

Ref: SEL/2022-23/51

August 10, 2022

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

To,  
**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 10<sup>th</sup> August, 2022.**

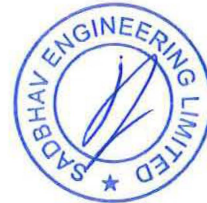
Dear Sir/ Madam,

In compliance to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”), this is to inform you that the meeting of Board of Directors was held on today i.e. August 10, 2022 at 06:00 p.m. and concluded at 08:30 p.m., the following matters are inter alia approved and adopted by the Board of Directors:

1. Approved and adopted the standalone and consolidated Unaudited Financial Results of the Company for the Quarter ended on 30<sup>th</sup> June, 2022.

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

- a. Standalone and Consolidated Unaudited Financial Results of the Company for Quarter ended on 30<sup>th</sup> June, 2022.
  - b. Limited Review Report with modified opinion with respect to Unaudited Financial Results of the Company for the Quarter ended on 30<sup>th</sup> June, 2022.
2. Board has taken a note that term of our Joint Statutory Auditor, i.e. M/s. Dhirubhai Shah & Co LLP Chartered Accountants, Ahmedabad having Firm Registration No. 102511W/W100298, would be completing their present term on the day of ensuing Annual General Meeting. Remaining Joint Statutory Auditor, i.e. M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 106041W/W100136) will continue as the Statutory Auditor of the Company.
  3. The 33<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Friday, September 30, 2022 through Video Conference(“VC”) / Other Audio Visual Means (“OAVM”).
  4. Members of the Company, holding shares either in physical form or in dematerialized form, as on August 26, 2022, (cutoff date), shall be entitled for receiving of Notice of AGM and Annual Report for the period 2021-22.



**Sadbhav Engineering Limited**

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

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5. Register of Members and Share Transfer Books of Company shall remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of 33<sup>rd</sup> Annual General Meeting of the Company.
6. The remote e-voting period will commence on Tuesday, September 27, 2022 @9.00 a.m. and would end on Thursday, September 29, 2022 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 23, 2022 (cutoff date for remote e-voting), may cast their vote through remote e-voting. Those Members, who shall be present in the AGM through VC/OAVM facility and had not cast their votes on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

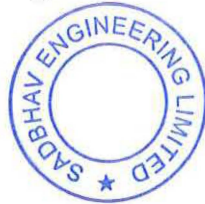
You are requested to take the above on your record.

Thanking you.

Yours truly,

**For Sadbhav Engineering Limited**

  
**Hardik Modi**  
**Company Secretary**  
Encl: As Above





SADBHAV ENGINEERING LIMITED  
CIN NO.: L45400GJ1988PLC011322

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

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

	Particulars	Quarter ended			Year ended
		30/06/2022 (Unaudited)	31/03/2022 (Audited) (Note No. 15)	30/06/2021 (Unaudited)	31/03/2022 (Audited)
	<b>Income</b>				
1	Revenue from operations	27,016.80	35,998.37	26,283.49	122,623.66
2	Other income	1,740.67	2,442.97	1,945.18	9,634.19
3	<b>Total Income (1+2)</b>	<b>28,757.47</b>	<b>38,441.34</b>	<b>28,228.67</b>	<b>132,257.85</b>
4	<b>Expenses</b>				
	Cost of Material Consumed	2,820.85	6,326.94	4,979.89	21,013.35
	Construction Expenses	18,726.89	20,761.14	15,577.46	73,032.25
	Employee benefits expense	1,229.08	1,393.39	2,569.14	8,203.07
	Finance costs	4,083.51	5,361.95	4,208.35	18,788.45
	Depreciation and amortization expense	1,248.71	1,326.61	2,037.19	6,919.73
	Other expenses (Refer note no. 9 )	2,885.01	71,251.20	740.60	73,908.78
	<b>Total Expenses</b>	<b>30,994.05</b>	<b>106,421.23</b>	<b>30,112.63</b>	<b>201,865.63</b>
5	<b>(Loss) before exceptional Items and tax (3-4)</b>	<b>(2,236.58)</b>	<b>(67,979.89)</b>	<b>(1,883.96)</b>	<b>(69,607.78)</b>
6	Exceptional Items (Refer Note no. 4)	-	(691.52)	-	(1,365.23)
7	<b>(Loss) before tax (5+6)</b>	<b>(2,236.58)</b>	<b>(68,671.41)</b>	<b>(1,883.96)</b>	<b>(70,973.01)</b>
8	Tax Expense (incl. short/excess provision of earlier year(s))	-	(2,400.04)	-	(2,500.05)
	Deferred Tax	(5.82)	3,788.43	(197.89)	3,158.75
9	<b>(Loss) for the period from containing operations (7-8)</b>	<b>(2,230.76)</b>	<b>(70,059.80)</b>	<b>(1,686.07)</b>	<b>(71,631.71)</b>
10	<b>Other Comprehensive Income (OCI)</b>				
	Items that will not be reclassified to profit or loss (Net of tax)	-	73.03	-	168.41
11	<b>Total Comprehensive Income for the period / year (9+10)</b>	<b>(2,230.76)</b>	<b>(69,986.77)</b>	<b>(1,686.07)</b>	<b>(71,463.30)</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
13	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	141136.82
14	Basic & Diluted EPS (Rs.) (Face value of Re. 1/- each) (*not annualized)	-1.3*	-40.83*	-0.98*	-41.75



