

Ref: SEL/2022-23/66
September 08, 2022

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

**Subject: Notice of 33rd Annual General Meeting (“AGM”) and Annual Report for
Financial year 2021-2022 of Sadbhav Engineering Limited**

Dear Sir/Madam,

This is to inform that the 33rd Annual General Meeting (“AGM”) of the Company will be held on Friday, 30th September, 2022 at 03:30 p.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 30 and 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice of AGM is also uploaded on the Company's website and can be accessed at www.sadbhaveng.com.

This is for your information and records.

Thanking You,
Yours truly,
For, Sadbhav Engineering Limited

Shashin Patel
Director
DIN: 00048328



Encl: As above

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.sadbhaveng.com CIN: L45400GJ1988PLC011322

Building Infrastructure for Brighter Future



33rd ANNUAL REPORT
2021-22

Sadbhav Engineering Limited



Transport



Mining



Irrigation

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Salient Features of Financial Statements of Subsidiary/Associates/Joint Ventures



Late Shri Vishnubhai M. Patel

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

Farthest destinations can be reached,
You have to construct a road to reach there.

Widest rifts can be crossed,
You have to bridge the ends.

Precious Mineral can be mined,
You have to go deep down to dig it.

Passion and determination are virtues of Sadbhav,
You have to cherish them.



Destined to Succeed

No nation develops without investing in infrastructure and indeed, this is the reason why India has been making huge investments and expenditure for developing infrastructure. Progressive Government of India has been planning and commissioning the infrastructure projects under various schemes on fast track. Sadbhav Engineering Limited, being a stalwart in the infrastructure sector is building infrastructure to propel future growth and is proud to be an integral part of this success saga being scripted for the bright future of our country.

The economies across the world were recuperating slowly due to impacts created by COVID as well as the resultant political turmoil due to Russia - Ukraine War and due to increased debt pressure faced by developing countries like Srilanka, Pakistan, Nepal etc. However, India has smartly outshined through its balanced approach across diplomatic as well as economic fronts.

Moreover, major thrust by Government of India on infrastructure sector has given impetus to the industry to sustain its development journey. In terms of budgetary enhancement, Indian government made significant additional

commitments this year, amounting to INR7.5 trillion in FY 2022-23, which is a 35.4 per cent increase over the previous year's outlay. With over 35% y-o-y increase in capex and a proposed infrastructure spend of over Rs. 10 lakh crore in Budget 2022-23, the Union Government has reinforced its commitment to using infrastructure as a force multiplier for sustained economic growth.

International Monetary Fund (IMF) has projected India's projected real GDP at 7.4% for 2022. India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a long-lasting adverse impact of the crisis, according to the latest annual review by IMF staff.

Through strong determination and dedication, Sadbhav is destined to succeed by building quality infrastructure to herald a brighter future for the nation.

Projects Completed till Date



TRANSPORT

Roads & Highways
Over 9621 Lane kms



MINING

Over 574 mn
cubic mt



IRRIGATION

Canal Work
Over 819 kms

Each milestone is the new steppingstone

To achieve the long-term goals, the direction we take, the resilience and consistency with which we pursue the goal and the milestones we achieve make a big difference. In this pursuit of excellence, each milestone we achieve becomes the new steppingstones for the brighter future. At Sadbhav, we take the experience we gain by overcoming challenges in our stride and head high to achieve new milestones. Sadbhav Engineering Limited has built Roads

and Highways Over 9,621 Lane Kms during the year. Transport division contributed 84% of Company's total revenue.

In 2022-23, the Ministry of Road Transport and Highways has been allocated nearly Rs. 68,000 crore more than the revised expenditure in 2021-22. In absolute terms, this is the highest increase (from revised estimates of 2021-22) among all ministries in 2022-23. Nearly all of this additional allocation has been earmarked for investment in NHAI. After many years, NHAI will not have any borrowings, and rely entirely on





budgetary resources. As of November 2021, NHAI's total debt stood at Rs. 3.38 lakh crore. This is nearly 150% more than the allocation to NHAI in 2022-23. Furthermore, Government of India also announced that PM Gati Shakti Master Plan for Expressways will be formulated in 2022-23 to facilitate faster movement of people and goods. The government has also decided that the National Highways network will be expanded by 25,000 km in 2022-23 and Rs. 20,000 crore will be mobilised through innovative ways of financing to complement public resources.

Sadbhav Engineering Limited foresees these opportunities as stepping stones to create new milestones and is poised to tap the opportunities to contribute for the development of the expressways and create a brighter future it has envisaged.

Building Infrastructure to Sustain Agriculture Sector

India's agriculture sector accounts for around 14 percent of the country's economy but for 42 percent of total employment. Irrigated area accounts for nearly 48.8 per cent of approx. 140 million hectare (mha) of agricultural land in India. To further reduce the dependence of the sector on the precipitation only, Government of India has been putting thrust on expanding irrigation infrastructure.

In Union Budget 2021-22, Government of India allocated of Rs. 5,000 crore to the Micro Irrigation Fund (MIF) with NABARD to help increase the coverage of micro irrigation in all states. Under *Accelerated Irrigation Benefit Programme (AIBP)* scheme, financial assistance is being provided for faster completion of irrigation projects. As of February 2021, 44 projects (42%) out of the 106 projects selected under the scheme have been completed. Further, 22 projects (20%) projects are facing constraints such as land acquisition, legal, and contractual issues.

Sadbhav Irrigation division executed canal works over 819 kms and contributed 13% of company revenue. At Sadbhav, we believe that every irrigation infrastructure we build is strengthening our country's capability to meet

growing requirements of agricultural products and make rural India more prosperous.

Mining for Prosperous Tomorrow

Mining industry contributes to the economic growth of mankind as minerals and metals are essential for industrialisation. India has large reserve of mineral resources and is self-reliant for all its needs. India being one of the fastest developing economies has identified the true potential of mining and has necessary policy framework and mechanisms to support the sector to catapult country's growth.

During last seven years, the Government has introduced important reforms to open up the mineral sector to ensure its contribution in achieving the national policy goals. Major reforms include enactment of the Mines and Mineral (Development & Regulations) (MMDR) (Amendment) Act, 2015, which made the process of allocation of mineral concessions completely transparent by introducing public auctions with active participation of the State Governments.

As per the advanced estimate of National Income published by National Statistical Office, Ministry of Statistics & Programme Implementation, Gross Value Added by the mining & quarrying sector during FY'21-22 in terms of % contribution to the nation's economy is 2.26% amounting to Rs. 475202 Crores.

Mining division of Sadbhav mined over 574 Mn Cubic MT during FY'21-22. contributed 3% of company revenue. Sadbhav Engineering Limited has put in place the scientific mining practices across all its leased mines and believes in conservation and care of the environment resources. At Sadbhav, we are determined to reach new depths to unearth more and add value to the nation's prosperity and economy.

Corporate Information

Board of Directors



Shri Shashin V. Patel
Non-Executive Director
Vice Chairman



Shri Nitin R. Patel
Executive Director & CFO



Shri Vasistha C. Patel



Shri Sandip V. Patel
Independent Director



Shri Arun S. Patel
Independent Director



Dr. Tarang M. Desai
Independent Director



Smt. Anjali N. Choksi
Independent Director
(w.e.f. August 10, 2021)





COMPANY SECRETARY

Shri Hardik Modi

BOARD COMMITTEES

Audit Committee

Shri Sandip V. Patel

Chairman

Shri Nitin R. Patel

Member

Shri Arun S. Patel

Member

Nomination and

Remuneration Committee

Shri Arun S. Patel

Chairman

Shri Sandip V. Patel

Member

Dr. Tarang M. Desai

Member

Stakeholders

Relationship Committee

Shri Arun S. Patel

Chairman

Shri Sandip V. Patel

Member

Shri Nitin R. Patel

Member

Dr. Tarang M. Desai

Member

Finance and

Investment Committee

Shri Shashin V. Patel

Chairman

Shri Nitin R. Patel

Member

Shri Sandip V. Patel

Member

Corporate Social Responsibility Committee

Shri Shashin V. Patel

Chairman

Shri Nitin R. Patel

Member

Shri Arun S. Patel

Member

Risk Management Committee

Shri Shashin V. Patel

Chairman

Shri Nitin R. Patel

Member

Shri Sandip V. Patel

Member

BANKERS

Punjab National Bank

Union Bank of India

Bank of India

State Bank of India

Karur Vysya Bank

IDBI Bank

ICICI Bank

Standard Chartered Bank

Axis Bank

Yes Bank

JOINT STATUTORY AUDITORS

M/s. Dhirubhai Shah & Co. LLP

M/s. Manubhai & Shah LLP

WORKSHOP

Village Ognaj, Tal. Daskroi,

Dist. Ahmedabad.

REGISTERED OFFICE

"Sadbhav House",

Opp. Law Garden Police

Chowki, Ellisbridge,

Ahmedabad - 380006.

Website:

www.sadbhaveng.com

CORPORATE OFFICE

"Sadbhav",

Nr. Havmor Restaurant,

B/H. Navrangpura

Bus Stand, Navrangpura,

Ahmedabad - 380009.

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-101, 1st floor, 247 Park,

L.B.S. Marg, Vikhroli (West),

Vikhroli, Mumbai - 400083.



Message From Vice Chairman



Dear Shareholders,

My warm greetings to all of you. I hope you and your loved ones are safe and in good health. The financial year 2021-22 has gone through the second consecutive year under the Covid-19 pandemic. The past two years have been difficult, unpredictable and challenging for the world to say the least. We are confronting repeated waves of pandemic-led disruptions with uncertainty still looming over the spectrum of the world economies.

When we are saying that we are building the infrastructure for the brighter future, we are aiming to leap into the new trajectory of growth and development. At Sadbhav, we believe that brightness is the result of the enlightening ourselves through the evolution, experience, expertise and excellence we gain through out our past and present endeavours. More we attain higher degrees in these 4Es, brighter the future we embrace. That's why we are proud of the milestones we achieved in our journey of 34 years in building the infrastructure for our nation. Every project that we have executed has made us wiser

and resilient.

To live in the developed and prosperous nation, we have to make the one. Building of world class infrastructure is one of the prerequisites for the nation to progress ahead and get recognised as a developed nation by the rest of the world. We, at Sadbhav understood this since the time of our inception and vision of building the infrastructure today for tomorrow is enshrined in all our endeavours. Sadbhav is a respected name today in Engineering, Procurement and Construction (EPC) projects segment and has commissioned many prestigious projects across 12 states. We have always believed in augmenting the service and quality quotient and surpassed the expectations of the clients in some of the milestone projects we executed.

During FY'21-22, India's gross domestic product (GDP) growth slowed to a four-quarter low of 4.1% during the January-March period, from 5.4% in the preceding quarter, as manufacturing output shrank. As a result, full-year growth came in at 8.7%. As per the economic survey 2021-22, GDP is projected to grow at 8 - 8.5 % during 2022-23. Agriculture sector GVA registered buoyant growth of 3.9% in 2021-22. During the year, road construction per day was 28.4% and lesser than the previous year due to Covid-19 pandemic related disruptions and now Government of India has set an ambitious target of 60 KM per day for 2022-23.

Union Budget 2021-22 highlighted infrastructure sector as one of the biggest gainers. Government of India focused this year's budget to infrastructure development which received the much-needed impetus. The government allocated 34.5% more than the last year to infrastructure development giving emphasis to roads and highways, railways, urban infrastructure, power, port, shipping, and airways. The National Infrastructure Pipeline, which was launched with 6,835 projects, has now expanded to 7,400 projects, with 217 projects worth Rs 1.10 trillion completed. Three new dedicated freight corridors East-Coast Corridor,



East-West Sub Corridor and North-South Corridor are expected to see investments of about Rs 2.17 lakh crores. Asset monetisation plan for public infrastructure is expected to raise revenue for the government. A National Monetisation Pipeline for potential brownfield infrastructure assets has been envisaged.

During the year, your company's total turnover was Rs.1226.24 Crores and the total income was Rs.1322.58 Crores. During the year, your Company has constructed roads and highways of Over 9,621 lane kms. As on March 31, 2022, your Company has completed 46 projects in the transportation sector in which 43 of Highway Projects (out of which 11 are EPC projects, 11 BOT projects, 20 Item rate project, and 1 Annuity projects) and 3 are Metro Projects. Irrigation segment. The projects under canal construction work reached over 819 kilometers. Your Company is mining Uranium ore and Coal in Gujarat state, which are precious minerals and vital for the country in long term. Sadbhav has mined 574 Mn Cubic ft till now.

Despite the adverse impact due to challenges posed by COVID'19 on operations, the Company sustained its business excellence and continuity during the reporting year in all its verticals. Your Company is driven by strong fundamentals and value enshrined in its foundation and has always given priority to safeguarding the interest of the stakeholders. Your Company believes in pursuing long term sustainable development goals without being trifled by short term gains. This is because of the fact that EPC as a sector requires long term strategies, vision and plans as building infrastructure is a quality driven business activity confining to pre-defined project time frames and allocation of large number of resources. We are pragmatic and optimistic in all projects we undertake and are confident that we will add value to stakeholder's interests in long term.

Your Company's gross block of fixed assets stand at Rs. 562.64 Crores as on March 31, 2022.

