved project completion rates under flagship programs like Accelerated Irrigation Benefits Programme and Har Khet Ko Pani.

Innovations such as micro-irrigation, IoT, GIS, and SCADA integration into water management systems have helped optimize water delivery, reduce waste, and enhance resilience in drought-prone regions. These advances not only boost on-farm water use efficiency by 20%, but also enable digital water distribution networks and precision scheduling, benefiting smallholder farmers and improving productivity. The government's investment in modernization and repair of water bodies further strengthens rural water security, ensuring reliable supply even as climate variability grows in importance.

Favourable monsoon trends in 2024 and improved rainfall forecasts for 2025 bolster sectoral performance, enhancing crop yields and stabilizing food prices. The successful integration of climate-resilient practices, demand-driven systems, and digital technologies positions India's irrigation sector as a vital opportunity for investors, technology providers, and agri-businesses. This foundation offers sustainable growth and resilience for the nation's agricultural economy in the coming years.

##### **Mining**

The mining sector in India showcased strong growth and considerable opportunities in FY 2024-25, reinforcing its pivotal role in the economic landscape. Record production was achieved in key minerals including iron ore, manganese, bauxite, aluminium, and copper, driven by strong demand from industries such as steel, infrastructure, automotive, and energy. India stands as the world's fourth-largest iron ore producer, second-largest aluminium producer, and a top-ten refined copper producer, underscoring its global competitiveness.

Strengths in the sector include a vast mineral resource base with over 95 minerals, increasing adoption of transparent auction-based allocation models, and growing investments in exploration and technological advancements. These reforms have enhanced efficiency, attracted private and foreign investments, and boosted revenue generation for state governments, supporting socioeconomic development in mineral-rich regions.

The sector's contribution to GDP was significant, with mining and quarrying showing steady growth, supported by initiatives emphasizing sustainability, pollution control, and community development. Opportunities lie in critical minerals for energy transition, export growth, and strategic resource security, alongside advancements in automation and digital technologies focused on efficiency and environmental responsibility.

Overall, the mining sector's strategic strengths and forward-looking reforms position it as a cornerstone for India's industrial growth, job creation, and sustainable development in the years ahead.

## 5. THREATS

Sadbhav Engineering Limited being infrastructure company, envisages several key threats. Financing and liquidity challenges, including delayed payments and cautious lending, continue to strain project cash flows and delay execution. Regulatory and policy uncertainties, especially regarding environmental clearances and land acquisition, create risks of project delays and legal disputes. Cost inflation in materials like steel and cement further threatens project margins. Execution challenges, including limited skilled manpower and capacity bottlenecks, can lead to time and cost overruns. Additionally, climate-related risks such as extreme weather events impact infrastructure durability and operations. Political and social opposition, particularly local resistance to land acquisition, may cause disruptions and delays. These multifaceted threats require vigilant risk management and adaptive strategies to safeguard project viability and maintain sustainable growth across Roads & Highways, Irrigation and Mining Sectors.

## 6. RISKS & ITS MITIGATION:

The management of company has identified risks in two categories i.e. (1) Internal and Business Risk and (2) External Risk.

### Internal and Business Risks:

These are the risks that arise out of processes which are managed internally.

Project execution risks remain significant due to challenges such as land acquisition delays, resource mobilization constraints, and supply chain disruptions, which can cause cost overruns and timeline slippages. Financial risks include fluctuations in material costs, interest rates, and liquidity pressures impacting cash flows and project funding. Operational risks arise from dependence on skilled manpower, machinery breakdowns, and maintenance of quality standards under tight deadlines. Regulatory compliance and environmental clearance delays pose additional threats to timely project completion. In the mining sector, challenges related to resource depletion and exploration uncertainties can affect production continuity. Meanwhile, irrigation projects face risks from climate variability affecting water availability.

### External Risks:

Sadbhav Engineering Limited anticipates several external risks that could impact its business and operations. One major risk is project execution delays, particularly in hybrid annuity model (HAM) projects, which have experienced inordinate delays, exposing the company to financial and reputational risk impacts. Furthermore, delays in receipt of funds from stake sales and other fund-raising plans have potential to strain liquidity, potentially impacting ongoing and future project investments.

The company operates in a highly competitive and cyclical infrastructure industry, where fluctuating raw material prices—especially for steel, cement, and fuel—can pressure margins and cost structures. Regulatory and environmental clearances remain a challenge, with uncertainties potentially leading to project slowdowns or revisions in design and timelines. Political and social factors, including local community opposition and land acquisition hurdles, add to external risk complexity.

Macroeconomic factors, such as interest rate hikes and inflation, may increase borrowing costs and operating expenses. Furthermore, the sector remains vulnerable to disruptions in the supply chain and labour availability amid economic or geopolitical shocks. Managing these external risks will require proactive stakeholder engagement, diversified financing, robust project management, and ongoing compliance to maintain Sadbhav Engineering Limited's competitive position and financial health in FY 2024-25.

### Risk Mitigation:

Sadbhav Engineering Limited adopts a comprehensive risk mitigation approach to safeguard its business and ensure sustainable growth across roads and highways, irrigation, and mining sectors. The company emphasizes robust project management practices aimed at minimizing execution delays and cost overruns by closely monitoring timelines, resource deployment, and contractor performance. To mitigate financial risks, Sadbhav prioritizes diversified funding sources and maintains strong relationships with banks and financiers to ensure liquidity and manageable debt servicing.

Operational risks are addressed through implementation of SAP S4 Hana across the organisation, continuous workforce training, adoption of advanced construction technologies, and preventive maintenance of machinery, helping maintain quality and reduce downtime. The company actively engages with regulatory bodies to secure timely environmental and land acquisition clearances, reducing compliance-related disruptions.

Sadbhav also undertakes proactive stakeholder engagement, including local communities and government agencies, to manage social risks and minimize resistance to projects. For its mining operations, the company incorporates sustainable mining practices and adheres to environmental standards to address ecological risks and ensure long-term resource availability.

Climate-related risks and water availability concerns in irrigation projects are managed through the integration of digital water management tools and climate-resilient infrastructure designs. The company leverages real-time data analytics and risk assessment frameworks to identify potential threats early and implement corrective actions promptly.

Sadbhav Engineering Limited's risk mitigation strategy integrates technological innovation, financial prudence, regulatory compliance, and stakeholder collaboration to build resilience, optimize operations, and maintain competitive advantage in a challenging and dynamic infrastructure environment.

## 7. SEGMENT WISE PERFORMANCE

As on March 31, 2025 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis.

## 8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

An internal control for business processes across departments is required to not only ensure efficient operations but to also comply with internal policies, applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectively of this system of internal control is extensive internal audits, regular reviews by the management team and standard policies and guidelines to ensure the reliability of financial and all other records. Therefore,

the ERP-SAP system of the company, which is already operative, was established. It connects all the project sites with the corporate office by providing real time information to the top management of the Company. Ideation to centralize the entire data process is being acted upon by Sadbhav Engineering Limited so as to assure transparency to each and every stakeholder of the Company.

## 9. FINANCIAL OVERVIEW - STANDALONE

### a) Income Analysis:

The Company's revenues for the current year stood at Rs. 210.53 crores as against Rs. 1013.44 crores in the previous year, thereby registering an Increase of 13.98%.

### b) Expense Analysis:

Manufacturing and Construction expenses Material consumed for the year ended March 31, 2025 amounted to Rs. 3.82 crores, construction expenses Incurred was Rs. 153.25 crores during 2024-25.

### c) Depreciation, Interest and Finance Cost:

Depreciation during 2024-25 amounted to Rs. 9.39 crores as against Rs. 26.01 crores recorded in 2023-24. Finance cost decreased from Rs. 170.71 crores in 2023-24 to Rs. 156.60 crores in 2024-25.

### d) Profit (Loss) Analysis:

Profit (Loss) Before Tax during 2024-25 stood at Rs. (111.92) crores as against Rs. (261.60) crores recorded during 2023-24. Profit (Loss) after tax for 2024-25 stood at Rs. (153.55) crores as compared to Rs. (264.67) crores during 2023-24.

### e) Net Worth:

The Net worth of the company in the year Rs. 847.70 in the year 2024-2025 Compared to Net worth in the year Rs. 1001.37 in the year 2023-2024.

### Key Financial Ratios: Stand Alone Basis

FINANCIAL RATIOS	FY 2025	FY 2024
Debtors Turnover	0.20	0.82
Inventory Turnover	1.11	1.24
Interest Coverage Ratio	0.11	0.47
Current Ratio	1.07	1.13
Debt Equity Ratio	1.16	1.05
Operating Profit Margin	-8%	-6.94%
Net Profit Margin	-59.98%	-24.56%
Return on Net-worth	-18.11%	-26.43%

### Consolidated Financial

On consolidated basis, the Total revenue stood at Rs.1132.50 crores during the financial year under review as compared to Rs. 2067.15 crores in the previous year, Loss before tax was Rs.92.37 crores as compare to Loss of Rs. 795.46 crores in the previous year and Loss after tax was Rs.165.70 crores as compare to Loss of Rs. 799.87 crores in the previous financial year. Net worth of the Company stand to Rs (241.18) crores as of 31st March, 2025 as compared to Rs. (125.39) crores as on 31st March,2024.

## 10. DEVELOPMENT OF HUMAN RESOURCE

Employees are one of the most important stakeholders for Sadbhav Engineering Limited. Sadbhav considers its Human Capital as its core strength in achieving the sustainable growth path charted by our strategic apex. Sadbhav is among a very few companies having implemented SAP S4 HANA, world renowned system to manage payroll & HR activities. We have systems in place for identifying the right talent, training them, performance management, monitoring, appraisals, rewards and recognitions for our employees. Our policy entails all our employees to the benefits like Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance etc. We frequently organise medical check-up camps and safety training, mock drills across all project sites as per our health and safety policy. A dedicated Human Resource team at Sadbhav Engineering Limited, keep on engaging with employees at sites and address their concerns. We put major thrust on ergonomics for their comfort while they perform their duties and invest in latest technologies and amenities as well as safety gadgets. We continuously upgrade employees' skills and knowledge to keep them updated on the best practices from across the world. Our growth strategy and value driven approach and congenial environment has led us build an excellent team.



# Independent Auditor's Report

To the Members of  
**Sadbhav Engineering Limited**

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of Sadbhav Engineering Limited ("the Company"), which comprises of the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Qualified Opinion

1. We draw attention to Note No. 47 to the accompanying standalone financial statements with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited, a step-down subsidiary of the Company. The said step-down subsidiary has issued notice of termination of concession agreement to National Highway Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note, the Company has carried out impairment assessment of outstanding balance in this step-down subsidiary duly considering the expected payment arising out of aforesaid termination and other claims filed with NHAI and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of the loan and other receivables balance is necessary as at March 31, 2025. However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivables of Rs. 20,776.80 Lakhs as on the reporting date, related to the said step-down subsidiary. Accordingly, we are unable to comment on appropriateness of the carrying value of such loan, trade and other receivables and the consequential impact on the standalone financial statements of the Company as at reporting date and for the year ended on March 31, 2025.
2. We draw attention to Note No. 48 to the accompanying standalone financial statements regarding impairment assessment of investment of Rs 52,768.91 Lakhs, stated at cost and outstanding loan of Rs 26,638.64 lakhs as at March 31, 2025 to one of the subsidiary, Sadbhav Infrastructure Project Limited. It is noted that the subsidiary's consolidated net worth as at March 31, 2025, is substantially eroded. Management asserts that the investment and loan outstanding are fully recoverable, based on factors outlined in the said note. However, we are unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by management regarding the underlying assumptions adopted by the management for impairment assessment. Consequently, we are unable to provide a conclusive comment on the adjustments, if any, necessary to the carrying value of the said investment and loan and the consequential impact, if any, on the standalone financial statement of the Company for the year ended March 31, 2025.
3. The Company has not complied with the requirements of Section 203 of the Companies Act, 2013 read with the applicable rules framed thereunder due to the non-appointment of Chief Financial Officer (CFO) with effect from April 8, 2024. The financial impact of this non-compliance is not ascertainable.
4. We draw attention to Note No. 51 to accompanying Standalone Financial statements regarding expected recoverability of Contract Assets amounting to Rs 35019.32 lakhs outstanding as at March 31, 2025 which represent receivables in respect of closed/ substantially closed/ suspended projects. The Company is at various stages of negotiation/ discussion with the clients or matters under arbitration/litigation in respect of receivables. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/litigations and as legally advised in certain contentious matters, the Management has represented that these contract assets amounting to Rs 35019.32 lakhs are fully recoverable within a period of one year, based on factors detailed in the said note and hence classified under other current assets in the financial statement. However, we were unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by the management in relation to the expected recoverability of these contract assets within a period of one year. Accordingly, we are unable to determine whether any adjustments are required to the carrying value of the said contract assets and the consequential impact, if any, on the standalone financial statements of the Company for the year ended March 31, 2025.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our



other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

#### Emphasis of Matter

We draw attention to Note No. 49 to the accompanying standalone financial statements, wherein it is stated that some of vendors have initiated legal proceedings including application to National Company Law Tribunal (NCLT). As informed us, the Company has sought confirmations of balance from some of the vendors. As confirmation from the vendors are still awaited, these outstanding balances under trade payable are subject to reconciliation and consequential adjustments upon determination / receipt of such confirmation.

Our Opinion is not modified in respect of this matter.

#### Material uncertainty related to going concern

We draw attention to Note No. 52 to the accompanying standalone financial statements, which indicates that there are defaults in repayment of due to lenders and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, consortium of the lenders of the Company have executed an Inter-Creditor Agreement on December 26, 2022, and accounts by the respective lenders have been classified as Non-Performing Assets. Further One of the lenders has filed an application to NCLT to initiate insolvency proceedings under section 7 of the Insolvency and Bankruptcy Code, 2016. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

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

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A) Measurement of Contract assets in respect of unbilled amounts and evaluation of recoverability of the carrying value of Contract Assets:</b></p> <p>The Company, as at March 31, 2025, has Contract Assets (unbilled work-in-progress) amounting to Rs. 70,241.85 Lakhs which represent various receivables in respect of closed, suspended or terminated projects. The Company is in process of arbitration or litigation with the customers in respect of the aforementioned Contract Assets.</p> <p>The Management, based on contractual tenability, progress of the negotiations, discussions, arbitration, litigation has determined that after making necessary written off of irrecoverable amount, no further provision is required to be recognized for the aforementioned receivables.</p> <p>Considering the materiality of the amounts involved, uncertainty associated with the outcome of the arbitration or litigation process and significance of management judgement involved in assessing the recoverability, the matter has been determined as a key audit matter in the audit of the standalone financial statements.</p> <p>Refer Note No.18.2 to the standalone financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the Company's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates.</li> <li>Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of the Contract Assets and validated them with corroborating evidence.</li> <li>Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables;</li> <li>Reviewed legal and contracting experts' reports received on certain contentious matters;</li> <li>Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements</li> </ul>

<p><b>B) Provision and Contingent Liabilities</b></p> <p>The Company is involved in various legal disputes, in respect of tax matters and claims from various parties, the outcomes of which are uncertain and may result in significant liabilities. Assessing the risks related to these litigations involves complex assumptions and requires significant judgment, particularly in evaluating uncertainties around the likely outcome of the proceedings and the adequacy of related disclosures in the Standalone Financial Statements. Given the level of judgment involved, the potential material impact of such litigations, and the complexity of the assessment process, this matter has been identified as a key audit matter in our audit.</p> <p>Refer Note No.38 of the standalone financial statements</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the processes and relevant controls established by the Company for identifying legal, tax litigations, and pending proceedings.</li> <li>• Assessed the assumptions used by the Company's legal and tax departments in evaluating potential legal and tax risks, considering legal precedents and rulings in similar matters.</li> <li>• Held inquiries with the Company's legal and tax departments on the status of significant disputes and inspected supporting documentation.</li> <li>• Reviewed the adequacy and appropriateness of disclosures relating to these matters in the notes to the Standalone Financial Statements.</li> <li>• Considered the requirements of Ind AS 37 to assess whether provisions or contingent liabilities were correctly recognized or disclosed.</li> </ul>
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#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and those charged with governance are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether these standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

##### **1. As required by Section 143 (3) of the Act, we report that:**

- a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the matter described in the Basis for Qualified Opinion paragraph and matters stated in Paragraph (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) The matter described in the Basis for Qualified Opinion paragraph and the matter described in the Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in Basis for Qualified Opinion Section and paragraph (b) above on reporting under Section 143(3)(b) and paragraph 1(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- i) In our opinion, the managerial remuneration for the year ended March 31, 2025 paid / provided by the Company to their directors is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act;
- j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its standalone financial statements; Refer Note No 38 to the standalone financial statements
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - 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;
 (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever or on behalf of



- the Funding Party (“Ultimate Beneficiaries”) or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid dividend during the year covered by our audit.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes to certain noneditable fields/tables of the accounting software used for maintaining general ledger and books of accounts. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with subject to above. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditors’ Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Registration No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

UDIN: 25129255BMHUWF6484

Place: Ahmedabad

Date: May 29, 2025



## ***Annexure – ‘A’ to the Independent Auditor’s Report***

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(Referred to in paragraph 1(g) under “Report on Other legal and Regulatory Requirements” section of our report the member of Sadbhav Engineering Limited of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of Sadbhav Engineering Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls with reference to the standalone financial statements**

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

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system with reference to these standalone financial statements.

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

A Company’s internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the standalone financial statements.

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may financial statement occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company’s internal financial controls with reference to standalone financial statements as at March 31, 2025:

- The Company’s internal financial control system towards estimating the carrying value of loan, trade and other receivables and investment in the step down subsidiary company and subsidiary company as explained in Note 47 and Note 48 respectively to the standalone financial statements were not operating effectively which could potentially lead to non-provision for impairment if any, that may be required to the carrying values of loan, trade and other dues recoverable from such step down subsidiary

company as well as carrying value of investment in a subsidiary and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.

- The Company's internal financial control system towards estimating time of recoverability of contract assets as explained in Note 51 to the standalone financial statements were not operating effectively which could potentially lead to non-provision for impairment if any, that may be required to the carrying values Contract Assets and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.
- There was weakness in operating effectiveness over system processing of invoices and obtaining balance confirmation from vendors and processing of journal entries into accounting software due to absence of maker checker mechanism and non-appointment of CFO which could result into possible adjustments of transactions / balances.

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements as at March 31, 2025 based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended on March 31, 2025, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued qualified opinion on the standalone financial statements.

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Registration No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

UDIN: 25129255BMHUWF6484

Place: Ahmedabad

Date: May 29, 2025

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

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members of Sadbhav Engineering Limited of even date)

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

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

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets. Further the company does not have any intangible assets as at March 31, 2025.
- b. Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than immovable properties where the Company is lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the standalone financial statements included under Property, Plant and Equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date
- d. The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year.
- e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a. The inventories were physically verified during the year by the Management at year end. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The Company has not filed quarterly returns or statements, with the banks or financial institution for the period from April 1,2024 to March 31, 2025; Hence we are unable to comment on the same (Refer Note 57 of Financial Statement).
- (iii) a. The Company has provided loans or advances in the nature of loans, during the year and details of which are given below:

(Rs. In Lakhs)

Particulars	Loans	Advances in nature of loans	Guarantees	Security
(A) Aggregate amount granted / provided during the year:				
- Subsidiaries	13,259.07	-		-
- Step-Down Subsidiaries	-			-
- Others	-	-	-	-
(B) Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	37,562.13		-	-
- Step-Down Subsidiaries	-	-	-	-
- Others	-	-	-	-

The Company has not provided any guarantee or security to any other entity during the year.

- b. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company’s interest. However, attention is invited to ‘Basis of Qualified Opinion’ paragraph of our Main Audit Report.
- c. In respect of loans granted, the terms of arrangements do not stipulate any repayment schedule of principal and interest. The loans are repayable on demand except interest free term loan of Rs. 7795.63 Lakhs given to one of the subsidiary companies which is repayable after eleven years from the date of agreement dated October 22, 2014.
- d. Since the loans are repayable on demand, reporting under this clause in respect of overdue balances is not applicable except loan aggregating to Rs. 13,438.42 given to subsidiaries which have not fallen due for repayment.
- e. In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.

- f. The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below.

(Rs. in Lakhs)

Particulars	Others (Rs.)	Promoters (Rs.)	Related Parties (Rs.)
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	1,025.72	0.00	46,370.37
- Agreement does not specify any terms or period of repayment (B)	0.00	0.00	0.00
<b>Total (A+B)</b>	<b>1,025.72</b>	<b>0.00</b>	<b>46,370.37</b>
Percentage of loans/ advances in nature of loans to the total loans	1.93%	0.00%	87.14%

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits (including deemed deposits) from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of paragraph 3 of the Order is not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- (vii) a. Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and any other statutory dues have not been regularly deposited with the appropriate authorities during the year.
- According to the information and explanations given to us and basis our audit procedures to check the outstanding statutory dues, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable except interest of Rs. 188.10 Lakhs as worked by the management on tax deducted at source.
- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Sr. No.	Name of the Statue	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs. in Lakhs)
1.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Assistant Commissioner of State Tax (Appeals) Maharashtra	179.56
2.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Assistant Commissioner of Central Tax (Appeals) Andra Pradesh	68.13
3.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Assistant Commissioner of State Tax (Appeals) Odisha	10.80
4.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Joint Commissioner of Central GST & CE (Appeals) Gujarat	2,857.41
5.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Deputy Commissioner of State Tax (Appeals) Karnataka	1,092.48
6.	Goods and Service Tax Act, 2017	Goods & Service Tax	2017-18	Joint Commissioner of State Tax (Appeals) Madhya Pradesh	360.39
7.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Assistant Commissioner of State Tax (Appeals) Maharashtra	429.47
8.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Assistant Commissioner of CGST (Appeals) Haryana	256.42
9.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Assistant Commissioner of Commercial Taxes (Appeals) Karnataka	205.25
10.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Joint Commissioner of CGST & Central Excise (Appeals) Madhya Pradesh	217.28
11.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Joint Commissioner of State Tax (Appeals) Rajasthan	58.04
12.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Joint Commissioner of State Tax (Appeals) Rajasthan	12.66



Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs. in Lakhs)
13.	Goods and Service Tax Act, 2017	Goods & Service Tax	2018-19	Deputy Commissioner of State Tax (Appeals) Uttarakhand	1,143.03
14.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Assistant Commissioner of State Tax (Appeals) Maharashtra	194.37
15.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Commercial Tax Officer (Appeals) Karnataka	170.06
16.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Joint Commissioner of CGST & Central Excise (Appeals) Madhya Pradesh	95.25
17.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Joint Commissioner of State Tax (Appeals) Rajasthan	7.41
18.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Deputy Commissioner of State Tax (Appeals) Uttarakhand	303.24
19.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	State Tax Officer Ranchi (Appeals) Jharkhand	13.49
20.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Assistant Commissioner of State Tax (Appeals) Rajasthan	59.23
21.	Goods and Service Tax Act, 2017	Goods & Service Tax	2019-20	Assistant Commissioner of State Tax (Appeals) Rajasthan	125.28
22.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Additional Commissioner of State Tax (Appeals) Andhra Pradesh	1,203.10
23.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Assistant Commissioner of Commercial Taxes (Appeals) Karnataka	701.30
24.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Deputy Commissioner of State Tax (Appeals) Chhattisgarh	81.01
25.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Deputy Commissioner of State Tax (Appeals) Uttarakhand	33.55
26.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Joint Commissioner of CGST & Central Excise (Appeals) Madhya Pradesh	0.90
27.	Goods and Service Tax Act, 2017	Goods & Service Tax	2020-21	Assistant Commissioner of State Tax (Appeals) Rajasthan	23.92
28.	Goods and Service Tax Act, 2017	Goods & Service Tax	2024-25	Assistant Commissioner of Commercial Taxes (Appeals) Karnataka	174.15
29.	Goods and Service Tax Act, 2017	Goods & Service Tax	2024-25	Assistant Commissioner of Commercial Taxes (Appeals) Karnataka	4.22
30.	Goods and Service Tax Act, 2017	Goods & Service Tax	2024-25	Assistant Commissioner of Commercial Taxes (Appeals) Karnataka	88.45
31.	The Finance Act, 1994	Service Tax	2005-06	Supreme Court of India	67.29
32.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	Central Excise and Service Tax Appellant Tribunal, Ahmedabad	545.05
33.	Gujarat Value Added Tax Act, 2003	Value Added Tax	2006-07	Gujarat Value Added Tax Tribunal	321.96
34.	Jharkhand Value Added Tax Act, 2005	Value Added Tax	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
35.	Mines and Minerals (Development and Regulation) Act, 1957	Royalty	2015-2016 to 2021-22	Joint Director, Department of Mining & Geology Mysore	13,908.87
36.	Mines and Minerals (Development and Regulation) Act, 1957	Royalty	2018-2019 2019-2020	Additional Director, Department of Mining & Geology Gujarat	18,615.51
37.	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	High Court of Gujarat	189.19
38.	The Income Tax Act, 1961	Income Tax	2007-08	High Court of Gujarat	279.85
39.	The Income Tax Act, 1961	Income Tax	2006-07 to 2010-11	High Court of Gujarat	1,204.88
40.	The Income Tax Act, 1961	Income Tax	2010-11	Income Tax Appellate Tribunal, Ahmedabad	697.99

Sr. No.	Name of the Statue	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs. in Lakhs)
41.	The Income Tax Act, 1961	Income Tax	2011-12	High Court of Gujarat	4.62
42.	The Income Tax Act, 1961	Income Tax	2013-14	High Court of Gujarat	1,048.50
43.	The Income Tax Act, 1961	Income Tax	2014-15	High Court of Gujarat	113.97
44.	The Income Tax Act, 1961	Income Tax	2014-15	CIT(APPEAL)	15.38
45.	The Income Tax Act, 1961	Income Tax	2015-16	CIT(APPEAL)	96.51
46.	The Income Tax Act, 1961	Income Tax	2016-17	High Court of Gujarat	573.19
47.	The Income Tax Act, 1961	Income Tax	2016-17	CIT(APPEAL)	21.71
48.	The Income Tax Act, 1961	Income Tax	2017-18	High Court of Gujarat	198.31
49.	The Income Tax Act, 1961	Income Tax	2017-18	CIT(APPEAL)	306.46
50.	The Income Tax Act, 1961	Income Tax	2018-19	CIT(APPEAL)	811.11
51.	The Income Tax Act, 1961	Income Tax	2019-20	CIT(APPEAL)	369.45

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) a. During the year there were delays in the repayment of loans and payment of interest to banks, as per the details given hereunder:

Name of lender	Aggregate amount not paid on due date (Rs. in Lakhs)	Whether Principal or Interest	Period of delay *
<b>Term loan for Machinery Finance from Banks</b>			
Axis Bank Limited	5,115.75	Principal (Including Interest)	1-689 Days
<b>Working Capital Demand Loan from Bank **</b>			
Axis Bank Limited	5,468.59	Principal	1-886 Days
	1,413.15	Interest	
Bank of India	2,449.65	Principal	1-886 Days
	621.20	Interest	
ICICI Bank	6,501.69	Principal	1-886 Days
	27.54	Interest	
IDBI Bank	1,644.92	Principal	1-886 Days
	114.84	Interest	
Punjab National Bank	26,468.34	Principal	1-886 Days
State Bank of India	9,618.02	Principal	1-886 Days
	4,311.61	Interest	
Union Bank of India	13,861.74	Principal	1-886 Days
	1,773.61	Interest	
Standard Chartered Bank	11,038.12	Principal	1-886 Days
	2,368.71	Interest	
Karur Vysya Bank	762.55	Principal	1-886 Days

\* Period of delay in amount has been considered till the date of this audit report and includes defaults in repayment of principal and interest as at March 31, 2025. Considering the number of instances of delay, the particulars of the delay are given in terms of range of days.

\*\* Period of delay in case of Working Capital demand Loan from Bank is calculated from date of execution of Inter-Creditor Agreement (ICA) dated December 26, 2022.

- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not declared a willful defaulter by any bank or financial institution or government or government authority.
- c. The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year. Hence, reporting under clause (ix)(c) of the Order is not applicable.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act. The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended March 31, 2025.
- f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. However during the year; the Company has defaulted in repayment of principal and interest in respect of loan raised in the previous years. The details of which are given hereunder:

Nature of loan taken	Name of Lender	Amount of Loan (Rs. In Lakhs)	Name of Subsidiary	Relation	Details of security pledge
Rupee Term Loan	Axis Bank Limited	5,115.75	Sadbhav Infrastructure Projects Limited (SIPL)	Subsidiary	10,53,15,340 shares of SIPL held by the Company

- (x) a. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) during the year and hence reporting under clause (x) (b) of the Order is not applicable to the Company
- (xi) a. Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the Management, there were no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) a. In our opinion and based on our examination, the Company has an internal audit system which is commensurate with the size and nature of its business
- b. We have considered the reports of the internal auditors for the year under audit.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with its directors. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be requirement under section 45-IA of the Reserve Bank of India Act, 1934. Hence, requirement under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs.13,020.22 Lakhs during the financial year 2024-25 and Rs. Nil in the immediately preceding financial year 2023-24.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans (refer note no 52 to the standalone financial statements) and based on our examination of the evidence supporting the assumptions, which causes us to believe that material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to further viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Attention is invited to Note No. 52 to the standalone financial statement and material uncertainty related to going concern paragraph in the main Audit Report)
- (xx) The Company did not have a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Registration No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

UDIN: 25129255BMHUWF6484

Place: Ahmedabad

Date: May 29, 2025

# Standalone Balance Sheet as at March 31, 2025

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2025	As at March 31, 2024
<b>I ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment	4	2201.93	4271.24
(b) Right of Use Assets	4	76.36	127.27
(c) Capital Work in Progress	4	426.56	422.67
(d) Intangible Assets	4	-	39.96
(e) Financial Assets			
(i) Investments	5	61378.37	59071.88
(ii) Trade Receivables	6	3161.10	2995.91
(iii) Loans	7	7287.66	6565.46
(iv) Other Financial Assets	8	15303.46	15469.24
(f) Deferred Tax Assets (Net)	9	6059.27	10115.67
(g) Other Non Current Assets	10	999.31	999.31
		<b>96894.02</b>	<b>100078.61</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	364.14	625.20
(b) Financial Assets			
(i) Trade Receivables	12	28955.92	38084.80
(ii) Cash and cash Equivalents	13	209.91	218.31
(iii) Bank balances other than (ii) above	14	323.29	902.95
(iv) Loans	15	39773.57	39298.39
(v) Other Current Financial Assets	16	14538.62	11885.98
(c) Current Tax Assets (Net)	17	2203.83	3619.39
(d) Other Current Assets	18	86694.11	89136.86
		<b>173063.39</b>	<b>183771.88</b>
<b>Total Assets</b>		<b>269957.41</b>	<b>283850.49</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	19	1715.71	1715.71
(b) Other Equity	20	83054.73	98421.16
		<b>84770.44</b>	<b>100136.87</b>
<b>(2) Liabilities</b>			
<b>(i) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	23399.91	21071.99
(ii) Lease Liabilities		29.06	82.62
		<b>23428.97</b>	<b>21154.61</b>
<b>(ii) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	96695.72	84070.35
(ii) Lease Liabilities		53.56	48.00
(iii) Trade Payables	23		
a. total outstanding dues of micro and small enterprises		565.93	595.80
b. total outstanding dues of creditors other than micro and small enterprises		27836.34	30321.16
(iv) Other Financial Liabilities	24	24147.57	27677.87
(b) Other Current Liabilities	25	12458.88	19845.82
		<b>161758.00</b>	<b>162559.00</b>
<b>Total Equity &amp; Liabilities</b>		<b>269957.41</b>	<b>283850.49</b>

Basis of preparation, measurement and material accounting policies

1 to 3

Notes to standalone financial statements

4 to 68

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date

For Manubhai & Shah LLP

Chartered Accountants

Firm Regn. No.: 106041W/W100136

Devansh Gandhi

Partner

Membership No.: 129255

Place: Ahmedabad

Date: May 29, 2025

For and on behalf of Board of Directors

Shashin V. Patel

Chairman and Managing Director

DIN: 00048328

Jatin Thakkar

Non Executive Director

DIN: 09312406

Hardik Modi

Company Secretary

Membership No. F9193



# Standalone Statement of Profit and Loss for the Year Ended March 31, 2025

(Rs. in Lakhs)

PARTICULARS	Note No.	For the year ended March 31, 2025	For the Year ended March 31, 2024
<b>Income :</b>			
<b>I Revenue from Operations</b>	<b>26</b>	<b>21053.10</b>	<b>101343.51</b>
<b>II Other Income</b>	<b>27</b>	<b>4546.59</b>	<b>6402.55</b>
<b>III Total Income (I+II)</b>		<b>25599.69</b>	<b>107746.06</b>
<b>IV Expenses :</b>			
Cost of material consumed	28	382.35	2432.72
Construction Expenses	29	15325.10	75681.21
Employee Benefits Expense	30	1805.41	2930.58
Finance Costs	31	15659.51	17070.96
Depreciation and amortization expense		939.28	2601.17
Other expenses	32	5223.76	31878.02
<b>Total Expenses</b>		<b>39335.41</b>	<b>132594.66</b>
<b>V (Loss) before exceptional items and tax (III-IV)</b>		<b>(13735.72)</b>	<b>(24848.60)</b>
<b>VI Exceptional Items</b>	<b>33</b>	<b>2544.03</b>	<b>(1311.35)</b>
<b>VII (Loss) before tax (V+VI)</b>		<b>(11191.69)</b>	<b>(26159.95)</b>
<b>VIII Tax expense</b>	<b>35</b>		
(1) Current tax		-	-
(2) Deferred tax		4,056.40	-
(3) Short Provision for taxation for earlier years		106.67	306.58
		<b>4163.07</b>	<b>306.58</b>
<b>IX (Loss) for the year (VII-VIII)</b>		<b>(15354.76)</b>	<b>(26466.53)</b>
<b>X Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
Re-measurement gains on defined benefit plans (net of tax)		(11.67)	13.04
Total Comprehensive Income not to be reclassified to profit or loss:		(11.67)	13.04
<b>Total Comprehensive Income for the year</b>		<b>(15366.43)</b>	<b>(26453.49)</b>
<b>XI Earning/(Loss) per Equity Share (in Rupees)</b>	<b>36</b>		
Basic and Diluted Earning/(loss) per Share (EPS)		(8.95)	(15.43)
Basis of preparation, measurement and material accounting policies	1 to 3		
Notes to standalone financial statements	4 to 68		

The accompanying notes are an integral part of the financial statements.

**As per our Audit Report of even date**

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Regn. No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

Place: Ahmedabad

Date: May 29, 2025

**For and on behalf of Board of Directors**

**Shashin V. Patel**

Chairman and Managing Director

DIN: 00048328

**Jatin Thakkar**

Non Executive Director

DIN: 09312406

**Hardik Modi**

Company Secretary

Membership No. F9193

# Statement of Changes in Equity for the year ended March 31, 2025

## A Equity Share Capital

(Rs. in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As at March 31, 2025	1715.71	-	-	-	1715.71
As at March 31, 2024	1715.71	-	-	-	1715.71

## B Other Equity

(Rs. in Lakhs)

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus					Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earning		
<b>As at April 01, 2023</b>	-	345.00	62994.55	1728.46	18640.18	22322.01	485.91	1,06,516.11
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Changes in Equity Component of Compound Financial Instruments	18,358.49	-	-	-	-	-	-	18,358.49
Total Comprehensive Income for the year	-	-	-	-	-	(26466.48)	-	(26,466.48)
Other Comprehensive Income (OCI)	-	-	-	-	-	-	13.04	13.04
Transfer from Reserve	-	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	18358.49	345.00	62994.55	1728.46	18640.18	(4,144.47)	498.95	98421.16
<b>As at April 01, 2024</b>	18358.49	345.00	62994.55	1728.46	18640.18	(4,144.47)	498.95	98421.16
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Changes in Equity Component of Compound Financial Instruments	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(15354.76)	-	(15354.76)
Other Comprehensive Income (OCI)	-	-	-	-	-	-	(11.67)	(11.67)
<b>As at March 31, 2025</b>	18358.49	345.00	62994.55	1728.46	18640.18	(19,499.23)	487.28	83054.73

As per our Audit Report of even date

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Regn. No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

Place: Ahmedabad

Date: May 29, 2025

For and on behalf of Board of Directors

**Shashin V. Patel**

Chairman and Managing Director

DIN: 00048328

**Jatin Thakkar**

Non Executive Director

DIN: 09312406

**Hardik Modi**

Company Secretary

Membership No. F9193

# Statement of Cashflow

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net (Loss) before Tax	(11191.69)	(26159.95)
Adjustments For :		
Interest Income	(3503.40)	(3994.03)
Interest Expenses	13341.59	16161.98
Unwinding Of Discount On Interest Free Loan	2317.92	908.98
Depreciation & Amortisation	939.28	2601.17
Impairment of Contract Assets	-	14646.07
Expected Credit Loss	917.06	3362.49
Actuarial Gain/Loss	(11.67)	13.04
Exceptional Items (Net)	(2544.03)	1311.35
Trade Receivables no longer receivables	520.99	10,694.88
Trade Payables written back	(951.30)	(2386.02)
Inventories written off		
	<b>11026.44</b>	<b>43319.91</b>
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(165.25)</b>	<b>17159.96</b>
Adjustment For :		
(Increase)/Decrease of Trade Receivables	7525.64	10735.80
(Increase) of Other Current Assets	2442.75	(4309.84)
Decrease of Other Current Financial Assets	(2652.64)	8388.16
Decrease of Other Non Current Assets	-	999.30
(Increase)/Decrease of Other Non Current Financial Assets	165.78	(6975.44)
Decrease of Inventories	261.06	2679.23
Decrease of Other Bank Balances	579.66	397.81
Increase/(Decrease) of Trade Payables	(1563.39)	(14694.66)
(Decrease) of Other Current Liabilities	(7386.94)	(19569.59)
Increase of Other Current Financial Liabilities	(3530.30)	3433.45
	<b>(4158.38)</b>	<b>(18915.79)</b>
<b>Cash generated from/(used in) Operations</b>	<b>(4323.63)</b>	<b>(1755.84)</b>
Tax (Paid)/Refund	1308.89	(994.06)
<b>Net Cash flow (used in) Operating Activities</b>	<b>(3014.74)</b>	<b>(2749.90)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant & Equipments	(22.63)	(958.14)
Sales of Property, Plant & Equipments	2777.60	5427.28
Investments in Subsidiary Company	(2306.49)	(1436.55)
Loan received back/(given) from/to Subsidiary Company	(1197.38)	3523.99
Interest received	3503.40	3994.03
<b>Net Cash Flow from Investing Activities</b>	<b>2754.50</b>	<b>10550.61</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
(Repayment) of Long Term Borrowings (including current maturity)	(7391.79)	(15320.20)
Proceeds From Long Term Borrowings	10.01	18358.49
(Repayment) of Short Term Borrowings	(4,312.14)	(1,655.48)
Proceeds of Short Term Borrowings	9745.45	6,971.72
Proceeds / (Repayment) in Working Capital Loan	4959.24	688.22
Payment of Lease Liability	(48.00)	130.62
Interest Paid	(2710.93)	(17070.96)
<b>Net Cash Flow generated/(used in) Financing Activities</b>	<b>251.84</b>	<b>(7897.58)</b>
<b>Net Increase In Cash &amp; Cash Equivalents ( A+B+C )</b>	<b>(8.40)</b>	<b>(96.87)</b>
<b>Opening Balance Of Cash &amp; Cash Equivalents</b>	<b>218.31</b>	<b>315.18</b>
<b>Closing Balance Of Cash &amp; Cash Equivalents</b>	<b>209.91</b>	<b>218.31</b>
<b>Components Of Cash &amp; Cash Equivalents</b>		
Cash On Hand	0.03	0.32

## Statement of Cashflow

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance In Current Account With Banks	209.88	217.99
	<b>209.91</b>	<b>218.31</b>

### Changes in liabilities arising from financing activities

(Rs. In Lakhs)

Particulars	April 1, 2024	Cash Flow	Other Adjustment	March 31, 2025
Long Term Borrowings (Including Current maturities of Long Term Debts)	34585.58	(7381.78)	1311.86	28515.66
Short Term Borrowings	70556.76	10392.55	10630.66	91579.97
Interest Accrued	8867.55	2506.87	-	11374.42
<b>Total</b>	<b>114009.89</b>	<b>5517.64</b>	<b>11942.52</b>	<b>131470.05</b>

Particulars	April 1, 2023	Cash Flow	Other Adjustment	March 31, 2024
Long Term Borrowings (Including Current maturities of Long Term Debts)	28833.79	(15320.20)	21071.99	34585.58
Short Term Borrowings	85624.29	5071.58	(20139.11)	70556.76
Interest Accrued	4021.38	4846.17	-	8867.55
<b>Total</b>	<b>118479.46</b>	<b>(5402.45)</b>	<b>932.88</b>	<b>114009.89</b>

### Notes:

1. All Figures in bracket are cash outflow.
2. The statement of cash flow has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flows".
3. Balance in current account with banks include balances of Rs. 31.21 lakhs ( P.Y. Rs. 88.18 lakhs) in Escrow Accounts.

