

**Ref: SEL/2024-25/042**  
**May 21, 2024**

To,  
The Dy. Gen Manager  
Corporate Relationship Dept.  
BSE Limited  
PJ Tower, Dalal Street,  
Mumbai- 400 001

National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Fax : 022-26598237-38

**Equity Scrip Code:532710**

**Equity Scrip Name: SADBHAV**

**Sub: Outcome of the Meeting of the Board of Directors of the Company held on 21<sup>st</sup> May,2024 and submission of Audited Financial Results of the Company for the quarter and year ended on 31<sup>st</sup> March, 2024.**

With reference to above, we hereby inform that meeting of Board of Directors of the Company was held today (i.e. 21/05/2024), in which Board has approved and adopted the standalone and consolidated Audited Financial Results of the Company for the Quarter and year ended 31<sup>st</sup> March, 2024.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the following:

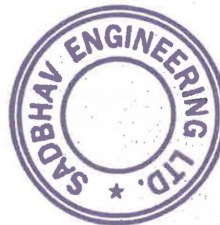
- Standalone and consolidated Audited Financial Results of the Company for quarter and year ended on 31<sup>st</sup> March, 2024.
- Auditors' Report on standalone and consolidated Audited Financial Results.

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 31<sup>st</sup> March, 2024. A statement on impact of Audit Qualifications (in respect of modified opinion on Standalone and consolidated Audited Financial Result) is enclosed herewith.

The meeting of Board of Directors commenced at 8.50 p.m. and concluded at 11:55 p.m. You are requested to take the above on your record.

Thanking You,  
Yours Faithfully,  
**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
**Chairman and Managing Director**  
**DIN: 00048428**



**Sadbhav Engineering Limited**

Regd Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

SADBHAV ENGINEERING LIMITED  
CIN NO.: L45400GJ1988PLC011322

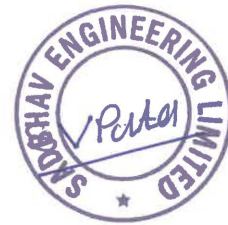
Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat

Tel:-9179 40400400, F:- 9179 40400444, Email:- selinfo@sadbhav.co.in, Website:-www.sadbhaveng.com

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

(Rs. in Lakhs, except for earning per share)

	Particulars	Quarter ended			Year ended	
		March 31,2024 (Audited)	December 31,2023 (Unaudited)	March 31,2023 (Audited)	March 31,2024 (Audited)	March 31,2023 (Audited)
	<b>Income</b>					
1	Revenue from operations	27,506.36	11,470.16	19,455.48	1,01,343.51	88,917.28
2	Other income	876.96	1,265.94	10,919.54	6,402.55	16,498.71
3	<b>Total Income (1+2)</b>	<b>28,383.32</b>	<b>12,736.10</b>	<b>30,375.02</b>	<b>1,07,746.06</b>	<b>1,05,415.99</b>
4	<b>Expenses</b>					
	Cost of Material Consumed	1,432.21	93.47	2,732.01	2,432.72	12,293.84
	Construction Expenses	22,065.87	11,139.42	19,346.37	75,681.21	63,595.46
	Employee benefits expense	832.09	824.04	801.13	2,930.58	3,687.39
	Finance costs	4,139.29	4,549.07	4,207.04	17,070.96	16,491.77
	Depreciation and amortization expense	536.38	608.43	937.43	2,601.17	4,446.99
	Other expenses (Refer note no. 6 )	17,694.53	1,918.35	27,461.36	31,878.02	36,796.23
	<b>Total Expenses</b>	<b>46,700.37</b>	<b>19,132.78</b>	<b>55,485.34</b>	<b>1,32,594.66</b>	<b>1,37,311.68</b>
5	<b>(Loss) before exceptional Items and tax (3-4)</b>	<b>(18,317.05)</b>	<b>(6,396.68)</b>	<b>(25,110.32)</b>	<b>(24,848.60)</b>	<b>(31,895.69)</b>
6	Exceptional Items (Refer Note no. 3)	(2,230.51)	206.75	(1,284.72)	(1,311.35)	(2,490.66)
7	<b>(Loss) before tax (5+6)</b>	<b>(20,547.56)</b>	<b>(6,189.93)</b>	<b>(26,395.04)</b>	<b>(26,159.95)</b>	<b>(34,386.35)</b>
8	Tax Expense (incl. short/excess provision of earlier year(s))	-	(171.62)	446.12	306.58	157.32
	Deferred Tax	(477.73)	162.01	67.44	-	104.71
9	<b>(Loss) for the period from continuing operations (7-8)</b>	<b>(20,069.83)</b>	<b>(6,180.32)</b>	<b>(26,908.60)</b>	<b>(26,466.53)</b>	<b>(34,648.38)</b>
10	<b>Other Comprehensive Income (OCI)</b>					
	Items that will not be reclassified to profit or loss (Net of tax)	17.75	-	24.08	13.04	27.71
11	<b>Total Comprehensive Income for the period / year (9+10)</b>	<b>(20,052.08)</b>	<b>(6,180.32)</b>	<b>(26,884.52)</b>	<b>(26,453.49)</b>	<b>(34,620.67)</b>
12	Paid up Equity share Capital (face value of Re. 1/- each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
13	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	98421.16	106516.11
14	Basic & Diluted EPS (Rs.) (Face value of Re. 1/- each) (*not annualized)	-11.7*	-3.6*	-15.68*	-15.43*	-20.19*



**Sadbhav Engineering Limited**

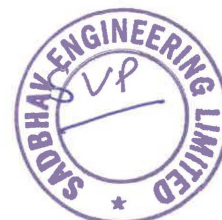
Regd Office : "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380006.

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STATEMENT OF ASSETS AND LIABILITIES - STANDALONE

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>		
<b>Non-current Assets</b>		
(a) Property, Plant and Equipment	4271.24	12824.65
(b) Capital Work in Progress	422.67	376.91
(c) Right to use Assets	127.27	-
(d) Intangible Assets	39.96	41.22
(e) Financial Assets		
(i) Investments	59071.88	57635.33
(ii) Trade receivable	2995.91	831.43
(iii) Loans	6565.46	5914.82
(iv) Other Financial Assets	15469.24	8511.37
(f) Deferred Tax Assets (net)	10115.67	10115.67
(g) Other Non Current Assets	999.31	1998.61
<b>Total Non-current Assets</b>	<b>100078.61</b>	<b>98250.01</b>
<b>Current Assets</b>		
(a) Inventories	625.20	3304.43
(b) Financial Assets		
(i) Trade receivables	38084.80	54439.64
(ii) Cash and cash equivalents	218.31	315.18
(iii) Bank Balance other than (ii) above	902.95	1300.76
(iv) Loans	39298.39	43473.02
(v) Other financial assets	11885.98	28766.30
(c) Current tax assets (net)	3619.39	2931.91
(d) Other current assets	85735.95	103054.75
<b>Total Current Assets</b>	<b>180370.97</b>	<b>237585.99</b>
<b>Total Assets</b>	<b>280449.58</b>	<b>335836.00</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
(i) Equity share capital	1715.71	1715.71
(ii) Other Equity	98421.16	106516.11
<b>Total Equity</b>	<b>100136.87</b>	<b>108231.82</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	21071.99	5143.09
<b>Total Non-current Liabilities</b>	<b>21071.99</b>	<b>5143.09</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	84070.35	109314.99
(ia) Lease Liability	130.62	-
(ii) Trade Payable		
Dues of micro and small enterprises	595.80	855.34
Dues of creditors other than micro and small enterprises	26920.25	42361.98
(iii) Other financial liabilities	27677.87	30201.70
(b) Other Current liabilities	19845.82	39727.08
<b>Total Current Liabilities</b>	<b>159240.71</b>	<b>222461.09</b>
<b>Total Liabilities</b>	<b>180312.70</b>	<b>227604.18</b>
<b>Total Equity and Liabilities</b>	<b>280449.58</b>	<b>335836.00</b>



**Notes :**

- 1 The aforesaid audited financial results for the quarter and year ended March 31, 2024 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their meeting held on May 21, 2024. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out audit of the same.
- 2 The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM), CFO. Consequently, the Company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 3 Exceptional items includes
  - a. Net Loss of Rs. 2230.51 lakhs and Rs. 1311.35 lakhs on sale of assets for quarter and year ended March 31, 2024 respectively.
  - b. During year ended March 31, 2023 :
    - (i) Profit of Rs. 493.10 lakhs on sale of assets.
    - (ii) Loss of Rs.1512.00 lakhs on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL), a step down subsidiary.
    - (iii) Loss of Rs. 1471.76 lakhs on account of provision made on loan given to Rohtak Hissar Tollway Private Ltd, a step down subsidiary.
- 4 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.
- 5 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.