Your Company has created direct employment opportunities for 1238 employees and indirect occupational opportunities to equal number of people through various projects and allied activities. At Sadbhav, all our employees are protected by benefits like PF, gratuity, bonus, etc. Furthermore, your company is one among a few companies to implement SAP S4-HANA to manage the resources across the country in real time.

I take this opportunity on behalf of the management of Sadbhav Engineering Limited to thank all our stakeholders, including our shareholders, clients, contractors, community members, employees and government authorities for their patronage, which has been driving force for all of us at Sadbhav. We are steadfast in our commitment to build the infrastructure for the brighter future.

Regards,

Shashin V. Patel
Vice Chairman



Financial Highlights

Turnover (₹ in crores)		Profit (Loss) After Tax (₹ in crores)		Net Worth (₹ in crores)	
2021-22	₹ 1226.24	2021-22	₹ (716.32)	2021-22	₹ 1428.53
2020-21	₹ 1623.62	2020-21	₹ 41.04	2020-21	₹ 2145.37
2019-20	₹ 2251.66	2019-20	₹ 85.16	2019-20	₹ 2103.98
2018-19	₹ 3549.23	2018-19	₹ 186.85	2018-19	₹ 2033.67
2017-18	₹ 3505.06	2017-18	₹ 220.66	2017-18	₹ 1866.79

(₹ in crores)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Turnover	1226.24	1623.62	2251.66	3549.23	3505.06
Total Income	1322.58	1717.11	2367.51	3584.90	3520.81
Earning Before Depreciation, Interest and Tax (EBDIT)	-438.99	304.85	395.31	427.91	415.14
Exceptional Items	-13.65	-19.59	17.01	0.76	0.00
Depreciation	69.20	94.21	108.45	95.76	97.90
Interest	187.88	189.51	194.12	174.92	190.80
Profit After Tax	-716.32	41.04	85.16	186.85	220.66
Equity Dividend %	0%	0%	0%	100%	100%
Dividend Payout	0.00	0.00	0.00	19.66	15.49
Equity Share Capital	17.16	17.16	17.16	17.16	17.16
Warrant Application Money	0.00	0.00	0.00	0.00	0.00
Stock Option Premium Outstanding	0.00	0.00	0.00	0.00	0.00
Reserve & Surplus	1411.37	2128.22	2086.83	2016.51	1849.63
Net Worth	1428.53	2145.37	2103.98	2033.67	1866.79
Gross Fixed Assets	562.24	651.93	725.13	800.99	730.55
Net Fixed Assets	195.18	283.43	401.41	497.17	502.77
Total Assets	3687.00	4580.9	4635.83	4597.72	4370.64
Total Debt (Loan Fund)	1143.94	1318.36	1254.31	1612.70	1499.29
Earning Per Share (In Rs.)	-41.75	2.39	4.96	10.89	12.86
Book Value Per Share (In Rs.)	83.26	125.04	122.63	118.53	108.81
Weighted No. of Shares	171570800	171570800	171570800	171570800	171570800

Note:

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

Notice

NOTICE is hereby given that the Thirty Third Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Friday, September 30, 2022 at 3.30 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt:
 - The audited standalone financial statements of the Company for the financial year ended on March 31, 2022, the reports of the Board of Directors and Auditors thereon; and
 - The audited consolidated financial statements of the Company for the financial year ended on March 31, 2022 and the report of Auditors thereon.
- To appoint a Director in place of Mr. Shashin V. Patel (DIN: 00048328) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. Ratification of Remuneration of Cost Auditor:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel & Associates, Ahmedabad Cost Accountant in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23, amounting to 75,000 /- (Rupees Seventy Five Thousand Only) per annum plus GST applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

4. To increase in borrowing Limit of the Company:

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

"RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Company held on 26th September, 2014, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 180(1)(c) of the Companies Act 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, and the Article of Association of the Company, consent of the Members of Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) to borrow any sum or sums of money, from time to time from any one or more Banks, other persons, firms, bodies corporate, or financial institutions from any other source in India or outside India notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of Rs 5000 Crores (Rupees Five Thousand crores only) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think it.

RESOLVED FURTHER THAT the Company be and is hereby authorized the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

5. Creation of charge on Company's properties:

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

"RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Company held on 26th September, 2014, pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies

Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company and/or any of the Company's holding/subsidiary(ies)/affiliate/associate Company, by way of loans (in foreign currency and/or rupee currency), Securities (comprising fully/partly Convertible Debentures and/or Secured/ Unsecured Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation/revaluation/fluctuation in the rate of exchange etc. and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deeds(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agents(s) and Trustee(s)/ Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agree to between the Board of Directors or Committee thereof and the Lender(s), Agent(s) and Trustee(s)/Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and are hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

6. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013:

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

"RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time and pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to enter into material related party transactions for advancing any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary, associate or joint venture of the Company, (in which any director is deemed to be interested) up to an aggregate sum of Rs. 5000 Crores (Rupees Five Thousand Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

Registered Office:

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

Place : Ahmedabad
Date : August 10, 2022

By Order of the Board of Directors
For Sadbhav Engineering Limited

Hardik Modi
Company Secretary
Membership No. F9193

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular no. 10/2021 dated June 23, 2021, Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (MCA) (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audiovisual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 33rd AGM of the Company is being convened and conducted through VC/OAVM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) through VC/OAVM is annexed hereto.
3. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / reappointment at this AGM is annexed.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer /RTA by email through its registered email address to nilesh.dalwadi@linkintime.co.in with a copy marked to helpdesk.evoting@cdslindia.com
6. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 33rd AGM being held through VC/OAVM.
7. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
8. In line with the MCA Circulars, the notice of the 33rd AGM along with the Annual Report 2021-22 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2021-22 will also be available on the Company's website at <https://www.sadbhaveng.com/investors/#annual-reports> websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com
9. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, nilesh.dalwadi@linkintime.co.in
Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020, Circular no. 02/2021 dated January 13, 2021 and General Circular No. 2/2022 dated May 05, 2022 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically.
10. Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.
11. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members in electronic mode.
12. The Register of Members and Share Transfer Books will be closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive).
13. In Case of Physical shares, Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be provided on request.
14. Pursuant to the erstwhile provisions of Section 124 (6) of the Companies Act, 2013, dividend for the financial year ended as on 31st March, 2015 and thereafter, which remains unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 125 of the Companies Act, 2013.

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Dividend
31-03-2015	29-09-2015	04-11-2022
31-03-2016	28-09-2016	03-11-2023
31-03-2017	26-09-2017	01-11-2024
31-03-2018	27-09-2018	02-11-2025
31-03-2019	25-09-2019	31-10-2026

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

15. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case, shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
16. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's R & T Agent for assistance in this regard.
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e- voting system on the date of the AGM will be provided by CDSL.
18. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. The attendance of the Members attending the AGM through VC/OAVM will be counted for ascertaining the quorum under Section 103 of the Companies Act, 2013.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and Circular no. 02/2021 dated January 13, 2021, the Notice calling the AGM has been uploaded on the website of the Company at www.sadbhaveng.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for user to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method of e-Voting for shareholders other than individual shareholders & physical shareholders

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

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.

For Shareholders holding shares in Demat Form other than individual and Physical Form	
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN (220902105) for SADBHAV ENGINEERING LIMITED on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) Facility for Non – Individual Shareholders and Custodians –Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@sadbhav.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

XX) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@sadbhav.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or contact at toll free no.1800 22 55 33 or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other Instructions:

- I. The remote e-voting period commences on Tuesday, September 27, 2022 @9.00 a.m. and ends 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 cut-off date i.e. Friday, September 23, 2022, may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 23, 2022.
- III. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), has been appointed as the Scrutinizer to scrutinize the Ballot and e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote-e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Vice Chairman or any of the Director or CEO or Company Secretary of the Company.

The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sadbhaveng.com and on the website of CDSL www.evotingindia.com within two working days of the passing of the resolutions at the 33rd AGM of the Company to be held on Friday, September 30, 2022 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**Details of Directors Seeking Appointment/Reappointment at the Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further, the
Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India)**

Director	Mr. Shashin V. Patel
DIN	00048328
Date of Birth	April 02, 1981
Age	41 Years
Date of Appointment	April 23, 2000
Functional Expertise	In field of Management Information System, Project bidding and execution
Qualifications	MBA
Experience	More than 20 Years
Brief Profile of Director	Mr. Shashin Patel holds a Master's degree in Business Administration from K.S. School of Business Management, Gujarat University. He is associated with company since May 23, 2000. His scope of work includes overview of the affairs of our company and making strategic management decisions and suggestions. He is also in-charge of the Management Information System in our office. He is actively participating in bidding process and execution of various mining and irrigation projects.
Terms and conditions of Appointment	Not applicable
Details of remuneration paid/ last drawn	Not applicable
Designation	Non Executive Director Vice Chairman
Disclosure of relationships between directors inter-se and with Manager and KMP of the Company	Mr. Vasistha C. Patel – Chief Executive Officer – relation Brother In Law
Directorship in other Listed Companies	1. Sadbhav Infrastructure Project Limited
Chairman/ Member of Committee in other Listed Companies	NIL*
No. of Equity Shares held in the Company	23,88,866
No. of Meetings of the Board attended during the year	04
Justification for appointment of Independent Director	Not Applicable
Names of companies along with listed entities in which person has resigned in the past three years.	1. Nagpur - Seoni Express Way Limited 2. Bhilwara - Rajsamand Tollway Private Limited 3. Sadbhav Quarry Works Private Limited 4. Shreenathji-Udaipur Tollway Private Limited
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Entrepreneur, Infrastructure domain, Business Strategy and Corporate Management.

Note:

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company in pursuance to the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Ahmedabad, Cost Accountant in Practice (Firm Reg. No.10116), to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2023.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2022-23 as set out in the resolution for the aforesaid services to be rendered by them.

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

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

Item No. 4 and 5

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, dispose of its property (including creation of charge on assets of the Company) and borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose). At the Annual General Meeting of the Company held on 26th September, 2014, the shareholders had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹ 2000 Crores (Rupees Two Thousand Crores only). At the same Annual General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of charges etc. to secure aforesaid borrowings.

Considering the Company's future growth plans and requirements of additional funds for operation and modernization, it is proposed to increase the above borrowing limits from the existing ₹ 2000 crores to an amount not exceeding at any time a limit of ₹ 5000 crores (Rupees Five Thousand Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves

The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The resolutions contained in item no. 4 & 5 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

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

The Board recommends the Special Resolution set out at Item No.4 and 5 of the Notice for approval by the Shareholders

Item No. 6

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

Further in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for entering into any material related party transaction by way of making of loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by other entities in group, it is required to obtain prior approval of members in the general meeting of the Company.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities in the Group.

Hence, in order to enable the company to advance loan to associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

Members are hereby informed that pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no related party shall vote on above special resolution to approve material related party transaction of providing loan / guarantee / security.

None of the Directors and their relatives except Mr. Shashin V. Patel and Mr. Nitin R. Patel and their relatives are concerned or interested in the aforesaid resolution, financially or otherwise. However, none of the Key Managerial Personnel and their relatives is interested in this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

Registered Office:

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

Place : Ahmedabad
Date : August 10, 2022

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

Hardik Modi
Company Secretary
Membership No. F9193

Directors' Report

To,
The Members,

The Directors have the pleasure in presenting the Thirty Third Annual Report together with the audited financial statement for the financial year ended on March 31, 2022.

Financial Results

The Company's financial performance for the Year ended on March 31, 2022 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Current Year 2021-2022	Previous Year 2020-2021	Current Year 2021-2022	Previous Year 2020-2021
Total Income	1322.58	1717.10	2827.74	2597.28
Profit (Loss) before Finance Cost, Depreciation & amortization Expense and Tax Expense	(438.99)	304.85	572.53	952.13
Less : Finance Cost	187.88	189.51	975.43	1003.45
Depreciation and amortization Expense	69.20	94.21	166.87	211.01
Profit /(Loss) before Exceptional Item and Tax	(696.07)	21.13	(569.77)	(262.33)
Exceptional Item (Net of expenses)	(13.65)	(19.58)	(165.17)	23.46
Profit /(Loss) Before Tax	709.73	1.55	(734.94)	(238.87)
Less : Tax Expenses	(25.00)	(16.70)	9.92	(9.28)
Less:-Deferred tax liability /(asset)(Including MAT Credit) and short (Excess) provision for taxation for earlier years	31.59	(22.79)	(16.48)	7.86
Profit /(Loss) for the period from continuing Operations	(716.32)	41.04	(728.38)	(237.45)
Add:- Share of Loss Transferred to Minority Interest	-	-	(4.69)	(82.54)
Net Profit for the period after tax	(716.32)	41.04	(723.70)	(154.91)
Balance brought forward from last year	1286.02	1244.98	172.21	327.99
Loss of Subsidiary for earlier year transferred (net)				
Other Comprehensive Income (OCI)	1.68	0.35	2.20	0.38
Amount available for Appropriations	569.70	1286.02	(551.49)	173.08
Appropriations				
Dividend & Tax paid thereon	0.00	0.00	-	-
Adjustment on account of acquisition of non controlling interest	0.00	0.00	-	-
Equity Transactions / Share Issue Expenses	0.00	0.00	0.83	0.83
Loss of Subsidiary for previous year	0.00	0.00	0.04	0.04
Transfer to Debenture Redemption Reserves	0.00	0.00	-	-
Closing Balance in Retain earnings	569.02	1286.02	(551.49)	172.21

Dividend:

In view of losses incurred, your Directors do not recommended any dividend for the financial year ended on 31st March, 2022.