### As per our Audit Report of even date

#### For Manubhai & Shah LLP

Chartered Accountants

Firm Regn. No.: 106041W/W100136

#### Devansh Gandhi

Partner

Membership No.: 129255

Place: Ahmedabad

Date: May 29, 2025

### For and on behalf of Board of Directors

#### Shashin V. Patel

Chairman and Managing Director

DIN: 00048328

#### Jatin Thakkar

Non Executive Director

DIN: 09312406

#### Hardik Modi

Company Secretary

Membership No. F9193



# Material Accounting Policies & Notes on Accounts

## 1. Company overview

Sadbhav Engineering Limited, (the Company) is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. The Company is also engaged in carrying out the construction works as per EPC contract entered between the Company and its subsidiaries.

## 2. Basis of preparation

### 2.1 Statement of compliance

These standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 (the Act), and guideline issued by Securities and Exchange Board of India (SEBI).

### 2.2 Basis of measurement

These standalone Financial Statements have been prepared on the historical cost basis except for the following items which are measured at fair values:

- certain financial assets and liabilities (including derivative instruments)
- defined benefit plans assets

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.3 Functional and presentation currency

Indian rupee is the functional and presentation currency. The standalone financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

### 2.4 Use of estimates

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

### 2.5 Current versus Non-current Classification

- The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:
  - Expected to be realized or intended to be sold or consumed in the normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realized within twelve months after the reporting period, except in case of trade receivables; or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
  - It is expected to be settled in the normal operating cycle;
  - Held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period; or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.6 Operating Cycle

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/ service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

## 3. Summary of Material Accounting Policies:

### 3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

## Material Accounting Policies & Notes on Accounts

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

### Depreciation

Depreciation on all Property, Plant and Equipment except vehicles is provided on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where useful life is considered lesser than those prescribed in schedule II.

The estimated useful life of Property, Plant and Equipment as prescribed in the Schedule II to the Companies Act, 2013 & useful life adopted by the Company are as follows:

Asset Class	Useful life as per Schedule II	Useful life adopted by the Company
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Plant and Equipment	9 to 12 Years	8 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

In respect of Property, Plant and Equipment purchased/sold during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use or till the date when asset is sold, as the case may be. Assets costing less than rupees five thousand each are fully depreciated in the year of purchase.

The residual value, useful life and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.2 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### a.) Revenue from contracts with customer

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

#### i. Revenue from construction / project related activity:

**Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

**Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

Impairment loss (termed as provision for foreseeable losses in the standalone financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the standalone financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

#### ii. Contract Balances:

##### • Contract assets

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

# Material Accounting Policies & Notes on Accounts

- **Trade Receivable**

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

- **Contract liabilities**

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

iii. **Rendering of Services:**

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

b.) **Other income**

- **Interest income**

Interest income is recognized 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.

- **Dividend income**

Dividend income is recognized when the right to receive dividend is established.

**3.3 Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis except in case of items produced by the Company, where the cost are derived on weighted average basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

**3.4 Intangible Assets**

An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern. Software being Intangible Assets used at Head office and work-shop are amortized over a period of three years and software used at Project sites are amortized over the project completion period.

In respect of intangible assets acquired / purchased during the year, amortization is provided on a pro-rata basis from the date on which such asset is ready to use.

**3.5 Investment in subsidiaries**

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

**3.6 Financial Instruments**

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

a.) **Financial Assets**

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

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. **Subsequent measurement of financial assets**

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss

- **Financial assets at amortized cost**

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



# Material Accounting Policies & Notes on Accounts

- **Debt instruments at amortized cost**

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

- **Perpetual securities**

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

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

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

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

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

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

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

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

b.) **Financial Liabilities**

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

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

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

ii. **Subsequent measurement of financial liabilities**

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

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

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

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

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

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

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Standalone Statement of Profit and Loss. This category generally applies to borrowings.

- **Compound financial instruments**

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

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the



## Material Accounting Policies & Notes on Accounts

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

### iii. Derecognition of financial liabilities

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

When an existing financial liability is replaced by another liability from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount is recognized in the Standalone Statement of Profit and Loss.

### c.) Offsetting of Financial Instruments

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

### 3.7 Impairment

#### • Financial assets other than investments in subsidiaries

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other 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 impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss.

#### • Financial assets – investments in subsidiaries

The Company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, the Company estimates the asset's recoverable amount based on value in use.

To arrive at the value in use of the investment, the Company has used expected future cash flows of projects in subsidiaries which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present.

Value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in statement of profit and loss.

#### • Non-financial assets - Tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### 3.8 Fair Value Measurements

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

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.

## Material Accounting Policies & Notes on Accounts

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### 3.9 Income Tax

Income tax expense comprises current tax, deferred tax and MAT Credit.

#### Current Tax

Current tax is recognized in profit or loss.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Tax

Deferred tax is recognized in profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither 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, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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 the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to statement of profit and loss as current Tax. The Company recognizes MAT Credit available as an asset only when and to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under Income Tax Act, 1961", the said assets is created by way of credit to the statement of profit and loss and shown as "Deferred Tax". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the assets to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### 3.10 Borrowing Cost

Borrowing cost includes interest and other costs that Company has incurred in connection with the borrowing of funds.

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.

### 3.11 Employee Benefits

#### a.) Short Term Employee Benefits

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

#### b.) Post-Employment Benefits

##### (i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the

# Material Accounting Policies & Notes on Accounts

contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized and charged to Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

## (ii) Defined benefit plan

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

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

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

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

## c.) Other Employment benefits

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

## 3.12 Provisions, Contingent Liabilities & Contingent Assets

### a.) Provision

A provision is recognized when the Company has a present obligation 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.

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.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### b.) Contingent Liabilities :

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

### c.) Contingent Assets :

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognize contingent asset.

## 3.13 Foreign Currency Transactions & Translations

### a.) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

### b.) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### c.) Exchange difference

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

#### i. Exchange differences arising from translation of long term foreign currency monetary items:

Long-term foreign currency monetary items recognized in the financial statements as on March 31, 2016 related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Long-term foreign currency monetary items recognized in the financial statements after March 31, 2016 related to acquisition of a fixed asset are charged to the Profit and Loss statement.

Other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.



# Material Accounting Policies & Notes on Accounts

## ii. Exchange differences on other monetary items:

All other exchange differences are recognized as income or as expenses in the year in which they arise.

### 3.14 Cash & Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.15 Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 3.16 Lease

The Company's lease asset classes primarily consist of leases for Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet.

### 3.17 Segment Reporting

An operating segment is component of the Company that engages in the business activity from which the Company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The Company's chief operating decision maker is the Chief Executive Officer and Managing Director.

### 3.18 Investment Property

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

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

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

### 3.19 Non-Current Assets Held for Sale

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

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

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



## Material Accounting Policies & Notes on Accounts

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

### 3.20 Significant Accounting judgements, estimates & estimates

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

#### Estimates and assumptions

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

#### Impairment of Investments

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

#### Taxes

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

#### Revenue from contract with customer

The Company uses the input method to recognize construction revenue. Use of the input method requires the Company to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Fair value measurement of financial instruments

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

### 3.21 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes Forming Part of the Financial Statements

### Note No. 4

#### Property, Plant and Equipment

##### (A) Owned Assets

(Rs. in Lakhs)

Particulars	Property, Plant and Equipment							Capital Work in Progress	Intangible Assets Computer Software
	Land	Building	Plant and Machineries	Furniture	Vehicles	Office Equipment	Total Property, Plant and Equipment		
<b>Cost</b>									
<b>As at 01/04/2023</b>	<b>1109.24</b>	<b>2319.30</b>	<b>45715.61</b>	<b>1161.51</b>	<b>567.25</b>	<b>267.53</b>	<b>51140.44</b>	<b>376.91</b>	<b>765.21</b>
Addition	-	-	752.51	-	-	7.14	759.65	45.77	-
Disposal	618.06	1985.99	29251.57	1161.51	399.36	244.66	33661.15	-	-
<b>As at 31/03/2024</b>	<b>491.18</b>	<b>333.31</b>	<b>17216.55</b>	<b>-</b>	<b>167.89</b>	<b>30.01</b>	<b>18238.93</b>	<b>422.67</b>	<b>765.21</b>
Addition	-	-	8.31	-	-	10.43	18.74	3.89	-
Disposal	-	-	8865.40	-	38.37	-	8903.77	-	765.21
<b>As at 31/03/2025</b>	<b>491.18</b>	<b>333.31</b>	<b>8359.46</b>	<b>-</b>	<b>129.52</b>	<b>40.44</b>	<b>9353.90</b>	<b>426.56</b>	<b>0.00</b>

## Notes Forming Part of the Financial Statements

### Note No. 4

#### Property, Plant and Equipment

##### (A) Owned Assets

(Rs. in Lakhs)

Particulars	Property, Plant and Equipment							Capital Work in Progress	Intangible Assets  Computer Software
	Land	Building	Plant and Machineries	Furniture	Vehicles	Office Equipment	Total Property, Plant and Equipment		
Accumulated Depreciation									
As at 01/04/2023	-	382.88	36305.48	938.56	455.02	233.88	38315.83	-	723.98
Addition	-	29.60	2390.57	125.72	22.39	6.17	2574.45	-	1.27
Disposal	-	347.22	24939.65	1064.28	347.52	223.84	26922.57	-	-
As at 31/03/2024	-	65.26	13756.40	-	129.89	16.21	13967.71	-	725.25
Charge for the Year	-	7.20	870.43	-	7.85	2.63	888.11	-	0.26
Disposal	-	0.00	7668.88	-	35.00	0.00	7703.88	-	725.51
As at 31/03/2025	-	72.45	6957.95	-	102.73	18.84	7151.94	-	-
Net Book Value									
As at 31/03/2024	491.18	268.05	3460.15	-	38.01	13.80	4271.24	422.67	39.96
As at 31/03/2025	491.18	260.85	1401.51	-	26.79	21.60	2201.93	426.56	-

##### Notes :-

1. Refer Note No 43 for information on property, plant and equipment pledged as security
2. There are no restriction on title of property, plant and equipments and Intangible Assets
3. There is no contractual commitment on acquisition of property, plant and equipment and intangible assets
4. Capital Work in progress balance is relating to office Building of Rs. 426.56 Lakhs (P.Y. Rs. 422.67 lakhs).
5. The Company has not done revaluation of property, plant and equipment / Intangible assets during the year.
6. Capital Work in Progress (CWIP) Ageing Schedule

##### Project in progress

(Rs. in Lakhs)

CWIP	<1 year	1-2 years	2-3 years	>3 years	Total
As at 31st March 2025	-	-	3.89	422.67	426.56
As at 31st March 2024	-	-	-	422.67	422.67

##### 7. Capital Work in Progress (CWIP) Completion Schedule

##### Project in progress

(Rs. in Lakhs)

CWIP	<1 year	1-2 years	2-3 years	>3 years	Total
As at 31st March 2025	100.00	300.65	-	-	400.65
As at 31st March 2024	-	-	801.52	-	801.52

##### (B) Right of Use Assets (Leased Assets)

Particulars	Plant, Equipment & Building
<b>Cost</b>	
Balance as at 1st April 2023	-
Addition	152.72
Disposals	
Balance as at 31st March 2024	152.72
Addition	
Disposals	-
Balance as at 31st March 2025	152.72
<b>Accumulated Depreciation</b>	
Balance as at 1st April 2023	-
Addition	25.45
Disposals	
Balance as at 31st March 2024	25.45
Addition	50.91
Disposals	
Balance as at 31st March 2025	76.36
Net Block as at 31st March,2025	76.36
Net Block as at 31st March,2024	127.27

The total cash outflow for leases is Rs. 48.00 lakhs (P.Y. Rs. Nil ) for the year ended 31st March, 2025. Interest on lease liabilities is Rs. 11.20 Lakhs (P.Y. Rs. 7.90 Lakhs) for the year.

The Company's leases mainly comprise of building.

# Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
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## 5 Investments

### 5.1 Investments in Equity Instruments of Subsidiary and Stepdown Subsidiary

#### (A) Quoted

- (i) Sadbhav Infrastructure Project Limited. (Subsidiary) 49255.72 49255.72  
 24,57,21,252(P.Y. 24,57,21,252) Fully Paid up Equity Shares of Rs. 10/-each  
 Out of 24,57,21,252 (P.Y. 24,57,21,252) shares held in Sadbhav Infrastructure Project Ltd., 17,66,50,871 (P.Y. 24,32,04,342) Shares have been pledged with different Bank & Financial Institution as under ;

Bank/Financial Institution	FY24-25 (No. of Shares Pledged)	FY23-24 (No. of Shares Pledged)
ICICI Bank Ltd	105315340	105315340
Udhay VJ Reality Pvt. Ltd.**	0	56356035
Adani Properties Pvt. Ltd.*	11335531	11335531
Centrum Capital Ltd.	0	38197436
RBL Bank Ltd.**	32000000	32000000
NUVAMA WEALTH AND INVESTMENT LIMITED	28000000	
<b>Total No. of shares pledged</b>	<b>176650871</b>	<b>243204342</b>

\* Shares have been pledged for borrowing by promoter company.

\*\* Shares have been pledged for borrowing by step down subsidiary.

- (ii) Equity component of unsecured interest free loan to Sadbhav Infrastructure Project Limited. (Subsidiary) 3513.19 3513.19

**52768.91 52768.91**

Refer note no. 48

#### (B) Unquoted

- (a) Rohtak-Hissar Tollway Private Limited (Stepdown Subsidiary) 0.01 0.01  
 100 (P.Y. 100) Fully paid up Equity Shares of Rs.10/-each  
 (b) Sadbhav Gadag Highway Private Limited (Subsidiary) 2403.15 2403.15  
 2,40,31,500 (P.Y. 2,40,31,500) Fully paid up Equity Shares of Rs.10/-each

**2403.16 2403.16**

### 5.2 Investments in Equity Instruments of Other Companies-Unquoted

- 5,55,370 (P.Y. 5,55,370) Fully Paid up Equity Shares of Indian Highways Management Company Limited. of Rs.10/- each 55.54 55.54

**55.54 55.54**

### 5.3 Investment in Subsidiaries-Sub Debt

- Sadbhav Gadag Highway Private Limited 6150.76 3844.27

6150.76 3844.27

**Total 61378.37 59071.88**

- i. Aggregate Value of Unquoted Investments Rs. 8609.46 Lakhs (P.Y. Rs. 6302.97 Lakhs)  
 ii. Aggregate Value of Quoted Investments Rs. 52768.91 Lakhs (P.Y. Rs. 52768.91 Lakhs)  
 iii. Market Value of Quoted Investments of Rs. 10369.44 Lakhs (P.Y. Rs.16954.77 Lakhs), Refer note no. 48  
 iv. Refer Note No.46 for related party transactions and outstanding balances.

## 6. Trade Receivables

- Trade Receivables considered good – Secured - -  
 Unsecured, considered good 824.19 1627.24  
 Trade Receivables which have significant increase in credit risk - -  
 Trade Receivables – credit impaired 6814.53 4929.23  
 Less: Allowance for expected credit loss 4477.62 3560.56  
 Less: Allowance for expected credit loss RP 0.00

**Total 3161.10 2995.91**

#### The movement in change in allowance for expected credit loss and credit impaired

- Balance as at beginning of the year 3560.56 1197.37  
 Change in allowance for expected credit loss 917.06 2363.19

**Balance as at the end of the year 4477.62 3560.56**

Management is of the opinion that amount recoverable is not less than the amount stated, no impairment is required. Refer Note no 51

## Notes Forming Part of the Financial Statements

As at 31st March, 2025

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	-	762.30	41.90	14.59	5.40	824.19
Undisputed Trade Receivable-Considered Doubtful	-	0.06	166.68	242.86	5,573.49	5,983.09
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	831.44	831.44
Less: Allowance for expected credit loss	-	-	-	-	(4477.62)	(4477.62)
<b>Total</b>	-	<b>762.36</b>	<b>208.58</b>	<b>257.45</b>	<b>1932.71</b>	<b>3161.10</b>

As at 31st March, 2024

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good		318.68	95.04	-	1,213.52	1,627.24
Undisputed Trade Receivable-Considered Doubtful	-	-	4.15	46.35	4,047.30	4,097.80
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	831.43	831.43
Less: Allowance for expected credit loss		-	-	-	(3,560.56)	(3,560.56)
<b>Total</b>	-	<b>318.68</b>	<b>99.19</b>	<b>46.35</b>	<b>2531.69</b>	<b>2995.91</b>

\* Due date of payment is the date of transaction

Refer Note No 43 for information on Trade receivable offered as security

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>7. Loans</b>		
<b>Unsecured, considered good</b>		
Loans to related parties		
Loan to Subsidiary Company-Interest free	7287.66	6565.46
<b>Total</b>	<b>7287.66</b>	<b>6565.46</b>
(Refer note no. 46 and 48)		
<b>8. Other Financial Assets</b>		
(a) Security & Other Deposits	14789.10	15357.73
(b) Bank Deposits with more than 12 months Maturity*	514.36	111.51
<b>Total</b>	<b>15303.46</b>	<b>15469.24</b>
* Fixed Deposits are pledged with central and various State Govt/Undertakings and local bodies.		
<b>9. Deferred Tax Assets (Net)</b>		
Deferred tax Assets ( Net ) (Refer Note No. 35.4)	6059.27	10115.67
<b>Total</b>	<b>6059.27</b>	<b>10115.67</b>
<b>10. Other Non Current Assets</b>		
Advance Recoverable in Cash	1998.62	1998.62
Less: Allowance for expected credit loss	999.31	999.31
<b>Total</b>	<b>999.31</b>	<b>999.31</b>
<b>11. Inventories</b>		
(a) Construction Materials	217.63	418.52
(b) Stores & Spares	146.51	206.68



# Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>Total</b>	<b>364.14</b>	<b>625.20</b>
<b>12. Trade Receivables</b>		
Trade Receivables considered good – Secured	-	-
Unsecured, considered good		
(a) Receivable from related parties	15373.81	14332.38
(b) Receivable from Others	13582.11	23752.42
	<b>28955.92</b>	<b>38084.80</b>

## As at 31st March, 2025

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	-	1,339.57	4484.17	4691.25	18440.93	28955.92
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,339.57</b>	<b>4484.17</b>	<b>4691.25</b>	<b>18440.93</b>	<b>28955.92</b>

## As at 31st March, 2024

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	7194.14	-	11422.28	252.66	19215.72	38084.80
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>7194.14</b>	<b>-</b>	<b>11422.28</b>	<b>252.66</b>	<b>19215.72</b>	<b>38084.80</b>

\* Due date of payment is the date of transaction

Refer Note No 43 for information on Trade receivable offered as security

## 13. Cash and Cash Equivalents

### 13.1 Balance with Banks

In Current Accounts **	209.88	217.99
	<b>209.88</b>	<b>217.99</b>

### 13.2 Cash On Hand

<b>Total</b>	<b>0.03</b>	<b>0.32</b>
	<b>209.91</b>	<b>218.31</b>

\*\* Balance with in current account with banks include balances of Rs. 31.21 lakhs (P.Y. Rs.88.18 lakhs) in Escrow Accounts.

## 14. Bank balance other than Cash and Cash Equivalents

In earmarked Accounts		
(a) Current Accounts unclaimed Dividend	0.84	1.22
(b) Fixed Deposits with a maturity more than 3 months but upto 12 months*	322.45	901.73
<b>Total</b>	<b>323.29</b>	<b>902.95</b>

\* Fixed Deposits are pledged with Central and various State Govt as well as Public Sector Undertakings and local bodies.

## 15. Loans

### Unsecured, considered good

Loan to Subsidiary and step down Subsidiaries Companies (Refer note no. 48)	40219.61	39744.43
Loan to Subsidiary and step down Subsidiaries Companies Refer note no. 48		
Loan to Others	1025.72	
Less: Provision for Impairment in the carrying value on loan given to stepdown subsidiary Company	1471.76	1,471.76
<b>Total</b>	<b>39773.57</b>	<b>39298.39</b>

## Notes Forming Part of the Financial Statements

Disclosures in terms of regulation 34(3) and 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015) and additional regulatory information as required by Schedule III

(a) Loans given to Subsidiary and step down Subsidiaries having no repayment schedule

Name of Subsidiaries	2024-25			2023-24		
	Maximum Balance	Closing Balance	%	Maximum Balance	Closing Balance	%
Sadbhav Infrastructure Project Ltd.(Refer Note No. 48)	26619.51	24123.71	59.98%	29590.75	23648.53	59.50%
Rohtak Panipat Tollway Pvt. Ltd. (Refer Note No. 47 )	14624.14	14624.14	36.36%	14624.14	14624.14	36.80%
Rohtak Hissar Tollway Pvt. Ltd. (Refer Note No. 47 )	1471.76	1,471.76	3.66%	1471.76	1471.76	3.70%
Sadbhav Gadag Highway Pvt,Ltd.-Sub Sebt	6,150.76	6,150.76	100.00%	3844.27	3,844.27	100.00%

(b) Company has not given any Loans and Advances to any firms/companies (except subsidiary and stepdown subsidiaries as stated above) in which directors are interested

(c) Loans given to subsidiary are for short term to fund the temporary mismatch in its cash flow.

(d) Refer Note No. 46 for related party transactions and outstanding balances.

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>16. Other Current Financial Assets</b>		
(i) Interest accrued on loans to subsidiary	2698.32	2970.98
(ii) Security & Other Deposits	6209.08	8077.52
(iii) Other Receivable	5631.22	837.48
<b>Total</b>	<b>14538.62</b>	<b>11885.98</b>

Refer Note No. 46 for Related party transactions and outstanding balances.

### 17. Current Tax Assets (Net)

Advance Income Tax	2203.83	3619.39
<b>Total</b>	<b>2203.83</b>	<b>3619.39</b>

### 18. Other Current Assets

#### 18.1 Advances other than capital advances

(a) Advances for goods and Services	9912.39	10282.60
<b>Total</b>	<b>9912.39</b>	<b>10282.60</b>

#### 18.2 Others

(a) Balance with Statutory Authorities	6333.99	7630.44
(b) Contract Assets( Refer Note No. 51)	70241.85	70933.28
(c) Prepaid Expenses	7.13	80.53
(d) Group Gratuity Plan Assets (Net of Liabilities)	198.75	210.01
	<b>76781.72</b>	<b>78854.26</b>
<b>Total</b>	<b>86694.11</b>	<b>89136.86</b>

### 19. Equity Share Capital

- (a) Authorized Share Capital: 20,00,00,000 (P.Y. 20,00,00,000) Equity Shares of Re.1/- each 2000.00 2000.00
- (b) Issued, Subscribed and fully paid 1715.71 1715.71
- 17,15,70,800 (P.Y. 17,15,70,800) Equity Shares of Re.1/- each
- (c) Reconciliation of Nos. of Equity Shares :
- |  |        |           |           |
|--|--------|-----------|-----------|
| Outstanding at the beginning and end of the Year | (Nos.) | 171570800 | 171570800 |
| Addition/(Reduction) during the period           | (Nos.) | -         | -         |
| Outstanding at the end of the Year               | (Nos.) | 171570800 | 171570800 |
- (d) Rights of Shareholders and Repayment of Capital:
- The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.
  - 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 any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders. There are no preferential amount as on balance sheet date .
- (e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:-

Name of Share Holder(s)	As at 31.03.2025		As at 31.03.2024	
	No.of shares	% held	No.of shares	% held
Shashin Vishnubhai Patel	27094342	15.79%	2388866	1.39%

## Notes Forming Part of the Financial Statements

Sadbhav Finstock Private Limited	12588500	7.34%	12588500	7.34%
Shantaben V. Patel	16850855	9.82%	41556331	24.22%
HDFC Small Cap Fund	-	0.00%	14684526	8.56%

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

### (f) Shareholding of Promoters

Sr No.	Name of Promoters	As at 31.03.2025			As at 31.03.2024		
		No. of Shares held	% of total shares	% Change during the year	No. of Shares held	% of total shares	% Change during the year
1	Shantaben Vishnubhai Patel	16850855	9.82	(14.40)	41556331	24.22	0.10
2	Vikram Rasiklal Patel	2859749	1.67	-	2859749	1.67	-
3	Vasistha Chandulal Patel	1869535	1.09	-	1869535	1.09	-
4	Shashin Vishnubhai Patel	27094342	15.79	14.40	2388866	1.39	-
5	Bhavna Vikramkumar Patel	437500	0.25	-	437500	0.25	-
6	Rekhaben Vasisthakumar Patel	437500	0.25	-	437500	0.25	-
7	Sadbhav Finstock Private Limited	12588500	7.34	-	12588500	7.34	(1.58)
<b>Total</b>		<b>62137981</b>	<b>36.22</b>	<b>-</b>	<b>62137981</b>	<b>36.22</b>	<b>(1.48)</b>

(Rs. in Lakhs)

### PARTICULARS As at March 31, 2025 As at March 31, 2024

#### 20. Other Equity

##### (a) Capital reserve

As per Last Balance Sheet

345.00

345.00

##### Closing Balance

345.00

345.00

The promoter of the company, to whom the company had allotted 6,00,000 warrants on July 31, 2007, did not exercise option to convert the said warrants into equity shares of the Company before the due date January 31, 2009, and the right has since lapsed. As per the term of issue of warrants, the application money received at the time of subscribing the said warrants has been forfeited and the same has been transferred to the Capital Reserve. The same can not be used for distribution of profits to the share holders as a dividend.

##### (b) Securities Premium

As per Last Balance Sheet

62994.55

62994.55

##### Closing Balance

62994.55

62994.55

Securities premium is used to record the premium on issue of shares. The premium is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

##### (c) Debenture Redemption Reserve

As per Last Balance Sheet

1728.46

1728.46

##### Closing Balance

1728.46

1728.46

The Company has issued redeemable non-convertible debentures. In respect thereof, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the Company to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve.

As per Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, issued by the Ministry of Corporate Affairs, listed companies are exempt from creation of DRR. The Company has carried forward opening balance of DRR which pertains to earlier reporting period.

##### (d) General Reserves

As per Last Balance Sheet

18640.18

18640.18

##### Closing Balance

18640.18

18640.18

The general reserve is a free reserve which is used on time to time to transfer profits from retained earnings for appropriation purposes.

##### (e) Retained Earnings

As per last Balance Sheet

(4144.47)

22322.01

Net (Loss) for the year

(15354.76)

(26466.48)

##### Closing Balance

(19499.23)

(4144.47)

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.

##### (f) Other Comprehensive Income

## Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
As per Last Balance Sheet	498.95	485.91
Addition during the year	(11.67)	13.04
<b>Closing Balance</b>	<b>487.28</b>	<b>498.95</b>
<b>(g) Equity Component of Compound Financial Instruments</b>		
As per Last Balance Sheet	18358.49	-
Addition during the year	-	18,358.49
<b>Closing Balance</b>	<b>18358.49</b>	<b>18,358.49</b>
Interest free loan given by stepdown Company (Ahmedabad Ring Road Infrastructure Ltd ), Director and Promoter ( Shri Shashin Vishnubhai Patel) , whereby stepdown Company and Director and Promoter has given a commitment to keep the loan balance of Rs. 15000.00 lakhs and Rs. 23521.50 lakhs in the Company for a period of 3 years and 7 years from the July 1, 2023 and March 31,2024 respectively. Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the agreement/letter and equity components has been accounted under Other Equity and liability component under non-current borrowing. Interest on liability component is recognised using the effective interest method.		
<b>Total</b>	<b>83054.73</b>	<b>98421.16</b>

### 21. Non Current Borrowings

#### Measured at Amortised Cost

##### (a) Bonds/Debentures

##### (Secured)

Secured redeemable non-convertible debentures

(i) Udhay VJ Reality Private Ltd.Nil (P.Y. 450 ) debenture of Rs. 10 lakhs each

- -

(ii) Centrum Credit Opportunities Trust NIL (P.Y. 15500) debentures of Rs. 0.36 (P.Y. 0.65) lakh each

- 5582.43

- 5582.43

Less Current Maturities (Refer Note No. 22.3)

- 5582.43

#### Total

- -

#### Detail of Security

NCDs of Centrum Credit Opportunities trust are secured against the followings:

a) Mortgage over certain identified immovable properties of the Company and promoters.

b) First charge on 3,81,97,436 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.

c) Pledge of 35,00,000 Fully Paid up equity shares of the Company held by the promoters group entity.

#### Terms of Repayment

NCDs of Centrum Credit Opportunities Trust, having yearly coupon rate of 11.50% are repayable in unequal quarterly installments till September 2024.

NCD of Centrum Credit Opportunities Trust has been repaid during the year.

##### (b) Term Loans

##### (Secured)

##### (i) From Banks:-

Rupee Term Loan

5115.75 5832.89

5115.75 5832.89

Less Current Maturities (Refer Note No. 22.3)

5115.75 5832.89

#### Total

- -

#### Details of Securities

a In case of equipment finance term loan Hypothecation of specific machineries and equipments purchased.

b First Charge and Subservient charge on movable fixed asset of the company.

c Extension of charge on First Pari-passu Charge by way of Hypothecation on Stocks/ Book Debts/ Work in Progress at Various sites.

d Mortgage of some of the immovable properties of the Company as a collateral security.

##### (ii) From Financial Institutions

- 2098.27

Less Current Maturities (Refer Note No. 22.3)

- 2098.27

#### Total

- -

#### Details of Securities

a Mortgage of share in identified immovable property owned by one of the promoters.

b Pledge of Nil Shares (P.Y.2,76,20,270 shares) Fully Paid up unencumbered, freely transferable equity shares of the Company held by some of the promoters.

c Hypothecation of specific machineries and equipments financed by the respective financial institution.

d Personal Guarantee of Shashin V. Patel , Vashishtha C. Patel , Vikram R. Patel.

Terms of repayment



# Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Term Loans from Banks/ Financial Institutions are repayable in monthly/quarterly instalments over a period of 24 months to 48 months. Loan from Financial Institutaion has been repaid during the year.		
(iii) From a company in which some of the directors are directors	13183.31	11876.85
From a Director and Promoter	10216.60	9195.14
	23399.91	21071.99
<b>Total</b>	<b>23399.91</b>	<b>21071.99</b>

## 22. Short-Term Borrowings

### Measured at Amortised Cost

#### 22.1 Loans repayable on demand

##### (Secured)

Working capital facilities from banks	69262.05	59863.37
Cash credit facilities from banks	7891.56	1700.34
	77153.61	61563.71

##### Details of Securities

- (a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables  
First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated / Charged to other lenders. Second charge on machineries owned by the company.
- (b) Personal Guarantee of Shashin V.Patel , Vashishtha C. Patel, Vikram R. Patel.
- (c) Pledge of 10,53,15,340 Fully Paid up unencumbered, freely transferable equity shares of SIPL held by the Company.

##### (Unsecured)

From Bank	660.00	660.00
	660.00	660.00
<b>Total</b>	<b>77813.61</b>	<b>62223.71</b>

As at 31 March 2025, the Company had defaulted in repayment of borrowings from banks, financial institutions and NBFC (non-current and current) including interest thereon. The duration of the default is more than 90 days. (refer note no 51)

Sr No.	Category	Period	Principal	Interest
1	Term Loan from Bank	1 to 30 days		
		31 to 90 days		
		91 days above	5115.75	-
2	NCD	1 to 30 days		
		31 to 90 days		
		91 days above		
3	Term Loan from Financial Institutions	1 to 30 days		
		31 to 90 days		
		91 days above		
4	Working Capital Demand Loans	1 to 30 days		
		31 to 90 days		
		91 days above	77813.61	10630.66
	Total		82929.36	10630.66

As at 31 March 2024, the Company had defaulted in repayment of borrowings from banks, financial institutions and NBFC (non-current and current) including interest thereon. The duration of the default is more than 90 days. (refer note no 51)

Sr No.	Category	Period	Principal	Interest
1	Term Loan from Banks	1 to 30 days	367.88	20.70
		31 to 90 days	404.28	44.45
		91 days above	2492.57	648.57
2	NCD	1 to 30 days	2275.00	
		31 to 90 days	2100.00	
		91 days above	157.43	
3	Term Loan from Financial Institutions	1 to 30 days	-	
		31 to 90 days	-	104.09
		91 days above	2098.27	906.26
4	Working Capital Demand Loans	1 to 30 days	-	1310.19
		31 to 90 days	-	1380.85
		91 days above	62223.71	3400.72

## Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>Total</b>	<b>72119.14</b>	<b>7815.83</b>
<b>22.2 Loan from Related Parties and others - Unsecured</b>		
From a company in which some of the directors are directors	13766.36	8333.05
	<b>13766.36</b>	<b>8333.05</b>
Related party transactions and outstanding balances Refer Note No.46		
<b>22.3 Current Maturities of Long term debts</b>		
Non Convertible Debentures (Refer Note No. 21(a) )	-	5582.43
Loan from Banks (Refer Note No. 21(b) i)	5115.75	5832.89
Loan from Financial Institutions (Refer Note No. 21(b) ii)	-	2098.27
	5115.75	13513.59
<b>Total (22.1 + 22.2 +22.3)</b>	<b>96695.72</b>	<b>84070.35</b>

### 23. Trade Payables

Total outstanding dues of micro and small enterprises *	565.93	595.80
Total outstanding dues other than micro and small enterprises	27836.34	30321.16
<b>Total</b>	<b>28402.27</b>	<b>30916.96</b>
Related party transactions and outstanding balances Refer Note No.46		
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
<b>A</b> Principal amount remaining unpaid to any supplier as at year end	565.93	595.80
<b>B</b> Interest due thereon	398.55	348.27
<b>C</b> Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
<b>D</b> Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
<b>E</b> Amount of interest accrued and remaining unpaid at the end of the accounting year	398.55	348.27
<b>F</b> Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

#### As at 31 March 2025

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	8.76	37.67	11.01	48.33	105.77
Other	-	-	6204.74	1276.24	2133.75	7587.64	17202.37
Disputed Dues-MSME	-	-	0.00	0.00	0.01	460.16	460.17
Disputed Dues-Others	-	-	155.44	23.80	115.92	10338.81	10633.97
<b>Total</b>	-	-	<b>6368.94</b>	<b>1337.71</b>	<b>2260.69</b>	<b>18434.94</b>	<b>28402.27</b>

#### As at 31 March 2024

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	69.70	15.48	54.87	10.24	150.29
Other	-	726.38	5032.48	2610.24	3669.39	5243.31	17281.80
Disputed Dues-MSME	-	-	0	0.01	10.17	435.33	445.51
Disputed Dues-Others	-	-	346.31	651.57	1251.46	10790.02	13039.36
<b>Total</b>	-	<b>726.38</b>	<b>5,448.49</b>	<b>3277.3</b>	<b>4,985.89</b>	<b>16,478.90</b>	<b>30,916.96</b>

\* Due date of payment is the date of transaction

### 24. Other Financial Liabilities

(a) Interest Accrued	11374.42	8867.55
(b) Unclaimed Dividend *	0.84	1.22
(c) Employee Emoluments Payable	112.09	395.52
(d) Security & Other Deposits	12660.22	18413.58
<b>Total</b>	<b>24147.57</b>	<b>27677.87</b>

## Notes Forming Part of the Financial Statements

(Rs. in Lakhs)		
PARTICULARS	As at March 31, 2025	As at March 31, 2024
*There are no amounts due to be transferred to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as on March 31, 2025 (P.Y. Rs. Nil)		
<b>25. Other Current Liabilities</b>		
(a) Creditors for Capital Goods	174.59	181.30
(b) Statutory Dues	437.49	148.90
(c) Contract Liabilities (Mobilization Advance)*	9127.22	12527.81
(d) Other Advances	2719.58	6987.81
<b>Total</b>	<b>12458.88</b>	<b>19845.82</b>

\*Refer Note No.46 for Related party transactions and outstanding balances

(Rs. in Lakhs)		
PARTICULARS	For the Year ended March 31, 2025	For the Year ended March 31, 2024
<b>26. Revenue from Operations</b>		
(a) Sale Of Products & Services		
Contract Revenue*	17141.03	97014.84
(b) Other Operating Revenue	3912.07	4328.67
<b>Total</b>	<b>21053.10</b>	<b>101343.51</b>

\* Refer note no. 37

Related party transactions and outstanding balances Refer Note No.46

<b>27. Other Income</b>		
(a) Interest on financial assets measured at amortised cost		
(i) Interest from Subsidiaries and step-down subsidiaries	3425.93	3627.56
(ii) Interest on Fixed Deposits	77.47	66.67
(b) Interest On Income Tax Refund	-	299.80
(c) Miscellaneous Income	1043.19	2408.52
<b>Total</b>	<b>4546.59</b>	<b>6402.55</b>

Related party transactions and outstanding balances Refer Note No.46

<b>28. Cost of Material Consumed</b>		
Opening Stock	625.20	2957.91
Add Purchase	121.29	100.02
	746.49	3057.93
Less Closing Stock of Material	364.14	625.20
<b>Total</b>	<b>382.35</b>	<b>2432.72</b>

<b>29. Construction Expenses</b>		
Labour Expenses	14886.98	74082.40
Power & Fuel	201.94	248.32
Stores Consumed	66.12	487.59
Repairs & Maintenances-Construction Machineries	6.77	440.95
Transportation Expenses	0.69	3.50
Machinery Rent	12.95	208.84
Land & Godown Rent	103.20	126.39
Site Establishment Expenses	18.08	14.02
Mess Expenses	28.37	69.20
<b>Total</b>	<b>15325.10</b>	<b>75681.21</b>

<b>30. Employee Benefits Expense</b>		
Salaries & Wages	1713.15	2832.31
Contribution to PF and Other Funds	44.01	49.67
Group Gratuity Fund Expenses	-	2.82
Staff Welfare Expenses	48.25	45.78
<b>Total</b>	<b>1805.41</b>	<b>2930.58</b>

<b>31. Finance Cost</b>	
(a) Interest Expenses on financial liabilities measured at amortized cost	

## Notes Forming Part of the Financial Statements

(Rs. in Lakhs)

PARTICULARS	For the Year ended March 31, 2025	For the Year ended March 31, 2024
On NCDs	200.55	1408.96
On Term Loan	228.41	1931.28
On Working capital facility	11796.75	10895.04
(b) Interest on Statutory Dues	68.95	123.08
(c) Unwinding Of Discount On Interest Free Loan	2317.92	908.98
(d) Other Borrowing Costs - Bank Charges & Other Service Charges	1046.93	1803.62
<b>Total</b>	<b>15659.51</b>	<b>17070.96</b>

### 32. Other Expenses

Rent	13.93	7.82
Rates & Taxes	567.93	156.72
Insurance	7.11	78.68
Legal & Professional Fees	2367.05	2240.99
Contract Assets Written Off	-	14646.07
Allowance for Expected Credit Loss	917.06	3362.49
Auditors Remuneration	60.00	60.00
Trade and Other Receivable Written off (Refer Note No. 49)	520.99	10694.88
Miscellaneous Expenses	769.69	630.37
<b>Total</b>	<b>5223.76</b>	<b>31878.02</b>

#### 32.1 Payment to Auditors

(i) For Audit	45.00	45.00
(ii) For Certification Works	15.00	15.00
<b>Total</b>	<b>60.00</b>	<b>60.00</b>

**32.2** As per Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) committee has been formed by the Company. The Company is not liable to incur expenses on CSR during F.Y. 2024-25 and F.Y. 2023-24.