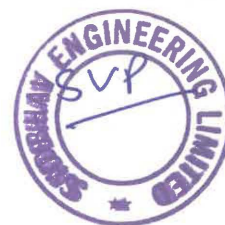
In respect of Arbitration Claim of Rs. 222057.40 lakhs for competing road, the award by Majority is passed on May 30, 2023 against the RPTPL. The RPTPL has filed the application under section 34 of the Arbitration and Conciliation Act, 1996 before the Honourable Delhi High Court. Further with respect 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, 2024 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.

- 6 a. In case of Sadbhav Nainital Highway Limited (Concessionaire or SNHL), a step down subsidiary which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), NHAI vide its letter dated April 17, 2023 has given In-Principal approval for harmonious substitution of concessionaire. Thereafter the SNHL has entered into definitive agreement on July 14, 2023 for substitution of the Concession to the SPV nominated by new concessionaire and also executed Endorsement Agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the SNHL in favour of new concessionaire for implementation of the project.

In terms of harmonious substitution, all the balances outstanding, pertaining to SNHL in books of the Company have been adjusted and net amount of Rs. 4328.10 Lakhs has been transferred to statement of profit and loss and included in other expenses.



b. Company has entered in Tripartite settlement agreement with National Highways Authorities of India (NHAI) and Gawar Construction Limited (GCL) on April 18, 2023 in respect of an EPC project of Construction of NH-24 Extension 4-lane bypass starting from Behta Road and terminating at Sitapur road in the State of Uttar Pradesh for subletting the said project to GCL for balance work. In terms of this settlement, all the balances outstanding, pertaining to this project in books of the Company have been adjusted and net balance of Rs. 3074.84 Lakhs has been transferred to statement of profit and loss and included in other expenses.

c. In case of Sadbhav Kim Expressway Limited, (SKEL) one of the stepdown subsidiary of the group the project work was delayed on account of various reasons attributable to Authority (NHAI) and nationwide lockdown due to Covid-19. SKEL requested 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 SKEL.

NHAI vide its letter dt November 03, 2022, conveyed its "InPrinciple" approval for harmonious substitution of SKEL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions.

Subsequently SKEL has entered into definitive agreement on October 17, 2023 for substitution of the concession with the new SPV nominated by new concessionaire and also executed Endorsement Agreement dated January 23, 2024 for harmonious substitution of SKEL 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 SKEL are transferred to the new concessionaire. Consequently, all the balances related to SKEL in the book of the company have been adjusted and provision for impairment in value of contract assets of Rs. 570.92 lakhs are made and included in other expenses.

d. Other expenses for the year ended March 31, 2024 includes (i) Rs. 6672.20 lakhs being amount written off in respects of contract assets being considered as irrecoverable and (ii) allowance for credit loss of Rs. 3362.49 lakhs for the year ended March 31, 2024.

e. 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.

7 Contract Assets and other non current financial assets include Rs. 50377.05 lakhs, outstanding as at March 31, 2024 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.

8 The Company finds difficulties in meeting payment obligations to suppliers and statutory dues in the normal course of business. There are also delays/defaults in repayment of dues to lenders. 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. Further one of the lenders has filed application to NCLT to initiate insolvency proceedings section 7 of the Insolvency and Bankruptcy Code, 2016. These factors raise concern about the Company's ability to continue as going concern.

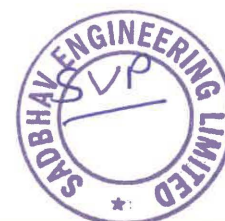
In Connection with the above, the management had submitted Restructuring Plan to the consortium of lenders. The Restructuring Plan envisages monetization of HAM and other Assets, infusion of funds from the promoters, cash flows from Gadag Project, receipt of claim amounts from projects under arbitration and dispute settlement, receivables, and refinance / stake sale of operational projects as well as of restructuring of lender dues.

The Management as part of business strategy have successfully completed monetization of HAM projects, which has resulted into reduction of group debt exposure, reduction of the vendor liabilities to significant level and also reduction in Non-Funded Exposures of the 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. The Consortium Lenders have now appointed Credit Rating Agencies in this regard.

Considering the expected approval from lenders of the proposed Resolution Plan, realization of receivables, proceeds from monetization of assets, infusion of funds from promoters and future business potential in the infrastructure sector, the management believes that Company will be able to ramp up its operations and generate incremental cash-flows.

In view of the this in the opinion of the Management there is no threat to going concern assumption adopted in the preparation of financial results for the quarter and year ended March 31, 2024.



- 9 The Company has investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL, the amount of which is Rs. 79388.41 lakhs as on March 31, 2024. 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, 2024 considering the projected cash flow from revenue of operating SPV's, sale of HAM assets and realization of GST claims. Based on the assesment it is concluded receivable amounts of these assets are more than the carrying. Hence no impairment is required to the carrying value of investment in equity shares and loan to SIPL as on March 31,2024.

- 10 Deferred tax asset of Rs. 10115.67 lakhs is in respect 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 will be adjusted.
- 11 During the year ended March 31, 2024 revenue from operations includes sale of material of Rs. 1279.13 lakhs (March 31,2023 : Rs 3057.36 lakhs) and Rs. 20943.74 lakhs being amount of compensation on forgoing an EPC contract and Cost of material sold of Rs. 671.46 lakhs is included in cost of material consumed.

During the year ended March 31, 2023 revenue from operations include sale of material of Rs. 3057.36 lakhs and cost of material sold of Rs. 2617.13 lakhs is included in cost of material consumed.

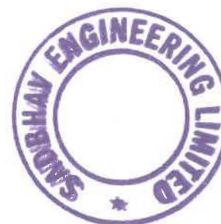
- 12 The Geology and Mining Department, Government of Gujarat has raised demand of Rs. 18615.51 lakhs, including the penalty of Rs. 5413.02 lakhs in respect of royalty on minerals alleging unauthorized use of minerals by the Company in the earlier years on the ground of non submission of required documents 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.
- 13 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.
- 14 As on March 31, 2024 , the outstanding balance of non-convertible debentures of the Company is aggregating to Rs. 5582.43 lakhs the debentures are not listed and hence the disclosure required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is not required.
- 15 Statement of audited Standalone Cash flow for the year ended March 31, 2024 and March 31, 2023 is given in Annexure I.

SIGNED FOR IDENTIFICATION BY  
  
MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS

For SADBHAV ENGINEERING LIMITED



Shashin V. Patel  
Chairman and Managing Director  
DIN: 00048328  
Place : Ahmedabad  
Date : May 21, 2024