Dividend Distribution Policy

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

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

Business Overview

Standalone Basis

The total revenue during the year under review was Rs. 1322.58 Crores against Rs. 1717.11 Crores for the previous year. Profit (Loss) before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is (Rs. 438.99 Crores) (Rs. 304.85 Crores in previous year). Net Profit (Loss) after tax amounted to Rs. (716.32) Crores (Rs. 41.04 Crores in previous year)

Consolidated Basis

As per the Consolidated Financial Statements, the Total Income of the Company, operating profit (PBDIT), and net loss for the year were Rs. 2827.74 Crores, Rs. 572.53 Crores and Rs. 728.38 Crores respectively.

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of Rs. 0.41 lakhs to the Investor Education and Protection fund established by the Central Government during the financial year 2021-22, in compliance with Section 124 of the Companies Act, 2013. The said amount represents unclaimed dividend amount for the financial year 2013-2014 which were lying with the Company for a period of 7 years from their due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend for the financial year 2013-2014.

Reserves

The Company has not transferred any amount into General Reserve during the period.

Change in the Nature of Business, if any

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

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

There have been no material changes and commitments affecting financial position between end of the financial year and the date of the report. Information regarding potential impact of COVID-19 pandemic on your Company's business operations and financial position are provided as part of the MD&A Report.

Merger of Sadbhav Infrastructure Project Limited ("SIPL") with the Company

With respect to merger with Our Subsidiary Company i.e. Sadbhav Infrastructure Project Limited ("SIPL") the next date of hearing of National Company Law Tribunal (NCLT) will be 05th September, 2022.

Share Capital

During the year, there was no change in total equity share capital of Rs. 17,15,70,800/- (Face Value of Re. 1/- each). During the year under review, Company has not allotted any shares without differential voting rights. During the year under review, the Company has not granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

Debentures

During the year 2021-2022, the Company has raised an amount of Rs. 55.00 crores by way of issue of Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures on a Private Placement Basis.

During the year 2021-2022 and up to the approval of Director's Report, the Company has redeemed Rs.9.30 crores Non-Convertible Debentures (NCDs) on 30-09-2021 and Rs.1.80 crores Non-Convertible Debentures (NCDs) on 23-12-2021.

The aggregate Non-Convertible Debentures Outstanding amounts to Rs.222.50 crores as on 31st March, 2022.

Credit Rating

- a) CARE has assigned CARE BB+ / CARE A4 (CWN) (Double B Plus/ A Four) (Under Credit watch with Negative Implications) to Long term/short term bank facilities and CARE BB+ (Double B Plus CWN) (Continue to be on Credit watch with Negative Implications) to Non- Convertible Debentures of the Company.
- b) India Rating has assigned IND BB+/RWN/IND A4+ (Double BB Plus: Outlook; Negative [Single A Four Plus]) to Fund based & Non Fund based working capital Facilities and IND BB+/RWN (Double BB Plus; Outlook: Negative) to Term Loan Facilities and Non-Convertible Debentures of the Company.

Subsidiaries, Joint Ventures and Associates Companies

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

Sadbhav Infrastructure Project Limited (SIPL) 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 equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a subsidiaries of SIPL, out of which 49% shares have been transferred to ARTL during the year ended March 31, 2022.

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

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS)-33 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2021-2022.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

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

Declaration from Independent Directors of the Company

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

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

Change in Directors and KMPs

During the year 2021-22 and upto the approval of Director's Report following changes made in Director KMPs:

1. Mrs. Purvi S. Parikh (DIN: 07071155) Independent Director has resigned from w.e.f. May 05, 2021.
2. Mrs. Anjali Nirav Choksi (DIN No. 08074336) was appointed as a Director in the category of Non-Executive Independent Director ("Woman Director") for the period of Five (5) years with effect from August 10, 2021.

There being no changes in Key Managerial Personnel during the year.

Evaluation of Board Performance

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

Audit Committee

The Audit Committee comprises Directors namely Mr. Sandip V. Patel (Chairman), Mr. Nitin R. Patel and Mr. Arun S. Patel. The composition of the Audit Committee is in compliance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Stakeholder Relationship Committee

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

Risk Management Committee

Board constitute Risk Management Committee comprises Directors namely Mr. Shashin V. Patel, Mr. Nitin R. Patel and Mr. Sandip V. Patel. More details on the same are given in the Corporate Governance Report.

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

Committees of Board

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

As on date, the Nomination and Remuneration Committee comprises Directors namely Mr. Arun S. Patel (Chairman), Mr. Sandip V. Patel and Dr. Tarang M. Desai.

As on date, the Corporate Social Responsibility Committee comprises Directors namely Mr. Shashin V. Patel (Chairman), Mr. Nitin R. Patel and Mr. Arun S. Patel.

As on date, the Finance and Investment Committee comprises Directors namely Mr. Shashin V. Patel (Chairman), Mr. Nitin R. Patel and Mr. Sandip V. Patel.

Independent Director's Meeting

The Independent Directors met on 14th February, 2022, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole alongwith the performance of the Vice Chairman of the Company, taking into account the views of Executive Director and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder and no complaint has been received on sexual harassment during the financial year 2021-22. Further Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Nomination and Remuneration Policy

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

Whistle Blower Policy

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

Development and implementation of Risk Management Policy

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

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

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

Meetings of Board

During the year, Five (5) Board Meetings were held on June 30, 2021, August 14, 2021, August 16, 2021, November 14, 2021 and February 14, 2022. The details of attendance of Directors is mentioned in Corporate Governance Report which forms part of this report.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors had laid down internal financial controls to be followed by the company and that the financial controls are adequate and are operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

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.

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

Qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended on March 31, 2022 are given in the Standalone and Consolidated Independent Auditor's Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Ravi Kapoor and Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report is annexed herewith as 'Annexure 1' to this Report.

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

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

Details of Audit Qualification (Standalone):

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

1. We draw attention to Note 49 and Note 50 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 March 31, 2022.

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivables aggregating to Rs. 22,612.43 Lakhs as on the reporting date, 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 as at reporting date and year ended on March 31, 2022.

2. We draw attention to Note 52 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 from 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 at March 31, 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. 6,946.49 Lakhs as the reporting date 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 as at reporting date and year ended on March 31, 2022.

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

- 1. Reply to qualification 1:** The Company has outstanding loan, trade and other receivable aggregating to Rs. 19,839.58 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 March 31, 2022 is considered necessary.

- 2. Reply to qualification 2:** The Company has outstanding 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 projects 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 March 31, 2022 is considered necessary.

- 3. Reply to qualification 3:** The Company has outstanding loan, trade and other receivables aggregating to Rs. 6,946.49 lakhs in Sdbhav Bangalore 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 lenders have also requested to NHAI to allow 180 days time for the substitution of the concessionaire i.e., SBHPL. As on the date of approval of financial statements of the company, the period of 180 days is not over. 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 lender. Considering the pending procedure for substitution, no adjustment to the carrying value of loan, trade and other receivable from SBHPL has been made in the financial statements.

Details of Audit Qualification (Consolidated):

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

As detailed in Note 68 of the accompanying consolidated Financial Results with respect to Sadbhav Bangalore Highway Private Limited (Concessionaire or SBGHPL), a step-down 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 position of the Group as on March 31, 2022.

One of the joint auditors have also expressed qualified opinion on the financial statement of SBGHPL for the year ended 31 March 2022 vide their report dated May 26 2022.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

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

Reply to qualification 1: Sadbhav Bangalore Highway Private Limited (SBHPL), one of the step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with 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 lenders have also requested to NHAI to allow 180 days time for the substitution of the concessionaire. As on the date of approval of these financial statements, the period of 180 days is not over. In terms of concession agreement, in case of substitution of the concessionaire, the project of the SBHPL shall be transferred to nominated company selected by the lender. The management of SBHPL has carried out impairment assessment of investments of the SBHPL as at balance sheet date. Considering the pending procedure for substitution and based on the impairment assessment, no adjustment to the carrying value of assets of SBHPL have been made in the financial statements.

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

1. The Company was required to make prior intimation with the Stock Exchange(s) with respect to payment of Interest and Redemption of Debt Securities as per Regulation 60 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). However, Company has not made prior intimation to the Stock Exchange(s) in respect of redemption of debentures amounting to Rs. 48.80 Crores, Rs 16.40 Crores and 1.20 Crores which were redeemed on 29th April, 2021, 31st May 2021 and on 31st May 2021 respectively. To that extent Company has not complied with the said provisions of SEBI LODR Regulations..
2. Pursuant to Section 405 of the Companies Act, 2013 the Central Government made it necessary for all the "Specified Companies" to furnish the Form MSME-1, Half Yearly return about the payment to micro and small enterprise suppliers. However, the Company has not filed the said form for the period ended on 30th September, 2021 and on 31st March, 2022 respectively with Ministry of Corporate Affairs and to that extent not complied with the provisions of the Act.
3. Pursuant to Regulation 25 (6) of SEBI LODR Regulations, an Independent Director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new Independent Director by listed entity at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later:
However, Mrs. Purviben S. Parikh, Independent Director of the Company resigned from the post of Director with effect from 5th May, 2021. Company was required to appoint Women Independent Director within a period of 3 months from the date of her resignation as per Regulation 25 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, Company has appointed Mrs. Anjali N Choksi on 10th August, 2021 i.e., with a delay of 5 days from the prescribed limit of 3 months. Thus, Company has not complied with the said provisions of SEBI LODR Regulations to that extent.
4. Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019, the Company was required to make disclosure with the Stock Exchange(s) with respect to default in payment of interest/repayment of principle amount on loans from Banks/Financial Institutions. However, Information with respect to payment of interest/repayment of principle amount on loans from Banks/Financial Institutions, including delay made if any, is not available and accordingly we are not in a position to identify the deviation, if any on Compliance of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

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

- 1. Reply to qualification No. 1: Considering** the transaction happens instantaneously, the prior intimation could not be made. Company will take due care in future.
- 2. Reply to qualification No. 2:** Due to Unavailability of required information from the MSME Vendors, Company was not able to file the Half yearly return of MSME-1 during the year with the Ministry of Corporate Affairs.
- 3. Reply to qualification No. 3:** After resignation of Mrs. Purvi S. Parikh as Independent Director w.e.f. 05-05-2021, Company was in search of a qualified Independent Director who possess adequate skills, qualification, knowledge and who also understands the role and duties of the Independent Director very well. Board of Directors of the Company through circular resolution passed on August 10, 2021 has appointed Mrs. Anjali Nirav Choksi, as an Additional Director in the category of Non-Executive Independent Director (“Woman Director”) for the period of Five (5) years with effect from August 10, 2021 for which intimation to Stock Exchange has been made.
- 4. Reply to qualification No. 4:** This matter is strictly confidential & being reported by the Internal Auditor to the Board of directors but all the issues are merely operational and not having any material adverse impact on the company.

Cost Auditors

The Board had, on the recommendation of the Audit Committee, appointed M/s Rajendra Patel & Associates, Cost Accountants, Ahmedabad to audit the cost records of the Company for the financial year 2022-2023 on a remuneration of Rs. 75,000/-p.a. The Cost Audit Report for the year 2021-2022 will be filed before the due date with the Ministry of Corporate Affairs. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s. Rajendra Patel & Associates is included at Item No. 3 of the Notice convening 33rd Annual General Meeting.

Compliance with Secretarial Standards

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

Reporting of Frauds by Auditors

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

Corporate Governance

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

Management Discussion and Analysis (MDA)

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

Corporate Social Responsibility

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

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as ‘Annexure 3’ which forms part of this report.

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

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The rules regarding conservation of Energy and Technology Absorption are not applicable to the Company. There was no earning and outgo in the foreign currency, while expenditure the particulars of the dividend in foreign currency.

Particulars of Loans, Guarantees or Investments

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

Contracts and Arrangements with Related Parties

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

The Company in terms of Regulation 23 of SEBI (LODR) Regulations, 2015, submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The said disclosures can be accessed on the website of the Company at www.sadbhaveng.com.

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

Annual Return

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, Company has placed Annual Return in Form MGT-7 for the financial year ended on March 31, 2022 on the website of the Company at www.sadbhaveng.com and the same can be addressed at weblink <https://www.sadbhaveng.com/investors/#agm-egm-documents>

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134[5][e] of the Act. For the year ended on March 31, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

Business Responsibility Reporting

Regulation 34 (2) (f) of the Listing Regulations, a separate section on Business Responsibility Reporting forms a part of this Annual Report.

Fixed Deposit

During the year under review, your Company has not accepted any fixed deposits from the public Pursuant to Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2022, there were no deposits which were unpaid or unclaimed and due for repayment.

Code for Prevention of Insider Trading

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

General

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

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

Industrial Relations

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

Acknowledgments

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

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : August 10, 2022

Shashin V. Patel
Director
DIN No. 00048328

Nitin R. Patel
Executive Director
DIN No. 00466330

Annexure - 1

Form No. MR-3 Secretarial Audit Report for the Financial Year Ended 31st March, 2022

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

To,
The Members,
Sadbhav Engineering Limited

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

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

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

We have also examined compliance with applicable clauses of the following

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable to the Company.