### 33. Exceptional Items Include

Net profit/(loss) on sale of assets	1,537.98	(1,311.35)
Profit on settlement of outstanding dues of the Debenture Holders	1,006.05	
<b>Total</b>	<b>2544.03</b>	<b>(1311.35)</b>

### 34. Employee Benefits Note

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	2024-25	2023-24
Contribution to Provident Funds	41.62	47.82
Contribution to ESIC	2.39	1.85
<b>Total ( Refer Note No. 30)</b>	<b>44.01</b>	<b>49.67</b>

#### 34.1 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service ( Not applicable in case of death / disability )
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age*	60 years

\*In case of employees with age above the retirement age mentioned in plan features, the retirement is assumed to happen immediately and vacation is done accordingly.

**34.2** The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustees' duty to look after assets on behalf of employees who are entitled to benefit from those assets at some future date. Investment of assets of fund is key responsibility of the trustees. The trustees must review investment performance regularly.

#### 34.3 Risk to the Plan



## Notes Forming Part of the Financial Statements

Following are the risk to which the plan exposes the entity :

### A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

### B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

### C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

### D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

### E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

### 34.4 Reconciliation of defined benefit obligations

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligations as at beginning of the year	325.31	483.36
Current service cost	25.37	30.90
Interest cost	18.40	29.36
Actuarial Loss/(Gain) due to change in financial assumptions	3.42	-
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	8.40	(21.81)
Past Service Cost	-	-
Benefits Paid	(65.92)	(196.51)
<b>Defined benefit obligations as at end of the year</b>	<b>314.97</b>	<b>325.31</b>

### 34.5 Reconciliation of Plan Asset

Particulars	As at March 31, 2025	As at March 31, 2024
Plan Asset as at beginning of the year	535.30	694.81
Interest Income	34.54	45.77
Return on plan assets excluding amounts included in interest income	0.15	(8.76)
Contributions by employer	-	-
Benefits paid	(56.28)	(196.52)
<b>Plan Asset as at end of the year</b>	<b>513.71</b>	<b>535.30</b>

### 34.6 Reconciliation of the Effect of Asset ceiling

Particulars	As at March 31, 2025	As at March 31, 2024
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
<b>Asset ceiling as at end of the year</b>	<b>-</b>	<b>-</b>

### 34.7 Net amount Charged to Statement of Profit and Loss for the period

Particulars	2024-25	2023-24
Current service cost	25.37	30.90
Past Service Cost and Loss/(gain) on curtailments and settlement	-	-

## Notes Forming Part of the Financial Statements

Net Interest cost	(16.14)	(16.41)
Employee benefit expenses	9.24	14.49

### 34.8 Other Comprehensive Income for the period

Particulars	2024-25	2023-24
Components of actuarial (gain)/losses on obligations:		
Due to change in financial assumptions	3.42	-
Due to change in demographic assumption	-	-
Due to experience adjustments	8.40	(21.81)
Return on plan assets excluding amounts included in interest income	(0.15)	8.77
Amounts recognized in Other Comprehensive (Income)/Expense	11.67	(13.04)

### 34.9 Break up of Plan Assets

Particulars	2024-25	2023-24
Insurance Policy	100%	100%

### 34.10 Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.55%	7.20%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rate	40% for all ages	40% for all ages
Rate of Return on Plan Assets	7% p.a.	7.20% p.a.

### 34.11 Sensitivity Analysis for Actuarial Assumption

As at 31.03.2025	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(2.64)	-0.84%	2.69	0.86%
Salary Growth Rate	0.50%	0.50%	2.68	0.85%	(2.65)	-0.84%
Withdrawal Rate	110.00%	90.00%	1.09	0.35%	(1.38)	-0.44%

As at 31.03.2024	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(2.73)	-0.84%	2.77	0.85%
Salary Growth Rate	0.50%	0.50%	2.76	0.85%	(2.75)	-0.85%
Withdrawal Rate	110.00%	90.00%	0.79	0.24%	(1.10)	-0.34%

#### Limitation of method used for sensitivity analysis :

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

### 34.12 Details of Asset- Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

### 34.13 Expected contribution to the plan for the next annual reporting period

Particulars	2024-25	2023-24
Expected contribution to the plan	26.20	28.20
Total	26.20	28.20

### 34.14 Maturity Profile of the Defined Benefit Obligation

The Weighted Average Duration (Years) as at valuation date is 2.20 years

As at March 31, 2025	Rs. in Lakhs	%
2026	139.76	39.50%
2027	85.13	24.00%
2028	58.94	16.60%
2029	29.97	8.50%
2030	17.34	4.90%

## Notes Forming Part of the Financial Statements

2031 - 2035	21.36	6.00%
<b>As at March 31, 2024</b>	<b>Rs. in Lakhs</b>	<b>%</b>
2025	139.45	37.60%
2026	97.01	26.20%
2027	54.27	14.60%
2028	34.91	9.40%
2029	18.97	5.10%
2030 - 2034	24.40	6.60%

### 35. Income Tax expense

35.1 Income tax expense in the statement of profit and loss comprises of:

Particulars	2024-25	2023-24
Current income tax	-	-
Adjustments in respect of current tax of earlier years	106.67	306.58
Deferred tax	-	-
Relating to origination and reversal of temporary difference	4056.40	-
Income tax expense	4163.07	306.58

35.2 The Company was required to make provisions of Income tax as per the rate applicable. A reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rates is summarized below:

Particulars	2024-25	2023-24
Accounting (loss) before tax	(11,191.69)	(26,159.95)
Statutory Income Tax rate	34.94%	34.94%
Expected Income Tax Expenses*	-	-
Deferred tax Adjustment	4056.40	-
Adjustments in respect of current tax of earlier years	106.67	306.58
Income tax expenses considered in accounts	4163.07	306.58

\* The Company has no taxable income and has loss as per section 115JB of the Income Tax Act 1961 during the current and previous year. Hence no provision of income tax is made.

35.3 There is no change in the applicable base tax rate as compared to previous accounting period.

35.4 Details of each type of recognized temporary differences, unused tax losses and unused tax credits

Particulars	Recognized DTA / DTL in balance sheet		Deferred tax (Income) / Expense recognized in P&L	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax liability on account of</b>				
Provision for Gratuity		73.89	(73.89)	-
<b>Total Deferred tax liability</b>	-	<b>73.89</b>	<b>(73.89)</b>	-
<b>Deferred tax asset on account of</b>				
Difference in value of Property, Plant and Equipment		2,990.70	(2,990.70)	-
Difference in value of Investment in SIPL - Sub Debt		657.22	(657.22)	-
Provision for Leave encashment		4.38	(4.38)	-
<b>Total Deferred tax asset</b>	-	<b>3,652.30</b>	<b>(3,652.30)</b>	-
<b>Net Deferred Tax (Assets) before MAT Credit</b>	-	<b>(3,578.41)</b>	<b>3,578.41</b>	-
MAT Credit Entitlement	6,059.27	6,537.26	477.99	-
<b>Net Deferred Tax (Assets) Recognized</b>	<b>(6,059.27)</b>	<b>(10,115.67)</b>		
<b>Deferred Tax Debit / (Credit) Recognized</b>	-	-	<b>4,056.40</b>	-

Deferred tax asset include Rs. 6059.27 lakhs being amount of unused tax credit recognized in earlier years.

Based on the projection of future profitability, management believes that the Company will have regular taxable income against which the unused tax credit and MAT credit will be realised.

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 mentioned in the note No 52, the company has submitted restructuring plan to the consortium of lenders which is yet to be approved. Pending approval of restructuring plan, the Company has not recognised deferred tax assets during the Financial Year 2023-24 and Financial Year 2024-25

## Notes Forming Part of the Financial Statements

### 36. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Nominal Value of Equity Share (Re per share)	1.00	1.00
For Basic and Diluted EPS:		
Number of Equity Shares at the beginning of the year	171570800	171570800
Weighted Average number of Equity Shares	171570800	171570800
Basic and Diluted EPS		
Net Loss after Tax and before Other Comprehensive Income (Rs. In Lakhs)	(15,354.76)	(26,466.53)
Weighted Average number of Equity Shares	171570800	171570800
Basic Earning/(loss) per Share (EPS)	(8.95)	(15.43)

### 37. Revenue from contract with customers

#### 37.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(Rs. in Lakhs)

	March 31, 2025	March 31, 2024
<b>Type of service rendered</b>		
Revenue from construction services	21053.10	101343.51
<b>Place of service rendered</b>		
India	21053.1	101343.51
<b>Total revenue from contracts with customers</b>	<b>21053.1</b>	<b>101343.51</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	21053.1	101343.51
<b>Total revenue from contracts with customers</b>	<b>21053.1</b>	<b>101343.51</b>

#### 37.2 Contract balances

Contract Assets refer note no. 51	70241.85	70933.28
Contract Liabilities	9127.22	12527.81

Contract assets are recognised for revenue earned and other services render to customer as per the agreement. Upon completion of work, the contract assets are classified as trade receivable.

(i) Movement in contract balances during the year:

Particulars	Contract Assets	Contract Liabilities	Net Contract Balances
Balance as at April 1, 2023	83647.67	33611.28	50,036.39
Net Increase / (Decrease)	(12714.39)	(21083.47)	8369.08
<b>Balance as at March 31, 2024</b>	<b>70933.28</b>	<b>12527.81</b>	<b>58,405.47</b>
Net Increase / (Decrease)	(691.43)	(3400.59)	2709.16
<b>Balance as at March 31, 2025</b>	<b>70241.85</b>	<b>9127.22</b>	<b>61114.63</b>

#### 37.3 Performance obligation

Information about the company's performance obligations are summarised below:

##### (a) Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company receives progressive payment towards provision of construction services.

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31,2025 is Rs. 5275.53 lakhs (P.Y. Rs. 79842.46 lakhs) . Out of this the Company expect to recognise revenue around Rs. 5275.53 lakhs (P.Y. Rs. 79842.46 lakhs) in next year. 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.

#### 37.4 Reconciliation of the amount of revenue recorded in Standalone statement of Profit and loss is not required as there are no adjustments to the contract price.

### 38. Contingent Liabilities and commitments

#### A Contingent Liabilities

a Claims against the company not acknowledged as debt: Tax matters

i Income tax matters in dispute

ii Service tax matters in dispute

iii Value added tax matters in dispute

March 31, 2025  
(Rs. in Lakhs)

March 31, 2024  
(Rs. in Lakhs)

5931.14

11765.01

612.34

612.34

414.36

414.36



## Notes Forming Part of the Financial Statements

	March 31, 2025 (Rs. in Lakhs)	March 31, 2024 (Rs. in Lakhs)
iv Customs duty matters in dispute	237.89	237.89
v Goods and Service tax	10169.84	7108.58
b Claims against the company not acknowledged as debt: other than tax matter		
(i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (P.Y. Rs. 46.42 Lakhs ) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (P.Y. Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.20 Lakhs (P.Y. Rs. 21.20 Lakhs ). The matter is pending before the high Court, Nagpur.		
(ii) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of Rs. 11.69 Lakhs (P.Y. Rs. 11.69 Lakhs ) under Employees Compensation Act, 1923. The matter is currently pending.		
(iii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (P.Y. Rs. 3.63 Lakhs). the company has filled appeal before the High court of Gujarat. The matter is currently pending.		
(iv) SEL has moved to Nagpur High Court for release of penalty amount Rs. 113.45 Lakhs (P.Y. Rs. 113.45 Lakhs) against the services provided at Junad Mines of WCL. The case is pending.		
(v) Retention of 226 workers at UCIL Site. The Company has received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from Deputy Labour Commissioner and two Notices are from Asst. labour commissioner regarding non implementation of award by tribunal cum labour court Dhanbad. The Labour Court, dhanbad has given the order in favour of the workers. The company has filed the appeal in Jharkhand High court at Ranchi. The Matter is pending.		
(vi) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against the Company in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and Company. Pursuant to the aforesaid sub-contract agreement, Company sub contracted the work under the main contract between Company and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that Comapny had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of Rs. 8160.00 Lakhs (P.Y. Rs. 8160.00 Lakhs ) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is Rs. 8160 Lakhs (P.Y. Rs. 8160.00 Lakhs ). The matter is currently pending.		
(vii) Some of the contractors and suppliers have filed cases before NCLT, Civil Courts and MSME Council claiming the payment of outstanding amount, claims and interest. The Company has made representation/submissions to the respective forums. Based on the legal advice and past out come management believes that in addition to be amount provided in the books of accounts no further amount in form of claims and interest will be payable.		
(viii) The Geology and Mining Department, Government of Gujarat has raised demand of Rs. 18615.51 lakhs, including the penalty of Rs. 5413.02 lakhs in respect of royalty on minerals alleging unauthorized use of minerals by the Company in the earlier years on the ground of non submission of required documents to the Authority. Against this demand Company has deposited amount of Rs. 264.05 lakhs and filed appeal objecting the levy of royalty and is as so in the process of submitting the documents to the authority. The management believes that demand is not sustainable and hence no provision is required in respect thereof.		
(ix) Company has received notice of demand of Rs. 13908.87 lakhs from the Mamlatdar Alien Recovery Branch, Ahmedabad, Gujarat dated January 19, 2024 in the matter of pending / disputed payment of royalty / penalty on royalty for quarry lease no. 842, 843 and 844 situated at Tumkur in respect of State Highway (SH-3 & SH 33) from Malavalli to Pavagada project of the Company. Company has filed revision applications with the office of Joint Director, Department of Mining and Geology, Mysore pursuant to the Rule 53 of The Karnataka Minor Mineral Concession Rules, 1994 and amendments thereon from time to time. The same is under the consideration with the respective authorities. The management believes that demand is not sustainable and hence no provision is required in respect thereof. Note- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.		
c Guarantees:		
Company has given corporate guarantee to banks outstanding amount of which as on March 31, 2025 is Rs. 21841.92 Lakhs (P.Y. Rs. 50927.66 Lakhs ) against the financial assistance given by the banks to subsidiary company and step down subsidiaries.		

## Notes Forming Part of the Financial Statements

### B Capital & other Commitments

The followings are the estimated amount of contractual commitments of the company:-

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Capital Commitments	400.65	801.52
(ii) Other Commitments (net of advance)	0.00	0.00

### 39. Financial Instruments

#### 39.1 Disclosure of Financial Instruments by Category

As at March 31, 2025

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
<b>Financial asset</b>						
Investments in Equity instruments of subsidiaries #	5	-	-	-	-	-
Investments in Equity Instruments of Other Companies	5	-	55.54	-	55.54	55.54
Investments in Bonds and Debentures	5	-	-	-	-	-
Investments in Subdebt	5	-	-	6,150.76	6,150.76	6,150.76
Investments in NSC	5	-	-	-	-	-
Trade Receivables	6 & 12	-	-	32,117.02	32,117.02	32,117.02
Long term Loans and Advances	7	-	-	7,287.66	7,287.66	7,287.66
Other Long term Financial Assets	8	-	-	15,303.46	15,303.46	15,303.46
Cash and Cash Equivalents	13	-	-	209.91	209.91	209.91
Bank Balances other than Cash and Cash equivalents	14	-	-	323.29	323.29	323.29
Loan given - Current	15	-	-	39,773.57	39,773.57	39,773.57
Other current financial assets	16	-	-	14,538.62	14,538.62	14,538.62
<b>Total Financial Asset</b>		-	<b>55.54</b>	<b>1,15,704.29</b>	<b>1,15,759.83</b>	<b>1,15,759.83</b>
<b>Financial liability</b>						
Long Term Borrowings	21			28,515.66	28,515.66	28,515.66
Short Term Borrowings	22			91,579.97	91,579.97	91,579.97
Lease Liabilities				82.62	82.62	82.62
Trade Payables	24			28,402.27	28,402.27	28,402.27
Other Current Financial Liabilities	25			24,147.57	24,147.57	24,147.57
<b>Total Financial Liabilities</b>		-	-	<b>1,72,728.09</b>	<b>1,72,728.09</b>	<b>1,72,728.09</b>

As at March 31, 2024

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
<b>Financial asset</b>						
Investments in Equity instruments of subsidiaries #	5	-	-	-	-	-
Investments in Equity Instruments of Other Companies	5	-	55.54	-	55.54	55.54
Investments in Bonds and Debentures	5	-	-	-	-	-
Investments in Subdebt	5	-	-	3,844.27	3,844.27	3,844.27
Investments in NSC	5	-	-	-	-	-
Trade Receivables	6 & 12	-	-	41,080.71	41,080.71	41,080.71
Long term Loans and Advances	7	-	-	6,565.46	6,565.46	6,565.46
Other Long term Financial Assets	8	-	-	15,469.24	15,469.24	15,469.24
Cash and Cash Equivalents	13	-	-	218.31	218.31	218.31
Bank Balances other than Cash and Cash equivalents	14	-	-	902.95	902.95	902.95
Loan to Related Parties - Current	15	-	-	39,298.39	39,298.39	39,298.39
Other current financial assets	16	-	-	11,885.98	11,885.98	11,885.98
<b>Total Financial Asset</b>		-	<b>55.54</b>	<b>1,19,265.31</b>	<b>1,19,320.85</b>	<b>1,19,320.85</b>
<b>Financial liability</b>						
Long Term Borrowings	21	-	-	34,585.58	34,585.58	34,585.58

## Notes Forming Part of the Financial Statements

As at March 31, 2024

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Short Term Borrowings	22	-	-	70,556.76	70,556.76	70,556.76
Lease Liabilities		-	-	130.62	130.62	130.62
Trade Payables	24	-	-	30,916.96	30,916.96	30,916.96
Other Current Financial Liabilities	25	-	-	27,677.87	27,677.87	27,677.87
Total Financial Liabilities		-	-	1,63,867.79	1,63,867.79	1,63,867.79

# Investments in subsidiaries classified as equity investments have been accounted at historical cost. Since these are scope out of IndAS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

- 39.2** The Fair value of Investments in Bonds and Debentures, NSCs, Long term Loans and advances, Bank Deposits with more than 12 months maturities and earmarked balances approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The Fair value of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their carrying amount because they are of short term nature.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of Borrowed Funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

- 39.3** Refer Note 43 for information on financial asset pledged as security.

### 40. Fair Value Measurement of Financial Assets and Liabilities

#### 40.1 Fair value hierarchy

As at March 31, 2025	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTOCI					
Investments in Equity Instruments of other Entities	5		55.54		55.54
<b>Total of Financial Assets</b>		-	<b>55.54</b>	-	<b>55.54</b>

As at March 31, 2024	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	5	-	55.54	-	55.54
<b>Total of Financial Assets</b>		-	<b>55.54</b>	-	<b>55.54</b>

- 40.2** There are no transfer between level 1 and level 2 during the year.

- 40.3** The company's policy is to recognize transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

- 40.4** Valuation technique and inputs used to determine fair value in level 2

The cost of investments in equity instruments approximates fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

### 41. Financial Risk Management

#### 41.1 Financial Instruments Risk management objectives and Policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade & other receivables and cash and bank balance that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

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.

# Notes Forming Part of the Financial Statements

## 41.2 Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate 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 100-basis points of the interest rate yield curves in all currencies. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

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 analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

### 41.2.1 Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings in INR		
Long Term Loan from Banks	28,515.66	34,585.58
Short Term loan from banks	77,813.61	62,223.71
<b>Total</b>	<b>1,06,329.27</b>	<b>96,809.29</b>

### Sensitivity analysis

(Rs. In Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss before tax	
	As at March 31, 2025	As at March 31, 2024
Interest rate increase by 100 basis point	(1,063.29)	(968.09)
Interest rate decrease by 100 basis point	1,063.29	968.09

The effect of interest rate changes on future cash flows is excluded from this analysis.

## 41.3 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 optimized cost.

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

As at March 31, 2025	Contractual Maturity	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	-	-		-	-
Long Term Rupee Loan from Banks & Fin. Inst.	28,515.66	5,115.75	-	13,183.31	10,216.60
Short Term Borrowings other than current maturity of long term debt	91,579.97	91,579.97	-	-	-
Lease Liabilities	82.62	53.56	29.06	-	-
Trade Payables	28,402.27	28,402.27	-	-	-
Other Financial Liabilities	24,147.57	24,147.57	-	-	-



## Notes Forming Part of the Financial Statements

As at March 31, 2024	Contractual Maturity	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	5,582.43	5,582.43		-	-
Long Term Rupee Loan from Banks & Fin. Inst.	29,003.15	7,931.16		11,876.85	9,195.14
Short Term Borrowings other than current maturity of long term debt	70,556.76	70,556.76			-
Lease Liabilities	130.62	48.00	82.62	-	-
Trade Payables	30,916.96	30,916.96			-
Other Financial Liabilities	27,677.87	27,677.87			-

### 41.4 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade and other receivables, Loans and advances, cash and cash equivalent and other balances with banks.

Credit risk on cash and cash equivalents is limited as company deposits with the banks.

The company generally gives loans and advances to its subsidiaries and employees. Hence, the management believes that the company is not exposed to any credit risk in respect of such loans and advances.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis. The Company has reviewed expected credit loss provision (ECL) on its trade receivables as per Ind AS provisions.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as on March 31, 2025 Rs. 32117.02 Lakhs (as on March 31, 2024 Rs. 41080.71 Lakhs).

- 41.5** The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

**At the reporting date, the exposure to:**

unlisted equity in subsidiaries at cost of Rs. 2,403.16 Lakhs (P.Y. Rs. 2,403.16 Lakhs ).

listed equity in subsidiaries at cost of Rs. 49,255.72 Lakhs (P.Y. Rs. 49,255.72 Lakhs)

**Sensitivity analysis**

As at 31 March 2025, the exposure to listed equity securities at fair value was Rs. 10369.44 Lakhs (P.Y. Rs 16954.77 Lakhs).

Changes in this exposure would not have a material effect on the profit or loss and total equity of the Company.

### 42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

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 and operating cash flows generated.

Summary of Quantitative Data is given here under:

(Rs. in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Equity	1,715.71	1,715.71
Other Equity	83,054.73	98,421.16
<b>Total</b>	<b>84,770.44</b>	<b>1,00,136.87</b>

### 43. Asset offered as security

Carrying Value of Assets offered as security (Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non Financial Asset</b>		
Tangible assets - Property, Plants & Equipments	2,201.93	4,271.24
<b>Financial Asset</b>		
Trade Receivables	32,117.02	41,080.71
Inventories	364.14	625.20

## Notes Forming Part of the Financial Statements

### 44. Detail of Investments in Subsidiaries, Associates and Joint Ventures

(Rs. in Lakhs)

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2025	As at March 31, 2024
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	69.76%	69.76%
Sadbhav Gadag Highway Pvt Ltd	Subsidiary	Ahmedabad	74.00%	74.00%

44.1 Sadbhav Infrastructure Project Ltd. is the holding company of all the step down subsidiary companies.

44.2 Invesements in Subsidiaries, Associates and Joint Ventures are accounted at Cost

44.3 In respect of Joint Venture arrangements, the Company is not required to make any capital investment. Percentage of sharing revenue/expenses by the company are given hereunder.

Name of the entity	Percentage of sharing revenue/expenses by the company	
	As at March 31, 2025	As at March 31, 2024
<b>SEL-GKC JV</b>		
Radhanpur - Manpura Project	52.00%	52.00%
Vishakhapatnam Project	50.00%	50.00%
Omkareshwar Project	60.00%	60.00%
Karimnagar Project	52.00%	52.00%
Omkareshwar Project	40.00%	40.00%
Managuru Project	51.00%	51.00%
BSHP-II Project	50.00%	50.00%
Govindpur Project	50.00%	50.00%
<b>SEL-Annapurna</b>		
Basantimata Project	80.00%	80.00%
<b>SEL-Vishnushiva</b>		
Maheshpur Project	75.00%	75.00%
Jalipa / Kapurdi Project	98.00%	98.00%
<b>SEL-Vaishnovi JV - Halon Project</b>	<b>72.00%</b>	<b>72.00%</b>
<b>Corsan Corviam Const S.A.-SEL JV</b>		
DMRC-CC43 Project	40.00%	40.00%
DMRC-CC47 Project	40.00%	40.00%
<b>PBA SADBHAV JV</b>	<b>50.00%</b>	<b>50.00%</b>
<b>SEL-PIPL JV</b>	<b>51.00%</b>	<b>51.00%</b>
<b>SEL-SPSCPL JOINT VENTURE</b>	<b>74.00%</b>	<b>74.00%</b>

### 45. Segment Reporting

The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the Company has considered business as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108 "Operating Segments".

### 46. List of Related Parties

#### (a) Related Party with whom Control Exists

##### Subsidiary

Sadbhav Infrastructure Project Limited,  
Sadbhav Gadag Highway Private Limited

##### Step-down Subsidiaries:-

Ahmedabad Ring Road Infrastructure Limited  
Maharashtra Border Check Post Network Ltd.  
Rohtak-Panipat Tollway Private Limited  
Rohtak-Hissar Tollway Private Limited  
Sadbhav Nainital Highway Limited  
Sadbhav Rudrapur Highway Limited  
Sadbhav Hybrid Annuity Project Limited  
Sadbhav Bangalore Highway Private Limited  
Sadbhav Vidarbha Highway Limited  
Sadbhav Udaipur Highway Limited  
Sadbhav Jodhpur Ring Road Private Limited  
Sadbhav Infra Solutions Private Limited  
Sadbhav Maintenance Infrastructure Private Limited  
Sadbhav Kim Express Way Private Limited

##### Joint Ventures:

SEL-GKC JV,

## Notes Forming Part of the Financial Statements

Sadbhav-Annapurna,  
Sadbhav-Vishnushiva,  
Sadbhav Engineering Ltd Vaishnovi Construction,  
Corsan Corviam Construction SA – Sadbhav,  
SEL-PIPL, PBA-Sadbhav,  
SEL-SPSCPL Joint Venture

**(b) Related Party with whom transaction during the year**

Key Management Personnel (KMP):

Shri Shashinbhai V. Patel (Chairman and Managing Director)

Shri Jatin Thakkar (Non Executive Director w.e.f March 15,2023 )

Shri Dwigesh Joshi, (Chief Financial Officer up to April 8,2024 )

Shri Rohit Modi (Group Chief Executive Officer up to October 24,2024)

Shri Sandip Patel, Non-Executive – Independent Director (Up to 31.07.2024)

Shri Tarang Desai, Non-Executive – Independent Director

Shri Hardik Modi, Company Secretary and Compliance Officer

Shri Ambalal chhitabhai Patel

Smt Shefali Manojbhai Patel

Entities in which KMP / relatives of KMP exercise significant influence

Sadbhav Finstock Pvt. Ltd.

Sadbhav Realty Pvt. Ltd.\*

No transactions during the year

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
<b>Transactions with Related Parties</b>						
<b>Sub contracting Income</b>	2024-25	2087.24	442.22	-	-	2529.46
	2023-24	(11238.70)	(869.14)	-	-	(12107.84)
<b>Providing of services</b>	2024-25	-	-	-	-	-
	2023-24	(22.50)	-	-	-	(22.50)
<b>Remuneration Expenses</b>	2024-25	-	-	460.22	-	460.22
	2023-24	-	-	(1014.59)	-	(1014.59)
<b>Service Received</b>	2024-25	-	-	-	(0.67)	(0.67)
	2023-24	-	-	-	(1.66)	(1.66)
<b>Investment In Sub Debt</b>	2024-25	2306.49	-	-	-	2306.49
	2023-24	(1438.55)	-	-	-	(1438.55)
<b>Director Sitting Fees</b>	2024-25	-	-	13.00	-	13.00
	2023-24	-	-	(9.00)	-	(9.00)
<b>Interest Expenses</b>	2024-25	4023.11	-	-	-	4023.11
	2023-24	(1206.26)	-	-	-	(1206.26)
<b>Interest Income</b>	2024-25	3420.52	-	-	-	3420.52
	2023-24	(3627.56)	-	-	-	(3627.56)
<b>Unsecured Loan given</b>	2024-25	10952.58	-	-	-	10952.58
	2023-24	(8852.83)	-	-	-	(8852.83)
<b>Unsecured Loan received back</b>	2024-25	13448.38	-	-	-	13448.38
	2023-24	(16241.61)	-	-	-	(16241.61)
<b>Unsecured Loans taken</b>	2024-25	15982.17	-	-	-	15982.17
	2023-24	(27743.39)	-	-	-	(27743.39)
<b>Unsecured Loans repaid</b>	2024-25	10629.49	-	-	-	10629.49
	2023-24	(9083.95)	-	-	(73.75)	(9157.70)
<b>Unsecured Loan Received</b>	2024-25	-	-	10.00	-	10.00
	2023-24	-	-	(3382.39)	(732.55)	(4114.94)
<b>Unsecured Loan Repaid</b>	2024-25	-	-	10.00	-	10.00
	2023-24	-	-	-	-	-
<b>Mobilization/Material/ Machinery Advance Received</b>	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-

## Notes Forming Part of the Financial Statements

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Mobilization/Material/ Machinery Advance Repaid	2024-25	-	96.89	-	-	96.89
	2023-24	-	(337.17)	-	-	(337.17)
Security Deposit/ Retention Money Deducted/Reversal by Clients	2024-25	-	-	-	-	-
	2023-24	(45.36)	(371.33)	-	-	(416.69)
Security Deposit/ Retention Money Released/Transfer by Clients	2024-25	-	557.02	-	-	557.02
	2023-24	-	(117.02)	-	-	(117.02)
Balance Written off/ Written Back/Provision for Impairment of Contract Asset	2024-25	-	-	-	-	-
	2023-24	((8772.22))	-	-	-	((8772.22))
<b>Outstanding Balance at year end:</b>						
Trade Receivables	March 31, 2025	18117.95	(247.73)	-	-	17870.22
	March 31, 2024	(17106.85)	(60.26)	-	-	(17167.11)
Trade Payables	March 31, 2025	5011.92	-	-	-	5013.30
	March 31, 2024	(2295.27)	-	-	-	(2323.82)
Remuneration and Director Sitting fees	March 31, 2025	0.00	0.00	21.96	0.00	0.00
	March 31, 2024	0.00	0.00	(28.55)	0.00	0.00
Unsecured Loans given	March 31, 2025	49935.69	-	-	-	49935.69
	March 31, 2024	(46309.88)	-	-	-	(46309.88)
Unsecured Loans taken	March 31, 2025	29539.84	-	-	902.99	30442.83
	March 31, 2024	(22880.71)	-	-	(903.65)	(23784.36)
Mobilization/Material/ Machinery Advance Received	March 31, 2025	9127.22	-	-	-	9127.22
	March 31, 2024	(10066.61)	(96.89)	-	-	(10163.50)
Security Deposit/ Retention Money Deducted by Clients	March 31, 2025	728.27	9253.90	-	-	9982.17
	March 31, 2024	(728.27)	(9848.79)	-	-	(10577.06)
Unsecured Loan received	March 31, 2025	-	-	24543.27	-	24543.27
	March 31, 2024	-	-	(23521.50)	-	(23521.50)
Investment In Sub Debt	March 31, 2025	6150.76	-	-	-	6150.76
	March 31, 2024	(3,844.27)	-	-	-	(3,844.27)
Investment In Subsidiaries and Stepdown Subsidiaries	March 31, 2025	55,172.07	-	-	-	55172.07
	March 31, 2024	(55,172.07)	-	-	-	(55,172.07)

### NOTE :

- Remuneration expenses includes Rs. 145.22 lakhs (P.Y. Rs. 834.07 lakhs) paid to Rohit Modi, Chief Executive officer of the Company and Rs. Nil lakhs (P.Y. Rs. 136.87 lakhs) paid to Dwigesh Joshi, Executive Director & CFO of the company , Rs. 28.29 lakhs (P.Y. Rs. 34.66 lakhs) paid to Hardik Modi, Company Secretary and Compliance Officer.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Terms and conditions of the balance outstanding:  
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 agreement Short term loans (unsecured) given to Sadbhav Infrastructure Projects Ltd (SIPL) carries interest rate @11% p.a. (P.Y. March 31, 2024 : 11% )  
The company has not provided any commitment to the related party As at March 31, 2025 except mentioned at Note No. 38B  
Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement.  
There is no guarantee given or received except mentioned at Note No. 55



## Notes Forming Part of the Financial Statements

47. The Company has outstanding loan, Trade and other receivable aggregating to of Rs. 20776.80 lakhs given to Rohtak Panipat Tollway Private Limited (RPTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of RPTPL has fully eroded. RPTPL has issued the termination notice on July 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement.
- In this regard the management of RPTPL has lodged total claims aggregating to Rs. 1,93,792 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In respect of such claims, RPTPL has given notice invoking Arbitration vide letter dated March 27, 2023. The Arbitral proceedings for the same are completed and the Arbitral Award is declared on 23.01.2025 unanimously. Counter Claim of NHAI regarding Premium is rejected completely by Ld. Arbitrator. As per the said Majority award, the net awarded amount after deducting all dues of NHAI including Premium works out to Rs. 1,08,054.50 lakhs (principal of Rs. 77,963.10 lakhs and interest of Rs. 30,091.40 lakhs).
- In respect of Arbitration Claim for competing road, the award by Majority was passed on May 30, 2023 against the RPTPL. The RPTPL has filed the application under section 34 of the Arbitration and Conciliation Act, 1996 before the Honourable Delhi High Court.
- Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and pendency of the matter before Honourable Delhi high Court, the management has assessed that there is no impairment in the value of loan given to RPTPL and consequently no provision/adjustment to the carrying value of loan and other receivable as at March 31, 2025 is considered necessary.
- The statutory auditors have expressed qualified opinion on financial statements for the year ended March 31, 2025 and qualified conclusion on financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 in respect of above as regards recoverable value of Company's outstanding loan, Trade and other receivable to RPTPL.
48. The Company has investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL, the amount of which is Rs. 79407.54 lakhs as on March 31, 2025. As per the consolidated financial statements of the Sadbhav Infrastructure Project Limited (SIPL) and its subsidiaries, there is negative net worth of the Group of SIPL and its subsidiaries.
- The management has carried out impairment assesment of these assets as on March 31, 2025 considering the projected cash flow from revenue of operating SPV's, sale of HAM assets and realization of GST claims. Based on the assessment it is concluded receivable amounts of these assets are more than the carrying value. Hence no impairment is required to the carrying value of investment in equity shares and loan to SIPL as on March 31, 2025.
- The statutory auditors have expressed qualified opinion on financial statements for the year ended March 31, 2025 and financial results for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024 in respect of investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL.
49. Some of the vendors have initiated legal proceeding against the Company for recovery of their dues. The Management contends that in these cases the amount payable in respect of goods and service availed from such vendors is adequately provided in the books of accounts. However the vendors have claimed additional amount on account of interest etc. which is contested by the Company and according to the management such claims are not tenable and does not require provision in books of accounts. Having regard to this the management believes that carrying amount of trade payables is fairly valued.
50. In connection with the Ahmedabad Dholera Project, which was awarded to the Company by the National Highways Authority of India (NHAI) and divided into two packages, the Company subcontracted a portion of the work to Gawar Constructions Limited (GCL). The Company and GCL have made significant progress, successfully completed approximately 76% of Package-I and 65% of Package-II. For the remaining work, the Company requested NHAI's approval to fully subcontract work to GCL.
- However, on July 12, 2024, NHAI issued termination notice, invoking all of SEL's bank guarantees without providing the contractually required cure period or prior notice. Company contends that the termination notice is unjustified, lacks adherence to basic principles of natural justice. In lieu of this, Both Parties moved this matter to Conciliation Committee of Independent Experts wherein both parties have now signed settlement Agreement to make good of loss amount due to this action.
51. Contract Assets of Rs. 35019.32 lakhs and other non current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.
- The statutory auditors have expressed qualified opinion on financial results for the quarter and year ended March 31, 2025 in respect of above Contract Assets of Rs. 35019.32 lakhs.