**SADBHAV ENGINEERING LIMITED**

CIN :: L45400GJ1988PLC011322

**Annexure 1 : STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2024**

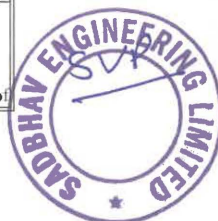
(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net (Loss) before Tax	(26159.95)	(34386.35)
Adjustments For :		
Interest Income	(3994.03)	(4641.40)
Interest Expenses	17070.96	16491.77
Depreciation & Amortisation	2601.17	4446.99
Impairment of Contract Assets	14646.07	6635.03
Expected Credit Loss	3362.49	85.80
Actuarial Gain/Loss	13.04	27.71
Exceptional Items (Net)	1311.35	2490.66
Trade Receivables no longer receivables	10694.88	26,337.58
Trade Payables written back	(2386.02)	(11066.47)
Inventories written off	-	2,163.40
	43319.91	42971.07
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>17159.96</b>	<b>8584.72</b>
Adjustment For :		
(Increase) of Long Term Trade Receivables	(5526.93)	10406.26
(Increase)/Decrease of Trade Receivables	16262.73	(17067.25)
(Increase)/Decrease of Other Current Assets	(4309.84)	(11684.81)
Decrease of Other Current Financial Assets	8388.16	1120.69
Decrease of Other Non Current Assets	999.30	132.34
Decrease of Other Non Current Financial Assets	(6975.44)	1066.51
Decrease of Inventories	2679.23	5282.02
Decrease of Other Bank Balances	397.81	983.79
Increase/(Decrease) of Trade Payables	(14694.66)	2853.40
(Decrease) of Other Current Liabilities	(19569.59)	(4196.19)
Increase/(Decrease) of Other Current Financial Liabilities	3433.45	1398.11
	(18915.79)	(9705.13)
<b>Cash generated from Operations</b>	<b>(1755.84)</b>	<b>(1120.41)</b>
Tax Paid /(Refund)	(994.06)	3183.65
<b>Net Cash flow From/(used in) Operating Activities</b>	<b>(2749.90)</b>	<b>2063.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant & Equipments and Intangible Assets	(958.14)	(392.41)
Sales of Property, Plant & Equipments	5427.28	2862.31
Investments in Subsidiary Companies	(1436.55)	(1701.22)
Loan repaid by Subsidiary Companies	3523.99	8006.94
Interest Received	3994.03	4641.40
<b>Net Cash Flow from Investing Activities</b>	<b>10550.61</b>	<b>13417.02</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
(Repayment) From Long Term Borrowings	(15320.20)	(14777.53)
Proceeds From Long Term Borrowings	18358.49	12331.56
(Repayment) of Short Term Borrowings	(1655.48)	-
Proceeds of Short Term Borrowings	6971.72	-
Proceeds / (Repayment) in Working Capital Loan	688.22	2510.06
Payment of Lease Liability	130.62	(172.24)
Interest Paid	(17070.96)	(16491.77)
<b>Net Cash Flow (used in) Financing Activities</b>	<b>(7897.58)</b>	<b>(16599.92)</b>
Net Increase In Cash & Cash Equivalents ( A+B+C )	(96.87)	(1119.66)
Opening Balance Of Cash & Cash Equivalents	315.18	1434.84
<b>Closing Balance Of Cash &amp; Cash Equivalents</b>	<b>218.31</b>	<b>315.18</b>
<b>Components Of Cash &amp; Cash Equivalents</b>		
Cash On Hand	0.32	0.26
Balance In Current Account With Banks	217.99	314.92
	<b>218.31</b>	<b>315.18</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



# Manubhai & Shah LLP

Chartered Accountants

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To

The Board of Directors of  
Sadbhav Engineering Limited  
Report on the audit of the Standalone Financial Results

## Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of Sadbhav Engineering Limited (the "Company") for the quarter and year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement except for the possible effect of the matters described in basis for qualified opinion section of our report:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the standalone net loss, standalone other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2024.

## Basis for Qualified Opinion

1. We draw attention to Note 5 to the accompanying Standalone Financial Results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited (RPTPL) - a step-down subsidiary of the Company. As at March 31, 2024, the aggregate amount of Rs 14881.02 is outstanding towards loan and reimbursement of expenses as receivable from the said step down subsidiary. RPTPL 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 amount due from RPTPL 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 from RPTPL is necessary as at March 31, 2024.

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However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, and other receivables aggregating to Rs. 14,865.37 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, 2024.

Our Audit Report on financial statements for the financial year ended on March 31, 2023 and review report for the quarter ended on June 30, 2023, September 30, 2023 and December 31, 2023 were also qualified with respect to this matter.

2. We draw attention to Note 9 to the accompanying Standalone Financial Results regarding impairment assessment of investment of Rs 52,768.91 Lakhs, stated at cost and outstanding loan of Rs 23648.53 lakhs as at March 31, 2024 to one of the subsidiary, Sadbhav Infrastructure Project Limited. It is noted that the subsidiary's consolidated net worth as at March 31, 2024, 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 result of the Company as at reporting date and for the quarter and year ended on March 31, 2024.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone Financial Results" 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 Results 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 audit opinion.

### **Emphasis of Matter**

We draw attention to Note 4 to the accompanying Standalone Financial Results, 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. 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 8 to the accompanying Standalone Financial Results, 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 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. 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.

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

The Standalone Financial Results have been prepared on the basis of the Standalone Annual Financial Statements for the year ended March 31, 2024. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application

of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the Standalone Financial Results.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the 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 Statement 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 Results, including the disclosures, and whether the financial results 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.

#### **Other Matters**

Attention is drawn to the fact that the Statement includes the results for the quarter ended March 31, 2024 and the corresponding quarter ended in the previous year, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the respective financial year, which were subject to limited review by us as required under Listing Regulations.

**Place: Ahmedabad**

**Date: May 21, 2024**



**For Manubhai & Shah LLP**  
**Chartered Accountants**  
**Firm Registration No. 106041W/W100136**

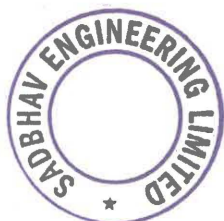
*K C Patel*

**(K C Patel)**  
**Partner**  
**Membership No.: 030083**  
**UDIN: 24030083BKBEMS3616**

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024</b> <b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)</b>
	1.	Turnover / Total income	1,07,746.06	Not ascertainable
	2.	Total Expenditure	1,32,594.66	
	3.	(Loss) after tax	(26,159.95)	
	4.	Earnings Per Share	(15.43)	
	5.	Total Assets	2,80,449.58	
	6.	Total Liabilities (excluding Net Worth)	1,80,312.70	
	7.	Net Worth	1,00,136.82	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II.</b>	<b><u>Audit Qualification (each audit qualification separately):</u></b>			
	<b>Details of Audit Qualification:</b> The Statutory Auditors have provided following qualification in their audit report –  1. We draw attention to Note 5 to the accompanying Standalone Financial Results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited (RPTPL) -a step-down subsidiary of the Company. As at March 31, 2024, the aggregate amount of Rs 14881.02 is outstanding towards loan and reimbursement of expenses as receivable from the said step down subsidiary. RPTPL 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 amount due from RPTPL 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 from RPTPL is necessary as at March 31, 2024. However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, and other receivables aggregating to Rs. 14,865.37 Lakhs as on the reporting date, related to the said step-down subsidiary.			



**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024**  
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

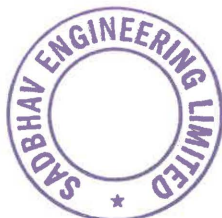
Accordingly, we are unable to comment on appropriateness of the carrying value of such loan and other receivable and the consequential impact on the standalone financial position and standalone financial result of the Company as at reporting date and for the quarter and year ended on March 31, 2024.

Our Audit Report on financial statements for the financial year ended on March 31, 2023 and review report for the quarter ended on June 30, 2023, September 30, 2023 and December 31, 2023 were also qualified with respect to this matter.

2. We draw attention to Note 9 to the accompanying Standalone Financial Results regarding impairment assessment of investment of Rs 52,768.91 Lakhs, stated at cost and outstanding loan of Rs 23648.53 lakhs as at March 31, 2024 to one of the subsidiary, Sadbhav Infrastructure Project Limited. It is noted that the subsidiary's consolidated net worth as at March 31, 2024, 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 result of the Company as at reporting date and for the quarter and year ended on March 31, 2024.

- |     |  |
|-----|--|
| a.  | <b>Type of Audit Qualification :</b> Qualified Opinion   |
| b.  | <b>Frequency of qualification:</b> Appeared second time as at 31.03.2024   |
| c.  | <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Impact is not quantified by the Auditors. |
| d.  | <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>   |
| (i) | <b>If management is unable to estimate the impact, reasons for the same:</b> Not Applicable  |



**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024**  
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

**(ii) Auditors' Comments on (i) or (ii) above:** Refer details of audit qualification vide [para II (a) above]

**Reply No. 1 for Audit Qualification:**

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 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.

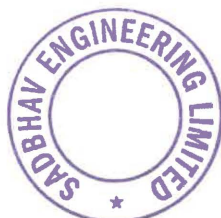
Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and pendency of the matter before Honourable Delhi high Court, the management has assessed that there is no impairment in 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, 2024 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.