1. The Company was required to make prior intimation with the Stock Exchange(s) with respect to payment of Interest and Redemption of Debt Securities as per Regulation 60 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). However, Company has not made prior intimation to the Stock Exchange(s) in respect of redemption of debentures amounting to Rs. 48.80 Crores, Rs 16.40 Crores and 1.20 Crores which were redeemed on 29th April, 2021, 31st May 2021 and on 31st May 2021 respectively. To that extent Company has not complied with the said provisions of SEBI LODR Regulations.
2. Pursuant to Section 405 of the Companies Act, 2013 the Central Government made it necessary for all the "Specified Companies" to furnish the Form MSME-1, Half Yearly return about the payment to micro and small enterprise suppliers. However, the Company has not filed the said form for the period ended on 30th September, 2021 and on 31st March, 2022 respectively with Ministry of Corporate Affairs and to that extent not complied with the provisions of the Act.
3. Pursuant to Regulation 25 (6) of SEBI LODR Regulations, an Independent Director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new Independent Director by listed entity at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later: However, Mrs. Purviben S. Parikh, Independent Director of the Company resigned from the post of Director with effect from 5th May, 2021. Company was required to appoint Women Independent Director within a period of 3 months from the date of her resignation as per Regulation 25 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, Company has appointed Mrs. Anjali N Choksi on 10th August, 2021 i.e., with a delay of 5 days from the prescribed limit of 3 months. Thus, Company has not complied with the said provisions of SEBI LODR Regulations to that extent.

4. Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019, the Company was required to make disclosure with the Stock Exchange(s) with respect to default in payment of interest/repayment of principle amount on loans from Banks/Financial Institutions. However, Information with respect to payment of interest/repayment of principle amount on loans from Banks/Financial Institutions, including delay made if any, is not available and accordingly we are not in a position to identify the deviation, if any on Compliance of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for delay of 5 days in appointment of Independent Director.

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

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

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

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

For, Ravi Kapoor & Associates

Ravi Kapoor

Company Secretary in Practice
FCS No.: 2587 • CP No.: 2407
UDIN: F002587D000775251

Place : Ahmedabad
Date : 10-08- 2022

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

Annexure - A

To,
The Members,
Sadbhav Engineering Limited

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

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

For, Ravi Kapoor & Associates

Ravi Kapoor

Company Secretary in Practice
FCS No.: 2587 • CP No.: 2407
UDIN: F002587D000775251

Place : Ahmedabad
Date : 10-08- 2022

Annexure - 2 Report on Corporate Social Responsibility

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

1. Brief outline on CSR Policy of the Company:

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

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

Key Focus Areas of the CSR Policy are

- a) Promoting education
- b) Health Care
- c) Sustainable Livelihood
- d) Protection of the environment
- e) Infrastructure development
- f) Slum Area Development
- g) eradicating extreme hunger and poverty

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Shashin V. Patel	Director- Chairman of CSR Committee	2	2
02	Nitin R. Patel	Executive Director-Member	2	2
03	Arun S. Patel	Independent Director-Member	2	2

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

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

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

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

6. Average net profit of the Company as per Section 135(5) Rs. 12649 Lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) Rs. 252.98 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -

(c) Amount required to be set off for the financial year, if any -

(d) Total CSR obligation for the financial year (7a + 7b - 7c) Rs. 252.98 Lakhs

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

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (In Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in Rs. Lakhs)	Date of Transfer	Name of the Fund	Amount (in Rs. Lakhs)	Date of Transfer
Rs. 269.69 Lakhs	-	-	-	-	-

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

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

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Slum Area Development	Development of Roads in Village	Yes	Gujarat	Una-Kodinar	84.63	Direct	N.A.	N.A.
2	Slum Area Development	Development of Roads in Village	Yes	Gujarat	Bhavnagar-Talaja	52.00	Direct	N.A.	N.A.
3	Slum Area Development	Development of Roads in Village	Yes	Gujarat	Una-Kodinar	20.10	Direct	N.A.	N.A.
4	Slum Area Development	Development of Roads in Village	Yes	Gujarat	Una-Kodinar	21.32	Direct	N.A.	N.A.
5	Slum Area Development	Development of Roads in Village	Yes	Gujarat	Una-Kodinar	54.64	Direct	N.A.	N.A.
6	Environment Sustainability	Conservation of Natural Resources	Yes	Gujarat	Surendra-nagar	10.00	Direct	N.A.	N.A.
7	Prevention of Health Care	Health Development	Yes	Maharashtra	Nagpur	25.00	Direct	N.A.	N.A.
8	Prevention of Health Care	Health Development	Yes	Maharashtra	Mumbai	2.00	Direct	N.A.	N.A.
	TOTAL					269.69			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 269.69 Lakhs

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

Sr. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	252.98
(ii)	Total amount spent for the Financial Year	269.69
(iii)	Excess amount spent for the financial year [(ii)-(i)]	16.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.71

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

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (Rs in Lakhs)	Amount spent in the Reporting Financial Year (Rs. in Lakhs)	Amount Spent to any Specified Fund mentioned in Schedule VII as per Section 135(6), if any	Amount remaining to be spent in remaining Financial Years (Rs in Lakhs)		
					Name of the Fund	Amount (Rs) in lakhs	Date of Transfer
1	2020-21	-	378.90	-	-	-	Nil
2	2019-20	-	20.5	-	*422.5	-	422.5
3	2018-19	-	433	-	-	-	Nil
	TOTAL	-	-	-	-	-	422.5

*Company has already provided response and justification pursuant to the Companies Act, 2013 and rules framed thereunder for CSR activities regarding spending of amount for the financial year 2019-20 and accordingly, provisions was duly complied.

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): N.A.

- Date of creation or acquisition of the capital asset(s) -
- Amount of CSR spent for creation or acquisition of capital asset-
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.-
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) N.A.

For, Sadbhav Engineering Limited

Nitin R. Patel
Director
DIN: 00466330

Shashin V. Patel
Director
DIN: 00048328

Annexure - 3

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021.

a) Employees who are employed throughout the year and in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum.

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration p.a. (Rs. in Lakhs)	Experience (No. of years)	Last Employment	% age of equity shares held by employee
Basavraj Gurappa Hooli Qualification : BE (Civil), MIE, MIRC, CEI	63 Yrs.	Senior Vice President	04-12-2012	Rs.108.00/-	41 years	Sarvah Infra Pvt. Ltd.	-

b) Employees who are employed part of the year and in receipt of remuneration aggregating Rs. 8,50,000/- or more per month:

Notes :

- Remuneration includes Salary, Contribution to Provident and other funds and perquisites (including medical, leave travel and leave encashment on payment basis and monetary value of taxable perquisites) etc.
- All the above said appointment are in the nature of contractual employment.

(b) The statement containing the names of top ten employees will be made available on request sent to the Company on investor@sadbhav.co.in.

For, **Sadbhav Engineering Limited**

Nitin R. Patel
Director
DIN: 00466330

Shashin V. Patel
Director
DIN: 00048328

Annexure - 4

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22;

Name of the Directors	Designation	Remuneration of the directors (Rs. in Lakhs)	Median remuneration of the employees (Rs. in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Shashin V. Patel [^]	Director	0.60	2.49	0.24:1
Nitin R. Patel	Executive Director	84.22	2.49	34:1
Sandip V. Patel	Independent Director	0.75	2.49	0.30:1
Arun S. Patel [^]	Independent Director	0.75	2.49	0.30:1
Purvi S. Parikh [^] (Upto May 05, 2021)	Independent Director	-	2.49	-
Dr. Tarang M. Desai [^]	Independent Director	0.60	2.49	0.24:1
Anjali Choksi [^] (Appointed w.e.f. August 10, 2021)	Independent Director	0.60	2.49	0.24:1

[^] Reflects sitting fees based on attendance of Board Meeting.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22;

Name of the Directors, Chief Financial Officer, Chief Executive Office, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Shashin V. Patel	Director	-	Loss before Tax was (70973.01 Lakhs) and Loss after Tax was (71631.71 Lakhs) in the Financial Year 2021-2022.
Vasistha C. Patel	Chief Executive Officer	-	
Nitin R. Patel	Executive Director & Chief Financial Officer	-	
Sandip V. Patel [^]	Independent Director	(16.66%)	
Arun S. Patel [^]	Independent Director	(16.66%)	
Purvi S. Parikh [^] (Resigned w.e.f. 05-05-2021)	Independent Director	-	
Anjali Choksi [^] (Appointed w.e.f. August 10, 2021)	Independent Director	-	
Dr. Tarang M. Desai [^]	Independent Director	33.33%	
Hardik J. Modi [*]	Company Secretary	-	

[^] Reflects sitting fees based on attendance of Board Meeting.

^{*} Appointed w.e.f. 04-03-2021, therefore comparison in percentage increase in remuneration is not possible.

(i) The percentage increase in the median remuneration of employees in the financial year 2021-22;

The median remuneration of employee in the financial year 2021-22 was Rs. 2.49 Lakhs (2.41 Lakhs in FY 2020-21). So, there was 3.32% Increase in median remuneration of employee.

(ii) There were 1238 employees on the rolls of company as on March 31, 2022.

(iii) Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-2022 was NIL whereas the increased in the managerial remuneration for the same financial year was NIL.

(iv) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

For, **Sadbhav Engineering Limited**

Nitin R. Patel
Director
DIN: 00466330

Shashin V. Patel
Director
DIN: 00048328

Annexure - 5

Form No. AOC-2

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

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

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

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

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

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

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Lakhs	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
1	Sadbhav Infrastructure Project Limited	Subsidiary	Sub contracting Income	2021-22	7716.74	14-02-2021	Nil
2	Maharashtra Border Check Post Network Limited	Step Down Subsidiary	Sub contracting Income	2021-22	1456.25	15-07-2016	Nil
3	Sadbhav Bangalore Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2021-22	18.52	28-11-2016	Nil
4	Sadbhav Bhavnagar Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	8910.25	15-07-2016	Nil
5	Sadbhav Nainital Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	3647.05	15-07-2016	Nil
6	Sadbhav Rudrapur Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	3064.28	15-07-2016	Nil
7	Sadbhav Udaipur Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	3070.53	14-08-2017	Nil
8	Sadbhav Una Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	6374.88	15-07-2016	Nil

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Lakhs	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
9	Sadbhav Vidarbha Highway Limited	Step Down Subsidiary	Sub contracting Income	2021-22	5370.23	14-08-2017	Nil
10	Sadbhav Kim Expressway Private Limited	Step Down Subsidiary	Sub contracting Income	2021-22	1808.82	24-04-2018	Nil
11	Sadbhav Gadag Highway Private Limited	Subsidiary	Sub contracting Income	2021-22	854.37	13-11-2019	Nil
12	Sadbhav Infrastructure Project Limited	Subsidiary	Rent Income	2021-22	43.20	03-04-2021	Nil
13	Sadbhav Gadag Highway Private Limited	Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
14	Rohtak Hisar Tollway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
15	Ahmedabad Ring Road Infrastructure Project Limited	Step Down Subsidiary	Rent Income	2021-22	1.20	03-04-2021	Nil
16	Maharashtra Border Check Post Network Limited	Step Down Subsidiary	Rent Income	2021-22	4.50	29-10-2014	Nil
17	Rohtak Panipat Tollway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
18	Sadbhav Una Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
19	Sadbhav Bhavnagar Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
20	Sadbhav Rudrapur Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
21	Sadbhav Nainital Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
22	Sadbhav Bangalore Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
23	Sadbhav Udaipur Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. In Lakhs	Date(s) of approval by the Board/ Committee	Amount Paid / Received in advance
24	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.60	03-04-2021	Nil
25	Sadbhav Jodhpur Ring Road Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.45	03-04-2021	Nil
26	Sadbhav Kim Expressway Private Limited	Step Down Subsidiary	Rent Income	2021-22	0.45	03-04-2021	Nil
27	Sadbhav Hybrid Annuity Projects Limited	Step Down Subsidiary	Rent Income	2021-22	0.35	03-04-2021	Nil
28	SEL-SPSCPL Joint Venture	Joint Venture	Rent Income	2021-22	0.60	03-04-2021	Nil

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

For, Sadbhav Engineering Limited

Nitin R. Patel
Director
DIN: 00466330

Shashin V. Patel
Director
DIN: 00048328

Business Responsibility Report

Section A : General Information about the Company

1. Corporate Identity Number (CIN)	L45400GJ1988PLC011322
2. Name of the Company	Sadbhav Engineering Limited
3. Registered Address	Sadbhav House,Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat
4. Website	www.sadbhaveng.com
5. E-mail id	investor@sadbhav.co.in
6. Financial Year reported	1st April, 2021 to 31st March, 2022

7. Sector (s) that the Company is engaged in (industrial activity code wise):

Group	Class	Sub class	Description
421	4210	42101	We are an engineering, construction and infrastructure development company focusing on transportation- Rehabilitation, upgradation, widening and strengthening of roads and highways, and design and construction of depots, workshops, elevated ramps, elevated viaducts, elevated stations for metro railways. We categorise our business into two businesses: (i) Construction Business, under which we undertake engineering, procurement and construction ("EPC") activities for transportation, irrigation and mining sectors; and (ii) Infrastructure Development Business, under which we undertake development of roads and highways on BOT, DBFOMT or DBFOT basis.
422	4220	42204	Construction & Maintenance of Irrigation System (Cannel)
431	4312	43121	Site preparation for Mining including overburden removal and other development

8. List three key product/services that the Company manufactures/provides (as in balance sheet):

The Company is involved in the development, operation and maintenance of national and state highways and roads in several states in India, We earn revenues primarily from the BOT road concessions in two ways, depending on whether it is a toll-based or an annuity-based concession.