## Notes Forming Part of the Financial Statements

52. The Company is finding difficulties for meeting its payment obligations to suppliers and statutory authorities in the normal course of business. Additionally, there have been delays and defaults in loan repayments. Due to these financial difficulties, the consortium of lenders—except for one—signed an Inter Creditor Agreement on December 26, 2022. As a result, the Company's account has been classified as a Non-Performing Asset (NPA) by most lenders. Furthermore, one lender has filed an application with the National Company Law Tribunal (NCLT) under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking to initiate insolvency proceedings. These factors raise concerns about the Company's ability to continue as a going concern.
- In this regard, the management has submitted a Restructuring Plan to the consortium of lenders. The plan includes monetization of HAM and other assets, infusion of funds by promoters, cash flows from the Gadag Project, receipt of claim amounts from the settlement of the arbitration award, ongoing arbitration and dispute settlements, collection of receivables, and refinancing or stake sale of operational projects as well as restructuring the Company's outstanding lender dues.
- As part of its business strategy, the management has successfully monetized HAM projects, leading to a significant reduction in group debt, vendor liabilities, and non-funded exposures of consortium member banks.
- In the Ongoing Restructuring Plan, the Company has submitted Techno Economic Viability report to the Consortium of Lenders which states that Company would be technically and financially viable as per the Proposed Restructuring Plan. Moreover, the lenders have appointed credit rating agencies, CRISIL and ICRA, which have assigned an RP 4 rating to the Company's debt restructuring plan which states that Debt facilities/instruments with this symbol are considered to have moderate degree of safety regarding timely servicing of financial obligations. The resolution plan is at advance stage for consideration by lenders. Considering the anticipated approval of the resolution plan by lenders, expected realization of receivables, proceeds from asset monetization, proposed fund infusion by promoter and growth potential in the infrastructure sector, the management is confident in the Company's ability to resume operations and generate incremental cash flows in foreseeable future.
- Having regard to above, the management believes there is no threat to the going concern assumption in the preparation of the financial results for the quarter and year ending March 31, 2025.
53. The Board of Directors at its meeting held on August 14, 2024 approved Employee Stock Option for issuance of equity shares in one or more tranches, to the eligible employees of the Company and/or its Subsidiary Companies under Sadbhav Engineering Limited Employee Stock Option -2024 which has been approved by shareholders of the Company in its Meeting held on September 30, 2024. Company has received In-principle approval from National Stock Exchange of India Limited and BSE Limited on February 7, 2025 and February 10, 2025 respectively.

#### 54. Disclosure of Ratio are as under

Sr. No.	Ratio	As at March 31, 2025	As at March 31, 2024	% in change in Ratio	Explanation if excess 25%
1	Debt Equity Ratio (in times) (Total Borrowings / Total Equity)	1.16	0.85	36.47	Refer Note 1
2	Debt Service Ratio (in times) (Earnings Before Interest, Depreciation and Tax (EBIDTA) and Non Cash Item / (Interest + Principal Repayments of Long Term Borrowings)	0.11	0.55	(80.00)	Refer Note 2
3	Return of Equity Ratio (Profit/(loss) after tax /Net worth) (%)	(18.11%)	(26.43%)	(31.47)	Refer Note 3
4	Net Capital Turnover Ratio Revenue from Operations/ Working Capital) (in times)	1.86	4.80	(61.18)	Refer Note 4
5	Return on capital employee (ROCE) (Earning before interest tax and exceptional items / total equity + Non current borrowings +Current borrowings) (%)	(6.70%)	(12.10%)	44.61	Refer Note 5
6	Current Ratio (in times) (Current Assets/Current Liabilities)	1.07	1.13	(5.36)	NA
7	Trade Receivable Turnover Ratio (in times) (Revenue from Operations / Average Trade Receivables)	0.20	0.82	(75.61)	Refer Note 6
8	Inventory Turnover Ratio (in times) (Material Consumed / Average Inventory)	1.11	1.34	(17.16)	NA
9	Trade Payable Turnover Ratio	NA	NA	NA	
10	Return on investment	NA	NA	NA	
11	Net Profit Margin (%) (Net Profit / Total Income)	(59.98%)	(24.56%)	(144.18)	Refer Note 7

#### Note:-

- The increase is mainly due to additional borrowings from related parties and the impact of net losses on the Company's equity base.
- The decline in Debt Service Coverage Ratio is due to lower operating cash profits during the year, while fixed obligations towards interest and repayment of borrowings continued.
- The Return on Equity has improved from previous year on account of reduced losses during FY 2024-25 as compared to FY 2023-24.
- The decline in this ratio is due to lower revenue from operations during FY 2024-25 while the working capital base remained largely the same.
- The improvement in ROCE, is attributable to reduction in operating losses and rationalization of capital employed.

## Notes Forming Part of the Financial Statements

- 6 The decline is mainly due to lower revenue from operations during the year and higher outstanding receivables, leading to a lower turnover ratio as compared to the previous year.
- 7 The decline is mainly due to lower operating profits coupled with higher finance costs during the year, which adversely impacted the net margin.

### 55. Details of Loan Given, Investment Made And Guarantee Given Covered U/S 186(4) Of The Companies Act, 2013

Loans given and investment made are disclosed under respective heads.

Corporate Guarantee given by the Company in respect of loans taken by subsidiary and step down subsidiaries:-

Sr. No.	Name of Company	Amount of Corporate Guarantee	As at March 31, 2025	As at March 31, 2024
1	Sadbhav Infrastructure Project Ltd.	55000.00	13515.69	41215.16
2	Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)	42700.00	8326.23	9712.50
	<b>Total</b>	<b>97700.00</b>	<b>21841.92</b>	<b>50927.66</b>

56. 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.
57. The consortium of lenders of the Company, except one lender, had signed an Inter Creditor Agreement on December 26, 2022, due to defaults in the repayment of dues, leading to the Company's account being classified as Non-Performing Assets by majority of lenders. In Connection with the above, the management had submitted Restructuring Plan to the consortium of lenders, in lieu of above, Company has not submitted the Quarterly information system (QIS) statements.
58. As on March 31, 2025 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
59. 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).
60. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
61. The Company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period except in case of two lenders where charge satisfaction yet to be registered with ROC due to non receipt of no dues certificate.
62. 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
63. 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
64. During the reporting period, Company had no transactions and no outstanding balances with the company which has been struck off the register as per the provisions of the Companies Act 2013.
65. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies ( Restriction on number of Layers) Rules, 2017.
66. The Company is not declared as wilful defaulter by any Bank or Financial Institution or Other lenders.
67. Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
68. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

**As per our Audit Report of even date**

**For Manubhai & Shah LLP**

Chartered Accountants

Firm Regn. No.: 106041W/W100136

**Devansh Gandhi**

Partner

Membership No.: 129255

Place: Ahmedabad

Date: May 29, 2025

**For and on behalf of Board of Directors**

**Shashin V. Patel**

Chairman and Managing Director

DIN: 00048328

**Jatin Thakkar**

Non Executive Director

DIN: 09312406

**Hardik Modi**

Company Secretary

Membership No. F9193





#### **Disclaimer**

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements- written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





**SADBHAV ENGINEERING LIMITED**  
**CIN : L45400GJ1988PLC011322**

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An ISO 9001:2015 Organization

## **Independent Auditors' Report**

**To the Members of Sadbhav Engineering Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2025, its consolidated loss including other comprehensive income and its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Qualified Opinion**

##### **In Respect of Holding Company:**

1. We draw attention to Note No 61 of the accompanying Consolidated Financial Statements, with respect to the Company regarding expected recoverability of Contract Assets amounting to Rs 35,019.32 lakhs outstanding as at March 31, 2025, relating to closed, substantially closed, or suspended projects, are considered fully recoverable by the Company within one year, based on ongoing negotiations, arbitration/litigation proceedings, and legal advice. These have been classified under "Other Current Assets."

We have expressed qualified opinion on financial statements for the year ended on March 31, 2025 as we were unable to obtain sufficient appropriate audit evidence to substantiate the significant judgments and estimates made by the management in relation to the expected recoverability of these contract assets within a period of one year.

Accordingly, we are unable to determine whether any adjustments are required to the carrying value of the said contract assets and the consequential impact, if any, on the standalone financial position and results of the Company as at and for the quarter and year ended March 31, 2025.

2. The Holding Company has not complied with the requirements of Section 203 of the Companies Act, 2013 read with the applicable rules framed thereunder due to the non-appointment of Chief Financial Officer (CFO) with effect from April 8, 2024.

We have expressed qualified opinion on the financial statements of the Holding Company for the year ended on March 31, 2025. The financial impact of this non-compliance is not ascertainable.

**In Respect of Step-down subsidiaries:**

3. We draw attention to Note No 63 & 64 to the accompanying Consolidated Financial Statements, with respect to Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), step down subsidiaries of the Group in which interest on rupee term loan from banks and financial institutions have not been accounted considering the fact that both step-down subsidiaries have issued termination notices and lenders of both step-down subsidiaries have classified all the secured borrowings as non-performing assets. This has resulted in the understatement of finance cost and the related interest liability and corresponding understatement of losses, amount of which is unascertained. Further financial statement of RPTPL and RHTPL are prepared on non-going concern basis.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statements for the year ended March 31, 2025 vide their report dated May 23, 2025.

4. We draw attention to Note No 62.8 to the accompanying Consolidated Financial Statements, with reference to request of the Sadbhav Udaipur Highway Limited (SUDHL), a step-down subsidiary company of the Group in which case National Highway Authority of India (NHAI) vide its letter dated December 27, 2023 has given In-Principal approval for harmonious substitution of concessionaire. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in these financial statements of SUDHL. Owing to the uncertainty of outcome of harmonious substitution proceedings and lack of other alternate audit evidence we are unable to comment about adjustment that may be required to the carrying value of Assets and liabilities and their consequential impact on the financial position of the Group as on March 31, 2025.

We have expressed qualified opinion on the financial statements of SUDHL for the year ended March 31, 2025 vide our report dated May 23, 2025.

5. We draw attention to Note No 69 to the accompanying statement, tax credits amounting to Rs 16,050.10 lakhs are included in the consolidated Balance sheet under the Other Current Assets in respect of following step down subsidiaries. (Rs. in Lakhs)

Sr No	Name of Step Down Subsidiary	Amount of Tax Credit
1	Sadbhav Vidarbha Highway Limited (SVHL)	5,047.10
2	Sadbhav Kim Expressway Private Limited (SKEL)	4,089.60
3	Sadbhav Bangalore Highway Private Limited (BGHPL)	4,206.50
4	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,521.20
5	Sadbhav Nainital Highway Limited (SNHL)	1,185.70
	<b>Total</b>	<b>16,050.10</b>

The management is confident about the utilization of the credit as mentioned in Note no 69 of the financial statements.

However, at present these Company does not have any business activity nor are we informed about the management plan for taking up other activity. In view of this, we are unable to comment about the utilization of tax credits in foreseeable future.

We have expressed qualified opinion on the financial statements of SVHL and SBGHPL for the year ended March 31, 2025 vide our reports dated May 23, 2025.

The Auditors of SJRRPL, SKEPL and SNHL have qualified their audit opinion on financial statements of those companies for the year ended March 31, 2025 Vide their reports dated May 23, 2025.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013(the Act). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

**Material uncertainty related to going concern in respect of Holding & One Subsidiary Company**

We draw attention to Note No 68 to the accompanying Consolidated Financial Statements, which indicates that, there are defaults in repayment of due to lenders and the Holding Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further consortium of the lenders of the Holding Company have executed Inter-Creditor Agreement on December 26, 2022 and accounts by the respective lenders have been classified as Non-Performing Assets. Further one of the lenders has filed application to NCLT to initiate insolvency proceedings section 7 of the Insolvency and Bankruptcy Code, 2016. Further, as per the Consolidated Financial Statements of the Company, as of that date the current liabilities of the Group exceeded the current assets by Rs. 84,293.20 Lakhs.

Further statutory auditors of the subsidiary (SIPL), in their consolidated financial statements have stated that Group's accumulated losses exceeds paid-up capital and reserves by Rs 54,540.60 Lakhs and, as of that date the current liabilities of the Group exceeded the current assets by Rs 95,169.50 Lakhs and the Group finds difficulty in meeting obligations of payment to lenders, suppliers and statutory dues.

These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

**Emphasis of Matters**

We draw attention to:

**In respect of Holding and Subsidiary (Sadbhav Infrastructure Project Limited) Company:**

1. Note No 51(f)(viii) to the accompanying Consolidated Financial Statements, wherein it is stated that some of vendors have initiated legal proceeding including application to National Company Law Tribunal (NCLT). The Company has sought confirmations of balance from some of the vendors. The confirmation from the vendors are still awaited and hence these outstanding balances under trade payable are subject to reconciliation and consequential adjustments upon determination / receipt of such confirmation.



**In respect of Step-down Subsidiaries**

2. Note No 66 to the accompanying Consolidated Financial Statements regarding Original Application filed by State Bank of India and Bank of India against the Sadbhav Bangalore Highway Private Limited, one of the step down subsidiaries of the group, for recovery of balance outstanding loan amounting to Rs 11,125.50 lakhs which has been challenged by the Company on various grounds.
3. Note No 63 & 64 to the accompanying Consolidated Financial Statements with respect to preparation of financial statement of Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hissar Tollway Private Limited (RHTPL) step-down subsidiaries on non-going concern basis on account of issue of termination notice by RPTPL and RHTPL to Nation Highway Authority of India (NHAI) and consequently following adjustments to carrying value of assets and liabilities considering non going concern basis have been made:
  - transfer of carrying value of intangible assets to claims receivable from NHAI.
  - de-recognition of major maintenance obligation and premium obligation under Concession Agreement.
4. Note No 67 to the Consolidated Financial Statements in respect of accounting of Intangible Asset/ Intangible Assets under Development of Rs. 22,288.40 Lakhs under the Service Concession Arrangement of one of the step down subsidiaries of the group namely Maharashtra Border Check Post Network Limited (MBCPNL) based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. During the year, there has been no further progress on the approval of the cost variation claims. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these Consolidated Financial Statements.
5. Note No 65 to the accompanying Consolidated Financial Results, in respect of Sadbhav Rudrapur Highway Limited (Concessionaire or SRHL), a step-down subsidiary of the Group in which case National Highways Authority of India (NHAI) has accepted the bids and appointed M/s KCC Buildcon (P) Ltd. – HRY Kundu Buildtech (P) Ltd. (JV) as an EPC Contractor for balance Engineering, Procurement, and Construction (EPC) works in December 2022.

Although, there was no provision in the Concession Agreement to award such balance construction works to any other agency by NHAI directly.

In order to resolve the Project related issue, the Concessionaire proposed to harmoniously substitute the Concessionaire with a new SPV to be incorporated by M/s RKCIPL-ARCPL (JV) in the interest of Project. The Authority has issued an in-principal approval for such Harmonious Substitution with the terms and conditions stated therein.

Subsequent to discussions and deliberation with Authority, the subsidiary Company has also invoked through Conciliation Committee of Independent Experts (CCIE) to resolve the said issues.

During the year, Sadbhav infrastructure Project Limited (SIPL), a subsidiary of the Group, has received an advance amount in connection rights SRRL to RKCIPL-ARCPL (JV) which has been disclosed under "Other Current financial Liabilities" in the Balance Sheet.
6. Note No 62.4 to the accompanying Consolidated Financial Statements in respect of Sadbhav Nainital Highway Limited (Concessionaire or SNHL), a step-down subsidiary of the Group in which the SNHL has entered into endorsement agreement as at July 14, 2023 for substitution of the SNHL with the new SPV to be nominated by new concessionaire and also executed definitive agreement dated August 01, 2023 with the approval of NHAI for harmonious substitution of the SNHL in favour of new

concessionaire for implementation of the project. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SNHL are transferred to the new concessionaire for substitution of the subsidiary Company in consideration of Rs 9,000 Lakhs.

Based on the same; the financial statements of the SNHL are prepared on non-going concern.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, and based on the reports of other auditors, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section and the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements:

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Measurement of Contract assets in respect of unbilled amounts and evaluation of recoverability of the carrying value of Contract Assets:</b></p> <p>Refer Note No 49.2 to the consolidated financial statements.</p> <p>The Holding Company, as at 31 March 2025, has Contract Assets (unbilled work-in-progress) amounting to Rs.70,241.85 Lakhs which represent various receivables in respect of closed, suspended or terminated projects. The Company is in process of arbitration or litigation with the various customers in respect of the aforementioned Contract Assets.</p> <p>The Management, based on contractual tenability, progress of the negotiations, discussions, arbitration, litigation and relying on the legal opinion obtained from independent legal and contracting experts' in certain cases, has determined that after making necessary written off of irrecoverable amount, no further provision is required to be</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Company's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates.</li> <li>• Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of the Contract Assets and validated them with corroborating evidence.</li> <li>• Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables;</li> <li>• Reviewed legal and contracting experts' reports received on certain contentious matters;</li> <li>• Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in</li> </ul>

Key Audit Matter Description	Response to Key Audit Matter
<p>recognized for the aforementioned receivables.</p> <p>Considering the materiality of the amounts involved, uncertainty associated with the outcome of the arbitration or litigation process and significance of management judgement involved in assessing the recoverability, the matter has been determined as a key audit matter in the audit of the consolidated financial statements.</p>	<p>accordance with the applicable accounting standards.</p>
<p><b>B. Provision and Contingent Liabilities</b></p> <p>The Group is involved in various legal disputes in respect of tax matters and claims from various parties, the outcomes of which are uncertain and may result in significant liabilities. Assessing the risks related to these litigations involves complex assumptions and requires significant judgment, particularly in evaluating uncertainties around the likely outcome of the proceedings and the adequacy of related disclosures in the Financial Statements.</p> <p>Given the level of judgment involved, the potential material impact of such litigations, and the complexity of the assessment process, this matter has been identified as a key audit matter in our audit.</p> <p>Refer Note No.51 of the consolidated financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the processes and relevant controls established by the Company for identifying legal, tax litigations, and pending proceedings.</li> <li>• Assessed the assumptions used by the Company's legal and tax departments in evaluating potential legal and tax risks, considering legal precedents and rulings in similar matters.</li> <li>• Held inquiries with the Company's legal and tax departments on the status of significant disputes and inspected supporting documentation.</li> <li>• Reviewed the adequacy and appropriateness of disclosures relating to these matters in the notes to the Consolidated Financial Statements.</li> <li>• Considered the requirements of Ind AS 37 to assess whether provisions or contingent liabilities were correctly recognized or disclosed. Reviewed the adequacy and appropriateness of disclosures relating to these matters in the notes to the Standalone Financial Statements.</li> </ul>
<p><b>C. Impairment of Amount Receivable under Service concession arrangement:</b></p> <p>Refer Note No 3.8 to the consolidated financial statements.</p> <p>(Re-produced from the report dated May 27, 2025 of the statutory auditor of SIPL on its consolidated financial statements)</p> <p>The Group operates toll asset which is constructed on Build Operate and Transfer (BOT) basis and Hybrid Annuity (HAM) assets.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group's valuation methodology applied in determining the recoverable amount of Carrying Value.</li> <li>• Obtained the financial model and understood the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll and future operating and finance costs considering</li> </ul>

Key Audit Matter Description	Response to Key Audit Matter
<p>The carrying value of the amount Receivable under Service concession arrangement as at March 31, 2025 is Rs.76,231.90 Lakhs.</p> <p>For the purpose of impairment testing, recoverable amount has been determined based on discounted future cash flows. Further, the recoverable amount is highly sensitive to changes in key assumptions used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. Thus, the determination of the recoverable amount of the Carrying value involves significant judgement.</p> <p>Accordingly, the impairment assessment of asset operated under concession arrangement was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>the current and estimated future economic conditions</p> <ul style="list-style-type: none"> <li>• We assessed the inputs and assumptions around the key drivers of the cash flow forecasts against historical performance, economic and industry indicators.</li> <li>• Performed sensitivity analysis of key assumptions.</li> <li>• Tested the arithmetical accuracy of the model.</li> </ul> <p>Assessed the adequacy of the disclosures made in the financial statements.</p>
<p><b>D. Receivable from authorities towards various claims:</b></p> <p>Refer Note No 21 of the consolidated financial statements.</p> <p>(Re-produced from the report dated May 27, 2025 of the statutory auditor of SIPL on its consolidated financial statements)</p> <p>As at March 31, 2025, the Group has recognised Rs.2,30,665.40 Lakhs of receivables from authorities towards various claims.</p> <p>The receivables comprise of receivables towards arbitration claim, toll suspension, Termination Payment, Operation &amp; Maintenance claims and toll exemption claim.</p> <p>The assessment of the recoverability of receivables requires significant judgment and hence, this is considered as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Inquired status of receivable with the management and understood the management rational of recoverability of such receivable.</li> <li>• Obtained and assessed supporting documents / correspondences with authorities related to such receivable.</li> <li>• Assessed the disclosures made by the Group in relation to this matter.</li> <li>• Assessed the reasonability of judgements exercised and estimates made by management with respect to the amount receivable from authorities and validated them with corroborating evidence.</li> </ul>

#### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information; but does not include the consolidated financial statements and our auditor's report thereon. The other information report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, subsidiary and step down subsidiaries companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter:**

We did not audit the financial statements and other financial information, in respect of 1 subsidiary and 10 step-down subsidiary companies, whose financial statements reflect total assets (before consolidation adjustments) of Rs.4,81,021.00 Lakhs as at March 31, 2025, total revenues (before consolidation adjustments) of Rs. 29,263.00 Lakhs, total net profit/(loss) after tax (before consolidation adjustments) of Rs.(8,710.82) Lakhs, total comprehensive income of (before consolidation adjustments) Rs.(8,711.86) Lakhs year ended March 31, 2025 and net cash inflows/(outflows) (before consolidation adjustments) for year ended March 31, 2025 of Rs. (993.86) Lakhs.

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such auditors.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports, we have relied upon, have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
  - (b) Except for the matters described in the Basis for Qualified Opinion paragraph above and paragraph (j) (vi) below on reporting under Rule 11 (g), in our opinion proper books of account as required by law relating to preparation of the Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

- (d) Except for matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

In our opinion, the matters described in the Basis for Qualified Opinion paragraph above and the going concern matter described in Material Uncertainty Related to Going Concern paragraph above, may have an adverse effect on the functioning of the Group

- (e) The matters described in the Basis for Qualified Opinion paragraph and the matters described in the Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary and step-down subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Holding Company, and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report. Our report expresses a qualified opinion on the operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements;
- (h) The reservation relating to the maintenance of accounts and other matters connected therewith as stated in Basis for Qualified Opinion Section and paragraph (b) above on reporting under Section 143(3)(b) and paragraph 1(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries step-down subsidiaries, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company; its subsidiaries and step-down subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and step-down subsidiaries as noted in the 'Other matter' paragraph;
- i. The Consolidated Financial Statements disclose the impact of pending litigations on consolidated financial position of the Group – Refer Note No 51 to the Consolidated Financial Statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its step-down subsidiaries incorporated in India during the year ended March 31, 2025.



- iv. (a) The respective management of the Holding Company, its subsidiaries and its step-down subsidiaries and respective auditors of such subsidiaries and step down subsidiaries which are incorporated in India, whose financial statements are audited under the Act have represented to us that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its step-down subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its step-down subsidiaries "Ultimate Beneficiaries") or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Holding Company, its subsidiaries and its step-down subsidiaries incorporated in India, whose financial statements are audited under the Act, have represented to us and respective auditors of such subsidiaries and step down subsidiaries have represented to us that to the best of their knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its step-down subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its step-down subsidiaries shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and step down subsidiaries which are incorporated in India, whose financial statements are audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. The Holding Company, its subsidiaries and its step-down subsidiaries have not declared or paid any dividend during the year and have not proposed final dividend during the year.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014- Refer Note 75 of the accompanying Consolidated financial statements:
- a) Based on our examination which included test checks and that performed by the respective auditors of subsidiary Companies/step down subsidiary companies of the Holding Company which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary/step down subsidiary Companies have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated and enabled throughout the year for all relevant transactions recorded in the respective software except that the feature of recording audit trail (edit log) facility was not available at the database level to log any direct data changes to certain noneditable fields/tables of the accounting

software other than in case of one of the step-down subsidiary named Maharashtra Border Check Post Network Limited wherein the audit trail feature is enabled at database level to log any direct data changes to certain noneditable fields / tables of the accounting software is enabled from March 18, 2025.

Further, during the course of our audit we and the respective auditors of the above subsidiaries/stepdown subsidiaries did not come across any instance of audit trail feature being tampered with in respect of the accounting software and other supporting software where the audit trail is enabled.

- b) In case of one of the step-down subsidiary Company namely Maharashtra Border Check Post Network Limited (MBCPNL); based on the examination of the auditors of MBCPNL and reported by them vide their audit report dated April 25, 2025 revenue application software named Maha BCP used by the step-down subsidiary Company for maintaining its revenue records in respect of collection of service fees for the year ended March 31, 2025, has a feature of recording audit trail (edit log) facility. However the audit trail facility is enabled from May 13, 2024 for all the relevant transactions recorded in revenue recognition software.

Subject to above, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of the subsidiaries and step down subsidiaries included in the Consolidated Financial Statements of the Group, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**Firm Registration No : 106041W/W100136**

**Place: Ahmedabad**  
**Date: May 29, 2025**

**Devansh Gandhi**  
**Partner**  
**Membership No: 129255**  
**UDIN: 25129255BMHUWG7088**

**Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sadbhav Engineering Limited  
(Referred to in Paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of Sadbhav Engineering Limited as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of Sadbhav Engineering Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, as of that date.

**Responsibility of the Management and Those Charged with Governance for Internal Financial Controls**

The respective Board of Directors of the Holding Company its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to Consolidated Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary Companies and its step-down subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

**Meaning of Internal Financial Controls With Reference to these Consolidated Financial Statements**

A Holding company's internal financial control with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

**Inherent Limitations of Internal Financial Controls With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's and Sadbhav Infrastructure Project Limited (SIPL), one of the subsidiary's internal financial controls with reference to Consolidated Financial Statements as at March 31, 2025:

- There was weakness in operating effectiveness over system processing of invoices and obtaining balance confirmation from vendors and processing of journal entries into accounting software due to absence of maker checker mechanism and non-appointment of CFO of Holding Company which could result into possible adjustments of transactions / balances.
- The Holding Company's internal financial control system towards estimating time of recoverability of contract assets as explained in Note 61 to the consolidated financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values Contract Assets and its consequential impact on the earnings, other equity and related disclosures in the consolidated financial statements.



- The Group's internal financial control system towards estimating the carrying value of assets and liabilities of step down subsidiary companies as explained in Note 63 and Note 69 respectively to the consolidated financial statements were not operating effectively which could potentially lead to non provision for impairment, if any, that may be required to the carrying values of assets and liabilities of step down subsidiary and its consequential impact on financial performance and financial position in the Consolidated Financial Statements.

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

In our opinion and based on the consideration of the report of other auditors on internal financial controls with reference to financial statements of subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements as at March 31, 2025, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note issued by ICAI, and, except for the possible effects of material weakness in operating effectiveness of internal financial control as described above on achievement of objective of control, the Group's internal financial controls with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2025.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Group which are companies covered under the Act, as at and for the year ended March 31, 2025, and these material weaknesses have affected our opinion on the Consolidated Financial Statements of the Group and we have issued a qualified opinion on the Consolidated Financial Statements.

#### **Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to One subsidiary and Ten step-down subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary/step down subsidiary companies incorporated in India.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**Firm Registration No : 106041W/W100136**

**Place: Ahmedabad**  
**Date: May 29, 2025**

**Devansh Gandhi**  
**Partner**  
**Membership No: 129255**  
**UDIN: 25129255BMHUWG7088**

**Annexure – B to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Summary of comments and observations given by the respective auditors in the Companies (Auditors Report) Order 2020 of the respective Holding, subsidiary and step down subsidiary companies is given hereunder:

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the Consolidated Financial Statements, have adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr No.	Name	Corporate Identification Number (CIN)	Holding Company/ Subsidiary / Step Down Subsidiary	Clause number of the CARO report which may have possible adverse impact
1	Sadbhav Engineering Limited	L45400GJ1988PL C011322	Holding Company	(iii),(vii),(ix),(xvii),(xix)
2	Sadbhav Infrastructure Projects Limited	L45202GJ2007PL C049808	Subsidiary	(iii), (vii), (ix) (d), (xvii), (xix)
3	Sadbhav Gadag Highway Private Limited	U45309DL2018PT C335962	Subsidiary	(xiv),(xvii)
4	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PT C094257	Step Down Subsidiary	(vii)(a),(xvii), (xix)
5	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	U45309GJ2017PL C097508	Step Down Subsidiary	(vii)(a), (ix)(a), (xiv), (xvii),(xix)
6	Sadbhav Kim Expressway Private Limited	U42101GJ2018PT C101800	Step Down Subsidiary	(xiv), (xvii)
7	Sadbhav Vidarbha Highway Limited	U45500GJ2017PL C097040	Step Down Subsidiary	(vii)(a),(xvii),(xix)
8	Sadbhav Hybrid Annuity Projects Limited	U45500DL2018PL C335787	Step Down Subsidiary	(xiv),(xvii)
9	Sadbhav Infra Solutions Private Limited	U45309GJ2018PT C101821	Step Down Subsidiary	(vii)(b), (xvii)
10	Sadbhav Jodhpur Ring Road Private Limited	U45309GJ2018PT C100367	Step Down Subsidiary	(vii)(a),(xvii),(xix)
11	Rohtak-Hissar Tollway Private Limited	U45203GJ2013PT C074446	Step Down Subsidiary	(vii),(ix)(a),(xvii),(xix)
12	Rohtak-Panipat Tollway Private Limited	U45202GJ2010PT C059322	Step Down Subsidiary	(vii),(ix)(a), (xvii), (xix)
13	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PL C048981	Step Down Subsidiary	(iii), (vii)(b)
14	Sadbhav Rudrapur Highway Limited	U45203GJ2016PL C091774	Step Down Subsidiary	(vii)(b),(xvii)
15	Sadbhav Nainital Highway Limited	U45309GJ2016PL C091777	Step Down Subsidiary	(vii)(b),(xvii), (xix)
16	Sadbhav Maintenance Infrastructure Private Limited	U45309GJ2018PT C101832	Step Down Subsidiary	(vii)

<b>Sr No.</b>	<b>Name</b>	<b>Corporate Identification Number (CIN)</b>	<b>Holding Company/ Subsidiary / Step Down Subsidiary</b>	<b>Clause number of the CARO report which may have possible adverse impact</b>
17	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	Step Down Subsidiary	(vii)(b)

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
Firm Registration No : 106041W/W100136

**Place: Ahmedabad**  
**Date: May 29, 2025**

**Devansh Gandhi**  
**Partner**  
**Membership No: 129255**  
**UDIN: 25129255BMHUWG7088**

**SADBHAV ENGINEERING LIMITED**  
CIN :: L45400GJ1988PLC011322  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025**

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant & Equipment	5	2228.03	4393.84
(b) Right to Use Assets	5	76.36	127.27
(c) Capital Work-In-Progress	5	426.56	422.67
(d) Investment Property	6	94.10	94.10
(e) Goodwill	7	2653.00	2653.00
(f) Other Intangible Assets	7	8651.80	12533.06
(g) Financial Assets			
(i) Investments	8	120.73	118.91
(ii) Trade Receivables	9	3161.10	2995.91
(iii) Loans	10	20.60	29.25
(iv) Receivable Under Service Concession Agreement	11	92907.10	79329.40
(v) Other Financial Assets	12	15321.66	15355.34
(h) Deferred Tax Assets (Net)	13	6059.27	10115.67
(i) Other Non Current Assets	14	1045.51	1482.11
<b>Total Non-current Assets</b>		<b>132765.82</b>	<b>129650.53</b>
<b>Current Assets</b>			
(a) Inventories	15	364.14	625.20
(b) Financial Assets			
(i) Trade Receivables	16	13505.42	27575.31
(ii) Cash and cash Equivalents	17	4309.61	4125.81
(iii) Bank balance other than (ii) above	18	2070.29	1361.85
(iv) Loans	19	1030.52	1030.40
(v) Receivable Under Service Concession Agreement	20	17912.90	24852.20
(vi) Other Current Financial Assets	21	242893.66	262084.42
(c) Current Tax Assets	22	3243.13	5506.19
(d) Other Current Assets	23	112428.52	109730.69
<b>Total Current Assets</b>		<b>397758.19</b>	<b>436892.07</b>
<b>Assets classified as held for sale</b>	56	<b>136155.40</b>	<b>138381.40</b>
<b>Total Assets</b>		<b>666679.41</b>	<b>704924.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	24	1715.71	1715.71
(b) Other Equity	25	(25833.83)	(14254.79)
(c) Non Controlling Interest		3422.53	1050.09
		<b>(20695.59)</b>	<b>(11488.99)</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	74414.15	95601.48
(ii) Other Financial Liabilities	27	504.90	13534.80
(iii) Lease Liabilities		29.06	82.62
(b) Deferred Tax Liabilities (Net)	28	3108.60	2922.60
(c) Provisions	29	77.20	83.60
<b>Total Non-current Liabilities</b>		<b>78133.91</b>	<b>112225.10</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	30	303263.92	277758.12
(ii) Lease Liabilities		53.56	48.00
(iii) Trade Payables	31		
a. Total outstanding dues of micro and small enterprises		707.93	614.30
b. Total outstanding dues of creditors other than micro and small enterprises		42860.73	40360.62
(iii) Other Financial Liabilities	32	121502.78	122577.10
(b) Other Current Liabilities	33	4005.11	11060.20
(c) Provisions	34	8502.46	7828.66
(d) Current Tax Liabilities (net)	35	1154.90	2663.70
<b>Total Current Liabilities</b>		<b>482051.39</b>	<b>462910.69</b>
<b>Liabilities relating to assets classified as held for sale</b>	56	<b>127189.70</b>	<b>141277.20</b>
<b>Total Equity &amp; Liabilities</b>		<b>666679.41</b>	<b>704924.00</b>
<b>Basis of preparation and material accounting policies</b>			
	1 to 4		
<b>The accompanying notes are an integral part of the consolidated financial statements</b>			
	5 to 77		
<b>For and on behalf of Board of Directors,</b>			
Shashin V. Patel	Jatin Thakkar	Hardik Modi	
Chairman and		Company Secretary	
Managing	Non Executive Director		
Director		Membership No. F9193	
DIN : 00048328	DIN : 09312406		
<b>As per our Audit Report of even date attached</b>			
<b>For Manubhai &amp; Shah LLP</b>			
<b>Chartered Accountants</b>			
Firm Regn. No. :: 106041W/W100136			
<b>Devansh Gandhi</b>			
<b>Partner</b>			
Membership No. :: 129255			
<b>Place: Ahmedabad</b>			
<b>Date : May 29, 2025</b>			



**SADBHAV ENGINEERING LIMITED**

CIN :: L45400GJ1988PLC011322

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**

(Rs. in Lakhs)

PARTICULARS	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from Operations	36	103644.53	192295.11
II Other Income	37	9605.73	14419.83
<b>III Total Revenue (I+II)</b>		<b>113250.26</b>	<b>206714.94</b>
<b>IV Expenses :</b>			
Cost of Material Consumed	38	382.35	2432.73
Construction, Toll Plaza & Road Maintenance Expenses	39	44087.45	123154.83
Employee Benefits Expense	40	4748.91	6030.38
Finance Cost	41	45740.43	56046.02
Depreciation and Amortization Expense	5 to 7	12702.18	12739.27
Other Expenses	42	12723.76	52575.86
<b>Total Expenses</b>		<b>120385.08</b>	<b>252979.09</b>
V (Loss) Before Exceptional Items and Tax (III-IV)		<b>(7134.82)</b>	<b>(46264.15)</b>
VI Exceptional Item (Net of Expenses)		(2102.47)	(33282.01)
<b>VII (Loss) Before Tax (V+VI)</b>		<b>(9237.29)</b>	<b>(79546.16)</b>
VIII Tax Expense	43		
(1) Current Tax		2982.20	1723.00
(2) Deferred Tax		4242.40	(3595.60)
(3) Short/(Excess) Provision for taxation for earlier years		107.87	313.28
		<b>7332.47</b>	<b>(1559.32)</b>
<b>IX (Loss) for the year (VII-VIII)</b>		<b>(16569.76)</b>	<b>(77986.84)</b>
<b>X Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans (refer note 48)		(24.37)	(36.76)
Net Comprehensive Income not to be reclassified to profit or loss in subsequent periods:		<b>(24.37)</b>	<b>(36.76)</b>
<b>Total Comprehensive Income for the year</b>		<b>(16594.13)</b>	<b>(78023.60)</b>
<b>Loss for the year attributable to:</b>			
Owners of the Company		(18947.80)	(63008.41)
Non-controlling Interest		2378.04	(14978.43)
<b>Other Comprehensive Income for the year attributable to</b>			
Owners of the company		(22.25)	(38.40)
Non-controlling Interest		(2.12)	1.64
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the company		(18970.05)	(63046.81)
Non-controlling Interest		2375.92	(14976.79)
<b>XI Earning / (Loss) per Equity Share having face value of Re. 1/-</b>			
(1) Basic		<b>(11.04)</b>	<b>(36.72)</b>
(2) Diluted		<b>(11.04)</b>	<b>(36.72)</b>

Basis of preparation and material accounting policies

1 to 4

The accompanying notes are an integral part of the consolidated financial statements

5 to 77

For and on behalf of Board of Directors,

**Shashin V. Patel**  
Chairman and Managing Director  
DIN : 00048328

**Jatin Thakkar**  
Non Executive Director  
DIN : 09312406

**Hardik Modi**  
Company Secretary  
Membership No. F9193

As per our Audit Report of even date attached

**For Manubhai & Shah LLP**  
Chartered Accountants  
Firm Regn. No. :: 106041W/W100136

**Devansh Gandhi**  
Partner  
Membership No. :: 129255

Place: Ahmedabad  
Date : May 29, 2025

**Sadbhav Engineering Limited**

CIN :: L45400GJ1988PLC011322

**Consolidated Statement of Changes in Equity for the year ended March 31, 2025****A Equity Share Capital**

(Rs. in Lakhs)					
Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2025	1715.71	-	-	-	1715.71
As on March 31, 2024	1715.71	-	-	-	1715.71