**Reply No. 2 for Audit Qualification:**

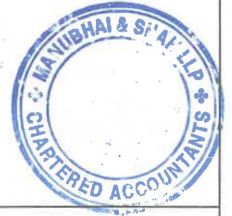
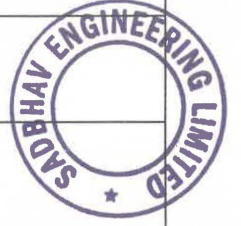
The Company has investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL, the amount of which is Rs. 79388.41 lakhs as on March 31, 2024. As per the consolidated financial statements of the Sadbhav Infrastructure Project Limited (SIPL) and its subsidiaries, 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, 2024 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 recoverable amounts of these assets are more than the carrying. Hence no impairment is required to the carrying value of investment in equity shares and loan to SIPL as on March 31,2024.



**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024**  
 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

<b>III</b>	<b>Signatories:</b>	
	<ul style="list-style-type: none"> <li><b>Chairman and Managing Director</b></li> </ul>	
	<ul style="list-style-type: none"> <li><b>CFO</b></li> </ul>	
	<ul style="list-style-type: none"> <li><b>Audit Committee Chairman</b></li> </ul>	
	<ul style="list-style-type: none"> <li><b>Statutory Auditors</b></li> </ul> <p>Mr. K. C. Patel                      Partner                      Membership Number: 030083                      For Manubhai &amp; Shah LLP                      Chartered Accountants                      ICAI Firm Registration                      Number:106041W/W100136</p>	
	<p><b>Place: Ahmedabad</b></p>	
	<p><b>Date: 21-05-2024</b></p>	





SADBHAV ENGINEERING LIMITED  
CIN NO.: L45400GJ1988PLC011322

Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat  
Tel:-9179 40400400, F:- 9179 40400444, Email:- selinfo@sadbhav.co.in, Website:-www.sadbhaveng.com

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

(Rs. in Lakhs, except for earning per share)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31,2024 (Audited)	December 31,2023 (Unaudited)	March 31,2023 (Audited)	March 31,2024 (Audited)	March 31,2023 (Audited)
1	Revenue From operations	47,269.93	30,073.53	42,567.12	1,92,295.11	1,77,693.69
2	Other income	2,545.55	1,497.08	15,451.85	14,419.83	39,955.57
3	<b>Total Income (1+2)</b>	<b>49,815.48</b>	<b>31,570.60</b>	<b>58,018.97</b>	<b>2,06,714.94</b>	<b>2,17,649.26</b>
4	<b>Expenses</b>					
	Cost of Material Consumed	1,432.22	93.47	2,732.00	2,432.73	12,293.84
	Construction Expenses	34,584.61	18,709.48	31,192.91	1,23,154.83	1,07,584.97
	Employee benefits expense	1,729.59	1,604.14	1,537.23	6,030.38	6,585.59
	Finance costs	12,632.46	14,007.86	(7,856.95)	56,046.02	66,106.38
	Depreciation and amortization expense	3,104.58	3,174.93	3,381.93	12,739.27	13,096.79
	Other expenses (Refer Note No. 9 )	32,964.17	4,075.34	28,678.26	52,575.86	46,432.50
	<b>Total Expenses</b>	<b>86,447.63</b>	<b>41,665.22</b>	<b>59,665.38</b>	<b>2,52,979.09</b>	<b>2,52,100.07</b>
5	<b>(Loss) before exceptional Items and tax (3-4)</b>	<b>(36,632.15)</b>	<b>(10,094.62)</b>	<b>(1,646.41)</b>	<b>(46,264.15)</b>	<b>(34,450.81)</b>
6	Exceptional Items (Refer Note No. 3)	6,172.59	(8,458.15)	8,534.08	(33,282.01)	(36,883.14)
7	<b>(Loss) before tax for the period / year (5-6)</b>	<b>(30,459.56)</b>	<b>(18,552.77)</b>	<b>6,887.67</b>	<b>(79,546.16)</b>	<b>(71,333.95)</b>
8	Tax Expense	108.60	578.28	841.80	1,723.00	2,110.30
	Deferred Tax	(1,529.83)	(1,101.29)	(1,495.16)	(3,595.60)	(1,839.09)
	Adjustment for short or excess provision of the previous year	(215.40)	222.10	(362.08)	313.28	(1,666.18)
9	<b>(Loss) for the period / year (7-8)</b>	<b>(28,822.93)</b>	<b>(18,251.86)</b>	<b>7,903.11</b>	<b>(77,986.84)</b>	<b>(69,938.98)</b>
10	<b>Other Comprehensive Income (OCI)</b>					
	Items that will not be reclassified to profit or loss (Net of tax)	12.77	-	23.18	8.06	38.41
11	<b>Total Comprehensive Income for the period / year (9+10)</b>	<b>(28,810.16)</b>	<b>(18,251.86)</b>	<b>7,926.29</b>	<b>(77,978.78)</b>	<b>(69,900.57)</b>
12	<b>(Loss) for the period/year attributable to:</b>					
	Owners of the Company	(26,281.54)	(14,699.04)	(2,521.17)	(63,018.85)	(58,909.84)
	Non-controlling Interest	(2,541.39)	(3,552.82)	10,424.28	(14,967.99)	(11,029.14)
13	<b>Other Comprehensive Income for the period / year attributable to:</b>					
	Owners of the Company	14.28	-	17.58	9.57	32.81
	Non-controlling Interest	(1.51)	-	5.60	(1.51)	5.60
14	<b>Total Comprehensive Income for the period / year attributable to:</b>					
	Owners of the Company	<b>(26,267.26)</b>	<b>(14,699.04)</b>	<b>(2,503.59)</b>	<b>(63,009.28)</b>	<b>(58,877.06)</b>
	Non-controlling Interest	<b>(2,542.90)</b>	<b>(3,552.82)</b>	<b>10,429.88</b>	<b>(14,969.50)</b>	<b>(11,023.51)</b>
	<b>Total Income (Including other comprehensive Income )</b>	<b>(28,810.16)</b>	<b>(18,251.86)</b>	<b>7,926.29</b>	<b>(77,978.78)</b>	<b>(69,900.57)</b>
15	Paid up Equity share Capital (face value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
16	Other Equity excluding Revaluation Reserves as at 31st March 2023.	-	-	-	(14,265.17)	15,807.24
17	Basic & Diluted EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (*not annualized)	-15.32*	-8.57*	-1.47*	-36.73*	-34.34*

## Sadbhav Engineering Limited

Regd Office : "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380006.

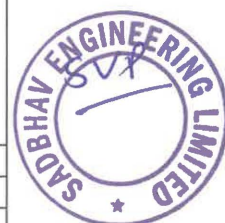
T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>		
<b>Non-current Assets</b>		
(a) Property, Plant and Equipments	4,393.84	12,999.45
(b) Right to use Assets	127.27	-
(c) Capital Work in Progress	422.67	376.91
(d) Investment Property	94.10	94.10
(e) Goodwill	2,653.00	2,653.00
(f) Other Intangible Assets	12,533.06	16,058.32
(g) Financial Assets		
(i) Investments	118.91	12,223.64
(ii) Trade receivable	2,995.91	831.43
(iii) Loans	29.25	54.10
(iv) Receivable Under Service Concession Arrangement	79,329.40	1,75,759.90
(v) Other Financial Assets	15,355.34	9,007.67
(h) Deferred Tax Assets (net)	10,115.67	10,115.67
(i) Other Non Current Assets	1,482.11	3,882.31
<b>Total Non-current Assets</b>	<b>1,29,650.53</b>	<b>2,44,056.50</b>
<b>Current Assets</b>		
(a) Inventories	625.20	3,304.43
(b) Financial Assets		
(i) Trade receivables	27,575.31	38,577.14
(ii) Cash and cash equivalents	4,125.81	9,862.98
(iii) Bank Balance other than (iii) above	1,361.85	1,878.66
(iv) Loans	1,030.40	1,031.72
(v) Receivable Under Service Concession Arrangement	24,852.20	46,150.60
(vi) Other financial assets	2,62,084.42	2,41,857.43
(c) Current tax asset	27,781.99	5,144.41
(d) Other current assets	87,454.90	1,63,444.25
<b>Total Current Assets</b>	<b>4,36,892.07</b>	<b>5,11,251.62</b>
<b>Assets Held for Sale</b>	<b>1,38,381.40</b>	<b>2,21,612.20</b>
<b>Total Assets</b>	<b>7,04,924.01</b>	<b>9,76,920.32</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
(i) Equity share capital	1,715.71	1,715.71
(ii) Other Equity	(14,265.17)	15,807.24
(iii) Non Controlling Interest	1,060.47	16,028.46
<b>Total Equity</b>	<b>(11,488.99)</b>	<b>33,551.41</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	95,601.48	1,78,253.49
(ii) Other financial liabilities	13,534.80	8,000.30
(b) Deferred tax liabilities (Net)	2,922.60	6,518.20
(c) Provisions	83.60	121.50
<b>Total Non-current Liabilities</b>	<b>1,12,142.48</b>	<b>1,92,893.49</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2,77,758.12	2,97,057.82
(ii) Lease Liability	130.62	-
(iii) Trade Payable		
Dues of micro and small enterprises	604.10	881.64
Dues of creditors other than micro and small	40,370.82	67,101.34
(iv) Other financial liabilities	1,22,577.10	1,37,177.93
(b) Other current liabilities	11,060.20	32,661.73
(c) Provisions	7,828.66	6,520.36
(d) Current Tax Liabilities (Net)	2,663.70	1,527.60
<b>Total Current Liabilities</b>	<b>4,62,993.31</b>	<b>5,42,928.42</b>
<b>Liabilities Held for Sale</b>	<b>1,41,277.20</b>	<b>2,07,547.00</b>
<b>Total Liabilities</b>	<b>7,16,413.00</b>	<b>9,43,368.91</b>
<b>Total Equity and Liabilities</b>	<b>7,04,924.01</b>	<b>9,76,920.32</b>