- i. Number of International Locations : NIL
- ii. Number of National Locations : 12 states of India

9. Markets served by the Company (Local/State/National/International) : National

Section B: Financial Details of the Company

- 1. Paid up capital (INR) : Rs. 17.15 Crore
- 2. Total turnover (INR) : Rs. 1226.23 Crore
- 3. Total Profit/(Loss) after taxes (INR) : Rs.(716.32) Crore
- 4. Total Spending on CSR as percentage of profit After tax (%) : Please refer Board's Report
- 5. List of activities in which expenditure in 4 above has been incurred : Development of Roads in Village, Conservation Of Natural Resources, Health Development.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Yes. subsidiaries companies including step-down subsidiaries. All policies/Practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]

No. Other vendors/suppliers/contractors do not participate in group's BR policy.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Directors Identification Number (DIN): 00048328

Name: Shashin V. Patel

Designation: Vice Chairman - Non-Executive Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00048328
2	Name	Shashin V. Patel
3	Designation	Vice Chairman - Non-Executive Director
4	Telephone Number	+91 79 40400400
5	E mail Id	investor@sadbhav.co.in

2. Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for.....	Y	*Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	MoEF, Pollution Control Board	-	-	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The Policies have been either approved by the Board or Senior Functional Head authorized by the Board in this respect from time to time.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.sadbhaveng.com/programme-and-policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	N
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	N	N
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* wherever the policy is not compliant with Local regulation, they are modified accordingly.

While the Company does not manufacture any products, the policy addresses the aspects of health, safety and environmental protection in the Company's operations and services.

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Board will review the BR performance annually.

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.sadbhaveng.com

Section E: Principle-wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. No, it covers Group companies also. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and a vigil mechanism that are approved by the Board of Directors. These are applicable to all Board Members and employees of the company and all its subsidiaries, and an annual affirmation is taken from the designated employees.

Company also has a Whistle Blower policy which seeks to empower employees and directors to raise any genuine concerns within the group.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No genuine concerns were received during financial year 2021-22.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

(a) Highways with service roads for local population (b) Pedestrian and Vehicle underpasses for the ease of movement of local traffic. (c) Redesign of roads to avoid unnecessary cutting down of trees for road laying activities. d) Construction of rain water harvesting structures. These initiatives are within the provisions of the concession agreement of respective highway project. e) Design of highway elements to minimise use of natural resources.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain ? The Company follows sustainable sourcing ensuring quality and safety of raw materials procured from suppliers. The Company has laid down a robust process for vendor evaluation and selection mechanism and prefer local suppliers wherever possible. The Company also emphasis on safe transportation, optimization of logistics and reduction of vehicular air emissions.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

The Company strives to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle, and waste minimization.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

If the Company is to deliver continued Innovation, Sustainability in the operations is critically important. The Company endeavour to work with responsible suppliers who adhere to the Company's quality, social and environmental standards.

The Company has standard operating procedures for the evaluation and selection of its vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for key raw material.

The Company has system of identifying or developing alternate vendors where single vendor is considered critical for business continuity.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors ?

The Company consciously endeavours to sources its procurement of the goods and services from medium and small vendors from the local areas where feasible. It improves operational efficiency and saves on transportation cost and inventory management. Further, the Company fulfils its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent.

The Company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors.

We always engage local contractors in the vicinity of our projects for supply of goods and services like housekeeping services, security, accommodation and provide mess facilities for staff.

In addition, employment to local youth is provided in various functions in our Project / Toll offices and Plants.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so

Our philosophy is to reduce waste and make efficient use of raw materials during construction of roads. As long as it does not compromise our high quality standards and the safety of the roads and its users, we use recycled concrete and bitumen aggregates, which at present amounts to about <5%.

Principle 3

1. Please indicate total number of employees:

Sr. No.	Category of Employees	No. of Employees
1.	Directors	6
2.	Fix Term (Contractual)	754
3.	Regular	466
4.	Superannuation	12
	Total	1238

2. Please indicate total number of employees hired on temporary / contractual / casual basis

Sr. No.	Category of Employees	No. of Employees
1.	Fix Term (Contractual)	754
	Total	754

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 5

4. Please indicate the number of permanent employees with disabilities: 0

Number of permanent employees with disabilities: None

5. Do you have an employee association that is recognized by the Management?

No

6. What percentage of permanent employees is members of this recognized employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil

8. What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?

		Approx.
A.	Permanent employees	38%
B.	Permanent women employees	100%
C.	Casual / Temporary / Contractual employee	60%
D.	Employees with disabilities	N.A.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes, the company has an established a systematic process of stakeholder mapping. The internal stakeholders for the company comprise the employees, management, consultants, etc. whereas the external stakeholder groups range from suppliers, customers, business partners, regulatory agencies to local communities around its sites of operations.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company works actively to enhance the employment opportunities in the nearby locations whereby it operates, leading to income generation and economic empowerment in the marginalized sections of the communities. Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education Enhancement (iii) Slump area development (iv) Environment Sustainability.

For details of projects undertaken during the FY 2021-22, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

Yes. Policy on human rights covers employees of the Company as well as employees of the subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received during the year in this regard.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.

Policy extends to Company as well as subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.

No, the Company has not undertaken any initiatives to address global environmental issues as the activities of the Company presently are limited to India only.

The Company has implemented number of initiatives which has resulted in saving in fuel consumption and thereby avoided related emissions Tree Planations activities are carried out by the group.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks in its projects and in respect of its projects.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company does not have any projects related to Clean Development Mechanism (CDM).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken several initiatives on clean technology, energy efficiency and renewable energy.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.

The Company has not received any such notices from CPCB/SPCB during FY 2019-20

Principle 7

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with. Not related to HR, please update from your side

The Company is a Member of:

- i. Confederation of Indian Industry
- ii. Federation of Indian Chambers of Commerce and Industry
- iii. Ahmedabad Management Association
- iv. Gujarat Chamber of Commerce & Industry
- v. The Associated Chambers of Commerce & Industry of India

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

We have been suggesting changes in policies to remove bottlenecks impacting the growth of infrastructure in the country and simplification of arbitration policies.

Principle 8

Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof

Yes, the Company has identified specified programmes / projects in the pursuit of the policy related to Principle 8.

For details of projects undertaken during the FY 2021-22, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/ any other organization?

The identified programmes/projects are carried out directly by the Company itself.

Besides the above, it is also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Eradicating extreme hunger and poverty, Development of Roads in Village to meet priority needs of the underserved communities with the aim to help them to become self-reliant.

For details of such programmes / projects been implemented on its own agency, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

3. Have you done any impact assessment of your initiative?

Yes,

4. What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?

During the year under review the Company had contributed Rs. 2.69 crores for Development of Roads in Village, Conservation of Natural Resources, Health Development as part of its CSR initiatives. The details of projects undertaken are mentioned elsewhere in the Business Responsibility Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company undertakes needs assessment surveys in villages and community before undertaking CSR initiatives. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company, ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no customer complaints / consumer cases pending as of end of financial year 2021-22.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws ? Yes / No / N.A. / Remarks (additional information)

The Company does not manufacture any product, hence this is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no such pending cases against the Company in a court of law.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

No, the company is not carry out any consumer survey/consumer satisfaction fields as on date.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

Board of Directors

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors & Independent Directors. As on March 31, 2022, the Board comprised of 6 Directors which include One Executive Director, One Non-Executive Non-Independent Directors and Four Non-Executive Independent Directors.

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

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

COMPOSITION

Name	Designation	Category	No. of Directorship held in other Public Limited Companies*	No. of Independent Directorship in Listed entities*	No. of committee membership in other companies#	No. of committee chairmanship in other companies#	Directorship held in Other Listed Companies (Category of Directorship)	No. of Shares and convertible Instruments held
Mr. Shashin V. Patel DIN:00048328	Promoter Non-Executive Director & Vice Chairman	Non-Executive Director	9	0	0	0	1. Sadbhav Infrastructure Project Limited (Non-Executive Director)	2388866
Mr. Nitin R. Patel DIN:00466330	Professional - Whole time Director	Executive Director	4	0	1	1	1. Sadbhav Infrastructure Project Limited (Non-Independent, Non-Executive Director)	101
Mr. Sandip V. Patel DIN:00449028	Director	Independent, Non-Executive Director	7	1	1	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)	10000

Name	Designation	Category	No. of Directorship held in other Public Limited Companies*	No. of Independent Directorship in Listed entities*	No. of committee membership in other companies#	No. of committee chairmanship in other companies#	Directorship held in Other Listed Companies (Category of Directorship)	No. of Shares and convertible Instruments held
Mr. Arun S. Patel DIN:06365699	Director	Independent, Non-Executive Director	6	2	3	1	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director) 2. K Z Leasing and Finance Limited (Independent, Non-Executive Director)	-
Dr. Tarang M. Desai DIN:00005100	Director	Independent, Non-Executive Director	2	2	3	0	1. Ganesh Housing Corporation Limited (Independent, Non-Executive Director)	-
Mrs. Anjali N. Choksi (w.e.f.10-08-2021)	Director	Independent, Non-Executive Director	1	0	0	0	NIL	-

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

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

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

Board Meeting and Attendance

The Board meets at least four times in a year and the maximum time gap between any two meetings is not more than 120 days.

During the year 2021-22, 5 (Five) Board Meetings were held on June 30, 2021, August 14, 2021, August 16, 2021, November 14, 2021, and February 14, 2022.

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

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

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

Note:

* Resigned w.e.f. May 05, 2021

** Appointed w.e.f. August 10, 2021

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

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

Name of the Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Shashin V. Patel	5	4	Yes
Mr. Nitin R. Patel	5	4	Yes
Mr. Sandip V. Patel	5	5	Yes
Mr. Arun S. Patel	5	5	Yes
Dr. Tarang M. Desai	5	4	No
Mrs. Purvi S. Parikh *	5	0	No
Mrs. Anjali Choksi **	5	4	Yes

Note:

* Resigned w.e.f. May 5, 2021

**Appointed w.e.f. August 10, 2021

Evaluation of Board Performance:

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

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 14, 2022 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board.

Familiarisation Programmes for Independent Directors:

Your company has conducted the familiarization programme for Independent Directors of the Company on February 14, 2022. The programme was designed to familiar the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

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

Board membership criteria

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

Confirmation from the Independent Directors:

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

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

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

During the year Mrs. Purvi S. Parikh, Independent Director resigned from the Company w.e.f. May 05, 2021, due to expansion of scope of work in profession. The said Independent Director has confirmed to the Company that there is no other material reason other than mentioned above.

Committees of the Board

Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are as contained in Section 177 of the Companies Act, 2013 and Regulation 18(3) of SEBI (LODR) Regulations, 2015. Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on Wednesday, September 29, 2021 (through VC / OAVM).

The Composition of Audit Committee, details of number of meetings held during the year 2021-22 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance					Committee Meeting attended
		30.06.2021	14.08.2021	16.08.2021	14.11.2021	14.02.2022	
Mr. Sandip V. Patel	Independent Non-Executive Director and Chairman of the Committee	Yes	Yes	Yes	Yes	Yes	5
Mr. Nitin R. Patel	Professional Executive Director and Member of the Committee	Yes	No	Yes	Yes	Yes	4
Mr. Arun S. Patel	Independent Non-Executive Director and Member of the Committee	Yes	Yes	Yes	Yes	Yes	5
Mrs. Purvi S. Parikh *	Independent Non-Executive Director and Member of the Committee	-	-	-	-	-	-

Note: *Resigned w.e.f. May 05, 2021.

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

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

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

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. To discuss with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

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

Mr. Arun S. Patel as Chairman of the Committee was present at the Annual General Meeting of the Company held on Wednesday, September 29, 2021 (through VC / OAVM).

The Composition of Nomination and Remuneration Committee, details of number of meetings held during the year 2021-22 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and attendance	
		14.02.2022	Committee Meeting attended
Mr. Arun S. Patel	Independent, Non—Executive Director and Chairman of the Committee	Yes	1
Mr. Sandip V. Patel	Independent, Non—Executive Director and Member of the Committee	Yes	1
Dr. Tarang M. Desai	Independent, Non—Executive Director and Member of the Committee	Yes	1

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

Policy for Appointment and Remuneration

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

It contains followings:

(a) Education Qualification for Director:

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

(b) Positive Attributes of Directors:

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

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

(c) Independency of Directors

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

(d) Criteria for evaluation of Independent Directors

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

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

(e) Criteria for evaluation of Board

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

1. review the performance of Non-Independent Directors and the Board as a whole ;
2. review the performance of the Chairperson of the Company, talking into account the views of Executive Directors and Non-Executive Directors;
3. assess the equality, quantity and time lines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

- The Nomination and Remuneration Committee has recommended to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management which contains following:

1. Nomination and Remuneration Committee has empowered the Managing Director of the Company to frame the remuneration policy for Directors, Key Managerial Personnel and other employees including Senior Management Personnel on yearly basis.
2. While formulating Policy, Managing Director of the Company shall ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
3. The Directors and Key Management Personnel shall be remunerated pursuant to the provisions of the Section 196 and 197 read with Schedule V of Companies Act, 2013.
4. Other senior official's salary shall be based and determined having regard to their experience, responsibilities, performance and initiative taking abilities.