**B Other Equity**

(Rs. in Lakhs)									
Particulars	Reserves and Surplus					Other Comprehensive Income (refer note 25)	Equity Component of Compound Financial Instruments (refer note 25)	Non Controlling Interest (refer note 25)	Total
	Capital Reserve (refer note 25)	Security Premium Reserve (refer note 25)	Debenture Redemption Reserve (refer note 25)	General Reserve (refer note 25)	Retained Earning (refer note 25)				
As at April 01, 2023	33104.47	57134.05	1728.46	33186.88	(109766.57)	419.95	-	16028.46	31835.70
Profit/(Loss) for the year	-	-	-	-	(63008.41)	(36.76)	-	(14976.79)	(78021.96)
Other Comprehensive Income (OCI)								(1.64)	(1.64)
Total Comprehensive Income for the year	-	-	-	-	(63008.41)	(36.76)	-	(14978.43)	(78023.60)
Addition during the year							(19166.04)		(19166.04)
Repaid during the year							1438.60		1438.60
Transfer of amount from non-controlling interest					(986.80)		-		(986.80)
Adjustment on account of acquisition of non-controlling interest	-	-	-	-	(4017.99)	-		-	(4017.99)
Other Adjustments	-	-	-	-	(10251.20)	-	-	-	(10251.20)
As at March 31, 2024	33104.47	57134.05	1728.46	33186.88	(157518.99)	383.19	17727.44	1050.03	(13204.70)
As at April 01, 2024	33104.47	57134.05	1728.46	33186.88	(157518.99)	383.19	17727.44	1050.03	(13204.70)
(Loss) for the year	-	-	-	-	(14875.10)	(24.37)		2375.92	(12523.56)
Other Comprehensive Income (OCI)	-	-	-	-	-	-		(2.12)	(2.12)
Total Comprehensive Income for the year	-	-	-	-	(14875.10)	(24.37)	-	2373.80	(12525.67)
Addition during the year	-	-	-	-	-	-		-	-
Repaid during the year	-	-	-	-	-	-	2274.50	-	2274.50
Adjustment on account of acquisition of non-controlling interest	-	-	-	-	4072.70	-		-	4072.70
Transfer of amount from non-controlling interest	-	-	-	-	332.66	-		-	332.66
Other Adjustments	-	-	-	-	(10000.00)	-		1.32	(9998.68)
As at March 31, 2025	33104.47	57134.05	1728.46	33186.88	(166799.45)	358.82	15452.94	3422.53	(22411.31)

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors,

**Shashin V. Patel**  
Chairman and Managing Director  
DIN : 00048328

**Jatin Thakkar**  
Non Executive Director  
DIN : 09312406

**Hardik Modi**  
Company Secretary  
Membership No. F9193

**For Manubhai & Shah LLP**  
Chartered Accountants  
Firm Regn. No. :: 106041W/W100136

**Devansh Gandhi**  
Partner  
Membership No. :: 129255  
Place: Ahmedabad  
Date : May 29, 2025

**SADBHAV ENGINEERING LIMITED**  
CIN :: L45400GJ1988PLC011322  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON MARCH 31, 2025**

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before Tax as per Profit and Loss account	(9237.29)	(79546.16)
Adjustments For :		
Interest Income	(2043.02)	(2533.65)
Interest Expenses	45740.43	56046.02
Depreciation & Amortisation	12702.18	12739.27
Expected Credit Loss	917.06	-
Exceptional Item	2102.47	33,282.00
Actuarial Gain/Loss	(24.37)	8.06
Written off the Receivables	520.99	10,694.88
Written back of the payables	(951.30)	(2,386.02)
Unrealized Gain from Investment	(1.72)	-
	58962.72	107850.56
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	49725.43	28304.40
Adjustment For :		
(Increase)/Decrease of Non Current Trade Receivables	(14659.95)	83367.07
Decrease of Trade Receivables	20488.20	13887.41
(Increase)/Decrease of Other Current Assets	(2,701.01)	79004.33
(Increase)/Decrease of Other Current Financial Assets	19190.77	(2212.68)
(Increase) of Other Non Current Assets	436.60	2400.20
Decrease of Other Non Current Financial Assets	33.68	(6347.67)
Decrease of Inventories	261.06	2679.23
(Increase)/Decrease of Loan given	-	26.17
(Increase)/Decrease of Other Bank Balances	-	1323.60
Increase/(Decrease) of Other Non Current Financial Liabilities	(17744.40)	5534.50
(Decrease) of Trade Payables	3545.04	(14203.78)
(Decrease) of Other Current Liabilities	(7055.08)	(21601.53)
(Decrease) of Other Current Financial Liabilities	(1074.32)	(14525.37)
Increase/(Decrease) of Provision	673.10	1270.40
Increase/(Decrease) of Assets Held for Sale	(19760.60)	15259.60
	(18366.91)	125861.47
<b>Cash Generated From Operations</b>	31358.52	154165.87
Income Tax (Paid)	(2335.81)	(23537.76)
<b>Net Cash Flow Generated From Operating Activities</b>	29022.71	130628.10
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of Property, Plant & Equipments and Intangible Assets	51.39	(922.61)
Sales of Property, Plant & Equipments	2777.60	5427.28
Loan received back / (given)	8.53	-
(Investments in) / Proceeds from Fixed deposit	(708.44)	-
Proceeds from Other Non Current Investments (Net)	(0.10)	137.13
Interest Received	2043.02	2533.65
<b>Net Cash Flow Generated From Investing Activities</b>	4172.00	7175.45
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	(20191.28)	(82652.01)
Proceeds/(Repayment) of Short Term Borrowings (Net)	14875.14	(4973.34)
Lease Liability	(48.00)	130.62
Repayment of Sub debt	(2274.50)	-
Interest Paid	(25372.27)	(56046.02)
<b>Net Cash Flow (Used in) Financing Activities</b>	(33010.90)	(143540.74)
Net (Decrease) in Cash & Cash Equivalents (A+B+C)	183.80	(5737.17)
Opening Balance Of Cash & Cash Equivalents	4125.81	9862.98
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	4309.61	4125.81
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS</b>		
Cash On Hand	39.13	45.12
Balance In Current Account With Banks	4270.48	4080.09
Balance In Fixed Deposits	-	0.60
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	4309.61	4125.81

**Changes in Liabilities arising from financing activities**

(Rs. In Lakhs)

Particulars	April 1, 2024	Cash Flow	Other Adjustment	March 31, 2025
Long Term Borrowings (including Current maturities of Long Term Debts)	125405.67	(15240.67)	-	110165.00
Short Term Borrowings	247953.93	12271.44	-	260225.37
Interest Accrued	47109.25	(961.12)	-	46148.13
Lease Liabilities	130.62	0.14	-	130.76
<b>Total</b>	420599.47	(3930.21)	-	416669.26

(Rs. In Lakhs)

Particulars	April 1, 2023	Cash Flow	Other Adjustment	March 31, 2024
Long Term Borrowings (including Current maturities of Long Term Debts)	211694.19	(86288.52)	-	125405.67
Short Term Borrowings	263617.12	(15663.19)	-	247953.93
Interest Accrued	39009.01	8100.24	-	47109.25
Lease Liabilities	-	130.62	-	130.62
<b>Total</b>	514320.32	(93720.85)	-	420599.47

**Notes:**

- All figures in bracket represent cash outflow.
- Fixed Deposits are pledged with Central and various State govt/undertakings and local bodies, hence not considered in Components of Cash & Cash equivalents
- Balances with banks includes balances of Rs. 2668.21 lakh (P.Y. : Rs. 1775.08 lakh) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flows". The accompanying notes are an integral part of the consolidated financial statements.

**For and on behalf of Board of Directors,**

**Shashin V. Patel**  
Chairman and Managing Director

**Jatin Thakkar**  
Non Executive Director

**Hardik Modi**  
Company Secretary  
Membership No. F9193

DIN : 00048328

DIN : 09312406

As per our Audit Report of even date attached  
For Mannubhai & Shah LLP  
Chartered Accountants  
Firm Regn. No. : 106041W/W100136

**Devnash Gandhi**  
Partner  
Membership No. : 129255

Place: Ahmedabad  
Date : May 29, 2025

**1 Corporate information:**

Sadbhav Engineering Limited ("The Company" or "Parent Company") is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridges, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. The Company also establishes, maintains, operates, lease or transfers the above infrastructure facilities on BOT, BOLT and BOOT basis. It has two subsidiary Companies Sadbhav Infrastructure Project Limited (SIPL) and Sadbhav Gadag Highway Pvt Ltd.

Sadbhav Infrastructure Project Limited (SIPL), is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

Sadbhav Gadag Highway Pvt Ltd, and all other step down subsidiaries are the Special Purpose Vehicles (SPVs) incorporated to undertake the specific project.

The Consolidated Ind AS Financial Statements comprise of financial statements of Sadbhav Engineering Limited ('the Company' or 'SEL'), its subsidiaries and step-down subsidiaries (collectively, 'the Group') for the year ended March 31, 2025. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at "Sadbhav House", Opp. Law Garden Police Chowki, Ellis bridge, Ahmedabad-380006.

The consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 29, 2025.

**2 Basis of preparation:**

**2.1** The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India.

The consolidated financial statements of the Group have been prepared and presented on accrual and historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments): and
- Derivative financial instruments measured at fair value
- Defined benefit plans – Plan Assets measured at fair value

The consolidated financial statements are presented in Indian Rupee ('Rs.') which is also the Group's functional currency, and all values are rounded to the nearest Lakhs ( Rs. 00,000), except when otherwise indicated.



**Current versus non-current classification**

- The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:
  - Expected to be realized or intended to be sold or consumed in the normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realized within twelve months after the reporting period, except in case of trade receivables; or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
  - It is expected to be settled in the normal operating cycle;
  - Held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period; or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- The Group classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

Operating cycle for the business activities of the Group covers the duration of the specific projects/contract/product line/service including the defect liability period wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

**2.2 Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2025. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

**Consolidation Procedure:**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate & Transfer (BOT)/ Hybrid Annuity Model (HAM) / Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of

**Sadbhav Engineering Limited****Notes to consolidated Ind AS financial statements for the year ended March 31, 2025**

subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

- v. The following entities are considered in the Consolidated Ind AS Financial Statements as well as the Company's voting power in entities listed below:

<b>Information pertaining to Subsidiaries</b>			
<b>Sr No</b>	<b>Name of subsidiaries</b>	<b>Proportion of Ownership Interest (%)</b>	
		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
1	Sadbhav Infrastructure Projects Ltd (SIPL)	69.76%	69.76%
2	Sadbhav Gadag Highway Pvt Ltd	74.00%	74.00 %

<b>Sr. No.</b>	<b>Name of step-down subsidiaries (subsidiaries of SIPL)</b>	<b>Proportion of Ownership Interest (%)</b>	
		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Maharashtra Border Check Post Network Limited (MBCPNL)	51%	51%
3.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%
4.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%
5.	Sadbhav Rudrapur Highway Limited (SRHL)	100%	100%
6.	Sadbhav Nainital Limited (SNHL)	100%	100%
7.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
8.	Sadbhav Udaipur Highway Limited (SUDHL)	100%	100%
9.	Sadbhav Vidarbha Highway Limited (SVHL)	100%	100%
10.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	100%	100%
11.	Sadbhav Maintenance Infrastructure Private Limited (SMIPL)	100%	100%
12.	Sadbhav Kim Expressway Private Limited (SKEPL)	100%	100%
13.	Sadbhav Infra Solutions Private Limited (SISPL)	100%	100%
14.	Sadbhav Hybrid Annuity Project Limited (SHAPL)	100%	100%

Note: All the above entities have principal nature of activity is development construction as well as operation maintenance of Infrastructure projects and are incorporated in India.

**3 Summary of material accounting policies**

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

**3.1 Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

**De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

**Depreciation**

Depreciation on Property, Plant and Equipment's Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.



**Sadbhav Engineering Limited****Notes to consolidated Ind AS financial statements for the year ended March 31, 2025**

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Depreciation is provided for all Property, Plant and Equipment except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II of the Companies Act, 2013.

Depreciation is provided for all Property, Plant and Equipment as per the useful life prescribed in the Schedule II to the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where less useful life is considered than those prescribed in schedule II.

The estimated useful life of Property, Plant and Equipment as prescribed in the Schedule II to the Companies Act, 2013 & useful life adopted by the Group are as follows:

Asset Class	Useful life as per Schedule II	Useful life adopted by the Group
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Plant and Equipment	9 to 12 Years	9 to 12 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees fifty thousand each are fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.2 Revenue from contract with Customers

#### i. Toll / check post operation services

Revenue from Toll operation services is recognized over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Group. However, given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the group recognizes toll revenue when it collects the tolls as per rates notified by NHAI / state authorities.

#### ii. Construction services in subsidiary and step down subsidiaries

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

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

#### iii Revenue from contracts with customer

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

Revenue from construction/project related activity is recognised as follows:

##### Contract balances

- **Contract assets**

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

- **Trade receivables**

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 4.1 Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**

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

- **Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- **Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Group expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

**Rendering of Services:**

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

### 3.3 Other Income

**Interest**

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

**Profit or loss on sale of Mutual Fund**

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

**Dividend**

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **3.4 Inventory**

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis except in case of items produced by the Group, where the cost are derived on weighted average basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

Costs incurred in bringing each material to its present location and condition are accounted for as follows:  
Construction material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method.

### **3.5 Intangible assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included/recognized in the consolidated Statement of Profit and Loss when the asset is derecognised.

#### **Amortization**

Software is amortized over management estimate of its useful life of 3-6 years.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Intangible assets under development**

Expenditure related to and incurred during implementation of infrastructure project are included under "Intangible Assets under Development". The same is transferred to the respective intangible assets on completion of project.



### 3.6 Business combinations and goodwill / Capital Reserve

The excess of cost to of investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment it is recognized as 'Capital Reserve' in the consolidated financial statements.

### 3.7 Foreign currency transactions:

- **Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

- **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

- **Exchange difference**

The Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

**i. Exchange differences arising from translation of foreign currency monetary items:**

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

**ii. Exchange differences on other monetary items**

All other exchange differences are recognized as income or as expenses in the year in which they arise.

**iii. Exchange differences arising from translation of foreign currency non monetary items:**

Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

### **3.8 Service concession arrangement**

#### **Toll Collection/ User fee right (BOT Model):**

The Group builds infrastructure assets viz roads / infrastructure facilities under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognized and classified as "Intangible Assets" in accordance with Appendix D to Ind AS 115. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary or step down subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement. In case of MBCPNL (entity operating multiple border check posts in the state of Maharashtra), each check post is capitalized when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group.

#### **Financial Assets Model**

The group recognizes the considerations given by the grantor in accordance with Appendix D to Ind AS 115. The group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

#### **Premium capitalization**

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognized upfront on a discounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognized as liabilities.

#### **Amortization**

The intangible assets which are recognized in the form of Toll collection / user fee right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total projected traffic or revenue are reviewed by the management at the end of each financial year and accordingly, the total projected traffic or revenue is adjusted to reflect any changes in the estimates which lead to the actual number of traffic or revenue at the end of the concession period.

### **3.9 Impairment – Non-financial assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to consolidated statement of profit and loss accounts.

### **3.10 Investment Property**

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

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

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

### **3.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

### **3.12 Leases**

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

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

The Group's lease asset classes primarily consist of leases for Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet.

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

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



**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

**3.13 Trade Payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method. Trade payables ageing has been presented based on the due date of transactions.

**3.14 Trade Receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the EIR method, less provision for impairment. Trade receivables ageing has been presented based on the date of transactions.

**3.15 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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies of Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**ii. Subsequent measurement of financial assets**

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

- **Financial assets at amortized cost**

Financial assets at fair value through profit or loss (FVTPL)

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- **Financial assets at amortised cost :**

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

- **Debt instruments at amortized cost**

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

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

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

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

- **Financial assets at fair value through Other comprehensive income (FVOCI) (equity instrument)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments

designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by

an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

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

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

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

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

### **iv. Impairment of financial assets**

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

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

- Trade receivables and
- Other receivables

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

**b) Financial Liabilities**

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

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

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

**ii. Subsequent measurement of financial liabilities**

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the Consolidated statement of profit and Loss. The group has not designated any financial liability as at fair value through profit and loss.

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

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized through the EIR amortization process.

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

- **Compound financial instruments**

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

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the



guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 recognized amortization.

**iii. Derecognition of financial liabilities**

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

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

**c) Offsetting of financial instruments**

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

**3.16 Fair Value Measurement**

The Group measures financial instruments such as derivatives and Investments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

### **3.17 Employee Benefits**

#### **3.17.1 Short Term Employee Benefits**

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

#### **3.17.2 Post-Employment Benefits**

##### **Defined contribution plan**

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund and employee state insurance fund. The Group recognize contribution paid/payable under the provident fund is charged to consolidated statement of profit & loss account during the period in which the employee renders the related service.

### **Defined benefit plan**

The Group also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. The Group has some of the Group entities Gratuity Policy of L.I.C. of India. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurement is recognized in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year.

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

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

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

### **3.17.3 Other employee benefits:**

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

### **3.18 Government grants**

Government grants are recognized where there is reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related assets.

### **3.19 Income tax**

Income tax expense comprises current tax and deferred tax.

#### **Current Tax**

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

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

#### **Deferred Tax**

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

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

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

As per provision of Income tax Act 1961, the Company's step down subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognized in the year in which the timing difference originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

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



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

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **3.20 Provisions**

#### **General**

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

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

#### **Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognized by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

### **3.21 Contingent liabilities and Commitments**

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

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

### **3.22 Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognize a contingent asset.

### **3.23 Premium deferment**

Premium deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

### **3.24 Cash and cash equivalents**

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

### **3.25 Cash dividend distribution to equity holders**

The Group recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### **3.26 Earnings per share**

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

Diluted earnings per share is calculated by dividing the profit / loss attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the year are adjusted

for the effects plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### **3.27 Segment reporting**

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance. The Group Chief Operating Decision Maker is the Group Chief Executive Officer (Group CEO).

### **3.28 Non-current assets held for sale**

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

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

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

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

### **3.29 Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **3.30 Significant accounting judgements, estimates and assumption**

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

#### **Estimates and assumptions**

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

circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Revenue and expenses of construction contracts**

As described in Note 3.2, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

**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.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Property, plant and equipment**

Refer Note 3.1 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5 to the consolidated financial statements .

**Service concession arrangement – Toll collection / user fee right**

The Cash flow model indicates the cash flow to be generated over the project lifecycle. The key inputs of the model comprise of revenue inflows (Toll/user fee), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.



**Amortization - Toll collection / user fee right**

The intangible assets which are recognized in the form of Toll Right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projected revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date

**Provision for periodical Major Maintenance**

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

**Revenue from contract with customer**

The Subsidiary and step down subsidiaries uses the input method for recognize construction revenue. Use of the input method require the group to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress toward completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress by survey of work performed towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognised in the period in which such losses become probable on the basis of the expected total contract cost as at the reporting date.

**Fair value measurement of financial instruments**

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

**4. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Note No. 5

## Property, Plant and Equipments

## (A) Owned Assets

(Rs. in Lakhs)

Property, Plant and Equipments							Total Tangible Assets	Capital Work In Progress
Particulars	Land	Building	Plant and Machineries	Furniture	Vehicles	Office Equipment		
<b>Cost</b>								
<b>As at 01/04/2023</b>	<b>1109.24</b>	<b>2319.30</b>	<b>46646.38</b>	<b>1173.42</b>	<b>688.25</b>	<b>424.23</b>	<b>52361.24</b>	<b>376.91</b>
Addition	-	-	752.51	-	-	7.14	759.65	45.77
Disposal	618.06	1,985.99	29253.87	1,161.51	413.66	244.66	33677.75	-
<b>As at 31/03/2024</b>	<b>491.18</b>	<b>333.31</b>	<b>18145.02</b>	<b>11.91</b>	<b>274.59</b>	<b>186.71</b>	<b>19443.14</b>	<b>422.67</b>
Addition	-	-	8.31	-	3.70	46.03	58.04	3.89
Disposal	-	-	9670.30	11.40	38.37	45.60	9765.67	-
Transfer from Asset held for sale (refer note 56)	-	-	-	-	3.70	35.60	39.30	-
<b>As at 31/03/2025</b>	<b>491.18</b>	<b>333.31</b>	<b>8483.03</b>	<b>0.51</b>	<b>236.22</b>	<b>151.54</b>	<b>9696.21</b>	<b>426.56</b>

## Accumulated Depreciation

<b>As at 01/04/2023</b>	-	<b>382.88</b>	<b>37124.85</b>	<b>948.57</b>	<b>554.82</b>	<b>350.58</b>	<b>39361.70</b>	-
Charge for the Year	-	29.60	2423.67	128.02	37.29	56.07	2674.65	-
Disposal	-	347.22	24939.65	1,064.28	361.22	223.84	26936.21	-
Transfer to Asset held for sale (refer note 56)	-	-	5.80	2.30	11.00	31.80	50.90	-
<b>As at 31/03/2024</b>	-	<b>65.26</b>	<b>14603.07</b>	<b>10.01</b>	<b>219.89</b>	<b>151.01</b>	<b>15049.23</b>	-
Charge for the Year	-	7.20	887.63	1.60	18.45	21.33	936.21	-
Disposal	-	-	8408.58	9.50	35.30	39.00	8492.38	-
Transfer to Asset held for sale (refer note 56)	-	-	4.40	1.60	8.00	10.90	24.90	-
<b>As at 31/03/2025</b>	-	<b>72.46</b>	<b>7077.72</b>	<b>0.51</b>	<b>195.04</b>	<b>122.44</b>	<b>7468.15</b>	-

<b>Net Book Value</b>								
As at 31/03/2024	491.18	268.05	3541.95	1.90	54.69	35.70	4393.84	422.67
<b>As at 31/03/2025</b>	<b>491.18</b>	<b>260.85</b>	<b>1405.31</b>	<b>0.00</b>	<b>41.18</b>	<b>29.10</b>	<b>2228.03</b>	<b>426.56</b>

1. Refer Note No. 26 for information on property, plant and equipment pledged as security".
2. There are no restriction on title of property, plant and equipments and Intangible Assets.
3. There is no contractual commitment on acquisition of property, plant and equipment and intangible assets.
4. Capital Work in progress balance is relating to office Building of Rs. 426.56 Lakhs (P.Y. Rs. 422.67 lakhs).
5. The Group has not done revaluation of PPE / Intangible assets during the year.
6. CWIP Ageing Schedule

## Project in progress

(Rs. in Lakhs)

CWIP	<1 year	1-2 years	2-3 years	>3 years	Total
As at 31st March 2025	-	-	3.89	422.67	426.56
As at 31st March 2024	-	-	-	422.67	422.67

## 7. CWIP Completion Schedule

## Project in progress

(Rs. in Lakhs)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	>3 years	
As at 31st March 2025	100.00	300.65	-	-	<b>400.65</b>
As at 31st March 2024	-	-	801.52	-	<b>801.52</b>

**(B) Right of Use Assets (Leased Assets)**

(Rs. in Lakhs)

Particulars	Plant & Equipment
<b>Movement During The Year</b>	
Balance as at 1st April 2023	-
Addition	152.72
Disposals	-
Balance as at 31st March 2024	152.72
Addition	-
Disposals	-
Balance as at 31st March 2025	152.72
<b>Accumulated Depreciation</b>	
Balance as at 1st April 2023	-
Addition	25.45
Disposals	-
Balance as at 31st March 2024	25.45
Addition	50.91
Disposals	-
Balance as at 31st March 2025	76.36
<b>Net Block as at 31st March, 2025</b>	<b>76.36</b>
<b>Net Block as at 31st March, 2024</b>	<b>127.27</b>

(i) The total cash outflow for leases is Rs. 48 Lakhs (Rs. 130.62 Lakhs) for the year ended 31st March, 2025. Interest on lease liabilities is Rs. 11.20 Lakhs (Rs. 7.90 Lakhs) for the year.

(ii) The Parent Company's leases mainly comprise of building.

**Note No. 6****Investment property**

	(Rs. in Lakhs)
<b>Investment property</b>	<b>Freehold land</b>
<b>Particulars</b>	<b>(Rs. in Lakhs)</b>
<b>At Cost</b>	
<b>As at April 1, 2023</b>	<b>94.10</b>
Addition	-
Disposal / adjustment	-
Transfer related to carve out asset	-
<b>As at March 31, 2024</b>	<b>94.10</b>
Addition	-
Disposal / adjustment on account of	-
Transferred to carve out asset receivable	-
<b>As at March 31, 2025</b>	<b>94.10</b>
<b>Accumulated Depreciation</b>	
<b>As at April 1, 2023</b>	<b>-</b>
Charge for the year	-
On disposal / adjustment	-
<b>As at March 31, 2024</b>	<b>-</b>
Charge for the year	-
On disposal / adjustment	-
<b>As at March 31, 2025</b>	<b>-</b>
<b>Net Block</b>	
<b>As at March 31, 2024</b>	<b>94.10</b>
<b>As at March 31, 2025</b>	<b>94.10</b>

**Notes:**

(i) There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.

(ii) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of investment property.

(iv) The title deeds of the Investment properties are held in the name of the respective Group Companies.

**SADBHAV ENGINEERING LIMITED****Notes forming Part of the consolidated financial statements****Note No. 7****Intangible asset**

(Rs. in Lakhs)

Particulars	Toll collection rights	User fee rights	Computer software	Total	Goodwill on consolidation
<b>Cost</b>					
<b>As at April 1, 2023</b>	<b>43,905.10</b>	<b>-</b>	<b>783.51</b>	<b>44,688.61</b>	<b>2,653.00</b>
Additions	163.40	804.40	-	967.80	-
Deletion / Adjustments	-	-	-	-	-
Transfer to Financial Asset (Refer Note 12)	-	-	-	-	-
Transfer to Asset held for Sale (Refer Note 56)	-	(804.40)	-	(804.40)	-
<b>As at March 31, 2024</b>	<b>44,068.50</b>	<b>-</b>	<b>783.51</b>	<b>44,852.01</b>	<b>2,653.00</b>
Additions		1,626.00		1,626.00	-
Deletion / Adjustments			(765.21)	(765.21)	-
Transfer to Financial Asset (Refer Note 12)				-	-
Transfer to Asset held for Sale (Refer Note 56)		(1,626.00)		(1,626.00)	-
<b>As at March 31, 2025</b>	<b>44,068.50</b>	<b>-</b>	<b>18.30</b>	<b>44,086.80</b>	<b>2,653.00</b>
<b>Accumulated Amortisation</b>					
<b>As at April 1, 2023</b>	<b>27,888.80</b>	<b>-</b>	<b>741.49</b>	<b>28,630.29</b>	<b>-</b>
Charge for the year	3,687.40	6,282.80	1.27	9,971.47	-
Disposal / Adjustment on account of:	-	-	-	-	-
Transfer from Asset held for sale (refer note 56)	-	-	-	-	-
Transfer to Asset held for sale (refer note 56)	-	(6,282.80)	-	(6,282.80)	-
Transfer to Financial Asset (Refer Note 12)	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>31,576.20</b>	<b>-</b>	<b>742.76</b>	<b>32,318.96</b>	<b>-</b>
Charge for the year	3,840.60	7,806.50	0.26	11,647.36	-
Transfer from Asset held for sale (refer note 56)				-	-
On disposal / adjustment			(724.82)	(724.82)	-
Transfer to Financial Asset (Refer Note 12)				-	-
Transfer to Asset held for sale (refer note 56)		(7,806.50)		(7,806.50)	-
<b>As at March 31, 2025</b>	<b>35,416.80</b>	<b>-</b>	<b>18.20</b>	<b>35,435.00</b>	<b>-</b>
<b>Net Block</b>					
<b>As at March 31, 2024</b>	<b>12,492.30</b>	<b>-</b>	<b>40.75</b>	<b>12,533.06</b>	<b>2,653.00</b>
<b>As at March 31, 2025</b>	<b>8,651.70</b>	<b>-</b>	<b>0.10</b>	<b>8,651.80</b>	<b>2,653.00</b>

**Note:**

(i) Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note no 26 )

(ii) Refer note 60 for additional disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements" ('SCA').

(iii) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iv) Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverability amount of such assets. Based on the above, no impairment provision is considered necessary as the recoverable value exceeded the carrying value.



**SADBHAV ENGINEERING LIMITED**
**Notes forming Part of the consolidated financial statements**

SEL-STANDALONE

SIPL-CONS

**PARTICULARS**
**As at March 31, 2025 : March 31, 2025**
**8 Investments**
**8.1 Investments in Equity Instruments (Unquoted)**

5,55,370 (P.Y.:5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of Rs.10/- each

55.54

55.54

0.00

**8.2 Investment in Unit of Business Trust - Quoted**

57,196 (P.Y.: 57,196) fully paid up units of Rs. 116 each in Indinfravit Trust after adjusting redemption towards capital

65.20

(Market Value of unit as on 31.03.2025 is Rs 113.81 per unit)

65.20

**Total**
**61378.37**
**4097.30**

Aggregate Value of Un-Quoted Investment Rs. 55.54 Lakhs (P.Y. :Rs. 55.54 Lakhs)

Aggregate Value of Quoted Investment Rs. 65.20 Lakhs (P.Y. :Rs. 63.37 Lakhs)

Market Value of Quoted Investments of Rs. 65.10 Lakhs (P.Y.: Rs.63.37 Lakhs)

**Note:**

(i) For Fair value disclosures of financial assets refer note 45

**9 Trade Receivables**

Trade Receivables considered good – Secured

(Unsecured considered good)

(a) Receivable from Others

824.19

Trade Receivables which have significant increase in credit risk

Trade Receivables – credit impaired

6814.53

Less: Allowance for credit impairment

4477.62

**Total**
**3161.10**
**0.00**
**The movement in change in allowance for expected credit loss and credit impaired**

Balance as at beginning of the year

Change in allowance for expected credit loss and credit impairment

Trade receivables written off during the year

Balance as at the end of the year

Management is of the opinion that amount recoverable is not less than the amount stated, hence no impairment is required.

**As at 31st March, 2025**

Particulars	Outstanding from due date						
	<6 months	6 months - 1 year	1-2 years	2-3 years			
Undisputed Trade Receivable-Considered Good		762.30	41.90	14.59			
Undisputed Trade Receivable-Considered Doubtful	-	0.06	166.68	242.86			
Disputed Trade Receivable-Considered Good	-	-	-	-			
Disputed Trade Receivable-Considered Doubtful	-	-	-	-			
Less: Allowance for expected credit loss	-	-	-	-			
<b>Total</b>	-	<b>762.36</b>	<b>208.58</b>	<b>257.45</b>			

(Rs. in Lakhs)

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

As at 31st March, 2024

(Rs. in Lakhs)

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	-	318.68	95.04	-	1213.52	1627.24
Undisputed Trade Receivable-Considered Doubtful	-	-	4.15	46.35	4047.30	4,097.80
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	831.43	831.43
Less: Allowance for expected credit loss	-	-	-	-	(3560.56)	(3560.56)
<b>Total</b>	<b>-</b>	<b>318.68</b>	<b>99.19</b>	<b>46.35</b>	<b>2531.69</b>	<b>2995.91</b>

\* Due date of payment is the date of transaction

## Notes:-

- (i) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member.
- (ii) For terms and conditions relating to related party receivable, refer note 50

10 **Loans****Unsecured, considered good**

Loans to employees	20.60	29.25
<b>Total</b>	<b>20.60</b>	<b>29.25</b>

11 **Receivable under Service Concession Arrangement (Unsecured considered good)**

Receivable under Service concession arrangements	92907.10	79329.40
	<b>92907.10</b>	<b>79329.40</b>

## 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 under Service Concession Arrangements" in accordance with Appendix - E to Ind AS 115.
- (ii) Refer note 60 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

12 **Other Financial Assets**

(a) Security & Other Deposits	14807.30	15243.83
(b) Bank Deposits with more than 12 months Maturity*	514.36	111.51
<b>Total</b>	<b>15321.66</b>	<b>15355.34</b>

\* Fixed Deposits are pledged with central and various State Govt/Undertakings and local bodies.

**SADBHAV ENGINEERING LIMITED****Notes forming Part of the consolidated financial statements**

(Rs. in Lakhs)

<b>PARTICULARS</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>13</b>	<b><u>Deferred Tax Assets (Net)</u></b>		
	Deferred tax assets (Refer note 43)	6059.27	10115.67
	<b>Total</b>	<b>6059.27</b>	<b>10115.67</b>
<b>14</b>	<b><u>Other Non Current Assets</u></b>		
	(a) Advance Recoverable in Cash	1998.62	1998.62
	Less: Allowance for expected credit loss	999.31	999.31
	(b) Tax Credit Receivables	-	447.00
	(c) Tax paid under Protest	46.20	35.80
	<b>Total</b>	<b>1045.51</b>	<b>1482.11</b>
<b>15</b>	<b><u>Inventories</u></b>		
	(a) Construction Materials	217.63	418.52
	(b) Stores & Spares	146.51	206.68
	<b>Total</b>	<b>364.14</b>	<b>625.20</b>
<b>16</b>	<b><u>Trade Receivables</u></b>		
	Trade Receivables considered good – Secured	-	-
	<u>(Unsecured considered good)</u>		
	(a) Receivable from Others	13916.72	27765.81
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables – credit impaired	-	-
	Less: Allowance for credit impairment	411.30	190.50
	<b>Total</b>	<b>13505.42</b>	<b>27575.31</b>

**As at 31st March, 2025**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Outstanding from due date of payment *</b>					<b>Total</b>
	<b>&lt;6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>&gt;3 years</b>	
Undisputed Trade Receivable-Considered Good	4589.40	1,350.07	956.51	81.55	6938.89	13916.42
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss					(411.00)	(411.00)
<b>Total</b>	<b>4589.40</b>	<b>1,350.07</b>	<b>956.51</b>	<b>81.55</b>	<b>6527.89</b>	<b>13505.42</b>

(Rs. in Lakhs)

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

As at 31st March, 2024

(Rs. in Lakhs)

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	4318.50	217.70	7154.69	1040.46	15034.46	27765.81
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	(190.50)	(190.50)
<b>Total</b>	<b>4318.50</b>	<b>217.70</b>	<b>7154.69</b>	<b>1040.46</b>	<b>14843.96</b>	<b>27575.31</b>

\* Due date of payment is the date of transaction

## Notes:

- (i) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) For terms and conditions relating to related party receivable, refer note 50.

17 Cash and Cash Equivalents17.1 Balance with Banks

(a) In Current Accounts (refer note (i) below)	4269.38	4078.99
(b) In Fixed Deposit Accounts *	-	0.60
	<b>4269.38</b>	<b>4079.59</b>

17.2 Cash On Hand (refer note (ii) below)

17.3 <u>In Current Account Earmarkes for Unpaid Share Application</u>	39.13	45.12
	1.10	1.10
<b>Total</b>	<b>4309.61</b>	<b>4125.81</b>

## Notes:-

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- (ii) Balances with banks includes balances of Rs. 2668.21 lakhs (P.Y. : Rs. 1775.08 lakh) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- (iii) Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.  
\* Fixed Deposits are pledged with central and various State Govt/Undertakings and local bodies.

18 Bank balance other than Cash and Cash Equivalents

In earmarked Accounts

(a) Unclaimed Dividend	0.84	1.22
(b) Maturity more than 3 months but not more than 12 months *	2069.45	1121.63
(c) Bank Balances with DSRA	-	239.00
<b>Total</b>	<b>2070.29</b>	<b>1361.85</b>

\* Fixed Deposits are pledged with Central and various State Govt/Undertakings and local bodies.



PARTICULARS		As at March 31, 2025	As at March 31, 2024
<b>19</b>	<b>Loans</b>		
	<b>Unsecured, considered good</b>		
(a)	Loan to Employee	4.80	4.68
(b)	Loan to Others	1025.72	1025.72
	<b>Total</b>	<b>1030.52</b>	<b>1030.40</b>

**Notes:**

- (i) Since all the above loans given by the Parent Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.
- (ii) There is no amount due from director, other officer of the Parent Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- (iii) The fair value of non-current loans is not materially different from the carrying value presented.

**20 Receivable under Service Concession Arrangement (Unsecured considered good)**

Receivable under Service concession arrangements (refer note 60)	17912.90	24852.20
	<b>17912.90</b>	<b>24852.20</b>

- (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 under Service Concession Arrangements" in accordance with Appendix - E to Ind AS 115.
- (ii) Refer note 60 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

**21 Other Current Financial Assets**

(a)	Interest Receivable	121.10	2983.53
(b)	Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope	12048.90	14420.70
(c)	Receivable from sale of concession right	2808.10	13840.80
(d)	Receivable from concessionaire authorities towards Toll Suspension (refer note (iv) below)	135.60	135.60
(e)	Receivable towards toll collection rights (refer note (i) & (ii) below)	219396.90	219396.90
(f)	Security & Other Deposits	6188.67	8616.06
(g)	Receivable toward carve out asset(refer note (iii) below)	150.60	150.60
(h)	Receivable toward Sales of step down subsidiaries	-	2105.00
(i)	Other Receivable	2043.79	435.23
		<b>242893.66</b>	<b>262084.42</b>

- (i) In case of Rohtak Hissar Tollway Private Limited (RHTPL), the step down subsidiary company has terminated the concession agreement with NHAI on August 27, 2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the Company, the company has filed a claim for Rs. 145467.70 lakhs as a termination payment and other Claims amounting to Rs. 47404.10 lakhs on the account of O&M cost due to force majeure, Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the subsidiary company for settlement of all these claims by way of conciliation proceedings, which has been consented by the subsidiary company. Due to non-progress of the same, the Company vide letter dated 24.03.2023 had notified the Conciliation Committee and NHAI regarding the failure of the Conciliation Proceedings. The said matters were referred to Arbitration by the Company on 27.03.2023. The Arbitral proceedings for the same are currently ongoing.

On the basis of the above, the company has transferred the carrying value of intangible asset of Rs. 94206.40 lakhs to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the company due to NHAI defaults under CA.

PARTICULARS	As at March 31, 2025	As at March 31, 2024
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- (ii) In case of Rohtak Panipat Tollway Private Limited (RPTPL), the step down subsidiary company has terminated the concession agreement with NHAI on July 27, 2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the Company, the company has filed a claim for Rs. 152905.80 lakhs as a termination payment and other Claims amounting to Rs. 40886.50 lakhs (refer note 63) on the account of O&M cost due to force majeure, Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the subsidiary company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by the subsidiary company. The Arbitral proceedings for the same are completed and the Arbitral Award is declared on 23.01.2025 unanimously, except for Counter Claim of NHAI regarding Premium that one Ld. Arbitrator has rejected it completely. As on the date of the said Majority award, the net awarded amount after deducting all dues of NHAI including Premium works out to Rs. 108054.50 lakhs (principal of Rs. 77963.10 lakhs and interest of Rs. 30091.40 lakhs). Also the Arbitration Award dated 06.10.2017 and Arbitration Award dated 31.10.2020 has been settled through Settlement Agreement dated 20.03.2025 under Vivad se Vishwas II Scheme of Govt. of India for the net settlement amount of about Rs. 6500 lakhs.

On the basis of the above, the company has transferred the carrying value of intangible asset of Rs. 125190.50 lakhs to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the company due to NHAI defaults under CA.

- (iii) Pursuant to the definitive share purchase agreement (SPA) dated 1 July 2019 related to sale of equity share of subsidiaries. Certain assets such as land, investment properties and arbitration claim receivable ('carve out assets') do not form part of the equity consideration and hence, all beneficial rights of the same are retained by the group. Accordingly, the group has accounted such carve out assets as receivable from respective entities in these consolidated financial statement.
- (iv) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, Ahmedabad Ring Road Infrastructure Limited (ARRIL), had claimed and recognised revenue of 410.10 lakhs during the year 2016-17. In earlier year, the company has received the partial claim of Rs 274.50 lakhs out of the total claim of Rs 410.10 lakhs towards demontisation.