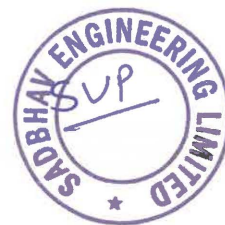


**Notes :**

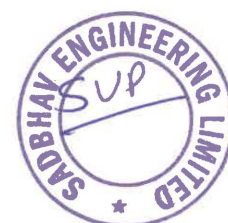
- 1 The aforesaid audited consolidated financial results of Sadbhav Engineering Limited ('the Company' or 'holding company') and its subsidiaries (holding company together referred to as 'Group') for the quarter and year-ended on March 31, 2024 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on May 21, 2024 . The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out audit of the same.
- 2 The revenue from operations includes revenue from construction contracts of Rs. 10884.20 lakhs, Rs. 6842.70 lakhs, Rs. 8046.60 lakhs for quarter ended March 31, 2024, December 31, 2023 and March 31, 2023 respectively and Rs. 41966.50 lakhs and Rs. 45929.30 lakhs for the year ended March 31, 2024 and March 31, 2023 respectively related to intangible assets under development and development of Hybrid Annuity assets as per concession arrangements which are recognised in accordance with the requirements of Appendix-D of Ind AS 115 "Revenue from contracts with customers."

**3 Exceptional items include:**

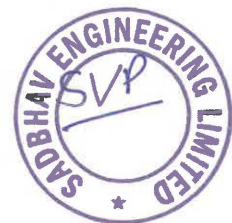
Particulars	(Rs. in Lakhs)	
	Year ended March 31,2024	Year ended March 31,2023
Loss on account of harmonious substitution of Concession of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL)	-	8,093.32
Loss account of sale of units of IndInfravit Trust held by Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company.	-	474.50
Provision for impairment of investment in shares of Sadbhav Jodhpur Ringroad Private Limited by SIPL	-	1,165.00
Provision for impairment of investment in shares of Sadbhav Bangalore Highway Private Limited by SIPL.	-	3,090.30
Loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL).	339.60	22,584.56
(Profit) on sale of shares of Sadbhav PIMA Private Limited (including reversal of provision for impairment of Rs. 5 lakhs)	-	(109.90)
(Profit) on account of sale of assets.	1,311.35	(493.10)
Loss on Sale of Stake in Sadbhav Bhavnagar Highway Limited (Refer Note 3.1)	1,773.40	978.80
Loss on Sale of Stake in Sadbhav Una Highway Limited (Refer Note 3.1)	1,410.00	
Amount received on sale of carved out assets by Maharashtra Boarder Checkpost Network Limited (Refer Note 3.2 below)	-	(372.10)
Loss on substitution of concession of Sadbhav Vidarbha Highway Limited (Including provision of Impairment of Rs. 2579.90 lakhs) (Refer Note 3.3)	4,560.84	
Loss on Settlement of dues from Indinfravit Trust (Refer Note 3.4)	8,394.00	
Loss on account of Substitution of concession agreement of Sadbhav Nainital Highway Limited (Refer Note No 3.5 )	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	(70.50)	
Loss on account of provision made on loan given to the step down subsidiary.	-	1,471.76
Loss on substitution of concession of Sadbhav Kim Expressway Private Limited (incl Provision of Impairment of Rs. 8538.10 lakhs) (Refer Note 3.6)	9,396.56	
	<b>33,282.01</b>	<b>36,883.14</b>



- 3.1** 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 results.
- 3.2** SIPL, a subsidiary and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) 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 subsidiary of the SIPL, out of which 49% shares have been acquired by ARTL. During the year ended March 31, 2022, SIPL has received consideration of Rs. 35750 lakhs and it has recognised loss of Rs. 7851.90 lakhs in relation of transfer of 49% stake. During the previous year March 31, 2023, SIPL has received part consideration of Rs. 372.10 lakhs and disclosed as exceptional item. The balance 51% shares will be transferred against consideration to be received.
- 3.3** 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 these financial results.
- 3.4** During the quarter ended on September 30, 2023 the Sadbhav Infrastructure Project Limited (SIPL) 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. 8394.04 lakhs is disclosed as an exceptional item in financial results for the year ended March 31, 2024.
- 3.5** SIPL has investments of Rs. 100.00 lakhs and subordinate debts of Rs. 7842.10 lakhs and other receivables of Rs. 3669.70 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 SNHL 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 these financial results.
- 3.6** 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 SKEL. 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 SKEL 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 SKEL 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 SKEL 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. 858.46 lakhs disclosed as an Exceptional item as loss on endorsement for Harmonious substitution of the Concessionaire in these financial results.



- 4 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 RPTPL 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. 193792.00 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 Arbitral proceedings for the same are currently ongoing. 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. 85098.00 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 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. 8902.00 lakhs (amount inclusive of costs & interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. As per Delhi High Court Judgment dated 16.02.2023, the amount of award payable by NHAI to RPTPL as on 15.10.2023 works out to Rs. 1211.90 lakhs. NHAI has challenged the said award under Section 37 before Division Bench of Delhi High Court which is sub-judice.
- NHAI had claimed on RPTPL 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. The Company has challenged the said Majority Award under Section 34 before the Delhi High Court, which is sub-judice.
- During the quarter ended on 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, 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 have classified borrowing as Non Performing Asset and financial statements of RPTPL are prepared on non going concern basis, for which the statutory auditors of stepdown subsidiary company have expressed qualified opinion on the financial statements in this regards.
- 5 One of the stepdown 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. 192871.00 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. NHAI has lodged its Counter Claims amounting to Rs. 36658.00 lakhs. RHTPL has submitted its reply on such counter claims. The Arbitral Proceedings for the same are currently ongoing.
- 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, 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 stepdown subsidiary Company have expressed qualified opinion on the financial statements in this regards.
- 6 Some of the vendors have initiated legal proceeding against the Group 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.



7 Key Numbers of standalone financial results of the Company are as under:

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31,2024 (Audited)	December 31,2023 (Unaudited)	March 31,2023 (Audited)	March 31,2024 (Audited)	March 31,2023 (Audited)
1	Revenue from operations	27,506.36	11,470.16	19,455.48	1,01,343.51	88,917.28
2	Net (loss) before tax	(20,547.56)	(6,189.93)	(26,395.04)	(26,159.95)	(34,386.35)
3	Net (loss) after tax	(20,069.83)	(6,180.32)	(26,908.60)	(26,466.53)	(34,648.38)
4	Total comprehensive income for the Period/Year	(20,052.08)	(6,180.32)	(26,884.52)	(26,453.49)	(34,620.67)

8 The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM)-Chief Financial Officer (CFO). Consequently, the Group has considered business as whole as a single operating segment in accordance with Indian Accounting Standard 108 - "Segment Reporting".

9 a. Other expenses for the year ended March 31, 2024 include (i) Rs. 28580.08 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.

10 In case of Sadbhav Udaipur Highway Limited (SUDHL), step down subsidiary of the group, the project work has been almost completed as on December 31, 2023.