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**Notes :**

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their respective meetings held on August 10, 2022. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 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). Consequently, the company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 3 Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by taking lower useful life compared to useful life prescribed under schedule II to the Companies Act, 2013. Hence depreciation charged for the quarter ended on June 30, 2022 is higher by Rs. 112.81 Lakhs (Rs. 183.88 Lakhs). The said Accounting policy is consistently followed by the Company after the introduction of Companies Act, 2013.
- 4 Exceptional items during year ended March 31, 2022 includes:
  - (i) Loss of Rs. 1067.23 lakhs on account of the sale of assets.
  - (ii) Loss of Rs. 298.00 lakhs on account of impairment in carrying value of investments.
- 5 The Board of Directors at their meeting dated October 19, 2019 have approved scheme of merger and arrangement under Sections 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE / NSE have been received. In terms of the order of National Company Law Tribunal (NCLT) dated December 01, 2020, the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors was conveyed and requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval. The matter is pending before NCLT.
- 6 The Company has net outstanding loan, trade and other receivable aggregating to Rs. 20,301.04 lakhs from 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.

Further the toll collection by RPTPL was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, RPTPL could not collect toll user fees from December 25, 2020. RPTPL had sent various communications to NHAI for such forceful suspension of toll. RPTPL has issued notice for termination of concession agreement on July 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. RPTPL has filed claim amounting to Rs. 3,95,784.40 lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. with NHAI in terms of concession agreement. In respect of such claims, NHAI has approached to the RPTPL for settlement of all these claims by way of conciliation proceedings, which has been consented by it.

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 communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of outstanding amount in RPTPL and consequently no provision/adjustment to the carrying value of loan, trade and other receivable as at June 30, 2022 is considered necessary.



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- 7 The Company has net outstanding loan, trade and other receivable aggregating to Rs. 2,772.85 lakhs in Rohtak Hissar Tollway Private Limited (RHTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with National Highways Authorities of India (NHAI). The net worth of RHTPL has fully eroded.

Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, RHTPL could not collect toll user fees from December 25, 2020. RHTPL had sent various communications to NHAI for such forceful suspension of toll. RHTPL has issued notice for termination of concession agreement on August 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. RHTPL has filed claim amounting to Rs. 14,9697.70 lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc with NHAI in terms of concession agreement.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of outstanding amount in RHTPL and consequently no provision/adjustment to the carrying value of loan, trade and other receivable as at June 30, 2022 is considered necessary.

- 8 The Company has outstanding loan, trade and other receivables aggregating to Rs. 6,601.56 lakhs in Sadbhav Banglore Highway Private Limited (SBHPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with National Highways Authorities of India (NHAI). The lenders of the SBHPL have notified to NHAI about exercise of their right of substitution of concessionaire i.e., SBHPL in the month of January, 2022, in response to the notice of intention to terminate the Concession Agreement by NHAI. The substitution process is in progress. In terms of concession agreement, in case of substitution of the concessionaire, the project of SBHPL shall be transferred to nominated company selected by the lenders. Considering the pending procedure for substitution, no adjustment to the carrying value of loan, trade and other receivable from SBHPL has been considered necessary.

- 9 a. There was delay in physical work progress in case of Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with National Highways Authorities of India (NHAI), due to delay in handing over the land from NHAI, delay in approval of Change of scope of work, non-funding by the lenders and nationwide lockdown due to Covid-19. Further the NHAI in the month of January 2022 at the request of the SJRRPL had given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions.

Pursuant to this, definitive agreement was entered into between The Company, SJRRPL, Sadbhav Infrastructure Project Limited (The subsidiary company) and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also executed endorsement agreement between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL.