<b>22</b>	<b>Current Tax Assets (Net)</b>
	Advance Income Tax
	<b>Advance Income Tax (Net)</b>

3243.13	5506.19
<b>3243.13</b>	<b>5506.19</b>

PARTICULARS		As at March 31, 2025	As at March 31, 2024
<b>23</b>	<b>Other Current Assets</b>		
(a)	Advances for goods and Services	12092.10	7278.33
		<b>12092.10</b>	<b>7278.33</b>
	<b>Others</b>		
(a)	Advance Sales Tax, GST & Service Tax	10643.59	7630.44
(b)	Contract Assets	70241.85	70933.28
(c)	Prepaid Expenses	114.73	172.63
(d)	Tax Credit Receivables	19137.00	23505.40
(e)	Group Gratuity Fund	198.75	210.01
(f)	Others	0.50	0.60
		<b>100336.42</b>	<b>102452.36</b>
	<b>Total</b>	<b>112428.52</b>	<b>109730.69</b>

**24 Equity Share Capital**

(a)	Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re.1/- each	2000.00	2000.00
(b)	Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of Re.1/- each with voting rights	1715.71	1715.71
(c)	Reconciliation of Nos. of Equity Shares with voting rights:		
	Outstanding at the beginning and end of the year	(Nos.) 171570800.00	171570800.00
	Outstanding at the end of the Period	(Nos.) 171570800.00	171570800.00
(d)	Rights of Shareholders and Repayment of Capital:		
	(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-		
	(ii) Each holder of equity shares is entitled to one vote per share.		
	(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
(e)	Shares with voting rights held by each share holder holding more than 5% Equity shares of the Company:-		

Name of Share Holder(s)	As at 31.03.2025		As at 31.03.2024	
	No. of shares	% held	No. of shares	% held
Shashin Vishnubhai Patel	27094342	15.79%	2388866	1.39%
Sadbhav Finstock Private Limited	12588500	7.34%	12588500	7.34%
Shantaben V. Patel	16850855	9.82%	41556331	24.22%
HDFC Small Cap Fund	-	-	14684526	8.56%

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

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

## (f) Shareholding of Promoters

Sr No.	Name of Promoters	As at March 31, 2025		% Change during the year	As at March 31, 2024		% Change during the year
		No. of Shares held	% of total shares		No. of Shares held	% of total shares	
1	Shantaben Vishnubhai Patel	16850855	9.82	(14.40)	41556331	24.22	0.10
2	Vikram Rasiklal Patel	2859749	1.67	-	2859749	1.67	-
3	Vasistha Chandulal Patel	1869535	1.09	-	1869535	1.09	-
4	Shashin Vishnubhai Patel	27094342	15.79	14.40	2388866	1.39	-
5	Bhavna Vikramkumar Patel	437500	0.25	-	437500	0.25	-
6	Rekhaben Vasisthakumar Patel	437500	0.25	-	437500	0.25	-
7	Sadbhav Finstock Private Limited	12588500	7.34	-	12588500	7.34	(1.58)
<b>Total</b>		<b>62137981</b>	<b>36.22</b>	<b>0.00</b>	<b>62137981</b>	<b>36.22</b>	<b>(1.48)</b>

## 25 Other Equity

## (a) Capital reserve

As per Last Balance Sheet

<b>Closing Balance</b>	<b>33104.47</b>	<b>33104.47</b>
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Capital reserve includes:

1. The excess of net assets taken over the cost of consideration paid at the time of acquisition of subsidiaries was treated as capital reserve.

2. The promoter of the company, to whom the company had allotted 6,00,000 warrants on July 31, 2007, did not exercise option to convert the said warrants into equity shares of Rs 345 lakhs of the company before the due date January 31, 2009, and the right has since lapsed. As per the term of issue of warrants, the application money received at the time of subscribing the said warrants has been forfeited and the same has been transferred to the Capital Reserve.

## (b) Security Premium

As per Last Balance Sheet

<b>Closing Balance</b>	<b>57134.05</b>	<b>57134.05</b>
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Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

## (c) Debenture Redemption Reserve

As per Last Balance Sheet

<b>Closing Balance</b>	<b>1728.46</b>	<b>1728.46</b>
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## PARTICULARS

As at March 31, 2025 As at March 31, 2024

The Group has issued redeemable non-convertible debentures. In respect thereof, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the Group to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount shall be transferred to general reserve.

As per Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, issued by the Ministry of Corporate Affairs, listed companies are exempt from creation of DRR.

(d) General Reserves		
As per Last Balance Sheet	33186.88	33186.88
Transfer from Debenture Redemption Reserve	-	-
<b>Closing Balance</b>	<b>33186.88</b>	<b>33186.88</b>

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity and is not an item of other comprehensive income.

(e) Retained Earnings		
As per Last Balance Sheet	(157518.99)	(109766.57)
Net (Loss) for the year	(14875.10)	(63008.41)
Appropriations:-		
Adjustment on account of acquisition of non-controlling interest	4072.70	(4017.99)
Transfer of amount from non-controlling interest	332.66	(986.80)
Provision for impairment of Investment	(10000.00)	(10251.20)
<b>Closing Balance</b>	<b>(166799.45)</b>	<b>(157518.99)</b>

(f) Other Comprehensive Income		
As per Last Balance Sheet	383.19	419.95
Addition/(deduction) During the Year	(24.37)	(36.76)
Transfer of amount to non-controlling interest	-	-
<b>Closing Balance</b>	<b>358.82</b>	<b>383.19</b>

(g) Equity Component of Compound Financial Instruments		
As per Last Balance Sheet	17727.44	-
Addition during the year	-	19166.04
Less Repaid during the year	2274.50	1438.60
<b>Closing Balance</b>	<b>15452.94</b>	<b>17727.44</b>

During the year ended March 31, 2024 interest free loan given by Director and Promoter ( Shri Shashin Vishnubhai Patel) , Director and Promoter has given loan Rs. 23521.50 lakhs in the Company for a period of 7 years from the March 31,2024. Accordingly, this Interest free loan has been separated into liability and equity components based on the terms of the agreement/letter and equity components has been accounted under Other Equity and liability component under non-current borrowing. Interest on liability component is recognised using the effective interest method.

<b>Total</b>	<b>(25833.83)</b>	<b>(14254.79)</b>
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PARTICULARS		As at March 31, 2025	As at March 31, 2024
<b>26 Non Current Borrowings</b>			
<b>(a) Bonds/Debentures</b>			
<i>(Secured)</i>			
Secured redeemable non-convertible debentures			
(i) Centrum Credit Opportunities Trust Nil (P.Y. 15500) debentures of Rs. 0.36 (P.Y. 0.65) lakh each	-	5582.43	
(ii) Nil Series A Allianz Global Investors GMBH NCD ( March 31, 2024: 19,500) of INR 28,959.71 each	-	5647.10	
(iii) Nil Series A Ares Infrastructure Debt Asia NCD (March 31, 2024: 19,500) of INR 28,959.71 each	-	5647.10	
(iv) 4,060 Series B Allianz Global Investors GMBH NCD (31 March 2024: 8,000) of INR 1,00,000 each	4059.00	8000.00	
(v) 4,060 Series B Ares Infrastructure Debt Asia NCD (March 31, 2024: 8,000) of INR 1,00,000 each	4059.00	8000.00	
(vi) 16,834 Series A1 NCD (31 March 2024: Nil) of INR 82,260 each	13847.70		
(vii) 16,566 Series A2 NCD (31 March 2024: Nil) of INR 82,278 each	13630.20	-	
(viii) 4536-ISAF III ONSHORE FUND of Face value of Rs. 1,00,000 each	4536.00		
4464-IE INDIA SPECIAL ASSET FUND III IFSC LLP of Face value of Rs. 1,00,000 each	4464.00	-	
(ix)			
	<b>44595.90</b>	<b>32876.63</b>	
Less: Unamortised proecssing fees	78.20		
Less Current maturity	24769.50	5582.43	
	<b>19748.20</b>	<b>27294.20</b>	

**26.1 Details of Security and terms of repayment in respect of debentures issued by Parent Company****Details of Securities**

NCDs of Centrum Credit Opportunities trust are secured against the followings:

- Mortgage over certain identified immovable properties of the Company and promoters.
- First charge on 3,81,97,436 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.
- Pledge of 35,00,000 Fully Paid up equity shares of the Company held by the promoters group entity.

**Terms of Repayment**

NCDs of Centrum Credit Opportunities Trust, having yearly coupon rate of 11.50% are repayable in unequal quarterly installments till September 2024.

NCD of Centrum Credit Opportunities Trust has been repaid during the year.

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

## 26.2 Details of Security and terms of repayment in respect of debentures issued by Subsidiary Company

## Details of Securities

Nil (P.Y. : 39000) Redeemable , Series A Non Convertible debentures (NCD) are secured by:

- (i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company);  
(ii) first ranking charge created by way of hypothecation over the Escrow account and  
(iii) Pledge over such numbers of Equity shares held by the Company in its subsidiary Companies.  
Pledge of shares of various subsidiaries are given in table below.

8120 (P.Y. : 16000) Redeemable , Series B Non Convertible debentures (NCD) are secured by:

- (i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (the holding Company);  
(ii) first ranking charge created by way of hypothecation over the Escrow account and  
(iii) Pledge over such numbers of Equity shares held by the subsidiary Company in its stepdown subsidiary Companies. Pledge of shares of various subsidiaries are given in table below.

## Details of Initially Pledged Securities for both NCDs (Series A &amp; Series B)

As at March 31,2025

Sr. No.	Name of Stepdown subsidiaries companies	No of Shares Initially Pledged	Percent of Initially Pledged Securities	Total No. of shares issued
1	Sadbhav Rudrapur Highway Limited (SRHL)	489940	48.99%	1000000
2	Sadbhav Nainital Highway Limited (SNHL)	489940	48.99%	1000000
3	Sadbhav Bangalore Highway Private Limited	15142258	49.00%	30902690
4	Sadbhav Vidarbha Highway Limited (SVHL)	12641275	49.00%	25798550
5	Sadbhav Udaipur Highway Limited (SUDHL)	13213280	49.00%	26966000
6	Rohtak-Panipat Tollway Private Limited (RPTPL)	1071198	48.99%	2186445
7	Rohtak-Hissar Tollway Private Limited (RHTPL)	5276170	49.00%	10768000

As at March 31,2024

Sr. No.	Name of Stepdown subsidiaries companies	No of Shares Initially Pledged	Percent of Initially Pledged Securities	Total No. of shares issued
1	Sadbhav Rudrapur Highway Limited (SRHL)	489940	48.99%	1000000
2	Sadbhav Nainital Highway Limited (SNHL)	489940	48.99%	1000000
3	Sadbhav Bangalore Highway Private Limited	15142258	49.00%	30902690
4	Sadbhav Vidarbha Highway Limited (SVHL)	12641275	49.00%	25798550
5	Sadbhav Udaipur Highway Limited (SUDHL)	13213280	49.00%	26966000
6	Sadbhav Jodhpur Ring Road Private Limited	5708485	49.00%	11650000
7	Sadbhav Kim Expressway Private Limited (SKEPL)	49566801	49.00%	101156860
8	Rohtak-Panipat Tollway Private Limited (RPTPL)	1071198	48.99%	2186445
9	Rohtak-Hissar Tollway Private Limited (RHTPL)	5276170	49.00%	10768000

## Details of Subsequent Pledged Securities for both NCDs

As at March 31,2025

Sr. No.	Name of Stepdown subsidiaries companies	Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Total No. of shares issued
1	Maharashtra Border Check Post Network Limited	2250	4.50%	50000
2	Ahmedabad Ring Road Infrastructure Limited	-	-	-

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

As at March 31, 2024

Sr. No.	Name of Stepdown subsidiaries companies	Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Total No. of shares issued
1	Maharashtra Border Check Post Network Limited	2250	4.50%	50000
2	Ahmedabad Ring Road Infrastructure Limited	4811600	46.00%	10460000

**4536 and 4464 (P.Y. : Nil) Redeemable , Non Convertible debentures (NCD) are secured by:**

Security over secured assets:

- (i) Pledge over 2,80,00,00 no of shares of Sadbhav Infrastructure Project Limited (SIPL) held by Sadbhav Engineering Limited (SEL).
- (ii) Pledge over 1,00,63,495 no of shares of Sadbhav Engineering Limited (SEL) held by Sadbhav Finstock Pvt Limited.
- (iii) Pledge of 74% shareholding of Sadbhav Gadag Highway Private Limited (SGHPL) held by SEL.
- (iv) Exclusive charge on fixed assets & current assets, all project cashflows which shall be escrowed in a consolidated Escrow Account, Exclusive charge on Escrow Account, project documents, project contracts etc.
- (v) Residual charge over cash flows of SIPL for (a) GST Receivables of Sadbhav Vidarbha Highway Private Limited, Sadbhav Udaipur Highway Private Limited, and Sadbhav Nainital Highway Private Limited , (b) Residual charge from the proceeds realized from equity stake sale of Maharashtra Border Check Post Network Limited which shall be first utilized for payment of balance Allianz consortium debt. For the purpose of this clause, total Allianz consortium Part-B debt repayment shall not exceed Rs. 27200 lakhs of which Rs. 12500 lakhs is funded from the Investment Amount. Post payment of the Allianz consortium debt, the proceeds shall exclusively be available to the Investor.
- (vi) Exclusive mortgage of marketable real estate collateral of Promoters on which Pari-Passu Charges has been created for the company and Ahmedabad Ring Road Infrastructure Limited being subsidiary of the Ultimate Holding Company
- (vii) Personal Guarantee of Shashin V. Patel
- (viii) Corporate guarantee of Sadbhav Infrastructure Project Limited ("SIPL") and Corporate Guarantee of Ahmedabad Ring Road Infrastructure Limited ("ARRIL").

Note:

- (a) Securities mentioned in Point (i), (ii), (v) and (vi) are offered as common security for NCDs of SGHPL and ARRIL.
- (b) SGHPL has given Corporate Guarantee on its residual cash flows after meeting obligations as per SGHPL Concession Agreements and Financing Agreements towards debenture holders of ARRIL.

**Terms of Repayment for:****39000 Redeemable , Non Convertible debentures (NCD):**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	19500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025. However fully repaid during FY 2024-25
Series B	19500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025. However fully repaid during FY 2024-25



## PARTICULARS

As at March 31, 2025 As at March 31, 2024

**16000 Redeemable , Non Convertible debentures (NCD):**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	8000	23.00%	63 months from the 1st deemed date of allotment	July 15, 2026. However partial repayment made during FY 2024-25
Series B	8000	23.00%	63 months from the 1st deemed date of allotment	July 15, 2026. However partial repayment made during FY 2024-25

**4536 and 4464 (P.Y. : Nil) Redeemable , Non Convertible debentures (NCD) are secured by:**

The Principal Amounts of the Debenture shall be repayable in 8 unstructured semi annual instalments as given in table hereunder :

Sr No	Redemption Date	%
1	30-04-2025	7.81
2	31-10-2025	10.34
3	30-04-2026	13.10
4	31-10-2026	14.04
5	30-04-2027	14.64
6	31-10-2027	12.61
7	30-04-2028	17.93
8	31-10-2028	9.53

The NCD carry average interest rate of 20% per annum.

Non current borrowings contain Debenture covenants as per Clause 7 of Debenture Trust Deed dated August 14, 2024 entered between Catalyst Trusteeship Limited and the company. The company has satisfied all the financial debt covenants prescribed in the terms of agreement as at the reporting date.

PARTICULARS	As at March 31, 2025	As at March 31, 2024
(b) <b>Term Loans</b>		
Secured		
(i) <b>From Banks:-</b>		
(a) Rupee Term Loan	62718.35	65098.59
	<b>62718.35</b>	<b>65098.59</b>
Less Current maturity	18269.05	11982.59
	<b>44449.30</b>	<b>53116.00</b>
(ii) <b>From Financial Institutions</b>	-	7093.77
Less Current maturity	-	2549.07
	-	<b>4544.70</b>
(iii) <b>From Intercompany Loan</b>	-	11141.50
Less Current maturity	-	9690.00
	-	<b>1451.50</b>
(iv) <b>Unsecured</b>		
Loan From Director and Promoter	10216.65	9195.08
<b>Total</b>	<b>74414.15</b>	<b>95601.48</b>

**\*Details of Security in respect of Term loans from Banks****(a) Details of Security in respect of Term loan availed by the Parent Company**

- In case of equipment finance term loan Hypothecation of specific machineries and equipments purchased.
- First Charge and Subservient charge on movable fixed asset of the company.
- Extension of charge on First Pari-passu Charge by way of Hypothecation on Stocks/ Book Debts/ Work in Progress at Various sites.
- Mortgage of some of the immovable properties of the Company as a collateral security.

**Details of Security in respect of loan from Financial Institution availed by the Parent Company**

- Mortgage of share in identified immovable property owned by one of the promoters.
- Pledge of Nil Shares (P.Y.2,76,20,270 shares) Fully Paid up unencumbered, freely transferable equity shares of the Company held by some of the promoters.
- Hypothecation of specific machineries and equipments financed by the respective financial institution.
- Personal Guarantee of Shashin V. Patel , Vashishtha C. Patel , Vikram R. Patel.

**Terms of repayment**

Term Loans from Banks/ Financial Institutions are repayable in monthly/quarterly instalments over a period of 24 months to 48 months. Loan from Financial Institution has been repaid during the year.

**(b) Details of Security in respect of Term loan availed by the subsidiary and step down subsidiaries**

- a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- a first charge on all the respective subsidiary's tangible moveable assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

- 3 first charge over all accounts of the company including the escrow account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to Debt service reserve ('DSR') and Major maintenance reserve ('MMR') and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- 4 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- 5 a first charge on assignment by way of security in:  
all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;  
  
charge/ assignment on all the intangible assets of the respective subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;  
  
all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by the Company and promoters holding in the respective subsidiary as stipulated in the Loan agreements.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.
- 8 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 (b).
- 9 Inter Corporate Rupee Loan  
Exclusive charge by way of hypothecation on current assets (including receivables) and movable fixed assets other than project assets as defined in the concession agreement, both present and future of the Company.  
  
Hypothecation over receivables from ICD/ advances to be made by the SIPL to the Company  
Pledge over 53.33% outstanding shares of the Borrower to be provided by the Holding Company and created as follows:  
(a) 30% pledge to be created on the date of first disbursement.  
(b) 23.33% pledge to be created within 5 days from the date of first disbursement  
Pledge over 16% shares of the Holding Company.
- 10 **16,834 (March 31, 2024: Nil) Redeemable , Non Convertible debentures (NCD) secured by way of**  
**16,566 (March 31, 2024: Nil) Redeemable , Non Convertible debentures (NCD) secured by way of**
- a Pledge over 2,80,00,00 no of shares of Sadbhav Infrastructure Projects Limited (SIPL) held by Sadbhav Engineering Limited (SEL)
- b Pledge over 1,00,63,495 no of shares of Sadbhav Engineering Limited (SEL) held by Sadbhav Finstock Pvt Limited
- c Pledge of 100% shareholding of Ahmedabad Ring Road Infrastructure Limited (ARRIL) held by SIPL
- d Pledge of 100% shareholding of Ahmedabad Ring Road Infrastructure Limited (ARRIL) held by SIPL
- e Exclusive charge on fixed assets & current assets, all project cashflows which shall be escrowed in a consolidated Escrow Account, Exclusive charge on Escrow Account, project documents, project contracts etc., exclusive charge over receivables from ICD/ advances made by ARRIL to any group company.

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

f

Residual charge over cash flows as well as specific escrow account of SIPL for (a) GST Receivables of Sadbhav Vidarbha Highway Private Limited, Sadbhav Udaipur Highway Private Limited, and Sadbhav Nainital Highway Private Limited, (b) Residual charge from the proceeds realized from equity stake sale of Maharashtra Border Check Post Network Limited which shall be first utilized for payment of balance Allianz consortium debt. For the purpose of this clause, total Allianz consortium Part-B debt repayment shall not exceed Rs. 27200 lakhs of which Rs. 12500 lakhs is funded from the Investment Amount. Post payment of the Allianz consortium debt, the proceeds shall exclusively be available to the Investor.

g

Exclusive mortgage of marketable real estate collateral of Promoters on which Pari-Passu Charges has been created for the company and Sadbhav Gadag Highway Private Limited (SGHPL) being subsidiary of the Ultimate Holding Company

h

Corporate guarantee of Sadbhav Infrastructure Project Limited ("SIPL") and Corporate Guarantee on residual cash flows of Sadbhav Gadag Highway Private Limited ("SGHPL") after meeting obligations as per Concession Agreements and Financing Agreements.

Note: Securities mentioned in Point (i), (ii), (v) and (vi) are offered as common security for NCDs of ARRIL and SGHPL

**Details in respect of borrowings availed by step down subsidiaries****(a) SRHL**

Term loan include loans amounting to Rs. 21297.10 lakhs as on March 31, 2025 (March 31, 2024: Rs. 23350.80 lakhs) taken from consortium of banks.

As per the second amendment agreement to the amended and restated common loan agreement dated 10th January, 2021

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 28 structured Bi-Annually instalments, commencing from the July 15, 2020 and last date of Instalment is December 15, 2035.

Term loans carry interest at bank base rate plus spread i.e. 9.50 percent to 11.25 percent per annum as on March 31, 2025.

**(b) SUDHL**

Term loan include loans amounting to Rs. 36491.40 lakhs as on March 31, 2025 (March 31, 2024: Rs. 41194.50 lakhs) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the May 31, 2021 on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25% to 11.80% per annum as on March 31, 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. Accordingly amount of Rs. 1136.70 lakhs was lying deposited in escrow and Rs. 1320 lakhs is lying in Fixed Deposit account as on March 31, 2025.

Details of Delay in Interest and Principal as at March 2025 & March 2024

(Rs. in Lakhs)

Due Date	Principal		Interest	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
January				183.80
February				246.20
March		1,010.00		311.00

**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.



## PARTICULARS

As at March 31, 2025 As at March 31, 2024

(c) ARRIL

## (i) 16,834 &amp; 16,566 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A1	16834	20.00%	22 months from the 1st deemed date of allotment	Monthly till June 30, 2026
Series A2	16566	20.00%	22 months from the 1st deemed date of allotment	Monthly till June 30, 2026

Sr No	Redemption Date	%
1	30-09-2024	2.11
2	31-10-2024	2.08
3	30-11-2024	2.17
4	31-12-2024	2.15
5	31-01-2025	2.19
6	28-02-2025	2.37
7	31-03-2025	2.27
8	30-04-2025	10.43
9	31-05-2025	2.48
10	30-06-2025	2.56
11	31-07-2025	2.57
12	31-08-2025	0.66
13	30-09-2025	2.96
14	31-10-2025	2.97
15	30-11-2025	3.05
16	31-12-2025	3.07
17	31-01-2026	3.13
18	28-02-2026	3.26
19	31-03-2026	8.02
20	30-04-2026	3.69
21	31-05-2026	3.73
22	30-06-2026	32.07
	<b>Total</b>	<b>100</b>

Term loan include loans amounting to Rs. Nil as at March 31, 2025 (March 31, 2024: Rs. 11149 lakhs) taken from a consortium consisting of bank, financial institutions and other intercorporate loans.

**ICICI Bank Car Loan**

The ICICI Bank Car Loan is repayable to the lender in 45 structured quarterly installments commencing from June 01, 2021. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 01, 2026. However the said loan is fully repaid during the year.

**Intercorporate Loan**

The Udhay-VJ Relaty Private Ltd Loan is repayable to the lender in 24 structures monthly installments from July 31, 2023. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by June 30, 2025. However the said loan is fully repaid during the year.

The loan carry average interest rate of 15.00 per cent per annum.

**27 Other Financial Liabilities**

Interest accrued but not due on borrowings

	504.90	13534.80
<b>Total</b>	<b>504.90</b>	<b>13534.80</b>

**SADBHAV ENGINEERING LIMITED****Notes forming Part of the consolidated financial statements**

(Rs. in Lakhs)

<b>PARTICULARS</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>28</b>	<b><u>Deferred Tax Liabilities</u></b>		
	Deferred Tax Liabilities (refer note 43)	3108.60	2922.60
	<b>Total</b>	<b>3108.60</b>	<b>2922.60</b>
<b>29</b>	<b><u>Long-Term Provisions</u></b>		
	Gratuity	77.20	83.60
	<b>Total</b>	<b>77.20</b>	<b>83.60</b>
<b>30</b>	<b><u>Current Borrowings</u></b>		
	<b>Loans repayable on demand</b>		
	<u>Secured*</u>		
	Working capital facilities from banks	69262.05	59863.37
	Term loan from financial institutions	11107.70	11107.70
	Overdraft	7891.56	1700.34
	Term Loan from Bank (Secured) (refer Note no (i) below)	170101.60	170101.60
		<b>258362.91</b>	<b>242773.01</b>
	<u>Unsecured</u>		
	From Bank	660.00	660.00
	From a Company in which some of the directors are directors	1202.46	1361.22
	From a Other	-	3159.70
		<b>1862.46</b>	<b>5180.92</b>
	<b>Current Maturities of Long term debts</b>		
	<u>Secured</u>		
	Non Convertible Debentures	1633.50	5582.43
	Loan from Banks	34117.35	11982.69
	Loan from Financial instiutaion	-	2549.07
	Liability component of compound financial instrument	7287.70	-
	Loan from Inter Corporate Loan	-	9690.00
		<b>43038.55</b>	<b>29804.19</b>
	<b>Total</b>	<b>303263.92</b>	<b>277758.12</b>

(i) In case of RHTPL and RPTPL, the accounts has been prepared on non going concern basis as per the accounting policies stated in note no. 2.1 , hence the non current borrowings has been reclassified under current borrowings of Rs. 93361.90 lakhs as on March 31,2025 ( P.Y. : 93361.90) and Rs. 87847.40 lakhs as on March 31,2025 (P.Y. : 87847.40) respectively.

(ii) The Lenders of the RHTPL have filed a Case No.: OA/228/2022 before the Hon'ble Debts Recovery Tribunal, Ahmedabad (DRT) against RHTPL and others for recovery of Rs. 108548.20 lakhs.

(iii) The Lenders of the RPTPL have filed a Case No.: OA/353/2023 before the Hon'ble Debts Recovery Tribunal, Ahmedabad (DRT) against RPTPL and others for recovery of Rs. 102406.60 lakhs.

**\*Detail of Security**

- Hypothecation of stock of construction materials lying at sites, books debts and other receivables
- First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated / Charged to other lenders. Second charge on machineries owned by the company.
- Personal Guarantee of Shashin V.Patel , Vashishtha C. Patel, Vikram R. Patel.

As at 31 March 2025, the Company had defaulted in repayment of borrowings from banks, financial institutions and NBFC (non-current and current) including interest thereon. The duration of the default is more than 90 days. (refer note no 61)

(Rs. in Lakhs)

## PARTICULARS

As at March 31, 2025 As at March 31, 2024

(Rs. in Lakhs)

Sr No.	Category	Period	Principal	Interest
1	Term Loan from Banks	1 to 30 days		
		31 to 90 days		
		91 days above	5115.75	
2	NCD	1 to 30 days		
		31 to 90 days		
		91 days above		
3	Term Loan from Financial Institutions	1 to 30 days		
		31 to 90 days		
		91 days above		
4	Working Capital Demand Loans	1 to 30 days		
		31 to 90 days		
		91 days above	77813.61	10630.66
Total			82929.37	10630.65

As at 31 March 2024

(Rs. in Lakhs)

As at 31 March 2024				
Sr No.	Category	Period	Principal	Interest
1	Term Loan from Banks	1 to 30 days	367.88	20.70
		31 to 90 days	404.28	44.45
		91 days above	2,492.57	648.57
2	NCD	1 to 30 days	2,275.00	
		31 to 90 days	2,100.00	
		91 days above	157.43	
2	Term Loan from Financial Institutions	1 to 30 days	-	
		31 to 90 days	-	104.09
		91 days above	2,098.27	906.26
3	Working Capital Demand Loans	1 to 30 days	-	1,310.19
		31 to 90 days	-	1,380.85
		91 days above	62,223.71	3,400.72
Total			72119.15	7815.82

**31 Trade Payables**

(a)	Total outstanding due to Micro and Small Enterprises *	707.93	614.30
(b)	Total outstanding due to creditors other than Micro and Small Enterprises	42860.73	40360.62
<b>Total</b>		<b>43568.66</b>	<b>40974.92</b>

(ii) Trade payables are non-interest bearing and are normally settled on 90 days term.

[\*] Disclosure in respect of Micro, Small and Medium Enterprises:

A	Principal amount remaining unpaid to any supplier as at year end	707.93	614.30
B	Interest due thereon	450.65	348.27
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-

(Rs. in Lakhs)

PARTICULARS		As at March 31, 2025	As at March 31, 2024
D	Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Group.			

## As at 31 March 2025

(Rs. in Lakhs)

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	28.76	37.67	11.01	48.33	125.77
Other	-	1213.50	7470.34	7179.30	9157.71	7205.91	32226.76
Disputed Dues-MSME	-	-	52.10	2.40	0.01	527.66	582.17
Disputed Dues-Others	-	-	155.44	23.80	115.92	10338.81	10633.97
<b>Total</b>	<b>-</b>	<b>1213.50</b>	<b>7706.64</b>	<b>7243.17</b>	<b>9284.65</b>	<b>18120.71</b>	<b>43568.66</b>

## As at 31 March 2024

(Rs. in Lakhs)

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	88.20	15.48	54.87	10.24	168.79
Other	-	5157.58	5960.94	5147.75	8630.79	2424.20	27321.26
Disputed Dues-MSME	-	-	-	0.01	10.17	435.33	445.51
Disputed Dues-Others	-	-	346.31	651.57	1251.46	10790.02	13039.36
<b>Total</b>	<b>-</b>	<b>5157.58</b>	<b>6395.45</b>	<b>5814.81</b>	<b>9947.29</b>	<b>13659.79</b>	<b>40974.92</b>

\* Due date of payment is the date of transaction

**32 Other Financial Liabilities**

Interest Accrued	46148.13	47109.25
Interest Accrued to intercorporate loan	-	4458.10
Interest accrued and due on NHAI premium obligation / Mobilization advance	15784.40	15784.40
Interest accrued but not due on mobilization advance	54.90	250.30
Unclaimed Dividend (Refer Note No. 32.1)	0.84	1.22
Security Deposit and Retention Money	12876.82	8555.31
Employee Emoluments Payable	324.69	636.52
Payable towards capital expenditure	5880.10	5880.10
Other Financial Liability	607.40	76.40
Current maturities of premium obligation to NHAI	39825.50	39825.50
<b>Total</b>	<b>121502.78</b>	<b>122577.10</b>

32.1 There are no amounts due to be transferred to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as on March 31, 2025 (P.Y. Rs. Nil)



PARTICULARS	As at March 31, 2025	As at March 31, 2024
<p>32.2 In case of one of the stepdown subsidiary, RPTPL, Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter RPTPL shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. In the earlier year, the project has been terminated (refer note 65) and there is no premium obligation payable to NHAI after termination period and accordingly the liability of premium obligation of Rs. 47104.30 lakhs has been written back.</p> <p>As per the Ministry of Road Transport &amp; Highways policy of National Highway Authorities of India (NHAI), RPTPL is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit &amp; loss account for the year and obligation on the same has been recognised as liabilities.</p>		
<b>33 Other Current Liabilities</b>		
Sundry Creditors for Capital Goods	174.59	181.30
Statutory Dues	1974.29	1641.80
Other Advances	1510.93	5257.00
Security & Other Deposits	94.10	-
Contract Liabilities (Mobilization Advance)	251.20	3980.10
<b>Total</b>	<b>4005.11</b>	<b>11060.20</b>
<b>34 Short-Term Provisions</b>		
Provision for Employee Benefits	122.90	88.60
Periodic Major Maintenance (refer Note 52)	6907.80	6268.30
Provision for Impairment in the carrying value on loan and Sundry debtors given to stepdown subsidiary Company	1471.76	1471.76
<b>Total</b>	<b>8502.46</b>	<b>7828.66</b>
<b>35 Current Tax Liabilities (Net)</b>		
Provision for Income Tax (Net of Advance tax & TDS)	1154.90	2663.70
<b>Total</b>	<b>1154.90</b>	<b>2663.70</b>

(Rs. In Lakhs)

<b>PARTICULARS</b>	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
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### **36 Revenue from Operations**

#### **(a) Sale Of Products & Services**

EPC & Other Contract Income (Refer Note No 49)	32064.06	131844.34
Revenue from Toll Collection, User fees and Annuity Income	67244.60	55714.40
Other Operating Income	4335.87	4736.37
<b>Total</b>	<b>103644.53</b>	<b>192295.11</b>

Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. However the AUDA has not prepared any policy or modalities by which the company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the Company has recognised revenue of toll collection of Rs. 8162.10 lakhs for the year ended March 31, 2025 (P.Y. : Rs. 7074.60 lakhs) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during the said period and included under revenue from toll collection.

### **37 Other Income**

(a) Net Gain or Loss on financial assets measured at FVTPL		
Income on change in fair valuation of financial instruments	1.70	-
(b) Interest Income on:		
Investments	-	365.90
Income Tax Refund	73.90	401.80
Deposits with banks	597.97	1,149.47
Financial asset carried at amortised cost	5,773.80	9,329.20
Other	1,873.37	0.04
Profit on Sale of Assets	12.50	34.20
Dividend Income	6.00	3.70
(c) Miscellaneous Income	1,266.49	3,135.61
<b>Total</b>	<b>9605.73</b>	<b>14419.83</b>

### **38 Cost of Material Consumed**

Opening Stock	625.20	2957.91
Add Purchase	121.29	100.02
	<b>746.49</b>	<b>3057.93</b>
Less Closing Stock of Material	364.14	625.20
<b>Total</b>	<b>382.35</b>	<b>2432.73</b>

### **39 Construction , Toll Plaza & Road Maintenance Expenses**

Labour Expenses	15,890.03	73,250.92
Construction Expenses	25,049.00	45,077.10
Power & Fuel	1,158.74	1,235.62
Stores Consumed	66.12	487.59
Repairs & Maintenances-Construction Machineries	6.77	440.95
Machinery Rent	12.95	208.84
Periodic Major Maintenance (refer note 52)	364.60	646.80
Security Expenses	-	216.20
Land & Godown Rent	103.20	126.39
Site Establishment Expenses	18.08	14.02
Mess Expenses	28.37	69.20
Other Expenses	1,389.59	1,381.20
<b>Total</b>	<b>44087.45</b>	<b>123154.83</b>

(Rs. In Lakhs)

<b>PARTICULARS</b>	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
<b>40 Employee Benefits Expense</b>		
Salary & Wages	4293.65	5601.61
Contribution to PF and Other Funds	208.91	224.17
Group Gratuity Fund Expenses	78.10	105.82
Staff Welfare Expenses	168.25	98.78
<b>Total</b>	<b>4748.91</b>	<b>6030.38</b>
<b>41 Finance Cost</b>		
a Interest Expenses on Financial liabilities measured at Amortised Cost		
On Borrowings	41,204.38	49,490.52
Others	366.30	399.30
On Mobilization Advance	7.40	210.60
Amortisation of Processing Fees	-	495.20
b Unwinding of Discount on		
Provision of major maintenance	814.90	654.90
Interest free loan	1,916.77	-
c Interest On Taxes	68.95	123.08
d Other Borrowing Costs	1,361.73	4,672.42
<b>Total</b>	<b>45740.43</b>	<b>56046.02</b>
<b>42 Other Expenses</b>		
Rent (Expense Related to Short term Leases)	158.83	149.82
Rates & Taxes	658.03	313.52
Running & Maintenance of Vehicles	11.30	13.50
Insurance Premium	281.91	358.18
Directors Sitting Fees	27.40	33.90
Legal & Consultation Fees & Expenses	7,227.95	5,153.69
Corporate Social Responsibility Expenses	202.30	182.10
Cash Collection Charges	7.80	12.40
Contract Assets Written Off	-	28,580.08
Auditors Remuneration	111.00	124.10
Trade and Other Receivable Written off	520.99	10,694.88
Communication Expenses	1.30	10.80
Loss due to riots/writing of assets	1,244.20	-
Allowance for Expected Credit Loss	263.60	3,362.49
Miscellaneous Expenses	2,007.15	1,712.40
Penalty on substitution of concession	-	1,874.00
<b>Total</b>	<b>12723.76</b>	<b>52575.86</b>
<b>42.1 Payment to Auditors</b>		
(i) For Audit	100.70	99.90
(ii) For Tax Audit	2.40	2.90
(iii) For Certification Work	21.60	21.30
	<b>124.70</b>	<b>124.10</b>
<b>42.2 Details of Corporate social responsibility expenditure</b>		

As per Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) committee has been formed by the Group of Companies. The Group is liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013. Accordingly, it has incurred expenses of Rs 202.30 Lakhs (P.Y. : Rs. 182.10 Lakhs) on the activities which are specified in Schedule VII to the Companies Act, 2013.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : Rs. 202.30 Lakhs ( P.Y. : Rs. 174 Lakhs)

**Sadbhav Engineering Limited**  
**Notes forming Part of the consolidated financial statements**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2025	Year ended March 31, 2024
Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
(i) Amount required to be spent by the company during the year	202.30	174.00
(ii) Amount of expenditure incurred	202.30	174.00
(iii) Shortfall at the end of the year		
(iv) Total of previous years shortfall	-	8.10
<b>Total amount contributed during the year</b>	<b>202.30</b>	<b>182.10</b>
(v) Reason for shortfall	N.A.	N.A.
(vi) Nature of CSR activities	Rural/Societal Development Projects	Rural/Societal Development Projects



#### 43 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2025 and March 31, 2024 are as under

##### (a) Profit and Loss Section

Particulars	March 31, 2025	March 31, 2024
<b>Current tax</b>		
Current tax charges	2982.20	1723.00
<b>Total (A)</b>	<b>2982.20</b>	<b>1723.00</b>
<b>Deferred tax</b>		
Deferred tax charge	4,242.40	(3,595.60)
<b>Total deferred income tax expense</b>	<b>4,242.40</b>	<b>(3,595.60)</b>
Adjustments in respect of current tax of earlier years	107.87	313.28
<b>Total income tax expense recognised in the Statement of Profit and Loss</b>	<b>7,332.47</b>	<b>(1,559.32)</b>