However SUDHL has requested the NHAI & its 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 company.

The NHAI vide its letter dt December 27, 2023, conveyed its "InPrinciple" approval for substitution of SUDHL 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 NHAI ("InPrinciple Approval"). Since the conditions precedent to the harmonious substitution are under compliance, no adjustments to the carrying value of assets and liabilities related to this project have been made in these financial results. Our opinion on financial statments of SUDHL for the year ended March 31,2024 is qualified in this regards.

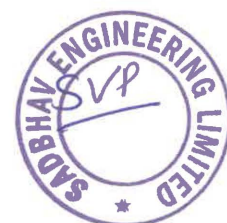
11 Sadbhav Rudrapur Highway Limited (SRHL or concessionaire), one of step down subsidiary of the group which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI). There is delay in approval of Estimates 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 RKCIP-ARCL (JV) (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the company.

Even before approval Extension of Time and resolution of other issues, NHAI had sought and received bids for the balance EPC Works of the Project in September 2022. Accordingly, NHAI had accepted 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, the Concessionaire didn't object to such appointment by NHAI in the interest of completing the Project and as this was also discussed during the Project Review Meetings in August 2022. Therefore, the treatment of such appointment for EPC Contractor by NHAI under Concession Agreement was to be mutually agreed between Concessionaire and the Authority.

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 RKCIP-ARCL (JV) in the interest of Project. During the quarter ended March 31, 2024, the NHAI vide its letter dt 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.

Subsequent to discussions and deliberation with Authority, the Company has also invoked through Conciliation Committees of Independent Experts (CCIEs) to resolve the said issues and the conditions precedent to the harmonious substitution is in progress, no adjustment to the carrying value of investments have been made in these financial results.



- 12 Contract Assets and other non current financial assets include Rs. 50377.05 lakhs, outstanding as at March 31, 2024 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.
- 13 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.
- 14 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, 2024 is Rs. 22288.40 lakhs (March 31, 2023 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.
- 15 GST tax credit receivables amounting to Rs. 16133.10 lakhs are included in the consolidated Balance sheet under the head Other Current Assets as at March 31, 2024 in respect of following stepdown subsidiaries . Presently, the respective subsidiary companies does not carry out any business activity. However 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 subsidiary Company have expressed qualified opinion on the financial statements for the year ended March 31, 2024 vide their independent audit report dated as mentioned below.

Name of Subsidiary Company	GST TAX Credit Receivables (Rs. In lakhs)	Date of Audit Report
Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,535.30	May 19, 2024
Sadbhav Bangalore Highway Private Limited (SBGHPL)	4,206.80	May 19, 2024
Sadbhav Vidarbha Highway Limited (SVHL)	5,048.30	May 19, 2024
Sadbhav Nainital Highway Limited (SNHL)	1,183.10	May 14, 2024
Sadbhav Kim Expressway Private Limited (SKEPL)	4,159.60	May 20, 2024
Total	16,133.10	

- 16 The Company finds difficulties in meeting payment obligations to suppliers and statutory dues in the normal course of business. There are also delays/defaults in repayment of dues to lenders. 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. Further one of the lenders has filed application to NCLT to initiate insolvency proceedings section 7 of the Insolvency and Bankruptcy Code, 2016. These factors raise concern about the Company's ability to continue as going concern.

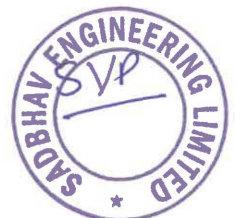
In Connection with the above, the management had submitted Restructuring Plan to the consortium of lenders. The Restructuring Plan envisages monetization of HAM and other Assets, infusion of funds from the promoters, cash flows from Gadag Project, receipt of claim amounts from projects under arbitration and dispute settlement, receivables, and refinance / stake sale of operational projects as well as of restructuring of lender dues.

The Management as part of business strategy have successfully completed monetization of HAM projects, which has resulted into reduction of group debt exposure, reduction of the vendor liabilities to significant level and also reduction in Non-Funded Exposures of the 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. The Consortium Lenders have now appointed Credit Rating Agencies in this regard.

Considering the expected approval from lenders of the proposed Resolution Plan, realization of receivables, proceeds from monetization of assets, infusion of funds from promoters and future business potential in the infrastructure sector, the management believes that Company will be able to ramp up its operations and generate incremental cash-flows.

In view of the this in the opinion of the Management there is no threat to going concern assumption adopted in the preparation of financial results for the quarter and year ended March 31, 2024.



- 17 During the year ended March 31, 2024 revenue from operations includes sale of material of Rs. 1279.13 lakhs (March 31, 2023 : Rs 3057.36 lakhs) and Rs. 20943.74 lakhs being amount of compensation on forgoing an EPC contract and Cost of material sold of Rs. 671.46 lakhs is included in cost of material consumed.

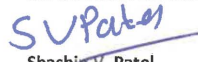
During the year ended March 31, 2023 revenue from operations include sale of material of Rs. 3057.36 lakhs and cost of material sold of Rs. 2617.13 lakhs is included in cost of material consumed.

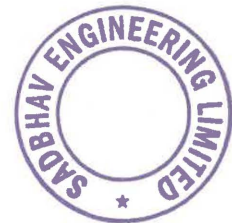
- 18 Deferred tax asset of Rs. 10115.67 lakhs is in respect of unused tax credit recognized in earlier years. Based on the projection of future profitability, management believes that the Company will have regular taxable income against which the unused tax credit will be adjusted.
- 19 The Geology and 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.
- 20 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.
- 21 As on March 31, 2024 , the outstanding balance of non-convertible debentures of the Group is aggregating to Rs. 32876.73 lakhs. The debentures are not listed and hence the disclosure required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is not required.
- 22 The figures for the quarter ended March 31, 2024 are balancing figures between the audited figures in respect of the full financial year up to March 31, 2024 and the unaudited published year to date figures up to third quarter ended December 31, 2023, being the date of the end of the third quarter of the financial year which were subjected to limited review
- 23 Figures for the previous periods have been regrouped/ rearranged, wherever necessary, to make them comparable with those of the current period/year.
- 24 Statement of consolidated audited Cash flow for the year ended March 31, 2024 and March 31, 2023 is given in Annexure I.

SIGNED FOR IDENTIFICATION BY

  
MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS

For SADBHAV ENGINEERING LIMITED

  
Shashid V. Patel  
Chairman and Managing Director  
DIN: 00048328  
Place : Ahmedabad  
Date : May 21, 2024