Details of the remuneration paid during the year 2021-22 and other terms of appointment of Directors

Name of Directors	Salary (Rs. In lakhs)	Sitting Fees (Rs. In lakhs)	Terms of Appointment	No. of equity shares held as on 31st March, 2022	No. of outstanding Stock options
Mr. Shashin V. Patel #	-	0.60	-	2388866	-
Mr. Nitin R. Patel	84.22	-	3 years from July 1, 2020	101	-
Mr. Sandip V. Patel #	-	0.75	-	10000	-
Mr. Arun S. Patel #	-	0.75	-	-	-
Mrs. Purvi S. Parikh #*	-	-	-	-	-
Dr. Tarang M. Desai #	-	0.60	-	-	-
Mrs. Anjali Choksi #**	-	0.60	-	-	-

Note # Reflects sitting fees based on attendance of Board Meeting

* Resigned w.e.f. May 05, 2021

** Appointed w.e.f. August 10, 2021

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

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

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

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

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

Notes:

1. **Service Contract, Notice Period and Severance Fees.**

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

2. **Stock option details, if any**

Nil

Stakeholders Relationship Committee

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

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

The Composition of Stakeholders Relationship Committee, details of number of meetings held during the year 2021-22 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				Committee Meeting attended
		30.06.2021	14.08.2021	14.11.2021	14.02.2022	
Mr. Arun S. Patel	Independent, Non-Executive Director and Chairman of Committee	Yes	Yes	Yes	Yes	4
Mr. Sandip V. Patel	Independent, Non-Executive Director and Member of Committee	Yes	Yes	Yes	Yes	4
Mr. Nitin R. Patel	Professional Executive Director and Member of Committee	Yes	No	Yes	Yes	3
Dr. Tarang M. Desai	Independent, Non-Executive Director and Member of Committee	No	Yes	Yes	Yes	3

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

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

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

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

The total number of complaints received and resolved during the year to the satisfaction of the shareholders during the year under review was Nil. No complaints were pending as on March 31, 2022.

Risk Management Committee:

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee on May 4, 2019. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company. During the year under review, Two meeting were held for the said Committee on November 14, 2021 and February 14, 2022.

The Composition of Risk Management Committee was as under:

1. Mr. Shashin V. Patel - Promoter, Non-Executive Director and Chairman of the Committee
2. Mr. Nitin R. Patel - Professional Executive Director and Member of the Committee
3. Mr. Sandip V. Patel - Independent, Non-Executive Director and Member of the Committee

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

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

(A) ROLE:

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

(B) RESPONSIBILITY:

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

Other Committees

Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Shashin V. Patel, Mr. Nitin R. Patel and Mr. Sandip V. Patel to review banking arrangements, reviews and approves certain short terms and long term loans, investment transaction etc. as per the authority granted to the said committee. Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises. During the year under review, Seven meeting were held for the said Committee on April 03, 2021, April 05, 2021, June 11, 2021, September 11, 2021, October 11, 2021, December 20, 2021 and March 28, 2022.

Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee comprises of Mr. Shashin V. Patel, as Chairman and Mr. Nitin R. Patel and Mr. Arun S. Patel as members of the Committee. During the year 2021-22, Two meetings of Committee were held on June 30, 2021 and March 30, 2022.

General Body Meetings

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

Financial Year	Date	Time	Venue
2018-19	September 25, 2019	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2019-20	September 19, 2020	03.30 P.M.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)
2020-21	September 29, 2021	03.30 P.M.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)

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

Date of AGM	Special Resolution Passed
September 25, 2019	<ul style="list-style-type: none"> Reappointment of Mr. Vipul H. Patel as a Whole-time Director of the Company Reappointment of Mr. Mirat N. Bhadlawala as an Independent Director of the Company Reappointment of Mr. Atul N. Ruparel as an Independent Director of the Company Reappointment of Mr. Sandip V. Patel as an Independent Director of the Company
September 29, 2020	<ul style="list-style-type: none"> Reappointment of Mrs. Purvi S. Parikh as an Independent Director of the Company Reappointment of Mr. Nitin R. Patel as a Whole Time Director of the Company Issue of Secured / Unsecured Non-Convertible Debentures and/or other Debts Securities on Private placement
September 29, 2021	NIL

Postal Ballot:

During the year F.Y. 2021-22: One Special Resolution was passed by the Company through Postal Ballot:

Particulars of Resolution	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against
Continuation of directorship of Mr. Arun S. Patel as a Non-Executive Independent Director of the Company pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018	111810815 (99.99%)	4542 (0.01%)

Mr. Ravi Kapoor, Practicing Company Secretary, was appointed as scrutinizer and has conducted the Postal Ballot for the aforesaid resolutions.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

Above aforesaid resolution was passed by the shareholders with requisite majority.

During the current financial year no special resolution is proposed to be conducted through postal ballot

Unclaimed Shares lying in Demat Suspense Account:

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

Other Disclosures

- A. The Company has complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, of the SEBI (LODR) Regulations, 2015.
- B. There is no non compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI (LODR) Regulations, 2015.
- C. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.
- D. There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.
- E. During the last three years, there were no strikes or penalties imposed by SEBI or Stock Exchanges or any statutory authority, for non-compliance of any matter related to the capital markets.
- F. **Whistle Blower Policy**

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

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

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

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

By Post: Chairman of Audit Committee

Sadbhav Engineering Ltd.

“Sadbhav House”,

Opp. Law Garden Police Chowki,

Ellisbridge, Ahmedabad- 380006

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

G. Management Discussion and Analysis

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

H. Subsidiary Companies

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

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

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

I. Disclosure of Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms’ length pricing basis. The transactions with related parties are disclosed in Notes to the accounts (Note No. 46). The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website at the web link <https://www.sadbhaveng.com/wp-content/uploads/2021/09/RELATED-PARTY-TRANSACTION-POLICY.pdf>. The Company in terms of Regulation 23 of SEBI (LODR) Regulations, 2015, submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The said disclosures can be accessed on the website of the Company at www.sadbhaveng.com.

J. Disclosure of Accounting Treatment

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

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

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

- a. The Report of Auditors is with Modified opinion with respect to the Audited Financial Results (Standalone and consolidated) of the Company for the quarter and year ended on 31st March, 2022.
- b. The Internal Auditors report directly to the Audit Committee.

L. Disclosure on Risk Management

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

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

N. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year i.e. 2021-22: Not Applicable

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

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

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 is given in the Directors' report.

Q. Disclosure of commodity price risks and commodity hedging activities

Code of Conduct

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

CEO/CFO Certificate

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

Certificate from Company Secretary in Practice:

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

Certification from Company Secretary in Practice:

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

Means of Communication

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2021-22, Company has published its quarterly results as under:

Quarter	News Papers
Q1	Financial Express (English & Gujarati)
Q2	Financial Express (English) & Lokmitra (Gujarati)
Q3	Financial Express (English & Gujarati)
Q4	Financial Express (English & Gujarati)

- The quarterly financial results are sent to the Stock Exchanges immediately after the Board's approval. During the Financial Year 2021-22, Company has published its quarterly / half yearly / annually financial results in leading newspaper one English language national daily newspaper (English Edition) and one daily vernacular language newspaper (Gujarati Edition).

The Company has its own website www.sadbhaveng.com. Financial results on approval of the Board, presentations made to institutional investors or to the analysts, concall etc. are simultaneously hosted on website of the Company.

- All price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.
- Annual Reports containing inter alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information are circulated to the members and other entitled thereto.

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

General Shareholders Information

1. Annual General Meeting

Date and Time : Friday, September 30, 2022 at 03.30 p.m.
Venue : Through Video Conferencing or other Audio Visual means

2. Financial calendar : April 01, 2021 to March 31, 2022.

3. Book Closure date : Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)

4. Dividend payment date : N.A.

5. Stock Code

Script Code at BSE : 532710
Trading Symbol at NSE : SADBHAV
ISIN No. : INE226H01026

6. Listing on Stock Exchanges :

A: Equity Shares :

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

B: Debt Securities (Debentures)

The following Redeemable Secured Non-convertible Debentures of the Company are listed on the **Wholesale Debt Market (WDM)** of the BSE.

INE226H07080 - NCDs of ₹ 10 Lakh each
INE226H07098 - NCDs of ₹ 10 Lakh each

The following Secured, Unrated, Unlisted, Redeemable Non-Convertible Debentures of the Company issued during the year 2021-22 and upto the date of this report:

INE226H07114 - 4000 NCDs of Rs. 1 Lakh each
INE226H07122 - 2000 NCDs of Rs. 1 Lakh each
INE226H07130 - 2400 NCDs of Rs. 1 Lakh each
INE226H07148 - 1600 NCDs of Rs. 1 Lakh each
INE226H07155 - 2500 NCDs of Rs. 1 Lakh each
INE226H07163 - 3000 NCDs of Rs. 1 Lakh each

C: Debenture Trustees : IDBI Trusteeship Services Limited

Asian Bldg., Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001
Tel: 022-40807018; Fax: 022-66311776
Email: anjalee@idbitrustee.com
Website: <http://www.idbitrustee.com>

Note: Annual listing fees for the year 2022-23 have been paid to the BSE and NSE.

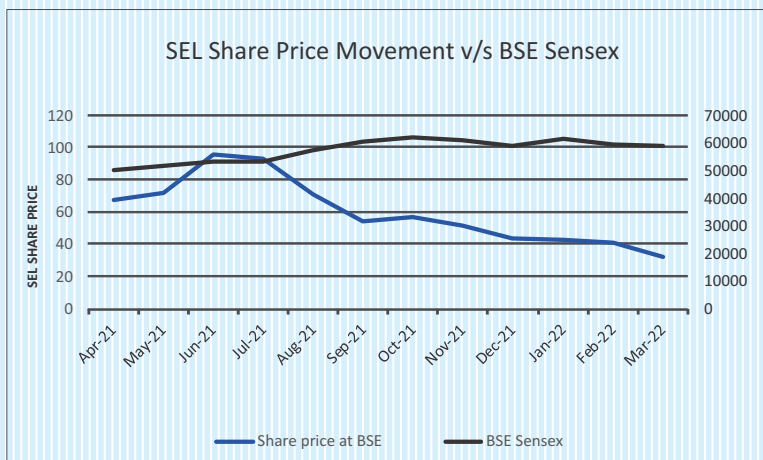
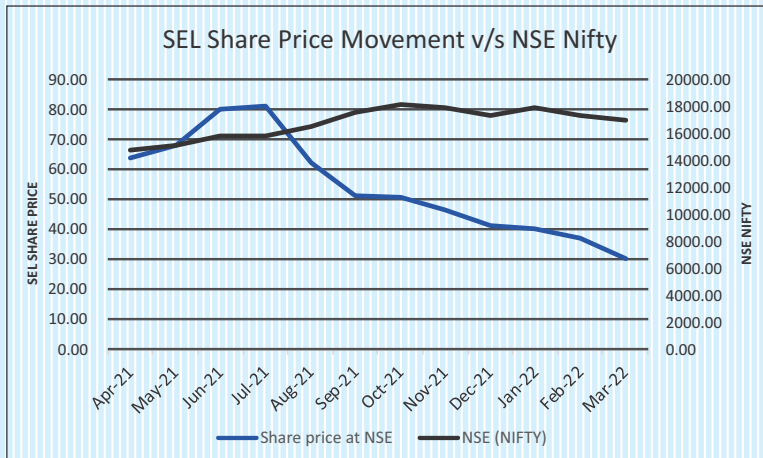
7. Credit Rating :

- CARE has assigned CARE BB+ / CARE A4 (CWN) (Double B Plus/ A Four) (Under Credit watch with Negative Implications) to Long term/short term bank facilities and CARE BB+ (Double B Plus CWN) (Continue to be on Credit watch with Negative Implications) to Non- Convertible Debentures of the Company.
- India Rating has assigned IND BB+/RWN/IND A4+ (Double BB Plus: Outlook; Negative[Single A Four Plus]) to Fund based & Non Fund based working capital Facilities and IND BB+/RWN (Double BB Plus; Outlook: Negative) to Term Loan Facilities and Non- Convertible Debentures of the Company.

The details of Credit Rating are available on the website at www.sadbhaveng.com.