Consequently, all the balances outstanding, pertaining to SJRRPL, in books of the Company have been adjusted and net debit amount of Rs. 1,891.10 Lakhs has been transferred to statement of profit and loss and shown as other expenses in financial results.

- b. Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69,391.73 lakhs in respect of provision for impairment to the carrying value of the contract assets.

In terms of Ind AS – 115 – “Revenue from Contracts with the Customers”, the Company recognises contract assets on the basis of actual cost incurred on contract till reporting date and estimated cost to complete (CTC) to the contract as per percentage of completion method. The CTC is reviewed at the balance sheet date and adjustments are affected to the carrying value of contract assets on the basis of such review. The certification of work completion and acceptance of final bill by the customers usually takes significant period of time and this period varies from contract to contract.



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During last few years there has been substantial increase in the cost of construction. Further, there were delays in execution of the work due to resource constraints. To overcome this situation during the year, the Company sub-contracted or took exit from some of the works post final measurement of work done by the company. There is no pass through of higher cost over-run as the contracts are fixed price contracts.


In the light of the above situation, the management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment to the carrying value of the contract assets is made in the financial statements in terms of Ind AS – 115 – “Revenue from Contracts with the Customers”. The management is taking effective steps for realization of these assets and on realization, the provision for impairment made will be reviewed and if required, revised.

- 10 Company’s operations were impacted due to inflationary pressure and resources constraint. The Management, on the basis of past experience, focused on speedy execution of the projects, cost control and deleveraging. The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for the financial year 2022 - 2023 with focus on enhancing resource availability by timely execution of recently procured EPC projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date and there is no threat to going concern assumption adopted in preparation of financial results for the quarter ended June 30, 2022.
- 11 The Indian Parliament has passed the Code on Social Security, 2020. The Code when implemented will impact the contribution by the Company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code is yet to be notified. In view of this, any financial impact due to the change will be assessed and accounted for in the period of notification.
- 12 The listed, rated, secured, non-convertible, debentures of the Company aggregating Rs. 4,500.00 Lakhs outstanding as on June 30, 2022 are secured by way of shares of Company's subsidiary, movable property and personal guarantee of some of the directors. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 13 The company has a credit rating of IND BB+ (RWN) (Double BB plus) (Outlook rating : watch negative) from India Ratings and Research Private Limited pertaining to its non-convertible debentures as per the latest rating dated June 18, 2022.
- 14 Additional Information for the quarter ended June 30, 2022 pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are given in Annexure-1.
- 15 The figures for the quarter ended March 31, 2022 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the unaudited published year to date figures up to third quarter ended December 31, 2021 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 16 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.

SIGNED FOR IDENTIFICATION BY  
SK  
DHIRUBHAI SHAH & CO LLP  
CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION BY  
Manubhai  
MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS

For SADBHAV ENGINEERING LIMITED

  
Nitin R. Patel  
Executive Director & Chief Financial Officer  
DIN: 00466330  
Place : Ahmedabad  
Date : August 10, 2022



**Sadbhav Engineering Limited**

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**Sadbhav Engineering Limited**  
**CIN : L45400GJ1988PLC011322**

Additional Information pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the quarter ended 30th June, 2022

Sr. No.	Particulars	Quarter ended	Year Ended
		30-06-2022 (Unaudited)	31-03-2022 (Audited)
1	Debt Equity Ratio (in times) (Total Borrowings / Total Equity)	0.79	0.81
2	Debt Service Ratio (in times) (Earnings Before Interest, Depreciation and Tax (EBIDTA) and Non Cash Item / (Interest + Scheduled Principal Repayments of Long Term Borrowings)	0.54	0.57
3	Interest Service Coverage Ratio (in times) (EBIDTA and Non Cash Items/ Interest Expense)	1.49	1.36
4	Capital Redemption Reserve (Rs. in lakhs)	345.00	345.00
5	Debenture Redemption Reserve (Rs. in lakhs)	1728.46	1728.46
6	Net Worth (Rs. in lakhs)	140621.8	142852.53
7	Net Profit/(Loss) after Tax (Rs. in lakhs)	(2,230.76)	(71,631.71)
8	Earning Per Share (basic and diluted) (not annualised except year ended March 31, 2021) (in Rs.)	-1.3*	-41.75
9	Current Ratio (in times) (Current Assets/Current Liabilities)	1.18	1.30
10	Long Term Debt to Working Capital Ratio (in times) (Long Term Borrowings + Current Maturity of Long Term Borrowings) / (Current Assets - Current Liabilities excluding Current Maturities of Long Term Borrowings)	0.63	0.60
11	Current Liability Ratio (in times) (Current Liabilities/Total Liabilities)	0.92	0.87
12	Total Debts to Total Assets Ratio (in times) (Total Borrowings / Total Assets)	0.28	0.31
13	Debtors Turnover Ratio (in times) (Revenue from Operations / Average Trade Receivables)	0.21	0.80
14	Inventory Turnover Ratio (in times) (Material Consumed / Average Inventory)	0.26	1.70
15	Operating Margin (%) (EBIDTA and non cash item excluding Other Income / Revenue from Operations)	12.02%	12.93%
16	Net Profit Margin (%) (Net Profit / Total Income)	-7.76%	-54.16%