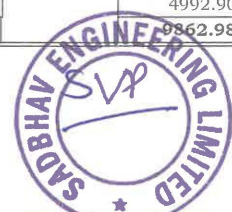
**SADBHAV ENGINEERING LIMITED**

CIN :: L45400GJ1988PLC011322

**Annexure 1 : CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024**

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Loss before Tax as per Profit and Loss account	(79546.16)	(71333.95)
Adjustments For :		
Interest Income	(2533.65)	(3733.32)
Interest Expenses	56046.02	66106.38
Depreciation & Amortisation	12739.27	13096.79
Provision for impairment of Contract Assets	-	6635.03
Exceptional Item	33282.01	36883.14
Actuarial Gain/Loss	8.06	38.41
Liabilities no longer required written back	-	-
Written off the Receivables	10694.88	26337.58
Written back of the payables	(2386.02)	(11066.47)
Written off the Inventories	-	2163.40
	<b>107850.57</b>	<b>136460.94</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(A)</b>	<b>28304.40</b>
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	83367.07	167134.81
(Increase)/Decrease of Trade Receivables	13887.41	(50726.77)
(Increase)/Decrease of Other Current Assets	79004.33	(21248.99)
(Increase)/Decrease of Other Current Financial Assets	(22212.68)	31637.01
(Increase)/Decrease of Other Non Current Assets	2400.20	(983.16)
(Increase)/Decrease of Other Non Current Financial Assets	(6347.67)	1100.71
(Increase)/Decrease of Inventories	2679.23	5282.02
(Increase)/Decrease of Loan given	26.17	(2661.03)
(Increase)/Decrease of Other Bank Balances	1323.60	3685.94
Increase/(Decrease) of Other Long Term Financial Liabilities	5534.50	4486.40
Increase/(Decrease) of Investment	-	(23416.19)
Increase/(Decrease) of Trade Payables	(14203.78)	11686.10
Increase/(Decrease) of Other Current Liabilities	(21601.53)	(16378.32)
Increase/(Decrease) of Other Current Financial Liabilities	(14525.37)	(1561.72)
Increase/(Decrease) of Provision	1270.40	3060.86
	<b>110601.87</b>	<b>111097.67</b>
<b>Cash Generated From/ (used in) Operations</b>	<b>138906.28</b>	<b>176224.65</b>
Income Tax Refund	(23537.76)	1794.86
<b>Net Cash Flow Generated / (used in) From Operating Activities</b>	<b>115368.52</b>	<b>178019.51</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of Property, Plant & Equipments and Intangible Assets	(922.61)	(6623.12)
Sales of Property, Plant & Equipments	5427.28	2257.91
Proceeds from Other Non Current Investments (Net)	137.13	5440.48
Proceed /(Repayment) towards compound financial	-	(1625.98)
Proceeds from carved out Assets	-	-
Interest Received	2533.65	3733.32
<b>Net Cash Flow Generated From Investing Activities</b>	<b>(B)</b>	<b>7175.45</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	(82652.01)	(120244.29)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(4973.34)	19665.91
Lease Liability	130.62	(172.24)
Interest Paid	(56046.02)	(66106.38)
Assets held for sale	15259.60	(19846.10)
Loss/(Profit) transfer to Non controlling Interest	-	(312.23)
<b>Net Cash Flow (Used in) Financing Activities</b>	<b>(C)</b>	<b>(128281.14)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents ( A+B+C )	(5737.17)	(5813.21)
Opening Balance Of Cash & Cash Equivalents	9862.98	15676.19
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>4125.81</b>	<b>9862.98</b>
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS (refer note 18)</b>		
Cash On Hand	45.22	34.86
Balance In Current Account With Banks	4079.99	4835.22
Balance In Fixed Deposits	0.60	4992.90
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>4125.81</b>	<b>9862.98</b>



**Independent Auditors' Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors of**  
**Sadbhav Engineering Limited**

**Report on the audit of Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of Sadbhav Engineering Limited ("Holding Company" or the "Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 audited financial statements of the subsidiaries, the Statement:

(i) includes the results of the following entities:

**Holding Company:**

Sadbhav Engineering Limited

**Subsidiaries:**

1. Sadbhav Infrastructure Project Limited (SIPL)
2. Sadbhav Gadag Highway Private Limited (SGHPL)

**Step-down subsidiaries:**

1. Ahmedabad Ring Road Infrastructure Ltd (ARRIL)
2. Maharashtra Border Check Post Network Ltd (MBCPNL)
3. Rohtak Panipat Tollway Private Ltd (RPTPL)
4. Rohtak Hissar Tollway Private Ltd (RHTPL)
5. Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited) (SRHPL)

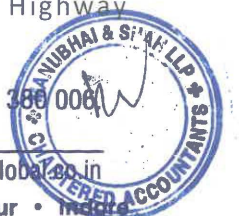
**Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878**

**Regd. Office : G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad - 380 006**  
**Gujarat, India. Phone : +91-79-2647 0000**

**Email : info@msglobal.co.in**

**Website : www.msglobal.co.in**

**Ahmedabad • Mumbai • New Delhi • Rajkot • Jamnagar • Vadodara • Gandhinagar • Udaipur • Indore**



6. Sadbhav Nainital Highway Limited (earlier known as Sadbhav Nainital Highway Private Limited) (SNHL)
  7. Sadbhav Bangalore Highway Private Limited (SBGHPL)
  8. Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited) (SVHL)
  9. Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited) (SUDHL)
  10. Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)
  11. Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited) (SMIPL)
  12. Sadbhav Kim Expressway Private Limited (SKEPL)
  13. Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited) (SISPL)
  14. Sadbhav Hybrid Annuity Project Limited (SHAPL)
- (ii) except for the possible effect of the matter described in basis for qualified opinion of section of our report is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) except for the possible effect of the matter described in basis for qualified opinion of section of our report gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss, consolidated other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2024.

#### **Basis for Qualified Opinion**

1. 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.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statements of RPTPL and RHTPL for the year ended March 31, 2024



2. As detailed in Note No 10 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 for harmonious substitution of the SUDHL as a concessionaire of the project. 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, 2024.

We have expressed qualified opinion on the Financial statements of SUDHL for the year ended and as at March 31, 2024

3. As detailed in Note No 15 to the accompanying statement, tax credits amounting to Rs 16133.10 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 Credit in Lakhs
1	Sadbhav Vidarbh Highway Limited (SVHL)	5048.30
2	Sadbhav Kim Expressway Private Limited (SKEL)	4159.60
3	Sadbhav Bangalore Highway Private Limited (SBGHPL)	4206.80
4	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1535.30
5	Sadbhav Nainital Highway Limited (SNHL)	1183.10
	<b>Total</b>	<b>16133.10</b>

The management is confident about the utilization of the credit as mentioned in Note no 15 of the financial statements.

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.

In respect of SVHL, SKEPL and SBGHPL we have qualified our audit opinion on financial statements for the year ended March 31, 2024 and auditors of SJRRPL and SNHL have qualified their audit opinion on financial statements of those companies for the year ended March 31, 2024



We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditors’ Responsibilities for the Audit of the Consolidated Financial Results” 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

### **Material uncertainty related to going concern**

We draw attention to Note No 16 to the accompanying Consolidated Financial Results, 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 Results of the Company, as of that date the current liabilities of the Group exceeded the current assets by Rs. 26101 Lakhs.

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 Matter**

We draw attention to:

- a. Note no 6 to the accompanying Consolidated Financial Results, 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.

- b. Note no 13 to the accompanying Consolidated Financial Results regarding Original Application filed by State Bank of India & 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 11125.50 lakhs which has been challenged by the Company on various grounds.
- c. Note Nos 4 & 5 to the accompanying Consolidated Financial Results 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 making following adjustments to carrying value of assets and liabilities considering non going concern basis.
- Transfer of carrying value of intangible assets to claims receivable from NHAI
  - De recognition of major maintenance obligation and/or premium obligation under concession agreement.
- d. Note No 14 to the accompanying Consolidated Financial Results 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 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. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these Consolidated Financial Results.
- e. Note No 3.5 to the accompanying Consolidated Financial Results, regarding preparation of financial statements of Sadbhav Nainital Highway Limited, one of the step-down subsidiaries of the Group on non-going concern basis for the reasons stated in the said note.
- f. Note No 11 to the accompanying Consolidated Financial Results, regarding receipt of in-principle approval of NHAI for Harmonious Substitution of the concessionaire i.e Sadbhav Rudrapur Highway Limited, one of the step-down subsidiaries of the Group for the reasons stated in the said note.

Our opinion is not modified in respect of the above matters.



## **Responsibilities of Management and those charged with governance for the Consolidated Financial Results**

The Consolidated Financial Results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that gives a true and fair view of the consolidated net loss, consolidated other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2024 in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective 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 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 Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, 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 the respective Board of Directors 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 responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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

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 the Consolidated Financial Results.

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 Results, 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 with reference to financial statements 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 the management.
- Conclude on the appropriateness of the 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 Statement 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 Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.





- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entity included in the Consolidated Financial Results, which have been audited by other auditor, such other auditors remain responsible for the direction, supervision and performance of the audit 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 entity included in the Consolidated Financial Results 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### Other Matters

- a. The Consolidated Financial Results include the audited financial results and other financial information, in respect of 1 subsidiary and 8 step-down subsidiary companies, whose financial results reflect total assets (before consolidation adjustments) of Rs.4,77,758.90 Lakhs as at March 31, 2024, total revenues (before consolidation adjustments) of Rs.32,322.80 Lakhs, total net (loss) after tax (before consolidation adjustments) of Rs. (51,737.28) Lakhs, total comprehensive income of (before consolidation adjustments) Rs. (51,766.18) Lakhs for the year ended March 31, 2024 and net cash inflows/(outflows) (before consolidation adjustments) for year ended March 31, 2024 of Rs. (281.41) Lakhs, as considered in the Statement which have been audited by its respective independent auditors.

The independent auditor's report on the Consolidated Financial Results of these entities have been furnished to us by the management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and step-down subsidiary companies, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Financial Results 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.