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

Month	Share price at BSE amount in Rs.		BSE Sensex		Share price at NSE amount in Rs.		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-21	67.25	56.05	50375.77	47204.5	63.99	60.99	14714.81	14487.31
May-21	72.4	60.65	52013.22	48028.07	67.91	65.09	15044.09	14893.03
Jun-21	96.3	63	53126.73	51450.58	79.98	74.41	15799.07	15656.16
Jul-21	93.6	67.25	53290.81	51802.73	80.91	76.54	15842.32	15720.36
Aug-21	71.4	45.8	57625.26	52804.08	62.20	57.91	16516.49	16372.00
Sep-21	54.35	44.15	60412.32	57263.9	51.17	48.72	17581.47	17420.85
Oct-21	56.65	47.35	62245.43	58551.14	50.80	48.93	18136.47	17932.95
Nov-21	51.6	37.3	61036.56	56382.93	46.29	44.36	17846.72	17607.06
Dec-21	43.8	37.35	59203.37	55132.68	40.93	39.38	17284.05	17073.56
Jan-21	42.5	36.3	61475.15	56409.63	40.22	38.73	17866.77	17635.91
Feb-21	40.9	28.25	59618.51	54383.2	36.98	35.02	17350.48	17073.36
Mar-21	32.6	24.15	58890.92	52260.82	30.41	28.94	16965.36	16716.87



- 9. Registrar & Transfer Agents** : Link Intime India Private Limited
 C-101,247 Park, L.B.S. Marg Vikhroli (West), Mumbai- 400 083
 Contact: 022-49186270, Fax: 022-49186060
 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

10. Share Transfer System

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

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI Listing Regulations.

11. Shareholding as on March 31, 2022

- a. Distribution of shareholding as on March 31, 2022

No. of shares	No. of shareholders	% to total	No. of shares held	% to total
1-500	53869	79.34	7530694	4.39
501-1000	6554	9.65	5238975	3.05
1001-2000	3775	5.56	5729602	3.34
2001-3000	1275	1.88	3280634	1.91
3001-4000	623	0.92	2257438	1.32
4001-5000	472	0.70	2227215	1.30
5001-10000	747	1.10	5505316	3.21
10001 to 999999999	583	0.85	139800926	81.48
Total	67898	100.00	171570800	100.00

- b. Categories of shareholders as on March 31, 2022

Category	No. of shares	% to total
Promoters	76564625	44.63
Mutual Fund	21925203	12.78
Banks, Financial institutions, Insurance companies, Government companies	2942710	1.72
Other private corporate bodies	5869401	3.42
Indian Public	54825915	31.96
NRI / OCB	1482126	0.86
Foreign Portfolio Investor (Corporate)	5785057	3.37
Independent Directors and Relatives of Directors	10840	0.01
Any others	2164923	1.26
Total	171570800	100.00

12. Dematerialization of shares and liquidity

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

13. Transfer of unclaimed dividend amount for the financial year 2013-2014 to Investor Education and Protection Fund

During the year under review, the Company has credited Rs. 40,616.80 amount being unclaimed dividend for the year 2013-2014 to the Investor Education and Protection Fund (IEPF) pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

During the financial year 2021-2022, company has transferred 1210 equity shares on which dividend has not been claimed for seven consecutive years or more to the Investor Education and Protection Fund ('IEPF Authority') as per statutory requirement.

15. SEBI Complaints Redress System (SCORES)

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

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

Company has no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity as on 31st March, 2022.

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

The details of foreign exchange exposures as on 31st March, 2022 are disclosed in Note no. 3.13 of the Significant Accounting Policies to the standalone financial statements.

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

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 17 (5) of the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2022.

For Sadbhav Engineering Limited

Place: Ahmedabad
Date: 10th August, 2022

Shashin V. Patel
Director
DIN No.: 00048328

Certification on Financial Statements of the Company

We, Vasistha C. Patel, Chief Executive Officer (CEO) and Nitin R. Patel, Executive Director & Chief Financial Officer (CFO) of Sadbhav Engineering Limited ('the Company'), certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief, we state that:

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

Date: 30th May, 2022

Place: Ahmedabad

Vasistha C. Patel

Chief Executive Officer (CEO)

Nitin R. Patel

Executive Director & CFO

DIN: 00466330

Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Engineering Limited,

We have examined the Compliance Conditions of Corporate Governance by Sadbhav Engineering Limited for the year ended on 31st March, 2022 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2021 to 31st March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations except Regulation 25(6) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Listed entity require to appoint Women Independent Director at earliest but not later than the immediate next meeting of board of directors or three months from such vacancy whichever is later. However, Company has appointed Mrs. Anjali N Choksi on 10th August, 2021 i.e., with delay of 5 days from prescribed limit of three months from effective date of resignation of Mrs. Purviben S. Parikh, an Independent Director of Company who resigned from her post of Director on 5th May 2021. Thus, there was non-compliance for 5 days under the said provisions of SEBI LODR Regulation.

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

Ravi Kapoor & Associates

Ravi Kapoor

Proprietor

Mem. No FCS. 2587

COP No.: 2407

UDIN: F002587D000775293

Date: 10th August, 2022

Place: Ahmedabad

Management Discussion & Analysis

CAVEAT

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

Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company’s operations’ substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to any new information, future events or otherwise. Hereby, we at Sadbhav Engineering Limited present our report for the financial year 2021-22.

ABOUT SADBHAV ENGINEERING LIMITED

Since its inception in 1988, Sadbhav Engineering Limited has implemented and executed projects of national significance including construction of roads and highways, bridges, mining and irrigation supporting infrastructure. SEL has successfully constructed 9621 lane kms of roads and highways (both state and national highways) and are among the top most infrastructure companies in India. SEL is also listed on both National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) and have had privilege to work for and with NHAI, Coal India, GIPCL, GHCL, L&T, HCC, Punj Lloyd, Sardar Sarovar Narmada Nigam, among various others. SEL’s foundation moves on the growth chart keeping in view various factors, such as patterns of key emerging markets in advanced economies, rising policy, geopolitical uncertainties, additional growth disappointments, and many more.

1. GLOBAL ECONOMIC OVERVIEW

Following more than two years of pandemic, spillovers from the Russian invasion of Ukraine are set to severely impact the deceleration of global economic activity. Furthermore, countries like Srilanka and Pakistan are also reeling under the debt pressure. The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent. With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but delay will only exacerbate them.

2. PANAROMA OF INDIAN ECONOMIC SITUATIONS

In India, growth slowed in the first half of 2022 as activity was disrupted both by a surge in COVID19 cases, accompanied by more-targeted mobility restrictions. The recovery is facing headwinds from rising inflation. Some part of skilled migrant workers did not move back to earlier work locations opting to work near their home locations after the pandemic. However, the unemployment rate has declined to levels seen prior to the pandemic, but the labor force participation rate remains below pre-pandemic levels and workers have shifted to lower-paying and less-secure jobs. This has impacted sectors like infrastructure building. Faced with these challenges, the Government of India’s immediate response was to safeguard the economy and mitigate the impact on vulnerable sections of society and the business sector. Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe. Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9 per cent in 2021-22 after growing 3.6 per cent in the previous year. Total Consumption is estimated to have grown by 7.0 per cent in 2021-22 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure. Exports of both goods and services have been exceptionally strong so far in 2021-22, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

3. OUTLOOK OF OPPORTUNITIES AND STRENGTHS

Roads and Highways

The Road Transport Sector accounts for about 87% of passenger traffic and 60% of freight traffic movement in the country. India has the second largest road network in the world of about 63.72 lakh km. This comprises of 1,40,995 Km long National & Express Highways, 1,71,039 Kms long State Highways and other roads spreading over 60,59,813 Kms.

As per market estimates, India is expected to become the third-largest construction market globally by 2022. India plans to spend US\$ 1.4 trillion on infrastructure projects through the National Infrastructure Pipeline (NIP), from 2019 to 2023, to ensure sustainable development in the country. The infrastructure sector has seen some major developments, investments and support from the government in the recent past. During union budget 2022-23, The government allocated Rs. 134,015 crore (US\$ 17.24 billion) to National Highways Authority of India (NHAI). The government announced an outlay of Rs. 60,000 crore (US\$ 7.72 billion) for the Ministry of Road Transport and Highways. The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world. In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states. By 2024, the Ministry of Road Transport and Highways aims to build 60,000 kms of world-class national highways at a rate of 40 kms each day. India has set a target of road construction of worth Rs. 15 lakh crore (US\$ 206 billion) in the next two years.

The infrastructure sector has become the biggest focus area for the Government of India. SADBHAV is poised to go with the flow and take advantage of these opportunities to translate this in terms of business opportunities and create infrastructure for the brighter tomorrow.

4. RISKS & ITS MITIGATION:

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

Internal and Business Risks:

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

- (1) The successful completion of projects also depends upon the performance of entire value chain that includes our joint-venture partners and/or sub-contractors. Therefore, before entering into any such agreement, we thoroughly analyse their credentials and maintain real time monitoring through systems like SAP S/4 HANA. Irrespective of the partner's and/or contractor's status of association (old as well as new), we always insist on having a performance guarantee and quality assurance from our collaborators.
- (2) Various situations such as; cost overrun of projects due to problems of land acquisitions, removal of encroachment, compliance with environmental standard, penalty for delay in completion of the project in time, insurance coverage and other provisional measures may not adequately protect us against all possible risk of losses. Therefore, we elaborately plan to execute all our projects before the scheduled time. Also, we have contractor's all risk insurance policy and workmen's compensation policies as a precautionary measure at our disposal. We take Advance Loss of Profit (ALOP) Policy for each project and always appoint an Insurance Consultant / Professional to assess all at stake.
- (3) The estimates of increase of raw materials for BOT projects are made at the time of bidding, since there is no provision for cost escalations. However, our vast experience in the infrastructural sector enables us to keep the associated risks to a minimum.
- (4) With respect to risk of shortage in supply of raw materials, we ensure continuous supply of raw-materials through our supply value chain by entering into long term arrangement with our suppliers before every single project.
- (5) Preventive Maintenance is less costlier than the non-maintenance or break-down costs of equipment that cause a major hindrance in complete execution of projects. Therefore, our team of technical experts regularly overhauls and repairs the machines, thereby minimising the chances of any break-downs. We also set up mechanical divisions at each project site, wherein the regular maintenance and interim repairs are undertaken.
- (6) Mishandling of machines and equipment can result in being a liability. Therefore, we have Standard Operating Procedures (SOPs) in place and have designed training programmes for handling the sophisticated equipment and machinery used at our project sites. We have taken insurance coverage for any mishap claims that may arise under the Workman's Compensation Act.
- (7) Any negligence in employees' health, safety and regulatory measures can affect our performance. We, therefore, have an HSE Policy monitored and adhered religiously by central HR Team. In case of mining projects, we are required to provide a proper medical certification under the Medical Certificate Form 'O' as prescribed by DGMS. All employees are, thereby, sufficiently covered by Workman Compensation Insurance. We also provide the employees with necessary safety gadgets such as helmets, boots, and more.
- (8) Being a broad organisation with personnel in abundance, we have strong systems to ensure minimal dependence on any individual. Our operations may suffer a temporary setback if any of our key managerial personnel were to leave. Therefore, successful completion of projects is ensured by properly planning the delegation of work and succession planning among teams.
- (9) SADBHAV uses a mix of debt and equity to finance its fund requirements as it needs substantial working capital and financing to meet the requirements of large scale operations. Over the years, we have built a healthy relationship with our lenders which consolidate the difficulty in the process of obtaining debt for our business needs.

External Risks:

Risks that arise out of changes in the external environment are classified under this head. These are mostly outside our control. E.g. changes in interest and exchange rates, increase in material cost, and various others. Our efforts has always been in taking proactive measures to mitigate these by creating sufficient barriers in the pricing, making suitable provisions in books, and providing insurance cover upon entering derivative transaction for hedging our obligation in foreign currencies.

Any further change in government policies, tax structure, geopolitical and political situation, pandemic and civil disturbances may have adverse effect on SEL's business. Mitigation of insurance coverage for natural risks (for example: adverse weather condition, fire, floods, and earthquakes) has been worked. A manifold competition from large national as well as international organisations and deviation from estimated traffic volume is also an area of concern for the Company.

This risk management exercise identifies risks, and also mitigates risks to an acceptable level. Your Company has risk management policies to manage and overcome these risks to ensure smooth functioning of its business operations which are reviewed periodically by the Directors of the Company. Being infrastructure project company, your company is also subject to high risk of delay in the projects due to land acquisition issues or rising land acquisition costs adversely impacting the total project costs.

An internal control for business processes across departments is required to not only ensure efficient operations but to also comply with internal policies, applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectively of this system of internal control is extensive internal audits, regular reviews by the management team and standard policies and guidelines to ensure the reliability of financial and all other records. Therefore, the ERP-SAP system of the company, which is already operative, was established. It connects all the project sites with the corporate office by providing real time information to the top management of the Company. Ideation to centralise the entire data process is being acted upon by Sadbhav Engineering Limited so as to assure transparency to each and every stakeholder of the Company.

Risk Mitigation:

Identifying risk is an important first step. It is not sufficient though. Taking steps to deal with risk is an essential step. Knowing about and thinking about risk is not the same as doing something about risk. Your Company is aware of such risks, and all our strategies, policies and SOPs (Standard Operating Procedures) have been designed with risk mitigation as an intrinsic element. This approach helps to avert undesirable situations to arise rather than troubleshooting later. Our equipment maintenance policies designed to avoid the project delays due to break down, procurement policies are framed to mitigate the sudden hikes in the procurement or acquisition costs. We meticulously study each and every contract, document or legal paper to avoid litigations later. Our financial strategies have been formulated keeping in view the long term and short term financial risks. Our top management, investor communication and corporate communication professionals meticulously plan communication with stakeholders, government and public to avert the reputation risk. Before entering into any joint venture agreement we thoroughly analyse the prospective venture partners' past performances and credentials. We plan elaborately to execute all our projects before the scheduled time. We have a proven track record of completing work within the stipulated time. Work without stoppages or no significant labour disruptions during its operational history was paved way for by our extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation polices to protect against losses caused to workmen through accident. Most of the critical work during the operation period is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from them. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results even from the downturn of economic situations. We also regularly conduct third audits of the toll management systems and toll collection systems in order to identify lacunas and improve our operational performance.