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of Sadbhav Engineering Limited pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors of  
Sadbhav Engineering Limited

- 1) We have reviewed the accompanying Statement of unaudited standalone financial results of **Sadbhav Engineering Limited** (the "Company") for the quarter ended on June 30, 2022 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- 2) This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- 4)
  - (a) We draw attention to Note 6 and Note 7 to the accompanying Standalone Financial Results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited and Rohtak Hisar Tollway Private Limited, step-down subsidiaries of the company. Both step-down subsidiaries have issued notice of termination of concession agreement to National Highway Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note, the company has carried out impairment assessment of outstanding balance in these step-down subsidiaries 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, trade and other receivable balances are necessary as at June 30, 2022.

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivables (net) aggregating to Rs. 23,073.88 Lakhs for the quarter ended related to both the step-down subsidiaries.





Accordingly, we are unable to comment on appropriateness of the carrying value of such loan, trade and other receivable and their consequential impact on the financial results and financial position of the company for the quarter ended and as at June 30, 2022.

- (b) We draw attention to Note 8 of the accompanying Standalone Financial Results with respect to Sadbhav Bangalore Highway Private Limited (Concessionaire or SBGHPL), step-down subsidiary of the company, where lender of SBGHPL have notified in the month of January, 2022, to NHAI about exercise of their right of substitution of concessionaire. As explained in the said note, management has carried out impairment assessment of loan, trade and other receivable in this step-down subsidiary duly considering the expected payment arising out of aforesaid substitution and based on the above assessment, management has concluded that no impairment / adjustment to the carrying value of loan, trade and other receivable is necessary as on June 30, 2022.

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivable balance amounting to Rs. 6,601.56 Lakhs for the quarter ended related to SBGHPL.

Accordingly, we are unable to comment on appropriateness of the carrying value of loan, trade and other receivable and their consequential impact on the financial results and financial position of the company for the quarter ended and as at June 30, 2022.

Our audit report for the previous year ended March 31, 2022 were also qualified in respect of the above cited matters pertaining to para 4 (a) & (b).

- 5) Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For, Dhirubhai Shah & Co LLP  
Chartered Accountants  
FRN: 102511W/W100298

*Samip K. Shah.*

Samip K Shah  
Partner  
Membership No: 128531  
ICAI UDIN: 22128531AOUDUO8387  
Place: Ahmedabad  
Date: August 10, 2022