- b. Attention is drawn to the fact that the Statement includes the results for the quarter ended March 31, 2024 and the corresponding quarter ended in the previous year, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the respective financial year, which were subject to limited review by us as required under Listing Regulations.

Place: Ahmedabad

Date: May 21, 2024



For Manubhai & Shah LLP  
Chartered Accountants  
Firm Regn No.:106041W/W100136

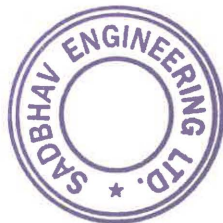
A handwritten signature in blue ink, appearing to read 'K C Patel', written over the printed name.

K C Patel  
Partner  
Membership No.: 030083  
UDIN: 24030083BKBEMU8356

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results - (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024</b>				
<b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (INR in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (INR in Lakhs)
	1.	Turnover / Total income	2,06,714.94	Not ascertainable
	2.	Total Expenditure	2,52,979.09	
	3.	(Loss) After Tax	(77,986.84)	
	4.	Earnings Per Share	(36.73)	
	5.	Total Assets	7,04,924.01	
	6.	Total Liabilities (excluding Net Worth)	7,16,413.00	
	7.	Net Worth	(11,488.99)	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<p>1. As detailed in Note Nos. 4 &amp; 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.</p> <p>The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statements of RPTPL and RHTPL for the year ended March 31, 2024.</p>			
	<p>2. As detailed in Note No 10 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 for harmonious substitution of the SUDHL as a concessionaire of the project. 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</p>			



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, 2024.

We have expressed qualified opinion on the Financial statements of SUDHL for the year ended and as at March 31, 2024.

3. As detailed in Note No 15 to the accompanying statement, tax credits amounting to Rs 16133.10 lakhs are included in the consolidated Balance sheet under the Other Current Assets in respect of following step down subsidiaries.

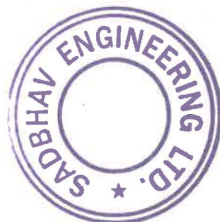
Sr No	Name of Step Down Subsidiary	Amount of Tax C in Lakhs
1	Sadbhav Vidarbh Highway Limited (SVHL)	5048.30
2	Sadbhav Kim Expressway Private Limited (SKEL)	4159.60
3	Sadbhav Banglore Highway Private Limited (SBGHPL)	4206.80
4	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1535.30
5	Sadbhav Nainital Highway Limited (SNHL)	1183.10
	<b>Total</b>	<b>16133.10</b>

The management is confident about the utilization of the credit as mentioned in Note no 15 of the financial statements.

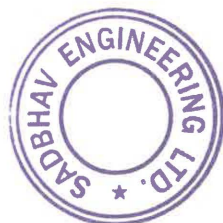
However, at present the Company does not have any business activity nor are we informed about the management plan for taking up other activity. In view of this, we are unable to comment about the utilization of tax credits in foreseeable future.

In respect of SVHL, SKEPL and SBGHPL we have qualified our audit opinion on financial statements for the year ended March 31, 2024 and auditors of SJRRPL and SNHL have qualified their audit opinion on financial statements of those companies for the year ended March 31, 2024

- a. **Type of Audit Qualification :** Qualified Opinion
- b. **Frequency of qualification:** Appeared second time as at 31.03.2024
- c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact is not quantified by the Auditors.
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**



	(i) <b>Management's estimation on the impact of audit qualification:</b>
	(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> Not Applicable
	<p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b> <b>Refer details of audit qualification vide [para II (a) above]</b></p> <p><b>Reply No. 1 for Audit Qualification:</b></p> <p>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 RPTPL 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. 193792.00 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, &amp; Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid 19 . The Arbitral proceedings for the same are currently ongoing.</p> <p>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. 85098.00 lakhs. The Company has challenged the Majority Award dated 30.05.2023 and filed a petition under Section 34 of Arbitration &amp; Conciliation Act 1996 before the Hon'ble Delhi High Court to set aside the Majority Award dated 30.05.2023.</p> <p>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. 8902.00 lakhs (amount inclusive of costs &amp; interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. As per Delhi High Court Judgment dated 16.02.2023, the amount of award payable by NHAI to RPTPL as on 15.10.2023 works out to Rs. 1211.90 lakhs. NHAI has challenged the said award under Section 37 before Division Bench of Delhi High Court which is sub-judice.</p> <p>NHAI had claimed on RPTPL 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. The Company has challenged the said</p>



Majority Award under Section 34 before the Delhi High Court, which is sub-judice.

During the quarter ended on 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, 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 have classified borrowing as Non Performing Asset and financial statements of RPTPL are prepared on non going concern basis, for which the statutory auditors of stepdown subsidiary company have expressed qualified opinion on the financial statements in this regards.

One of the stepdown 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. 192871.00 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. NHAI has lodged its Counter Claims amounting to Rs. 36658.00 lakhs. RHTPL has submitted its reply on such counter claims. The Arbitral Proceedings for the same are currently ongoing.

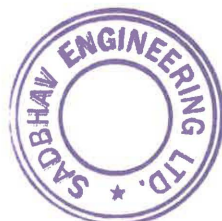
During the quarter ended on March 31, 2023, RHTPL has reversed interest of Rs. 12280.90 lakhs provided during the earlier period considering the fact that the project of RHTPL has been terminated and lenders have classified loans as Non Performing Assets (NPA).

During the year ended March 31, 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 stepdown subsidiary Company have expressed qualified opinion on the financial statements in this regards.

**Reply No. 2 for Audit Qualification:**

In case of Sadbhav Udaipur Highway Limited (SUDHL), step down subsidiary of the group, the project work has been almost completed as on December 31, 2023.

However SUDHL has requested the NHAI & its Lenders to allow harmonious substitution in



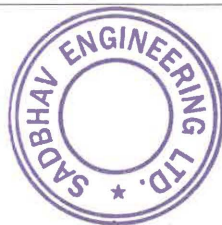
terms of the NHAI Policy circular through a nominated company namely — M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative to give its consent for allowing harmonious substitution of the company.


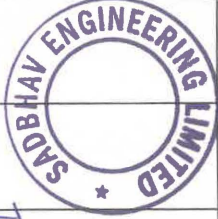
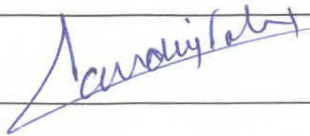


The NHAI vide its letter dt December 27, 2023, conveyed its "InPrinciple" approval for substitution of SUDHL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions through harmonious substitution and subject to final approval from the NHAI ("InPrinciple Approval"). Since the conditions precedent to the harmonious substitution are under compliance, no adjustments to the carrying value of assets and liabilities related to this project have been made in these financial results. Our opinion on financial statements of SUDHL for the year ended March 31,2024 is qualified in this regards.

**Reply No. 3 for Audit Qualification:**

GST tax credit receivables amounting to Rs. 16133.10 lakhs are included in the consolidated Balance sheet under the head Other Current Assets as at March 31, 2024 in respect of following stepdown subsidiaries . Presently, the respective subsidiary companies does not carry out any business activity. However 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 subsidiary Company have expressed qualified opinion on the financial statements for the year ended March 31, 2024 vide their independent audit report dated as mentioned below.

Name of Subsidiary Company	GST TAX Credit Receivables (Rs. In lakhs)	Date of Audit Re
Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	1,535.30	May 19, 2024
Sadbhav Bangalore Highway Private Limited (SBGHPL)	4,206.80	May 19, 2024
Sadbhav Vidarbha Highway Limited (SVHL)	5,048.30	May 19, 2024
Sadbhav Nainital Highway Limited (SNHL)	1,183.10	May 14, 2024
Sadbhav Kim Expressway Private Limited (SKEPL)	4,159.60	May 20, 2024
Total	<b>16,133.10</b>	



<b>III</b>	<b>Signatories:</b>	
<ul style="list-style-type: none"> <li>Chairman and Managing Director</li> </ul>		
<ul style="list-style-type: none"> <li>CFO</li> </ul>		
<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>		
<ul style="list-style-type: none"> <li>Statutory Auditors</li> </ul> <p>Mr. K C Patel Partner Membership Number: 030083 For Manubhai &amp; Shah LLP Chartered Accountants ICAI Firm Registration Number:106041W/W100136</p>		
<b>Place: Ahmedabad</b>		
<b>Date: 21-05-2024</b>		