##### (b) Deferred Tax

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

During the year ended March 31, 2025

Particulars	Opening balance as at April 1, 2024	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 56)	Closing balance as at March 31, 2025
	(A)	(B)	(C)	(E=A+B-C)
<b>Deferred Tax Liabilities</b>				
Impact on liability component of Compound instruments	-	-	-	-
Impact of fair valuation of financial instruments	(2,017.20)	2,017.20	-	-
Accelerated depreciation for tax purpose	8.50	(8.50)	-	-
Expenditure allowed on payment basis	3,250.90	(3,250.90)	-	-
Expenditure allowed over the period	(1,832.60)	(4,881.30)	-	(6,713.90)
Income tax allowable on actual receipt basis	(38.60)	6,302.40	-	6,263.80
Unused tax losses available for offsetting against future taxable income	(831.25)	700.40	-	(130.85)
Temporary Differences on account of Non taxable Items	(1,462.30)	(1,065.30)	-	(2,527.60)
	<b>(2,922.60)</b>	<b>(186.00)</b>	<b>-</b>	<b>(3,108.60)</b>
<b>Deferred Tax Assets</b>				
Tax credit entitlement under MAT	6,537.26	(477.99)	-	6,059.27
Investment in SIPL - Sub Debt	657.21	(657.21)	-	-
Provision for Gratuity	(73.89)	73.89	-	-
Leave	4.38	(4.38)	-	-
Property, Plant & Equipment	2,990.71	(2,990.71)	-	-
	<b>10,115.67</b>	<b>(4,056.40)</b>	<b>-</b>	<b>6,059.27</b>
<b>Total</b>	<b>7,193.07</b>	<b>(4,242.40)</b>	<b>-</b>	<b>2,950.67</b>

During the year ended March 31, 2024

Particulars	Opening balance as at April 1, 2023	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 56)	Closing balance as at March 31, 2024
	(A)	(B)	(C)	(E=A+B-C)
<b>Deferred Tax Liabilities</b>				
Impact on liability component of Compound instruments	-	-	-	-
Impact of fair valuation of financial instruments	(12,970.50)	10,953.30	-	(2,017.20)
Accelerated depreciation for tax purpose	9.60	(1.10)	-	8.50
Expenditure allowed on payment basis	7,983.20	(4,732.30)	-	3,250.90
Expenditure allowed over the period	(2,327.10)	494.50	-	(1,832.60)
Income tax allowable on actual receipt basis	(38.60)	-	-	(38.60)
Unused tax losses available for offsetting against future taxable income	1,578.15	(2,409.40)	-	(831.25)
Temporary Differences on account of Non taxable Items	(752.90)	(709.40)	-	(1,462.30)
	<b>(6,518.15)</b>	<b>3,595.60</b>	<b>-</b>	<b>(2,922.60)</b>
<b>Deferred Tax Assets</b>				
Tax credit entitlement under MAT	6,537.26	-	-	6,537.26
Investment in SIPL - Sub Debt	657.21	-	-	657.21
Provision for Gratuity	(73.89)	-	-	(73.89)
Leave	4.38	-	-	4.38
Property, Plant & Equipment	2,990.71	-	-	2,990.71
	<b>10,115.67</b>	<b>-</b>	<b>-</b>	<b>10,115.67</b>
<b>Total</b>	<b>3,597.52</b>	<b>3,595.60</b>	<b>-</b>	<b>7,193.07</b>

(c)	<b>Reconciliation of Deferred tax</b>	<b>As at 31.03.2025</b>	<b>As at 31.03.2024</b>
	Deferred tax asset (net)	-	3,578.41
	Deferred tax liability (net)	(3,108.60)	(2,922.60)
	MAT	6,059.27	6,537.26
		<b>2,950.67</b>	<b>7,193.07</b>

- (d) Certain subsidiary companies have carried forward business losses aggregating Rs. 342612.10 lakhs (P.Y.: Rs. 300300.20 lakhs) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of 8 years of the respective year from the date of origin.
- (e) Deferred tax asset has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, which have arisen in subsidiaries that have been loss-making for some time, and there are no reasonable certainty supported by convincing evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by Rs. 64644.10 lakhs (P.Y.: Rs. 64644.10 lakhs).
- (f) The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

As mentioned in the note No 68 , the company has submitted restructuring plan to the consortium of lenders which is yet to be approved. Pending approval of restructuring plan, the Company has not recognised deferred tax assets during the Financial Year 2023-24 and Financial Year 2024-25

44 Disclosure of Financial Instruments by Category

Particulars	Note no.	March 31, 2025				March 31, 2024			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
<b>Financial Assets</b>									
Receivable under Service concession arrangements	11 & 20	-	-	110820.00	-	-	-	1,04,181.60	-
Investments	8	65.20	55.54	-	-	63.37	55.54	-	-
Trade Receivables	9 & 16	-	-	16666.52	-	-	-	30,571.22	-
Loans	10 & 19	-	-	1051.12	-	-	-	1,059.65	-
Cash and cash equivalents	17	-	-	4309.61	-	-	-	4,125.81	-
Other bank balances	18	-	-	2070.29	-	-	-	1,361.85	-
Other financial assets	12 & 21	-	-	258215.32	-	-	-	2,77,439.76	-
<b>Total Financial Assets</b>		<b>65.20</b>	<b>55.54</b>	<b>3,93,132.86</b>	<b>-</b>	<b>63.37</b>	<b>55.54</b>	<b>4,18,739.89</b>	<b>-</b>
<b>Financial Liabilities</b>									
Non Current Borrowings	26	-	-	1,10,165.00	-	-	-	1,25,405.67	-
Current Borrowings	30	-	-	2,67,513.07	-	-	-	2,47,953.93	-
Lease Liabilities	-	-	-	82.62	-	-	-	130.62	-
Trade Payables	31	-	-	43,568.66	-	-	-	40,974.92	-
Other Financial liabilities	27 & 32	-	-	1,22,007.68	-	-	-	1,36,111.90	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>5,43,337.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,50,577.04</b>	<b>-</b>

45 Fair value disclosures for financial assets and financial liabilities

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

Particular	March 31, 2025		March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Investments in units of Indinfravit Trust	65.20	65.20	63.37	63.37
<b>Total Financial Assets</b>	<b>65.20</b>	<b>65.20</b>	<b>63.37</b>	<b>63.37</b>
<b>Financial Liabilities</b>				
Redeemable, Non Convertible Debentures	44,595.90	44,595.90	32,876.63	32,876.63
Premium Obligation under Concession Agreement	39,825.50	39,825.50	39,825.50	39,825.50
<b>Total Financial Liabilities</b>	<b>84,421.40</b>	<b>84,421.40</b>	<b>72,702.13</b>	<b>72,702.13</b>

- (i) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- (ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- (iii) The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- (iv) The carrying value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

46 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2025 and March 31, 2024

Assets measured at fair value	Note No.	March 31, 2025	
		Quoted Price in active market Level - 1	Significant observable Inputs Level - 2
<b>Fair value through profit &amp; loss</b>			
Investments in units of Indinfravit Trust	8	65.20	
<b>Fair value through OCI</b>			
Investments in Equity Instruments of other Entities	8		55.54
<b>Liabilities measured at fair value</b>			
<b>Assets for which fair values are disclosed</b>			
Redeemable, Non Convertible Debentures	26 & 30		44,595.90
Premium Obligation under Concession Agreement	32		39,825.50

Assets measured at fair value	Note No.	March 31, 2024	
		Quoted Price in active market Level - 1	Significant observable Inputs Level - 2
<b>Fair value through profit &amp; loss</b>			
Investments in units of Indinfravit Trust	8	63.37	
<b>Fair value through OCI</b>			
Investments in Equity Instruments of other Entities	8		55.54
<b>Liabilities measured at fair value</b>			
<b>Assets for which fair values are disclosed</b>			
Redeemable, Non Convertible Debentures	26 & 30		32,876.63
Premium Obligation under Concession Agreement	32		39,825.50

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between level 1 and level 2 during the years.

**47 Working of Earning Per Share**

Reconciliation of Equity Shares outstanding at the end of year:

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Nominal Value of Equity Share (Rs per share)	1.00	1.00
<b>For Basic EPS:</b>		
Number of Equity Shares at the beginning of the year	171570800	171570800
Number of Equity Shares at year end	171570800	171570800
Weighted Average number of Equity Shares	171570800	171570800
<b>For Diluted EPS</b>		
Weighted Average number of Equity Shares as per above working	171570800	171570800
Weighted Average number of Dilutive Equity Shares	171570800	171570800

**Basic and Diluted Earning / (Loss) per share**

Net Profit / (Loss) Profit after Tax	(18,947.80)	(63,008.41)
Weighted Average number of Equity Shares	171570800	171570800
Basic and Diluted Earning / (Loss) per share(Rs.)	(11.04)	(36.72)

**48 Employee Benefits**

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

**48.1 Defined Contribution Plans**

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	March 31, 2025	March 31, 2024
Contribution to Provident Funds	206.52	192.02
Contribution to ESIC	2.39	32.15
Other funds		-
<b>Total</b>	<b>208.91</b>	<b>224.17</b>

**48.2 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service ( Not applicable in case of death / disability )
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

\*In case of employees with age above the retirement age mentioned in plan features, the retirement is assumed to happen immediately and vacation is done accordingly.

48.3 The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustees' duty to look after assets on behalf of employees who are entitled to benefit from those assets at some future date. Investment of assets of fund is key responsibility of the trustees. The trustees must review investment performance regularly.

**48.4 Risk to the Plan**

Following are the risk to which the plan exposes the entity :

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.



E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

48.5 Reconciliation of defined benefit obligations

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligations as at beginning of the year	833.41	883.86
Current service cost	103.47	30.90
Interest cost	18.40	52.56
Actuarial Loss/(Gain) due to change in financial assumptions	3.42	6.90
Actuarial Loss/(Gain) due to change in demographic assumptions	8.90	8.50
Actuarial Loss/(Gain) due to experience	8.40	12.60
Benefits Paid	(121.72)	(161.91)
Defined benefit obligation of subsidiaries sold during the year (refer note 57)	-	-
Defined benefit obligation pertaining to asset held for sale (refer note 57)	(333.40)	(296.90)
<b>Defined benefit obligations as at end of the year</b>	<b>520.88</b>	<b>536.51</b>

48.6 Reconciliation of Plan Asset

Particulars	As at March 31, 2025	As at March 31, 2024
Plan Asset as at beginning of the year	535.30	694.81
Interest Income	34.54	45.77
Return on plan assets excluding amounts included in interest income	0.15	(8.76)
Benefits paid	(56.28)	(196.52)
<b>Plan Asset as at end of the year</b>	<b>513.71</b>	<b>535.30</b>

48.7 Reconciliation of the Effect of Asset ceiling

Particulars	As at March 31, 2025	As at March 31, 2024
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
<b>Asset ceiling as at end of the year</b>	<b>-</b>	<b>-</b>

48.8 Net amount Charged to Statement of Profit and Loss for the period

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	74.87	112.10
Past Service cost and Loss/(gain) on curtailments and Settlement	-	-
Net Interest cost	12.46	6.79
<b>Net amount recognized</b>	<b>87.33</b>	<b>118.89</b>

Other Comprehensive income for the period

Particulars	As at March 31, 2025	As at March 31, 2024
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(13.52)	(6.90)
Due to change in demographic assumption	-	(8.50)
Due to experience adjustments	(11.00)	(12.59)
Return on plan assets excluding amounts included in interest income	0.15	(8.77)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(24.37)</b>	<b>(36.76)</b>

48.9 Break up of Plan Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Insurance Policy	100%	100%

48.10 Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.55%	7.20%
Salary Growth Rate	4.00%	4% to 6%
Withdrawal Rate	40% for all ages	40% for all ages - 15% at younger ages, reducing to 3% at older ages
Rate of Return on Plan Assets	7% p.a	7.20% p.a

48.11 Sensitivity Analysis of parent company for Actuarial Assumption

As at 31.03.2025	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(2.64)	-0.84%	2.69	8.86%
Salary Growth Rate	0.50%	0.50%	2.68	0.85%	(2.65)	-8.84%
Withdrawal Rate	110.00%	90.00%	1.09	0.35%	(1.38)	-0.44%

As at 31.03.2024	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(2.73)	-0.84%	2.77	0.85%
Salary Growth Rate	0.50%	0.50%	2.76	0.85%	(2.75)	-0.85%
Withdrawal Rate	110.00%	90.00%	0.79	0.24%	(1.10)	-0.34%

**Sensitivity Analysis of subsidiary & step down subsidiary company for Actuarial Assumption**

As at 31.03.2025	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs		Rs. in Lakhs	
Discount Rate	0.50%	0.50%	355.80		314.30	
Salary Growth Rate	0.50%	0.50%	312.90		356.80	
Withdrawal Rate	10.00%	10.00%	-		-	
Attrition Rate	10.00%	10.00%	311.30		344.60	

As at 31.03.2024	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs		Rs. in Lakhs	
Discount Rate	0.50%	0.50%	(2.90)		3.30	
Salary Growth Rate	0.50%	0.50%	2.40		(2.10)	
Withdrawal Rate	10.00%	10.00%	1.00		(0.80)	
Attrition Rate	10.00%	10.00%	-		-	

**Limitation of method used for sensitivity analysis:**

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

**48.12 Details of Asset- Liability Matching Strategy**

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**48.13 Expected contribution to the plan for the next annual reporting period**

Particulars	2024-25	2023-24
Expected contribution to the plan	26.20	28.20
<b>Total</b>	<b>26.20</b>	<b>28.20</b>

**48.14 Maturity Profile of the Defined Benefit Obligation of Holding Company**

As at March 31, 2025	Rs. in Lakhs	%
2026	139.76	39.50%
2027	85.13	24.00%
2028	58.94	16.60%
2029	29.97	8.50%
2030	17.34	4.90%
2031-2035	21.36	6.00%

As at March 31, 2024	Rs. in Lakhs	%
2024	139.45	37.60%
2025	97.01	26.20%
2026	54.27	14.60%
2027	34.91	9.40%
2028	18.97	5.10%
2029 - 2033	24.40	6.60%

**48.15 Maturity Profile of the Defined Benefit Obligation of Subsidiary and step-down subsidiaries**

As at March 31, 2025	Rs. in Lakhs
2026	34.00
2027	11.00
2028	12.60
2029	5.90
2030	14.80
2031-2035	33.10

As at March 31, 2024	Rs. in Lakhs
2024	31.60
2025	12.00
2026	11.30
2027	12.60
2028	6.10
2029 - 2033	39.10

**49 Revenue from contract with customers**

**49.1 Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

**Type of service rendered**

Revenue from construction services

Revenue from Toll Collection, User fees and Annuity Income

**Total revenue from contracts with customers**

**Place of service rendered**

India

**Total revenue from contracts with customers**

**Timing of revenue recognition**

Services transferred over time

**Total revenue from contracts with customers**

March 31, 2025 (Rs. in Lakhs)	March 31, 2024 (Rs. in Lakhs)
32064.06	131844.34
67244.60	55714.40
<b>99308.66</b>	<b>187558.74</b>
99308.66	187558.74
<b>99308.66</b>	<b>187558.74</b>
99308.66	187558.74
<b>99308.66</b>	<b>187558.74</b>

**49.2 Contract balances**

Contract assets (Unbilled revenue)

Contract liabilities including advances from customers

March 31, 2025 (Rs. in Lakhs)	March 31, 2024 (Rs. in Lakhs)
70241.85	70933.28
1762.13	9237.10

Contract assets are initially recognised for revenue earned from the construction services render to the customer. Upon completion of work, the contract assets are classified as trade receivable.

**49.3 Performance obligation**

Information about the company's performance obligations are summarised below:

**a Construction services**

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Group. The Group received progressive payment toward provision of construction services.

**b Toll and Checkpost operation services**

The performance obligation is satisfied over time as each toll road-user simultaneously receives and consumes the benefits provided by the Group. Given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Group recognises toll revenue when it collects the tolls.

**c Operation and maintenances and project management**

There are contract with step down subsidiaries entities by sadbhav infrastructure projects limited, a subsidiary company for operation & maintenances and project management services. The performance obligation is satisfied over-time and payment is generally due on completion of services i.e. monthly basis.

**d Performance obligations**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of the subsidiaries and step down subsidiaries as at 31 March are, as follows:

	March 31, 2025 (Rs. in Lakhs)	March 31, 2024 (Rs. in Lakhs)
Within one year	16991.33	17430.90
More than one year	2215.40	15602.80

49.4 Reconciliation of the amount of revenue recorded in consolidated statement of Profit and loss is not required as there are no adjustments to the contracted price.

**50 List of Related Parties**

**(a) Related Party with whom Control Exists**

**Joint Arrangement:**

SEL-GKC JV,  
Sadbhav-Annapurna,  
Sadbhav-Vishnushiva,  
Sadbhav Engineering Ltd Vaishnobi Construction,

Corsan Corviam Construction SA - Sadbhav,  
SEL-PIPL, PBA-Sadbhav,  
SEL-SPSCPL Joint Venture

**(b) Key Management Personnel (KMP) - Parent Company :**

Shri Shashinbhai V. Patel (Chairman and Managing Director w.e.f. 17-12-2022)

Shri Jatin Thakkar, (Chief Financial Officer from December 17,2022 to March 14,2023 )  
and (Non Executive Director w.e.f March 15,2023 )

Shri Rohit Modi, (Chief Executive Officer w.e.f. November 21,2022 to February 14,2023)  
and (Group Chief Executive Officer up to October 24,2024)

Shri Dwigesh Joshi, (Chief Financial Officer w.e.f March 15,2023 to April 8,2024 )

Shri Sandip Patel, Non-Executive – Independent Director ( up to 31.07.2024)

Shri Tarang Desai, Non-Executive – Independent Director

Shri Hardik Modi, Company Secretary and Compliance Officer

Shri Ambalal Chhitabhai Patel-Independent Director

Smt Shefali Manojbhai Patel-Independent Director

(c) **Key Management Personnel (KMP) - Subsidiaries and Stepdown Subsidiaries :**

Shri Shashin V. Patel, Director of Subsidiary

Shri Jatin Thakkar, Managing Director in a step down Subsidiary (w.e.f March 15, 2023) and Chief Financial Officer w.e.f March 14, 2023 in Subsidiary

Shri Jignsau Dixit, Director of Subsidiary (w.e.f October 06, 2023)

Shri Mahendrasinh Chavda, Director of Subsidiary

Shri Ravi Kapoor, Director of Subsidiary

Shri Girish Patel, Director of Subsidiary

Shri Purushottambhai Patel, Director of Subsidiary (w.e.f November 18, 2022)

Shri Kalpesh Shah, Director of Subsidiary

Shri Rajat Mondal, Director of Subsidiary (w.e.f December 03, 2022)

Shri Sandip Patel, Independent Director of Subsidiary

Shri Arun Kumar Patel, Independent Director of Subsidiary

Smt. Dakshaben Shah, Independent Director of Subsidiary

Smt. Radhika Raninga, Company Secretary of Subsidiary (upto July 21, 2023)

Shri Rahul Sheth , Company Secretary of Subsidiary

Smt. Shefali Manojbhai Patel, Independent Director and (Additional Director (Appointed w.e.f November 13, 2024)

Ms Sejal Desai, Company Secretary of Subsidiary (w.e.f from July 07, 2023)

Shri Tarang Madhukar Desai, Independent Director

Shri Hitesh Chelani, Chief Financial Officer of Subsidiary

Shri Kaivan Vora, Chief Financial Officer of Subsidiary

Shri Dwigesh Joshi, Non-Executive Director (w.e.f March 15, 2023) (upto April 08, 2024)

Shri Hardik Modi, Company Secretary

Smt Dhrupa Navneetkumar Thakkar ( Company Secretary) Appointed w.e.f August 14, 2024

(d) **Entities in which KMP / relatives of KMP can exercise significant influence /Interest**

Sadbhav Finstock Pvt. Ltd.

Adani Electricity Mumbai Limited (AEML)

\* No transactions during the year

Sadbhav Realty Pvt. Ltd. \*

Adani Road Transport Limited (ARTL)

Transactions	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
<b>Transactions with Related Parties</b>				
Sub contracting Income	442.22			442.22
	(869.14)			(869.14)
Current Borrowings repaid (including intrest)		(1,100.00)		(1,100.00)
Intrest Expenses		3,748.60		3,748.60
		(3,771.80)		(3,771.80)
Availment of Services		2,439.10		2,439.10
		(1,208.40)		(1,208.40)
Remuneration Expenses		750.32		750.32
		(1,048.63)		(1,048.63)
Services Received			(0.67)	(0.67)
			(1.66)	(1.66)
Director Sitting Fees		43.60		43.60
		(34.40)		(34.40)
Unsecured Loan Received		10.00		10.00
		(3,382.39)	(732.55)	(4,114.94)
Unsecured Loan Repaid		10.00		10.00
		-	(73.75)	(73.75)
Mobilization/Material/Machinery Advance Repaid	96.89			96.89
	(337.17)			(337.17)
Security Deposit/Retention Money Deducted by Clients	-			-
	(371.33)			(371.33)
Security Deposit/Retention Money Released by Clients	557.02			557.02
	(117.02)			(117.02)
<b>Outstanding Balances</b>				
Trade Receivables	(247.73)			(247.73)
	(60.26)			(60.26)
Remuneration and Director Sitting fees		54.96		54.96
		(57.65)		(57.65)
Interest Payable		317.30		317.30
		(102.30)		(102.30)
Current Borrowings		37,501.00		37,501.00
		(37,501.00)		-
Advances Given		1,888.00		1,888.00
				-
Mobilization/Material/Machinery Advance Received				-
	(96.89)			(96.89)
Security Deposit/Retention Money Deducted by Clients	9,253.90			9,253.90
	(9,848.79)			(9,848.79)
Unsecured Loan Received		24,543.27	902.99	25,446.26
		(23,521.50)	(903.65)	(24,425.15)

NOTES:



51 Contingent Liabilities and commitments

A Contingent Liabilities - In respect of Parent Company

	March 31, 2025 (Rs. in Lakhs)	March 31, 2024 (Rs. in Lakhs)
a Income tax matters in dispute	5,931.14	11765.01
b Service tax matters in dispute	612.34	612.34
c Value added tax matters in dispute	414.36	414.36
d Customs duty matters in dispute	237.89	237.89
e Goods and Service tax	10,169.84	7,108.58

f Claims against the company not acknowledged as debt

- (i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (P.Y.: Rs. 46.42 Lakhs ) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (P.Y.: Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.20 Lakhs (P.Y.: Rs. 21.20 Lakhs ). The matter is pending before the high Court, Nagpur
- (ii) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of Rs. 11.69 Lakhs (P.Y. : Rs. 11.69 Lakhs ) under Employees Compensation Act, 1923. The matter is currently pending.
- (iii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (P.Y. : Rs. 3.63 Lakhs), the company has filled appeal before the High court of Gujarat. The matter is currently pending.
- (iv) Company has moved to Nagpur High Court for release of penalty amount Rs. 113.45 Lakhs (P.Y. : Rs. 113.45 Lakhs) against the services provided at Junad Mines of WCL. The case is pending.
- (v) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. The Labour Court, dhanbad has given the order in favour of the workers. The company has filled the appeal in Jharkhand High court at Ranchi. The Matter is pending.
- (vi) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding Rs. 187.89 Lakhs with respect to the customs duty on importing Electronic Sensor paver Finisher , which was valued at Rs. 726.77 Lakhs by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12 / 2012, pertaining to exemption from payment of custom duty. Company has filed an appeal before the Commissioner of Customs Customs Commninsincrate - II against the above aforesaid showcause notice and Commissioner had passed order and confirmed the demand and also impose penalty of Rs. 50.00 lakhs. Company has filed appeal before Customs, Excise & Service Tax Appellate Tribunal, Chennai. The matter is pending.
- (vii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of Rs. 8160.00 Lakhs (P.Y. : Rs. 8160.00 Lakhs ) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is Rs. 8160 Lakhs (P.Y. : Rs. 8160.00 Lakhs ). The matter is currently pending.
- (viii) Some of the contractors and suppliers have filed cases before NCLT, Civil Courts and MSME Council claiming the payment of outstanding amount, claims and interest. The Company has made representation/submissions to the respective forums. Based on the legal advice and past out come management believes that in addition to be amount provided in the books of accounts no further amount in form of claims and interest will be payable.
- (ix) The Geology and Mining Department, Government of Gujarat has raised demand of Rs. 18615.51 lakhs, including the penalty of Rs. 5413.02 lakhs in respect of royalty on minerals alleging unauthorized use of minerals by the Company in the earlier years on the ground of non submission of required documents to the Authority. Against this demand Company has deposited amount of Rs. 264.05 lakhs and filed appeal objecting the levy of royalty and is as so in the process of submitting the documents to the authority. The management believes that demand is not sustainable and hence no provision is required in respect thereof.
- (x) Company has received notice of demand of Rs. 13908.87 lakhs from the Mamlatdar Alien Recovery Branch, Ahmedabad, Gujarat dated January 19, 2024 in the matter of pending / disputed payment of royalty / penalty on royalty for quarry lease no. 842, 843 and 844 situated at Tumkur in respect of State Highway (SH-3 & SH 33) from Malavalli to Pavagada project of the Company. Company has filed revision applications with the office of Joint Director, Department of Mining and Geology, Mysore pursuant to the Rule 53 of The Karnataka Minor Mineral Concession Rules, 1994 and amendments thereon from time to time. The same is under the consideration with the respective authorities. The management believes that demand is not sustainable and hence no provision is required in respect thereof.

Note- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities.

The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

**G Guarantees**

Company has given corporate guarantee to banks outstanding amount of which as on March 31, 2025 is Rs. 21841.92 Lakhs (P.Y. Rs. 50927.66 Lakhs ) against the financial assistance given by the banks to subsidiary company and step down subsidiaries.

**B Contingent Liabilities - In respect of Subsidiary and Stepdown Subsidiary Companies**

Contingent Liabilities pertaining to subsidiaries are as below:

**(a) SIPL**

**Claims against the Company not acknowledged as debt: Tax Matters**

Goods and Service Tax Matters in dispute:

a. The Deputy Commissioner of State Tax ( Maharashtra ) has disallowed ITC Claimed for the tax period April 2018 to March 2019 amounting to Rs. 35.90 lakhs and issued a demand notice amounting to Rs. 81.40 lakhs dated November 02,2022 u/s 73 of MGST Act .

b. The Deputy Commissioner of State Tax ( Maharashtra ) has disallowed ITC Claimed for the tax period July 2017 to March 2018 amounting to Rs. 78.50 lakhs and issued a demand notice amounting to Rs. 216.80 lakhs dated April 12,2022 u/s 73 of MGST Act .

c. The Deputy Commissioner of State Tax ( Rajasthan ) has disallowed ITC Claimed, Liability of difference in Tax Rate etc for the tax period July 2017 to March 2018 amounting to Rs. 14.40 lakhs and issued a demand notice amounting to Rs. 29.50 lakhs dated Feb 5,2025 u/s 74 of RGST Act .

d. The Joint Commissioner of State Tax ( Rajasthan ) has disallowed ITC Claimed period April 2021 to March 2022 amounting to Rs. 2.90 lakhs and issued a demand notice amounting to Rs. 5.00 lakhs dated July 12,2023 u/s 73 of RGST Act .

e. The Deputy Commissioner of State Tax ( Uttarakhand ) has disallowed ITC Claimed period March 2019 amounting to Rs. 14.00 lakhs and issued a demand notice amounting to Rs. 26.00 lakhs dated November 22,2022 u/s 73 of UGST Act .

f. The Assistant Commissioner of State Tax ( Telangana ) has disallowed ITC Claimed for the tax period July 2017 to March 2018 amounting to Rs. 20.10 lakhs and issued a demand notice amounting to Rs. 41.60 lakhs dated November 13,2021 u/s 73 of TGST Act .

g. The Deputy Commissioner of State Tax ( Maharashtra ) has disallowed ITC Claimed, Interest on delay filling of Returns etc. for the tax period April 2018 to March 2019 amounting to Rs. 35.90 lakhs and issued a demand notice amounting to Rs. 81.40 lakhs dated November 11,2022 u/s 73 of MGST Act .

h. The Joint Commissioner of State Tax ( Rajasthan ) has disallowed ITC Claimed period April 2018 to March 2019 amounting to Rs. 2.90 lakhs and issued a demand notice amounting to Rs. 5.30 lakhs dated July 12,2023 u/s 73 of RGST Act .

i. The Deputy Commissioner of State Tax ( Rajasthan ) has demand Interest on delay filling of Returns for the tax period April 2019 to March 2020 amounting to Rs. 46.20 lakhs on dated July 30,2024 u/s 74 of RGST Act .

j. The Assistant Commissioner of State Tax (Gujarat) has disallowed ITC Claimed for the tax period April 2018 to March 2019 amounting to Rs. 77.90 lakhs on dated April 24,2024 u/s 73 of SGST Act .

k. Excise and Taxation Officer (Haryana) has disallowed ITC Claimed for the tax period July 2017 to March 2018 amounting to Rs. 16.60 lakhs and issued a demand notice amounting to Rs. 50.10 lakhs dated January 13,2025 u/s 74 of HGST Act .

l. The Deputy Commissioner of State Tax ( Madhya Pradesh ) has demand for non-filling of Returns for the tax period October 2019 amounting to Rs. 91.30 lakhs and issued a demand notice amounting to Rs. 94.50 lakhs dated December 12,2019 u/s 73 of MGST Act .

m. The Additional Commissioner of State Tax (Gujarat) has demand on not discharge liability on service of Corporate guarantee for the tax period July 2017 to March 2018 amounting to Rs. 402.00 lakhs and issued a demand notice amounting to Rs. 804.00 lakhs on dated April 24,2024 u/s 74 of CGST Act .

**Claims against the Company not acknowledged as debt: Other than Tax Matters**

- (i) Suvarna Buildcon Private Limited has filed a commercial case against the company at District and Session Court - Pune. The amount involved is amounting to Rs. 12270.70 lakhs.
- (ii) Gautam Highway Solutions is a Proprietorship Firm providing services for carrying on Routine Services work of Rohtak Panipat section of NH-71 A has filed a commercial suit against the Company for claiming of outstanding amount and interest thereon at District and Session Court - Jhajjar in the state of Haryana. The principal and interest liability claimed by the vendor is Rs. 0.80 lakhs and 51.70 lakhs.
- (iii) Legacy Law Offices is a full service law firm was engaged by the Company has filed a MSME case against the Company towards the recovery of outstanding dues alongwith interest amounting to Rs. 21.40 lakhs at Micro & Small Enterprises Facilitation Council- in the state of Haryana.
- (iv) HCC Infrastructure Company Limited is engaged in business of Construction of Highway, Road , Bridges , Railway etc has filed a Arbitration Application at High Court - Bombay in the state of Maharashtra against the Company for claiming of outstanding amount and interest towards 60% amount received from National Highway Authority of India (NHAI) under restated Share Purchase Agreement amongst the parties. The principal amount has been paid to the HCC. However the Arbitration Proceedings are going on for the Interest Claim of HCC .
- (v) Suvarna Buildcon Private Limited has filed a arbitration application against the company at Pune in the state of Maharashtra. The amount involved is amounting to Rs. 8889.30 lakhs.

Note- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities.

**(b) ARRIL**

**Claims against the company not acknowledged as debt: other than tax matter**

- (i) Aaj Buildcon Private Limited one operational creditor had initiated legal proceeding against the company for recovery of their dues and filed petition before Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench. The Hon'ble Adjudicating Authority, NCLT, Ahmedabad Bench passed the order dated September 27, 2023 to admit the company into Corporate Insolvency Resolution Process. The Company has challenged the said order dated September 27,2023 passed by NCLT before the Hon'ble National Company Law Appellate Tribunal . The Hon'ble National Company Law Appellate Tribunal (NCLAT) vide its order dated October 6, 2023 has stayed the order dated September 27,2023 passed by Hon'ble Adjudicating Authority. As per the order of NCLAT, the Company has deposited Rs 232.10 Lakhs towards the claim amount. Thereafter the Company has entered into Settlement Agreement dated August 14,2024 with the operational creditor according to which the payment is made and case is withdrawn from the NCLAT.
- (ii) The Company has filed an application under the Employee State Insurance Act against the Employee State Insurance (ESI) in Employee State Insurance Court, Ahmedabad for Adhoc Notice issued dated October 28, 2016 issued by the ESI Corporation for the period April 2012 to March 2013 demanding the Net liability of Rs 37.80 Lakhs. The Company had deposited the ESI contribution under protest/with objection before the ESI Court and simultaneously filed the said application against the ESI Corporation. The matter is pending before the Hon'ble ESI Court, Ahmedabad.
- (iii) A previous employee of the Company has filed a case against the Company before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay 20% back wages amounting to Rs 4 lakhs as compensation from June 10, 2009 to till date of reteriment of employee. The Company has Filled appeal before the honourable High court of Gujarat. The matter is currently pending.

**(c) RHTPL**

(i) Sr No.	Name of Party	Case No	Type of Case	Place of filing of case	Amount INR in Lakhs
1	Metro Infrasy Pvt. Ltd - RHTPL*	DL/11/S/NDC/01090	MSME	MSEF Council District (New Delhi)	-
2	Highway Motors vs RHTPL**	CS/1844/2023	Civil Suit	Civil Judge Senior Division Hisar	0.22

Notes: \*As on signing of this Financial statement, no amount is payable.

\*\*The amount involved is Rs 7.30 Lakhs out of which already provided in books is Rs 7.10 Lakhs as on March 31,2025.

- (ii) Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31,2025 is Rs 0.70 Lakhs.
- (iii) Against the Claim of the Company,NHAI has lodged counter claim against company amounting to Rs 36658.00 Lakhs on account of negative scope of works for non completion of Punch List work, damage for failure to take up routine/major/minor maintenance during operation period , maintenace work taken up by NHAI at Risk & Cost of Claimant, recovery of toll collected before purported termination, reimbursement of fees of Independent Engineer along with interest on the same.The Company has submitted its reply on such counter Claims.The Arbitral proceedings for the same are currently ongoing.
- (iv) Income Tax Order passed for A.Y. 2016-17 u/s 147 r.w.s 144B with demand of Rs 38.60 Lakhs & interest thereon and Penalty order u/s 271(1)(C) of Rs 8.80 Lakhs for AY 2016-17. The company has filed rectification for the same

**(d) RPTPL**

March 31, 2025 (INR In Lakhs)	March 31, 2024 (INR In Lakhs)
----------------------------------	----------------------------------

**Claims against the Company not acknowledged as debts**

- |   |          |          |
|---|----------|----------|
| (i) Claim filed by National Highway Authorities of India (NHAI) *   | 2034.50  | 2034.50  |
| (ii) Claim filed by National Highway Authorities of India (NHAI) ** | 62270.00 | 62270.00 |

\* NHAI had lodged claim against subsidiary company on account of negative FRL which was referred to Arbitration. The Majority Award on 31.10.2020 by Tribunal was in favour of NHAI amounting to Rs 2034.00 Lakhs. The interest on delayed payment is awarded at 7.4% simple interest, as on 15/10/2023 works out to Rs 2479.00 Lakhs. The dissenting note by the Minority of the Tribunal had stated to reject the claim of NHAI in favour of subsidiary Company. The subsidiary Company has challenged the said Majority Award under Section 34 before the Delhi High Court, which is sub-judice.

\*\*Against the Claim of the subsidiary Company, NHAI has lodged Counter Claim amounting to Rs 62270.00 Lakhs on account of recovery of negative change of scope,non maintenance of Project Highway, non deposition of Premium, recovery of payment of repair/replacement of damage/faulty equipment, recovery of payment deposited to labour court ,pending payment of electricity bills of highway lighting & toll plaza & non deposit of 50% share of Independent Engineer remuneration to NHAI.The subsidiary company has submitted its reply on such Counter Claims.The Arbitral Proceedings for the same are currently ongoing.

**Below is the list of contingent liabilities against the company as on March 31, 2025**

(iii) Sr No.	Name of Party	Case No	Type of Case	Place of filing of case	Amount (Rs. in Lakhs)
1	Metro Infrasy Pvt. Ltd *	DL/11/S/NDC/01089	MSME	MSEF Council District (New Delhi)	-
2	Riddhi Enterprise	CS SCJ/585/2023	Civil Suit	Senior Civil Judge cum RC THC West Delhi	2.45

\* No amount payable as on the date of signing of this report

- (iv) Income Tax Contingent Liability in relation to outstanding demand as per Traces Protal as on March 31,2025 is Rs 13.60 Lakhs.

**(e) SJRRPL**

- (i) GST Department has issued DRC-7 for FY 2018-19 vide order dated 14.11.2024 for demand of Rs 38.30 Lakhs inclduing penalty.
- (ii) GST Department has issued DRC-7 for FY 2019-20 vide order dated 02.06.2020 for demand of Rs 966.20 Lakhs for penalty.

**(f) SNHL**

- (i) Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31, 2025 is Rs 24.40 Lakhs.
- (ii) GST Department has issued DRC-7 for FY 2018-19 vide order dated 30.03.2024 for demand of Rs 728.70 Lakhs inclduing penalty. The company has filled appeal against the said order on 18.06.2024.
- (iii) GST Department has issued DRC-7 for FY 2020-21 vide order dated 18.01.2025 for demand of Rs 2262.60 Lakhs inclduing penalty. The company has filled appeal against the said order on 17.04.2025 i.e. before the singing of this financials.
- (iv) GST Department has issued DRC-7 for FY 2019-20 vide order dated 29.08.2024 for demand of Rs 2131.40 Lakhs inclduing penalty. The company has filled appeal against the said order.
- (v) GST Department has issued DRC-7 for FY 2018-19 & 2019-20 vide order dated 04.02.2025 for demand of Rs 20312.70 Lakhs inclduing penalty. The company has filled appeal against the said order and received stay order from High court of Nainital.

**(g) SRHL**

- (i) Goods and Service Tax Contingent Liability as on March 31, 2025 is Rs 7.30 Lakhs.
- (ii) Goods and Service Tax Contingent Liability as on March 31, 2025 is Rs 20312.70 Lakhs for FY 2017-18 to FY 2021-22 as per order dt 05.02.2025
- (iii) Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31,2025 is Rs 30.60 Lakhs

- (h) **SISPL**  
Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31, 2025 is Rs 1.40 Lakhs.
- (i) **SMIPL**  
Income Tax Contingent Liability in relation to outstanding demand as per Traces Portal as on March 31, 2025 is Rs 00.01 Lakhs.
- (j) **SBGHPL**  
The subsidiary Company has received an order under section 73(9) of the CGST/KGST Act, 2017 from Dy. Commissioner of Commercial Taxes (Enforcement), Vijaypur for payment of Tax, interest and Penalty for financial year 2018-19 aggregating to Rs 205.10 Lakhs as on April 24, 2024. The subsidiary Company is in process of filing the Appeal against the same within stipulated period of time.
- (k) **SUDHL**  
GST Department has issued DRC-7 for FY 2017-18 vide order dated February 03, 2025 for demand of Rs. 7928. lakhs including penalty. The company has filled appeal against the said order on May 01, 2025( before signing of this consolidated financial statement.)
- (l) **MBCPNL**  
(i) Income Tax Contingent Liability (under Appeal) of Rs 6298.00 Lakhs for AY 2018-19. The matter is pending before CIT(A).  
(ii) GST demand of Rs 62.70 Lakhs for FY 2018-19.

#### C Guarantees

The SIPL has given corporate guarantee to banks for Rs 57775.10 Lakhs (P.Y Rs. 23417.90 Lakhs ) against the finance facility given by the banks to subsidiary companies

Details of Loan given, investment made and guarantee given covered u/s 186 (4) of the Companies Act, 2013  
Corporate guarantee given by the SIPL in respect of loans as at March 31, 2025 and March 31, 2024.