For, Manubhai & Shah LLP  
Chartered Accountants  
FRN: 106041W/W100136

*Kuntel.*

K. C. Patel  
Partner  
Membership No: 030083  
ICAI UDIN: 22030083AOUCMV3802  
Place: Ahmedabad  
Date: August 10, 2022

SADBHAV ENGINEERING LIMITED  
CIN NO.: L45400GJ1988PLC011322

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

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

Sr. No.	Particulars	Quarter ended			Year Ended
		30/06/2022 (Unaudited)	31/03/2022 (Audited) (Note No. 16)	30/06/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue From operations	50,049.38	65,670.59	39,780.72	190,770.10
2	Other income	7,905.80	61,560.81	9,084.54	92,003.88
3	<b>Total Income (1+2)</b>	<b>57,955.18</b>	<b>127,231.40</b>	<b>48,865.26</b>	<b>282,773.98</b>
4	<b>Expenses</b>				
	Cost of Material Consumed	7,652.35	259.74	4,979.89	21,013.36
	Construction Expenses	25,515.12	51,047.42	18,933.75	105,403.59
	Employee benefits expense	1,906.88	2,268.09	3,320.94	11,308.37
	Finance costs	26,061.27	29,955.08	25,294.00	97,542.59
	Depreciation and amortization expense	3,612.11	4,940.61	3,990.59	16,687.33
	Other expenses (Refer Note No. 9 )	6,161.95	81,655.65	2,128.15	87,796.03
	<b>Total Expenses</b>	<b>70,909.68</b>	<b>170,126.59</b>	<b>58,647.32</b>	<b>339,751.27</b>
5	<b>(Loss) before exceptional Items and tax (3-4)</b>	<b>(12,954.50)</b>	<b>(42,895.19)</b>	<b>(9,782.06)</b>	<b>(56,977.29)</b>
6	Exceptional Items (Refer Note No. 4)	(9,828.88)	(8,303.52)	(6,221.00)	(16,517.43)
7	<b>(Loss) before tax for the period / year (5+6)</b>	<b>(22,783.38)</b>	<b>(51,198.71)</b>	<b>(16,003.06)</b>	<b>(73,494.72)</b>
8	Tax Expense	445.10	(342.80)	2,126.00	992.40
	Deferred Tax	532.98	3,723.53	(3,139.39)	925.15
	Adjustment for short or excess Provision of the previous year	-	(2,399.84)	-	(2,572.95)
9	<b>(Loss) for the period / year from containing operations (7-8)</b>	<b>(23,761.46)</b>	<b>(52,179.60)</b>	<b>(14,989.67)</b>	<b>(72,839.32)</b>
10	<b>Net (Loss) for the period / year after taxes, Non-controlling Interest and share of (loss) of associates (9-10)</b>	<b>(23,761.46)</b>	<b>(52,179.60)</b>	<b>(14,989.67)</b>	<b>(72,839.32)</b>
11	Other Comprehensive Income (OCI) Items that will not be reclassified to profit or loss (Net of tax)		124.13	-	219.51
12	<b>Total Comprehensive Income for the period / year (10+11)</b>	<b>(23,761.46)</b>	<b>(52,055.47)</b>	<b>(14,989.67)</b>	<b>(72,619.81)</b>
13	<b>Profit/ (Loss) for the period/year attributable to:</b>				
	Owners of the Company	(17,239.73)	(57,688.92)	(10,968.75)	(72,370.18)
	Non-controlling Interest	(6,521.73)	6,352.21	(4,020.92)	(469.14)
14	<b>Other Comprehensive Income for the period / year attributable to:</b>				
	Owners of the Company	-	124.13	-	219.51
	Non-controlling Interest	-	-	-	-
15	<b>Total Comprehensive Income for the period / year attributable to:</b>				
	Owners of the Company	(17,239.73)	(57,564.79)	(10,968.75)	(72,150.67)
	Non-controlling Interest	(6,521.73)	6,352.21	(4,020.92)	(469.14)
	<b>Total Income (Including other comprehensive Income )</b>	<b>(23,761.46)</b>	<b>(51,212.58)</b>	<b>(14,989.67)</b>	<b>(72,619.81)</b>
16	Paid up Equity share Capital (face value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71
17	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	78,437.76
18	Basic & Diluted EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (*not annualized)	-10.05*	-33.62*	-6.39*	-42.18





**Notes :**

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their respective meetings held on August 10, 2022. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 2 The revenue from operations includes revenue from construction contracts of Rs. 18,046.10 Lakhs, Rs. 16,276.80 Lakhs, Rs. 7,224.40 Lakhs for quarter ended June 30, 2022, March 31, 2022 and June 30, 2021 respectively and Rs. 38,263.00 Lakhs for the year ended March 31, 2022 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 a. Exceptional items during quarter ended June 30, 2022 include :
  - (i) Loss of Rs. 8,189.28 Lakhs on account of harmonious substitution of Concession of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL) ( Refer Note No. 10 )
  - (ii) Loss of Rs. 474.60 Lakhs on account of sale of units of IndInfravit Trust held by Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company.
  - (iii) Provision for impairment of investment in shares of Sadbhav Jodhpur Ringroad Private Limited of Rs 1165.00 Lakhs by SIPL.

b. Exceptional items during quarter and year ended March 31, 2022 include :

  - (i) Loss of Rs. 6,590.20 Lakhs on account of amount received from subsidiaries transferred to Indinfravit towards the claim from the concerned authority.
  - (ii) Loss of Rs. 1067.23 Lakhs on account of the sale of assets.
  - (iii) Loss of Rs. 298 Lakhs on account of impairment in carrying value of investment.

(iv) In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), one of the step-down subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017. In this connection AUDA, in its board meeting has passed resolution to assess claims and make payments as per actual traffic. Company has raised the claims as per the directions of the Board of AUDA. As a result during the quarter ended March 31, 2022 AUDA has confirmed the final claim calculation based on the actual traffic and approved the claim of Rs. 10,000.00 Lakhs and same is recognised as income by ARRIL. In addition to this the said step down subsidiary has recognised the settlement of claim of Rs. 9780.00 Lakhs alongwith Interest @8% per annum from 01.01.2014.

(v) Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company 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 on March 31, 2022, for which SIPL has received consideration of Rs. 35,750.00 Lakhs and it has recognised loss of Rs. 7,851.90 Lakhs in relation of transfer of 49% stake. Subsequent to March 31, 2022, 51% shares held by the SIPL in MBCPNL will be transferred to ARTL in terms of SPA subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents ("the Transaction"). Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as Assets Held for Sale in accordance with IND AS-105 - Non Current Assets Held for Sale and Discontinuing Operations.



**Sadbhav Engineering Limited**

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4 Key Numbers of standalone financial results of the company are as under:

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter months ended			Year ended
		30/06/2022 (Unaudited)	31/03/2022 (Audited) (Note No. 16)	30/06/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue from operations	27016.80	35998.37	26283.49	122623.66
2	Net (loss) before tax	(2,236.58)	(68,671.41)	(1,883.96)	(70,973.01)
3	Net (loss) after tax	(2,230.76)	(70,059.80)	(1,686.07)	(71,631.71)
4	Total other comprehensive income	(2,230.76)	(69,986.77)	(1,686.07)	(71,463.30)

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

6 The listed, non-convertible, debentures of the Company aggregating Rs. 4500.00 Lakhs outstanding as on June 30, 2022 are secured by way of shares of Company's subsidiary, movable property and personal guarantee of directors. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

As on June 30, 2022, the outstanding amount of unlisted non-convertible debentures of the SIPL are aggregating to Rs. 44,139.00 Lakhs. The said debentures are not listed.

7 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.

In this regard the management of RPTPL 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 view of the above, RPTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Impaired intangible assets related to Toll Collection Rights, amounting to Rs. 9,097.80 Lakhs and transferred balance amount from Intangible Assets to "Receivable from the NHAI" under the head Other Current Financial Assets. The management of RPTPL is of the view that amount recoverable from NHAI are fully recoverable.
- Written back the liability of premium obligation amounting to Rs. 36,959.20 Lakhs

8 One of the step down subsidiary of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the RHTPL 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 lodged total claims amounting to Rs. 1,49,697.70 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of this RHTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Transferred amount of Toll Collection Rights from Intangible Assets to Receivable from the NHAI under the head Other Current Financial Assets. Further, the management of RHTPL is of the view that amounts recoverable from NHAI are fully recoverable and hence no impairment loss is envisaged.
- Written back major maintenance provision amounting to Rs. 7,861.80 Lakhs.



## Sadbhav Engineering Limited

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- 9 a. Project of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL), one of the step down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, was delayed in due to delay in handing over the land from Authority (NHAI), delay in approval of change of scope work, non-funding by the lenders and nationwide lockdown due to Covid-19. At the request of the SJRRPL, NHAI in the month of January 2022 had given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions.

Pursuant to this, definitive agreement was entered into between the company, SJRRPL, SIPL and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also endorsement agreement was executed between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL. 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 SJRRPL are transferred the new concessionaire. Consequently, all the balances outstanding in the books of the Group as at June 30, 2022 related to project of SJRRPL are adjusted against the consideration receivable from the GCL. The net difference is transferred to the Statement of Profit and Loss Account and amount of Rs. 8,189.28 Lakhs is disclosed as exceptional item and amount of Rs. 5,432.32 Lakhs is included in other expenses.

- b. Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69,391.73 Lakhs in respect of provision for impairment to the carrying value of the contract assets.

In terms of Ind AS – 115 – “Revenue from Contracts with the Customers”, the Company recognises contract assets on the basis of actual cost incurred on contract till reporting date and estimated cost to complete (CTC) to the contract as per percentage of completion method. The CTC is reviewed at the balance sheet date and adjustments are affected to the carrying value of contract assets on the basis of such review. The certification of work completion and acceptance of final bill by the customers usually takes significant period of time and this period varies from contract to contract.

During last few years there has been substantial increase in the cost of construction. Further, there were delays in execution of the work due to resource constraints. To overcome this situation during the year, the Holding Company sub-contracted or took exit from some of the works post final measurement of work done by the Holding Company. There is no pass through of higher cost over-run as the contracts are fixed price contracts.

In the light of the above situation, the Holding Company management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment to the carrying value of the contract assets is made in the financial statements in terms of Ind AS – 115 – “Revenue from Contracts with the Customers”. The Holding Company management is taking effective steps for realization of these assets and on realization, the provision for impairment made will be reviewed and if required, revised.