Sr No.	Name of Company	Amount of Corporate Guarantee	As at March 31, 2025	As at March 31, 2024
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
1	Sadbhav Rudrapur Highway Limited	46,724.00	21,297.10	23,417.90
2	Ahmedabad Ring Road Infrastructure Limited	33,400.00	27,478.00	-
3	Sadbhav Gadag Highway Private Limited	28,300.00	9,000.00	-
	<b>Total</b>	<b>1,08,424.00</b>	<b>57,775.10</b>	<b>23,417.90</b>

#### D Capital & other Commitments

The followings are the estimated amount of contractual commitments of the Group:-

Particulars	March 31, 2025	March 31, 2024
(i) Capital Commitments	400.65	9849.12
(ii) EPC Sub-contract & Operation & Maintenance commitments	5,889.90	666.90

The BOT/HAM projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the step down subsidiary companies from the lenders, the Group has executed agreements with respective lenders whereby the Group has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary and step down subsidiary companies, details of which are as follows:

Name of subsidiary & step down Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	As at March 31, 2025	As at March 31, 2024
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%	30.00%	30.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	0.00%	0.00%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Udaipur Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Limited	51.00%	26.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	-	-	-	51.00%
Sadbhav Kim Expressway Private Limited	-	-	-	51.00%
Sadbhav Gadag Highway Private Limited	100.00%	51.00%	99.88%	99.88%
Sadbhav Nainital Highway Limited	51.00%	26.00%	51.00%	51.00%

#### 52 Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

Particulars	Amount (Rs. in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Carrying amount at the beginning of the year	6,268.40	4,917.40
Add: Additional provision made during the year	364.60	646.80
Add: increase during the Year in the discounted amount due to passage of time	814.90	654.90
Less: Amounts used (i.e. incurred and charged against the provision) during the year	(540.10)	-
Add: Change during the year	-	49.30
<b>Sub total</b>	<b>6,907.80</b>	<b>6,268.40</b>
Less: Pertaining to entity held for sale	-	-
<b>Carrying amount at the end of the year</b>	<b>6,907.80</b>	<b>6,268.40</b>
Current	6,907.80	6,268.40
Non-Current	-	-
<b>Total</b>	<b>6,907.80</b>	<b>6,268.40</b>
Year of expected cash outflow	April 01,2025 to March 31,2026	April 01,2024 to December 31,2026



**53 Segment Information:**

The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the Group has considered business as a single operating segment in accordance with Indian Accounting Standard (Ind AS) 108.

**54** There was no impairment Loss on property, plant and equipment on the basis of review carried out by the management in accordance with Ind AS -36 - "Impairment of Assets"

**55 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIS ACT. 2013**

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans taken by subsidiary and step down subsidiaries:-

(Rs. In Lakhs)

Sr. No.	Name of Company	As at March 31, 2025	As at March 31, 2024
1	Ahmedabad Ring Road Infrastructure Co.Ltd.	27,478.00	-
1	Sadbhav Infrastructure Project Ltd.	13515.69	41215.16
2	Sadbhav Udaipur Highway Limited	8326.23	9712.50
4	Sadbhav Rudrapur Highway Limited	21297.10	23417.90
5	Sadbhav Gadag Highway Private Limited	9000.00	-
	<b>Total</b>	<b>79617.02</b>	<b>74345.56</b>

**56 Asset held for Sale**

**(a) Description**

- (i) Sadbhav Infrastructure Projects Limited, a Subsidiary company has entered into definitive share purchase agreement (SPA) with Adani Road Transport Limited (ARTL) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned step down subsidiary of the Company, out of which 49% shares have been acquired by ARTL. Subsequent to March 31, 2024, 51% shares held by the company in MBCPNL will be transferred to ARTL in terms of SPA. subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents ("the Transaction"). Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as assets held for sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.

**(b) Assets and liabilities classified as held for sale**

The following assets and liabilities are classified as held for sale as on March 31, 2025 & March 31, 2024:

Particulars	As at March 31, 2025	As at March 31, 2024
	(Rs in Lakhs)	(Rs in Lakhs)
<b>Non-current assets</b>		
1 Property, plant and equipments	119.20	105.00
2 Right of use asset	32.40	100.10
3 Capital Work in Progress		928.30
4 User fee rights	1,20,771.70	1,26,951.20
5 Intangible Asset under Development	-	-
6 Receivable under Concession Arrangements from NHAI	-	-
7 Financial assets		
(i) Other financial assets	1,020.60	894.40
8 Other non-current assets	1,214.70	1,259.00
<b>Total (A)</b>	<b>1,23,158.60</b>	<b>1,30,238.00</b>
<b>Current assets</b>		
1 Financial assets		
(i) Investments	-	-
(ii) Trade receivables	304.70	25.40
(iii) Cash and cash equivalents	783.10	679.10
(iv) Bank Balances other than (iii) above	5,564.90	5,239.00
(v) Other financial assets	388.50	311.90
2 Current Tax Assets	121.70	-
3 Other current assets	5,833.90	1,888.00
<b>Total (B)</b>	<b>12,996.80</b>	<b>8,143.40</b>
<b>Total assets classified as held for sale (A+B)</b>	<b>1,36,155.40</b>	<b>1,38,381.40</b>
<b>Non-current liabilities</b>		
1 Financial liabilities		
(i) Borrowings	1,09,481.80	1,23,091.20
2 Lease Liabilities	-	33.00
3 Provisions	291.30	258.60
4 Deferred tax liabilities (net)		
<b>Total (A)</b>	<b>1,09,773.10</b>	<b>1,23,382.80</b>
<b>Current liabilities</b>		
1 Financial liabilities		
(i) Borrowings	13,564.30	12,542.30
Lease Liabilities	33.00	71.10
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	105.50	156.60
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,251.20	765.80
(iii) Other financial liabilities	640.10	4,069.60
2 Other current liabilities	777.90	248.40
3 Provisions	44.50	40.60
4 Current tax liabilities (net)	-	-
<b>Total (B)</b>	<b>17,416.60</b>	<b>17,894.40</b>
<b>Total liabilities classified as held for sale (A+B)</b>	<b>1,27,189.70</b>	<b>1,41,277.20</b>

57 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As On March 31, 2025	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
Name of the entity	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit / (loss)	Amount in Lakhs	As % of consolidated OCI	Amount in Lakhs	As % of consolidated TCI	Amount in Lakhs
<b>Parent Company</b>								
SEL	-409.61%	84,770.44	92.67%	(15,354.76)	47.89%	-11.67	92.60%	(15,366.43)
<b>Subsidiary Companies</b>								
<b>Indian</b>								
SIPL	263.54%	(54,540.60)	35.03%	(5,803.64)	52.11%	-12.70	35.05%	(5,816.37)
GADAG	-80.26%	16,611.30	-13.34%	2,210.60		-	-13.32%	2,210.60
<b>Adjustment due to consolidation</b>	342.87%	(70,959.27)	-	-		-		-
<b>Net assets / Profit (Loss) attributable to the owners of the Company</b>	116.54%	(24,118.12)	114.35%	(18,947.80)	100.00%	-24.37	114.33%	(18,972.20)
<b>Non-Controlling Interest in Subsidiaries</b>	-16.54%	3,422.53	-14.35%	2,378.04	0.00%		-14.33%	2,378.04
<b>Consolidated net assets / Profit (Loss)</b>	100.00%	(20,695.59)	100.00%	(16,569.76)	100.00%	(24.37)	100.00%	(16,594.13)

As On March 31, 2024	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
Name of the entity	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit / (loss)	Amount in Lakhs	As % of consolidated OCI	Amount in Lakhs	As % of consolidated TCI	Amount in Lakhs
<b>Parent Company</b>								
SEL	-871.59%	1,00,136.87	33.94%	(26,466.54)	-35.48%	13.04	33.90%	(26,453.50)
<b>Subsidiary Companies</b>								
<b>Indian</b>								
SIPL	493.49%	(56,696.90)	49.17%	(38,346.77)	139.95%	-51.44	49.21%	(38,398.21)
GADAG	-125.06%	14,368.60	-2.31%	1,804.90		-	-2.31%	1,804.90
<b>Adjustment due to consolidation</b>	612.30%	(70,347.45)	0.00%	-		-	0.00%	-
<b>Net assets / Profit (Loss) attributable to the owners of the Company</b>	109.14%	(12,538.88)	80.79%	(63,008.41)	104.47%	(38.40)	80.80%	(63,046.81)
<b>Non-Controlling Interest in Subsidiaries</b>	-9.14%	1,050.09	19.21%	(14,978.43)	-4.47%	1.64	19.20%	(14,976.79)
<b>Consolidated net assets / Profit (Loss)</b>	100.00%	(11,488.99)	100.00%	(77,986.84)	100.00%	(36.76)	100.00%	(78,023.60)

## 58 Financial Instruments Risk management objectives and Policies

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, trade receivables, other receivables including those under service concession, loans and cash and bank balances, which has been directly derived from its operations.

The Group's business activities are exposed to variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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

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

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the Rs. appreciates / depreciates against all currencies by 2%

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

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

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

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

### Interest rate risk

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

The Interest risk arises to the group mainly from non - current borrowings with variable rates. The Group maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The group measures risk through sensitivity analysis.

The banks are now finance at variable rate only, which is the inherent business risk.

### Interest rate sensitivity

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

	Effect on profit before tax	
	March 31, 2025	March 31, 2024
Increase in 25 basis point	(524.02)	(1396.51)
Decrease in 25 basis point	524.02	1396.51

The effect of interest rate changes on future cash flows is excluded from this analysis.

### Price risk

The Group has securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all investment decisions. Such Financial Assets are not impaired as on the reporting date.



#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily receivables from authorities and other financial assets), financing activities including temporary investment in mutual fund and other financial instruments. The management of the group believes that the credit risk related to receivable from authorities are negligible as the same is receivable from the government authorities.

The subsidiaries and step down subsidiaries has significant credit exposure related to receivable from authorities which are as mentioned below:

1. National Highway Authority of India - Rs. 76231.90 lakhs (P.Y. : Rs. 98800.70 lakhs).
2. State Government Authorities - Rs. 4529.80 lakhs (P.Y.: Rs. 1595.10 Lakhs).

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as well as temporary investment in mutual fund as of March 31, 2025 is Rs. 4584.70 lakhs and March 31, 2024 is Rs. 4123.80 lakhs.

#### Liquidity risk

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

The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any Short term cash generated, over and above its working capital management and other operational requirement, is retained as cash and cash equivalents (to the extent required) and any excess is invested in short term mutual fund to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>As at March 31, 2025</b>						
Non-current borrowings#	1,10,165.00		22,128.85	37,476.00	31,688.81	26,159.04
Current borrowings	2,67,513.07	2,67,513.07				
Trade Payables	43,568.66		43,568.66			
Other financial liabilities *	1,22,007.68		1,22,007.68			
<b>Total</b>	<b>5,43,254.41</b>	<b>2,67,513.07</b>	<b>1,87,705.19</b>	<b>37,476.00</b>	<b>31,688.81</b>	<b>26,159.04</b>
<b>As at March 31, 2024</b>						
Non-current borrowings#	1,25,405.67		22,838.49	37,447.40	61,432.15	95,727.94
Loans Repayable on Demand	2,47,953.93	2,47,953.93				
Trade Payables	40,974.92		40,974.92			
Other financial liabilities *	1,36,111.90		1,38,508.17		4,146.23	-
<b>Total</b>	<b>5,50,446.42</b>	<b>2,47,953.93</b>	<b>2,02,321.58</b>	<b>37,447.40</b>	<b>65,578.38</b>	<b>95,727.94</b>

# Current maturities of Non-current borrowings is included and transaction cost paid to lender on upfront basis excluded from above Non Current borrowing .

\* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis and Security Deposit and Retention Money is excluded from above other financial liabilities

#### 59 Capital Management

For the purpose of the Group's capital management, Capital consist of share capital, Securities Premium, Other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

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

**60 Disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ('SCA')**

**(A) Disclosures with regard to toll collection rights (intangible assets)**

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date (in years)
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	1.75 years
2	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	8.51 years
3	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	(Refer note (iii) below)
4	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	(Refer note (iii) below)

**Notes:**

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government

- (i) Authorities:-  
a. Rights to use the Specified assets  
b. Obligations to provide or rights to expect provision of services  
c. Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.
- (iii) In case Rohtak Hissar Tollway Private Limited (RHTPL) and Rohtak Panipat Tollway Private Limited (RPTPL), the respective subsidiaries has submitted the termination notice with NHA1 on August 27, 2021 and July 27, 2021 respectively.

**(B) Disclosures with regard to Annuity project / Hybrid annuity model ('HAM') project**

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements":

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of commercial operation	Scheduled construction completion date under the concession agreement	Revised construction completion date based on extension claimed/ received (refer note (v))
1	Sadbhav Rudrapur Highway Limited	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019	Refer Note No 65
2	Sadbhav Bangalore Highway Private Limited	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019	Refer Note No 66
3	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020	Refer Note No 69
4	Sadbhav Nainital Highway Limited	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019	Refer Note No 62
5	Sadbhav Udaipur Highway Limited	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019	Refer Note No 62
6	Sadbhav Vidarbha Highway Limited	May 21, 2018	November 15, 2035	15 years from COD	May 15, 2021	Refer Note No 62
7	Sadbhav Kim Highway Limited	November 01, 2019	October 27, 2036	15 years from COD	October 31, 2021	Refer Note No 62
8	Sadbhav Gadag Highway Private Limited	March 12, 2020	March 12, 2022	7 years from COD	June 10, 2022	(Refer note (v) below)

**Notes:**

In HAM projects, revenue is received / receivable as under:

- (i) 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- (ii) The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- (iii) Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.
- (iv) In case of three subsidiaries viz., Sadbhav Bhimasar Bhuj Highway Private Limited, Sadbhav Tumkur Highway Private Limited and Sadbhav Vizag Expressway Private Limited, due to non availability of required 80% right of way (ROW) by NHA1 within stipulated time period, the Concession Agreement executed with NHA1 has been terminated with mutual consent via supplementary agreements.
- (v) The Company has received provisional completion certificate (PCOD) with effect from February 23, 2025 vide letter No. LASA/MUM/IE/KSHIP-III-73653/2025/4793 dated April 24, 2025 from the Independent Engineer.

(Rs. in Lakhs)

- 61 Contract Assets of Rs. 35019.32 lakhs and other non current financial assets of Rs. 14789.09 outstanding as at March 31, 2025 which represents various claims raised on the Clients based on the terms and conditions implicit in the Engineering, Procurement & Construction Contracts/Mining Contract in respect of closed / suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of works, client caused delays, changes in the scope of work, deviation in design and other factors for which Company is at various stages of negotiation/ discussion with the clients or under Arbitration/ litigation. On the basis of the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations/ legal opinions, the Management is of the view that these receivables are recoverable.

The statutory auditors have expressed qualified opinion on financial results for the quarter and year ended March 31, 2025 in respect of above Contract Assets of Rs. 35019.32 lakhs.

## 62 Exceptional items include:

(Rs. In Lakhs)

Particulars	Year ended on	
	March 31, 2025	March 31, 2024
Loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL) for the half year ended on September 30, 2022.	-	339.60
(Profit)/ Loss on account of the sale of assets.	(1537.98)	1,311
Provision of impairment on investment in Sadbhav Bhavnagar Highway Limited (Refer Note 62.1)	-	1,773.40
Loss on Sale of Stake in Sadbhav Una Highway Limited (Refer Note 62.1)	-	1,410.00
Loss on substitution of concession of Sadbhav Vidarbha Highway Limited (Including provision of Impairment of Rs. 2579.90 lakhs) (Refer Note 62.2)	-	4,560.84
Loss on Settlement of dues from Indinfravit Trust (Refer Note 62.3)	-	8,394.00
Loss on account of Substitution of concession agreement of Sadbhav Nainital Highway Limited (Refer Note No 62.4)	-	1,844.76
Provision for Impairment of Contract Assets	-	4,322.00
Provision for impairment in carrying value of shares of Sadbhav Hybrid Annuity Projects Limited	-	(70.5000)
Loss on substitution of concession of Sadbhav Kim Expressway Private Limited (incl Provision of Impairment of Rs. 8538.10 lakhs) (Refer Note 62.5)	-	9,396.56
Amount written back on account of Amended Supplementary Debenture Trust Deed of the Sadbhav Infrastructure Project Limited (Refer Note 62.6)	(5023.00)	-
Amount written back on account of settlement of outstanding dues of the debenture holder of the Company	(1006.05)	-
Impairment in carrying value of sub-debt of the company by Sadbhav Maintenance Infrastructure Private Limited (Refer Note 62.7)	(330.50)	-
Provision for impairment in carrying value of subordinate debt of Sadbhav Udaipur Highway Limited (Refer Note 62.8)	10,000.00	-
<b>Total Exceptional items - Loss</b>	<b>2102.47</b>	<b>33282.01</b>

- 62.1 Pursuant to sell of entire share holding in Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) to Kalthia Engineering and Construction Limited at aggregate consideration of Rs. 17500 lakhs in terms of Memorandum of Understanding (MOU) and Share Purchase Agreement (SPA), the Company had made provision for impairment amounting to Rs. 978.80 lakhs in carrying value of investment during previous year ended March 31, 2023. Further all the balances outstanding relating to SBHL and SUHL in the books of the Company, have been written off / written back and net amount of Rs. 3183.40 lakhs is disclosed as exceptional item in these financial statements for the year ended March 31, 2024.
- 62.2 Pursuant to the definitive agreement, dated August 16, 2023 entered into between the Company, one of the step down subsidiaries of the Group namely Sadbhav Vidarbha Highway Limited (SVHL or concessionaire), Sadbhav Infrastructure Project Limited (SIPL), Gawar Construction Limited (GCL) and Gawar Waranga Highways Private Limited (Nominated SPV or new concessionaire), for substitution of concession of SVHL with the nominated SPV by GCL and execution of Endorsement Agreement between SVHL, Nominated SPV and senior lenders dated October 6, 2023 with the approval of National Highways Authority of India (NHAI) for implementation of the project by new concessionaire in substitution of SVHL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of SVHL are transferred to the new concessionaire. Consequently, provision for impairment in carrying value of investment in shares of the SVHL amounting to Rs. 2579.90 lakhs has been made and the balances outstanding/ receivable amounting to Rs. 1980.94 lakhs for the quarter and year ended March 31, 2024 has been written off and shown as exceptional items in the financial statements for the year ended March 31, 2024.
- 62.3 During the year ended on March 31, 2024 the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary had signed Memorandum of Understanding (MOU) with Indinfravit Trust for settlement of pending obligation under routine road and major maintenance agreements in respect of SPVs sold to it. In terms of this MOU all the balances and part of the investment in units of the Trust have been adjusted and the net differences of Rs. 8394.00 lakhs is disclosed as an exceptional item in the financial statements for the year ended March 31, 2024.
- 62.4 SIPL has investments of Rs. 100.00 lakhs and other receivables of Rs. 5.00 lakhs in one of its subsidiary namely Sadbhav Nainital Highway Limited (SNHL or concessionaire), which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI). NHAI at the request of the SNHL vide its letter dated April 17, 2023, has approved harmonious substitution of concessionaire. Thereafter the SNHL executed Endorsement Agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the SNHL as concessionaire in favour of new concessionaire for implementation of the project and also entered into Definitive Agreement on August 01, 2023. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of SNHL are transferred to the new concessionaire for substitution of the SNHL in consideration of Rs. 9000.0 lakhs. Accordingly SNHL has written off / written back the balances in its books of accounts in respect of its project and shown as an exceptional item. Considering above, financial statements of SNHL are prepared on non Going Concern Basis. Consequently, provision for impairment in carrying value of investment in shares of the SNHL amounting to Rs. 100.00 lakhs has been made in the financial statements for the year ended March 31, 2024.
- 62.5 Sadbhav Kim Expressway Private Limited, (SKEPL) one of the step down subsidiary of the group is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI). SKEPL requested the NHAI & Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the SKEPL. NHAI vide its letter dt November 03, 2022, conveyed its "InPrinciple" approval for substitution of SKEPL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions and final approval from the NHAI ("InPrinciple Approval"). The SKEPL has entered into definitive agreement on October 17, 2023 for substitution of the concessionaire with the new SPV nominated by new concessionaire and also executed Endorsement Agreement dated January 23, 2024 for harmonious substitution of SKEPL in favour of new concessionaire for implementation of the project. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SKEPL are transferred to the new concessionaire. Consequently, provision for impairment in carrying value of investment in shares of the SKEPL amounting to Rs. 8538.10 lakhs has been made and the balances related to project outstanding in the books of SKEPL are adjusted towards the consideration receivable from the new concessionaire. The net difference of Rs. 858.40 lakhs disclosed as an Exceptional item as loss on endorsement for Harmonious substitution of the Concessionaire in the financial statements for the year ended March 31, 2024.
- 62.6 As per the amended and restated Supplementary Debenture Trust Deed dated August 28, 2024 the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary has written back

the finance cost to the extent amounting to Rs 5023.00 lakhs during the year ended March 31, 2025 and shown under exceptional items in these consolidated financial results.

- 62.7 In case of Sadbhav Maintenance Infrastructure Private Limited (SMIPL), one of the step down subsidiary of the Group which is a non-operational entity and has not been generating any revenue. In view of the subsidiary's continued non-operational status and lack of revenue-generating capacity, the Company has already written off the said sub-debt in earlier financial years. During the year ended March 31, 2025, SMIPL has also write back for the outstanding subordinated debt of Rs. 330.50 lakhs in its financial statements, reflecting the uncertainty over its ability to repay the obligation.
- 62.8 In case of Sadbhav Udaipur Highway Limited (SUDHL or concessionaire), a step down subsidiary of the group which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the project work has been completed and the subsidiary has received the Commercial Operation Date (COD) from NHAI dated July 19, 2024. However SUDHL has requested the NHAI & Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative to give its consent for allowing harmonious substitution of the SUDHL. The NHAI vide its letter dt December 27, 2023, conveyed its "InPrinciple" approval for substitution of Original Concessionaire with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions and final approval from the NHAI. Since the conditions precedent to the harmonious substitution are under compliance, no adjustment to the carrying value of assets and liabilities related to this project have been made in these consolidated financial results, for which the statutory auditors of SUDHL have expressed qualified opinion of the financial statements for the year ended March 31, 2025 and March 31, 2024. The SIPL has entered into Definitive agreement dated March 12, 2025 with Gawar Construction Limited during the quarter ended March 31, 2025 for harmonious substitution of the project. The Final approval of the NHAI is still pending. However the Company has provided for Rs. 10000 lakhs in the books of accounts and disclosed as an exceptional item in the audited consolidated financial results for the quarter and year ended March 31, 2025.
- 63 One of the step down subsidiary of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the Company has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis. The management of RPTPL has lodged a total claim amounting to Rs. 193792 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid 19. The NHAI had lodged its counter Claims amounting to Rs. 62270 lakhs. The Company has submitted its reply on such counter claims. The Arbitral proceedings for the same are completed and the Arbitral Award is declared on 23.01.2025 unanimously, except for Counter Claim of NHAI regarding Premium that one Ld. Arbitrator has rejected it completely. As on the date of the said Majority award, the net awarded amount after deducting all dues of NHAI including Premium works out to Rs. 108054.50 lakhs (principal of Rs. 77963.10 lakhs and interest of Rs. 30091.40 lakhs). The Arbitration matter of Competing Road was referred to Arbitration. In the said matter, the majority award was passed on May 30, 2023 in favour of NHAI setting aside claims of Company and Minority Award dated 05.06.2023 in favour of Company amounting to Rs. 85098 lakhs. The Company has challenged the Majority Award dated 30.05.2023 and filed a petition under Section 34 of Arbitration & Conciliation Act 1996 before the Hon'ble Delhi High Court to set aside the Majority Award dated 30.05.2023. The same is sub-judice before Hon'ble Delhi High Court. The dispute of Claim for Additional Cost on account of ban of quarrying of stone and loss of Toll collection due to delayed issuance of Provisional Certificate was referred to Arbitration. A unanimous Award dated 06.10.2017 by Arbitral Tribunal was awarded in favour of Company amounting to Rs. 89020 lakhs (amount inclusive of costs & interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. The Delhi High Court in its Judgment dated 16.02.2023, the value of award payable by NHAI to RPTPL as on 15.10.2023 works out to Rs. 12119 lakhs. NHAI had challenged the said award under Section 37 before Division Bench of Delhi High Court. The said matter is now withdrawn by NHAI on account of ongoing Vivad se Vishwas II settlement proposal. NHAI had claimed on RPTPL a claim on account of negative FRL which was referred to Arbitration. The Majority Award on 31.10.2020 by Tribunal was in favour of NHAI amounting to Rs. 2034 lakhs. The interest on delayed payment is awarded at 7.4% simple interest, as on 15.10.2023 works out to Rs. 2479 lakhs. The dissenting note by the Minority of the Tribunal had stated to reject the claim of NHAI. The Company has challenged the said Majority Award under Section 34 before the Delhi High Court, which is sub-judice. The Company had challenged the said Majority Award under Section 34 before the Delhi High Court. The Arbitration Award dated 06.10.2017 and Arbitration Award dated 31.10.2020 has been settled through Settlement Agreement dated 20.03.2025 under Vivad se Vishwas II Scheme of Govt. of India for the net settlement amount of about Rs. 6500 lakhs. Also, RPTPL has received intimation letter dated April 08, 2024 from National Asset Reconstruction Company Limited (NARCL) intimating that the deed of assignment dated March 22, 2024 under the provisions of Section 5 of the SARFASI Act, the consortium of lenders except one lender have assigned/ transferred the outstanding debt /financial assets alongwith underline securities interest, pledged of shares, guarantees, receivables etc charge for such financial assistance granted to RPTPL in favour of NARCL and NARCL acting in its capacity as trustee of NARCL Trust. During the quarter ended March 31, 2023, RPTPL has reversed interest of Rs. 10269.40 lakhs provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non Performing Assets. During the year ended March 31, 2025 and March 31, 2024, RPTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RPTPL has classified borrowing as NPA and financial statements are prepared on non going concern basis, for which the statutory auditors of RPTPL have expressed qualified opinion on financial statements in this regards.
- 64 One of the step down subsidiary of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the Company has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis. In this regard the management of RHTPL has lodged total claim amounting to Rs. 192871 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid19. The NHAI had lodged its Counter Claims amounting to Rs. 3,6658 lakhs. The Company had submitted its reply on such counter claims. The Arbitral proceedings for the same are currently ongoing. The current stage of arbitral proceeding is of Arguments which are ongoing. Also, RHTPL has received intimation letter dated April 08, 2024 from National Asset Reconstruction Company Limited (NARCL) intimating that the deed of assignment dated March 22, 2024 under the provisions of Section 5 of the SARFASI Act, the consortium of lenders have assigned/ transferred the outstanding debt /financial assets alongwith underline securities interest, pledged of shares, guarantees, receivables etc charge for such financial assistance granted to RHTPL in favour of NARCL and NARCL acting in its capacity as trustee of NARCL Trust. During the quarter ended on March 31, 2023, RHTPL has reversed interest of Rs. 12280.90 lakhs provided during the earlier period considering the fact that the project of RHTPL has been terminated and lenders have classified loans as Non Performing Assets (NPA). During the year ended March 31, 2025 and March 31, 2024, RHTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RHTPL has classified borrowing as NPA and financial statements are prepared on non going concern basis, for which the statutory auditors of RHTPL have expressed qualified opinion on the financial statements in this regards.
- 65 Sadbhav Rudrapur Highway Limited (SRHL or concessionaire), one of step down subsidiary of the group which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authority of India (NHAI). There is delay in approval of Estimates for Shifting of Utilities, delay in approval of the GAD of ROB from Railway Department and non-availability of land for Construction of ROB, delay in approval of Change of Scope Works, delay due to Force Majeure Event of COVID-19, etc. SRHL has requested the NHAI & Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S RKCIPL-ARCPL (JV) (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the company.



In this regards subsequent to discussions and deliberation with Authority, the Company has also invoked through Conciliation Committees of Independent Experts (CCIEs) to resolve the said issues. After the recommendation of CCIE committed and deliberate discussion with the SRHL, the NHAI has descope the balance EPC work and consider the completion of project with descoping. In view of the pending final approval from NHAI and the uncertainty surrounding the successful execution of the proposed harmonious substitution, including fulfillment of the stipulated conditions precedent, no adjustments to the carrying value of investments (including subordinate debts and receivables) in audited standalone financial results for the year ended March 31, 2025.

In order to resolve the Project related issue, the Concessionaire proposed to harmoniously substitute the Concessionaire with a new SPV to be incorporated by M/s RKCPL-ARCP (JV) in the interest of Project. During the quarter and year ended March 31, 2024, the NHAI vide its letter dated January 16, 2024, conveyed its "InPrinciple" approval for substitution of SRHL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions through harmonious substitution and subject to final approval from the Authority ("Authority InPrinciple Approval"). The Authority has issued an in-principle approval for such Harmonious Substitution with the terms and conditions stated therein. The Company has received advance of Rs. 200 Lakhs from the prospective buyer against the said project. However the final approval of NHAI is pending, hence the said amount received of Rs. 200 Lakhs is shown as "Other current liabilities" in audited consolidated financial results for the year ended March 31, 2025.

- 66 In case of one of the step down subsidiary of the group namely Sadbhav Bangalore Highway Private Limited (SBGHPL), the lenders of the step down subsidiary Company; State Bank of India (SBI) and Bank of India (BOI) have filed a Case No.: OA/422/2023 before the Hon'ble Debts Recovery Tribunal, Ahmedabad (DRT) against SBGHPL and others for recovery of Rs. 11125.50 lakhs being balance outstanding amount as defined in the Definitive Agreement dated 13.02.2023 under the provisions of the Debt Recovery Tribunal (Procedure) Rules, 1993. SBGHPL and others have filed its written submission for challenging the petition filed before Hon'ble DRT. The said matter is sub-judice before the Hon'ble DRT.

The management believes that the claim is not tenable and consequently no provision is required in respect of this.

- 67 Maharashtra Border Check Post Network Limited (MBCPNL) one of the step down subsidiary, has accepted and accounted certain project related cost variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project including 2 additional check post (BCP Project). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to March 31, 2025 is Rs. 22288.40 lakhs (March 31, 2024 Rs. 22288.40 lakhs). The costs has been accounted as intangible asset/ intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited (the Project Authority) which is monitoring the project progress and the lender's Independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM. During the FY 2024-25, there has been no further progress on the approval of the cost variation claims.

- 68 The Group is finding difficulties for meeting its payment obligations to suppliers and statutory authorities in the normal course of business. Additionally, there have been delays and defaults in loan repayments. Due to these financial difficulties, the consortium of lenders—except for one—signed an Inter Creditor Agreement on December 26, 2022. As a result, the Company's account has been classified as a Non-Performing Asset (NPA) by most lenders. Furthermore, one lender has filed an application with the National Company Law Tribunal (NCLT) under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking to initiate insolvency proceedings. These factors raise concerns about the Company's ability to continue as a going concern.

In this regard, the management has submitted a Restructuring Plan to the consortium of lenders. The plan includes monetization of HAM and other assets, infusion of funds by promoters, cash flows from the Gadag Project, receipt of claim amounts from the settlement of the arbitration award, ongoing arbitration and dispute settlements, collection of receivables, and refinancing or stake sale of operational projects as well as restructuring the Company's outstanding lender dues.

As part of its business strategy, the management has successfully monetized HAM projects, leading to a significant reduction in group debt, vendor liabilities, and non-funded exposures of consortium member banks.

In the Ongoing Restructuring Plan, the Company has submitted Techno Economic Viability report to the Consortium of Lenders which states that Company would be technically and financially viable as per the Proposed Restructuring Plan. Moreover, the lenders have appointed credit rating agencies, CRISIL and ICRA, which have assigned an RP 4 rating to the Company's debt restructuring plan which states that Debt facilities/instruments with this symbol are considered to have moderate degree of safety regarding timely servicing of financial obligations. The resolution plan is at advance stage for consideration by lenders.

Considering the anticipated approval of the resolution plan by lenders, expected realization of receivables, proceeds from asset monetization, proposed fund infusion by promoter and growth potential in the infrastructure sector, the management is confident in the Company's ability to resume operations and generate incremental cash flows in foreseeable future

Having regard to above, the management believes there is no threat to the going concern assumption in the preparation of the financial results for the quarter and year ending March 31, 2025.

- 69 GST tax credit receivables amounting to Rs. 16050.10 lakhs are included in the consolidated books of accounts as at March 31, 2025 in respect of following subsidiaries. The management of the Group is evaluating various option for utilising above mention tax credits and is confident about the utilization of the credit. The statutory auditors of respective step down subsidiary Companies have expressed qualified opinion on the financial results for the quarter and year ended March 31, 2025 vide their independent audit report dated as mentioned below:

Name of step down Subsidiary Company	GST Tax Credit Receivables (Rs.)	Date of Audit Report
Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,521.20	23.05.2025
Sadbhav Bangalore Highway Private Limited (SBGHPL)	4,206.50	23.05.2025
Sadbhav Vidarbha Highway Limited (SVHL)	5,047.10	23.05.2025
Sadbhav Nainital Highway Limited (SNHL)	1,185.70	23.05.2025
Sadbhav Kim Expressway Private Limited (SKEPL)	4,089.60	23.05.2025
Total	16,050.10	

- 70 a. Other expenses for the year ended March 31, 2024 include (i) Rs. 28580.08 lakhs lakhs being amount written off in respects of contract assets considered as irrecoverable due to substitution of the HAM and one of the EPC project project, (ii) allowance for credit loss of Rs. 3362.49 lakhs for the year ended March 31, 2024.

b. Company reviews balances outstanding in the accounts of trade receivable, advance to vendors and security & other deposits receivable and payable that have been outstanding for an extended period and are unlikely to be received and paid. The Company applies the prudence concept and have written off/provided as expenses amounting to Rs. 10562.07 lakhs during the year ended March 31, 2024.

- 71 In connection with the Ahmedabad Dholera Project, which was awarded to the Company by the National Highways Authority of India (NHAI) and divided into two packages, the Company subcontracted a portion of the work to Gawar Constructions Limited (GCL). The Company and GCL have made significant progress, successfully completed approximately 76% of Package-I and 65% of Package-II. For the remaining work, the Company requested NHAI's approval to fully subcontract work to GCL.

However, on July 12, 2024, NHAI issued termination notice, invoking all of SEL's bank guarantees without providing the contractually required cure period or prior notice. Company contends that the termination notice is unjustified, lacks adherence to basic principles of natural justice. In lieu of this, Both Parties moved this matter to Conciliation Committee of Independent Experts wherein both parties have now signed settlement Agreement to make good of loss amount due to this action.

- 72 a. The Board of Directors of the Company at its meeting held on August 14, 2024 approved Employee Stock Option for issuance of equity shares of the Company in one or more tranches, to the eligible employees of the Company and/or its Subsidiary Companies under Sadbhav Engineering Limited Employee Stock Option -2024. Further shareholders of the Company in its Meeting held on September 30, 2024 has approved the scheme. Company has received In-principle approval from National Stock Exchange of India Limited and BSE Limited on February 7, 2025 and February 10, 2025 respectively.
- b. The Nomination and Remuneration Committee of the Board of Directors of the Sadbhav Infrastructure Project Limited, a subsidiary at its meeting held on 12th August, 2024 approved Employee Stock Options to the eligible employees of the Company and its Subsidiary Companies and Holding Company under Sadbhav Infrastructure Project Limited Employee Stock Option Plan-2024. The said scheme was subsequently approved by the shareholders at the Annual General Meeting held on September 30, 2024. However, as of March 31, 2025, no stock options have been granted under the said Plan.
- 73 a. One of the subsidiary Company namely Sadbhav Gadag Highway Private Limited has issued the NCD during the quarter ended December 31, 2024 amounting to Rs. 9000.00 lakhs, the listed Non-Convertible debentures are secured by first ranking pari passu charge by way of deed of hypothecation, pledge of shares and mortgage of properties in favour of the Debenture Trustee.
- b. One of the stepdown subsidiary Company namely Ahmedabad Ring Road Infrastructure Limited has issued the NCD during the quarter ended September 30, 2024 amounting to Rs. 33,400 lakhs, the listed Non-Convertible debentures are secured by first ranking pari passu charge by way of deed of hypothecation, pledge of shares and mortgage of properties in favour of the Debenture Trustee.
- 74 (a) During the period ended September 30, 2024, two operational creditors initiated legal proceedings against the Company for the recovery of outstanding dues and filed petitions before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench. The Hon'ble NCLT issued an order admitting the Company into the Corporate Insolvency Resolution Process (CIRP). The Company challenged both orders before the Hon'ble National Company Law Appellate Tribunal (NCLAT). The Hon'ble NCLAT, thereafter, set aside the NCLT's decision. Consequently, the Company is not currently under CIRP. The Company has settled the claims of both operational creditors.
- (b) In case of Ahmedabad Ring Road Infrastructure Ltd (ARRIL), a stepdown subsidiary of the group, one operational creditor had initiated legal proceeding against ARRIL for recovery of their dues and filed petition before Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench. The Hon'ble Adjudicating Authority, NCLT, Ahmedabad Bench passed the order dated 27.9.2023 to admit the ARRIL into Corporate Insolvency Resolution Process. ARRIL challenged the said order dated 27.9.2023 passed by NCLT before the Hon'ble National Company Law Appellate Tribunal. The Hon'ble National Company Law Appellate Tribunal (NCLAT) vide its order dated 06.10.2023 has stayed the order dated 06.10.2023 passed by Hon'ble Adjudicating Authority. As per the order of NCLAT, ARRIL has deposited INR 23.2 Millions towards the claim amount. Thereafter the company has entered into Settlement Agreement dated August 14, 2024 with the operational creditor according to which the payment is made and case is withdrawn from the NCLAT.
- 75 The Group Company uses an accounting software equipped with an audit trail (edit log) feature, which has been consistently operational throughout the year for all relevant transactions recorded within the system. However, this audit trail feature does not extend to certain direct modifications made at the database level. To address this, the Company has implemented stringent controls over such modifications, ensuring no instances of tampering or unauthorized changes to the audit trail feature have occurred in relation to the accounting software.
- 76 All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.
- 77 Previous year figures have been regrouped/rearranged wherever necessary, to facilitate comparability with current year's classification.

**For and on behalf of Board of Directors,**

**Shashin V. Patel**  
Chairman and Managing Director  
DIN : 00048328

**Jatin Thakkar**  
Non Executive Director  
DIN : 09312406

**Hardik Modi**  
Company Secretary  
Membership No. F9193

As per our Audit Report of even date attached

**For Manubhai & Shah LLP**  
Chartered Accountants  
Firm Regn. No. :: 106041W/W100136

**Devansh Gandhi**  
Partner  
Membership No. :: 129255

Place: Ahmedabad  
Date : May 29, 2025