- 10 Sadbhav Bangalore Highway Private Limited (SBGHPL), one of the step subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, the lenders of the subsidiary have notified to NHAI about exercise of their right of substitution of concessionaire i.e SBGHPL in the month of January, 2022. The process of SBGHPL is in progress. In terms of concession agreement, in case of substitution of the concessionaire, the project of the company shall be transferred to nominated company selected by the lender. The management of SBGHPL has carried out impairment assessment of investments of the company as at balance sheet date. Considering the pending procedure for substitution and based on the impairment assessment, no adjustment to the carrying value of financial assets of SBGHPL have been made in the financial statements.

The statutory auditors have expressed qualification in respect of above matter as regards recoverable value of Company's financial assets of SBGHPL.



- 11 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement under Sections 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a step down subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE/NSE have been received. In terms of the order of National Company Law Tribunal (NCLT) dated December 01, 2020, the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors was conveyed and requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval. The matter is pending before NCLT.
- 12 The Statement includes unaudited interim financial results and other unaudited financial information, which has been approved by the Management, in respect of the Maharashtra Boarder Check Post Network Limited, the step down subsidiary company whose unaudited interim financial results/information reflect, total revenue of Rs. 7,453.00 Lakhs, total net (loss) after tax of Rs. (91.10) Lakhs and total comprehensive income of Rs. (79.50) Lakhs for the quarter ended on June 30, 2022.
- 13 The Group's operations were impacted due to inflationary pressure and resources constraint. The Management of the Group, on the basis of past experience, focused on speedy execution of the projects, cost control and deleveraging. The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in one of the SPVs. The management of the group has prepared projections of cash flows for the financial year 2022 - 2023 with focus on enhancing resource availability by timely execution of recently procured EPC projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management of the group believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date and there is no threat to going concern assumption adopted in preparation of financial results for the quarter ended June 30, 2022.
- 14 There is delay in physical progress of work as at June 30, 2022 in respect of projects being executed by Sadbhav Vidarbha Highway Private Limited (SVHPL), Sadbhav Kim Expressway Private Limited (SKEPL) and Sadbhav Nainital Highway Private Limited (SNHPL), step down subsidiaries of the company on account of delay in handing of over land from authority and various other reasons beyond the control of the said subsidiaries. The respective step down subsidiaries have sought for extension of Concession Period including Construction period and are confident that necessary approvals relating to extension of Concession Period including Construction period will be received.
- 15 The Indian Parliament has approved the code on Social Security, 2020. This has also received consent of the Hon'ble President of India. The code when implemented will impact the contribution by the company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code is yet to be notified. In view of this, any financial impact due to the change will be assessed and accounted for in the period of notification.
- 16 The figures for the quarter ended March 31, 2022 are balancing figures between the audited figures in respect of the full financial year upto March 31, 2022 and the unaudited published year to date figures up to third quarter ended December 31, 2021, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 17 Figures relating to the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods / year.

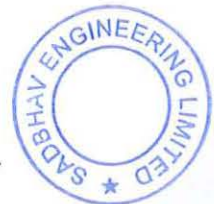
SIGNED FOR IDENTIFICATION BY  
*SK*  
DHIRUBHAI SHAH & CO LLP  
CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION BY

*Kundel*  
MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS

For SADBHAV ENGINEERING LIMITED

*Nitin R. Patel*  
Nitin R. Patel  
Executive Director & Chief Financial Officer  
DIN: 00466330  
Place : Ahmedabad  
Date : August 10, 2022





Independent Auditors' Review Report on the Quarterly Unaudited Consolidated Financial Results of Sadbhav Engineering Limited pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors of  
Sadbhav Engineering Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Sadbhav Engineering Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended on June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



4. The Statement includes the financial results of following entities:

Holding Company:

Sadbhav Engineering Limited

List of Subsidiaries:

1. Sadbhav Infrastructure Project Limited
2. Sadbhav Gadag Highway Private Limited

List of step-down subsidiaries:

1. Ahmedabad Ring Road Infrastructure Ltd
2. Maharashtra Border Check Post Network Ltd
3. Rohtak Panipat Tollway Private Ltd
4. Rohtak Hissar Tollway Private Ltd
5. Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited)
6. Sadbhav Una Highway Limited (earlier known as Sadbhav Una Highway Private Limited)
7. Sadbhav Bhavnagar Highway Limited (earlier known as Sadbhav Bhavnagar Highway Private Limited)
8. Sadbhav Nainital Private Limited (earlier known as Sadbhav Nainital Highway Private Limited)
9. Sadbhav Bangalore Highway Private Limited
10. Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited)
11. Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)
12. Sadbhav Jodhpur Ring Road Private Limited
13. Sadbhav PIMA Private Limited (earlier known as Sadbhav Tumkur Highway Private Limited)
14. Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited)
15. Sadbhav Kim Expressway Private Limited
16. Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited)
17. Sadbhav Hybrid Annuity Project Limited

5. (a) As detailed in Note 10 of the accompanying consolidated Financial Results with respect to Sadbhav Bangalore Highway Private Limited (Concessionaire or SBGHPL), subsidiary of the group where lender of SBGHPL have notified to NHAI about exercise of their right of substitution of concessionaire in the month of January, 2022. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial statements of SBGHPL and the financial statements of SBGHPL are prepared on going concern basis. Owing to the uncertainty of outcome of 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 results of the Group for the quarter ended and as on June 30, 2022.





One of the joint auditors have also expressed qualified conclusion on the financial results of SBGHPL for the quarter June 30 2022 vide their report dated August 8, 2022. Our audit report for the previous year ended March 31, 2022 were also qualified in respect of this matter.

(b) As detailed in Note 12 of the accompanying consolidated financial results that includes unaudited interim financial results and other unaudited financial information Maharashtra Boarder Check Post Network Limited, the step-down subsidiary Company which have not been reviewed by their auditors, whose unaudited interim financial results/information reflect, total revenue of Rs. 7,453.00 Lakhs, total net (loss) after tax of Rs. (91.10) Lakhs and total comprehensive income of Rs. (79.50) Lakhs for the quarter ended on June 30, 2022. These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to affairs of this step-down subsidiary is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these financial results are material to the Group.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 below except for the possible effects of our observations in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**7. Emphasis of Matter in respect of step-down subsidiary company:**

The auditors of Sadbhav Infrastructure Project Limited, a subsidiary company, in their report dated 9<sup>th</sup> August, 2022 on consolidated financial results of the said subsidiary have given the Emphasis of Matter paragraph as under:

We draw attention to Note 9 of the accompanying consolidated financial results regarding loss of Rs. 11,730.50 Lakhs on endorsement of concession on harmonious substitution of Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), one of the step-down subsidiary of the group and provision of impairment of Rs. 1,165.00 Lakhs in value of equity share of SJRRPL held by Parent consequent up on harmonious substitution of SJRRPL with the approval of National Highway Authority of India (NHAI).

The conclusion of auditors of SIPL is not modified in respect of the above matters.

**8. Other Matters:**

- a) The consolidated financial results include unaudited financial results of 3 step- down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. Nil, total net profit/ (loss) after tax of Rs. (0.30) Lakhs, total comprehensive income of Rs. (0.30) Lakhs for the quarter ended on June 30, 2022 respectively. These financial results are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of these step - down subsidiary companies, is based on solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not



modified in respect of this matter with respect to our reliance on the financial results certified by the Management.

- b) We did not review the interim financial results and other financial information in respect of 1 subsidiary and 5 step-down subsidiaries, whose financial results/information reflects (before eliminating intercompany transactions) total revenue of Rs. 12,788.60 Lakhs, total net profit/(loss) after tax of Rs. (20,451.14) Lakhs, total comprehensive income of Rs. (20,451.14) lakhs for the quarter ended on June 30, 2022 respectively as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the Management. Our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of such subsidiary and step-down subsidiary companies is based solely on the report of other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.
- c) The consolidated financial results include unaudited financial results of 1 subsidiary and 8 step-down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. 25,301.30 Lakhs, total net profit/(loss) after tax of Rs. (988.27) Lakhs, total comprehensive income of Rs. (988.27) Lakhs for the quarter ended on June 30, 2022 respectively as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by one of the joint auditors. Our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of such subsidiary and step-down subsidiary companies is based solely on the reports of joint auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.

For, Dhirubhai Shah & Co LLP  
Chartered Accountants  
FRN: 102511W/W100298

*Samip K. Shah*

Samip K Shah  
Partner  
Membership No: 128531  
ICAI UDIN: 22128531AOUEAC6804



For, Manubhai & Shah LLP  
Chartered Accountants  
FRN: 106041W/W100136

*K. C. Patel*

K. C. Patel  
Partner  
Membership No: 030083  
ICAI UDIN: 22030083AOUCSZ1005

Place: Ahmedabad  
Date: August 10, 2022

Place: Ahmedabad  
Date: August 10, 2022