5. SEGMENT WISE PERFORMANCE

As on March 31, 2022 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

An internal control for business processes across departments is required to not only ensure efficient operations but to also comply with internal policies, applicable laws and regulations, protection of resources and assets as well as accurate reporting of the financial transactions. Aiding the effectively of this system of internal control is extensive internal audits, regular reviews by the management team and standard policies and guidelines to ensure the reliability of financial and all other records. Therefore, the ERP-SAP system of the company, which is already operative, was established. It connects all the project sites with the corporate office by providing real time information to the top management of the Company. Ideation to centralise the entire data process is being acted upon by Sadbhav Engineering Limited so as to assure transparency to each and every stakeholder of the Company.

7. FINANCIAL OVERVIEW – STANDALONE

(a) Income Analysis:

The Company's revenues for the current year stood at Rs. 1226.24 crores as against Rs. 1623.62 crores in the previous year, thereby registering an decrease of 24.48 %.

(b) Expense Analysis:

Manufacturing and Construction expenses

Material consumed for the year ended March 31, 2022 amounted to Rs. 210.13 crores, construction expenses decreased from Rs. 893.47 crores incurred during 2020-21 to Rs.730.32 crores in the year 2021-2022.

Depreciation, Interest and Finance cost

Depreciation during 2021-22 amounted to Rs.69.20 crores as against Rs.94.21 crores recorded in 2020-21. Finance cost decreased from Rs.189.51 crores in 2020-21 to Rs.187.88 crores in 2021-22.

(c) Profit Analysis:

Profit (Loss) Before Tax during 2021-22 stood at Rs. (696.08) crores as against Rs. 21.14 crores recorded during 2020-21. Profit (Loss) after tax for 2021-22 stood at Rs.(716.32) crores as compared to Rs.41.04 crores during 2020-21.

(d) Net Worth:

The Networkth of the company in the year Rs. 1428.53 in the year 2021-2022 Compared to Net worth in the year Rs. 2145.37 in the year 2020-2021.

Key Financial Ratios: Stand Alone Basis

FINANCIAL RATIOS	FY 2022	FY 2021
Debtors Turnover	0.80	0.93
Inventory Turnover	1.70	2.39
Interest Coverage Ratio	1.36	1.61
Current Ratio	1.30	1.54
Debt Equity Ratio	0.81	0.62
Operating Profit Margin	12.93%	13.02%
Net Profit Margin	-54.16%	2.39%
Return on Network	-50.14%	1.91%

Consolidated Financial

On consolidated basis, the Total revenue stood at Rs. 2887.74 crores during the financial year under review as compared to Rs. 2597.28 crores in the previous year, Loss before tax was Rs. 734.90 crores as compare to Loss of Rs. 238.87 crores in the previous year and Loss after tax was Rs.728.39 crores as compare to Loss of Rs. 237.45 crores in the previous financial year. Net worth of the Company stand to Rs. 801.53 crores as of 31st March, 2022 as compared to Rs. 1445.29 crores as on 31st March, 2021.

8. DEVELOPMENT OF HUMAN RESOURCE

Infrastructure development is knowledge, experience and talent based process and we understand the importance of the people bring these attributes on the table. Hence, Sadbhav puts utmost value on the human resource management policies to retain the human capital. To further strengthen its teams, Sadbhav has implements SAP SuccessFactor and is the one among few companies world over to implement it. While, we give rights and benefits like collective bargaining, PF, gratuity, incentives, bonus, insurance etc., we have system in place to identify the best talent from the industry and induct them to meet our growth requirements. Training and Development Process at Sadbhav further helps to upskill the talent pool we have for the best practices from across the world so that we can achieve operational excellence. Health, Safety & Environment (SHE), is an important aspect of our HR policies and we make sure that all our employees follow Safety SOPs and organise periodic health check-ups. We are a 1238 no. strong team as on March 31, 2022 and optimistic to achieve the corporate targets set by the Board of Directors to thrive in growth trajectory.

***Standalone
Financial Statements***

Dhirubhai Shah & Co LLP
Chartered Accountants
401/408 'Aditya' Opp. Sardar Patel Seva
Samaj Hall, Nr. Mithakali Six Roads,
Ahmedabad,
Gujarat, 380006.

Manubhai & Shah LLP
Chartered Accountants
G-4 Capstone, Opp. Chirag Motors,
Sheth Mangaldas Road,
Ellisbridge, Ahmedabad,
Gujarat, 380006.

Independent Auditor's Report
To the Members of
Sadbhav Engineering Limited
Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Sadbhav Engineering Limited ("the Company"), which comprises of the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including other comprehensive income), and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to Note 49 and Note 50 to the accompanying Standalone Financial Statements 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 balances of 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 / adjustments to the carrying value of the loan, trade and other receivable balances are necessary as at March 31, 2022.

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivables aggregating to ₹ 22,612.43 Lakhs as on the reporting date, 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 receivables and their consequential impact on the financial results and financial position of the Company as at reporting date and year ended on March 31, 2022.

2. We draw attention to Note 52 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 from this step-down subsidiary duly considering the expected payment arising out of aforesaid substitution and based on the above assessment, management has

Independent Auditor's Report on Standalone Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

concluded that no impairment / adjustment to the carrying value of loan, trade and other receivables is necessary as at March 31, 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 ₹. 6,946.49 Lakhs as on reporting date 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 as at reporting date and year ended on March 31, 2022.

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

Key Audit Matters

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

Key Audit Matters Description	Response to Key Audit Matters
<p>A. Revenue recognition and measurement of Contract assets in respect of unbilled amounts and evaluation of impairment in the carrying value of Contract Assets</p> <p>The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>The Company recognises revenue and the resultant profit/loss relying on the estimates in relation to forecast contract revenue and forecast contract costs on the basis of stage of completion which is determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The revenue on contracts may also include variable considerations which are recognised when the recovery of such consideration is highly probable.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the Company's accounting policy for revenue recognition. • Obtaining an understanding of the Company's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates and contract assets. • For a sample of contracts, testing the appropriateness of amount recognized as revenue basis percentage of completion method by evaluating key management judgements inherent in determining forecasted contract revenue and costs to complete the contract, including: <ul style="list-style-type: none"> - verifying the underlying documents such as original contract and its amendments, if any, for reviewing the significant contract terms and conditions;

Key Audit Matters Description	Response to Key Audit Matters
<p>These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins.</p> <p>The management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment amounting to ₹ 69,391.73 Lakhs 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".</p> <p>In view of the involvement of significant estimates by the management, the matter has been determined as Key Audit Matter. Refer Note Nos. 3.2 & 53 to the standalone financial statements.</p>	<ul style="list-style-type: none"> - evaluating the identification of performance obligation of the contract; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of variable consideration with respect to the contractual terms and inspecting the related correspondences with customers; and - reviewing legal and contracting experts' reports received on certain contentious matters; <ul style="list-style-type: none"> • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognised; and • Evaluating the appropriateness and adequacy of the provision of impairment made in the contract assets along with its disclosures in the standalone financial statements in accordance with the applicable accounting standards.
<p>B. Uncertain Tax Positions under Direct and Indirect Tax Laws</p> <p>There is inherent judgement involved in determining provisions for uncertain tax positions.</p> <p>The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required. Given the number of judgements involved in estimating the provisions relating to uncertain tax Positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained the details of uncertain tax position and gained understanding thereof. • Discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure. • Focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. • Also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.

Key Audit Matters Description	Response to Key Audit Matters
Refer note no. 38 to the Standalone Financial Statements.	
<p>C. Assessment of going concern basis</p> <p>As at March 31, 2022, the Company have incurred losses with a consequent erosion of its net worth, lower credit ratings for some of its borrowings and has net current liabilities of ₹ 58207 Lakhs.</p> <p>As disclosed in the assessment of liquidity risk in note 41 to the standalone Ind AS financial statements, the Company has financial liabilities of ₹ 158305 Lakhs to be settled within one year from March 31, 2022. Further, the Company has commitments towards funding support to its Group Companies and Corporate guarantees issued to lenders /outsiders on behalf of its Group Companies as detailed in note 38.</p> <p>The Company has prepared cash flow forecast for next twelve months which involves judgement and estimation around sources of funds to meet the Financial obligations and cash flow requirements over the next twelve months.</p> <p>Considering the above, we have identified the assessment of going concern assumption as a key audit matter.</p> <p>Refer note no. 54 to the Standalone Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We have obtained an understanding of the process of management assessment of going concern and also assessed the same. We read the management assessment in note 54 which states: Company's operations were impacted due to inflationary pressure and resources constraint during F. Y. 2021 – 22. 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 three HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for next 12 months 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 date of balance sheet and there is no threat to going concern assumption adopted in preparation of financial statements. We have obtained the future cash flows of the Company. We have considered the same for our assessment of the Company's capability to meet its financial obligation falling due within next twelve months. We have assessed the disclosures made by the Company in relation to this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone

Independent Auditor's Report on Standalone Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance to initiate actions applicable in the applicable laws and regulations.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report on Standalone Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income, the Statement of Cash Flow and Statement of Changes Equity dealt with by this Report are in agreement with the books of account;
 - d. Except for matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended;
 - e. In our opinion, the matters described in the Basis for Qualified Opinion paragraph above may have an adverse effect on the functioning of the Company;

Independent Auditor's Report on Standalone Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

- f. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- h. In our opinion, the managerial remuneration for the year ended March 31st, 2022 paid / provided by the Company to the directors is in accordance with the provisions of section 197 read with Schedule V to the Act;
- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements; Refer note 38 to the Standalone Financial Statements
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;
 - (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend during the year.

Dhirubhai Shah & Co LLP
Chartered Accountants

Manubhai & Shah LLP
Chartered Accountants

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

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

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCBH9876

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCAJ1800

Place: Ahmedabad
Date: May 30, 2022

Place: Ahmedabad
Date: May 30, 2022

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

(Referred to in paragraph 1(g) under ‘Report on Other Regulatory Requirements’ section of our report to the members of Sadbhav Engineering Limited of the even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (“the Company”) as of 31st March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

Independent Auditor’s Report on Standalone Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCBH9876
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCAJ1800
Place: Ahmedabad
Date: May 30, 2022

Annexure – 'B' to the Independent Auditor's Report

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

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

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

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a program of physical verification of its Property, Plant and Equipment and right to use assets. In accordance with this program, Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than immovable properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year.
- e. No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a. The inventories were physically verified by the management during the year at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed as stated in note no. 43 of the Financial Statements.

Independent Auditor's Report on Standalone Financial Statements of **Sadbhav Engineering Limited** for the year ended on March 31, 2022

- (iii) a. The Company has provided loans or advances in the nature of loans, provided guarantee, or security during the year. The details of which are given below:

(₹. In Lakhs)

Particulars	Loans	Guarantees	Security *
A. Aggregate amount granted/provided during the year:			
-Subsidiaries	33,713.86		
-Step-Down Subsidiaries	6,586.40		
-Others		55,000.00	1,133.55
B. Balance outstanding as at balance sheet date in respect of above cases			
-Subsidiaries	38,032.11		
-Step-Down Subsidiaries	16,595.56		
-Others	2,767.10	1,38,200.00	4,333.55

*The Gross amount of security provided by the Company is derived by considering the face value of ₹ 10 per shares pledged.

- b. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest. However, attention is invited to 'Basis of Qualified Opinion' paragraph of our Main Audit Report.
- c. In respect of loans granted, the terms of arrangements do not stipulate any repayment schedule of principal and interest. The loans are repayable on demand except interest free term loan of ₹ 7795.63 Lakhs given to one of the subsidiary companies which is repayable after eleven years from the date of agreement dated 22nd October, 2014.
- d. Since the cited loans are repayable on demand, reporting under this clause in respect of overdue balance is not applicable.
- e. In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.
- f. The Company has granted Loans or advances in the nature of loans which are (repayable on demand or without specifying any terms or period of repayment) details of which are given below.

(₹ in Lakhs)

Particulars	Others	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
-Repayable on demand (A)			
-Agreement does not specify any terms or period of repayment (B)	2,767.10	0.00	40,300.00
	0.00	0.00	0.00
Total (A+B)	2,767.10	0.00	40,300.00
Percentage of loans / advances in nature of loans to the total loans	5.72%	0.00%	83.27%

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits (including deemed deposits) from the public within the meaning of provisions of sections 73 to 76 of

the Act and the rules framed there under and hence reporting under clause (v) of paragraph 3 of the Order is not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities during the year except goods and service tax.

According to the information and explanations given to us and basis our audit procedures to check the outstanding statutory dues, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable except interest of ₹ 552.02 Lakhs on tax deducted at source and interest of ₹ 272.30 Lakhs on Goods and service tax.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Sr. No.	Name of the Statute	Nature of the Dues	Financial Year to which the amount relates	Forum where Dispute is pending	Amount (₹ in Lakhs) net off amount paid under the proof of protest
1.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
2.			2005-06	Supreme Court of India	67.29
3.	The Income Tax Act, 1961	Income Tax	2004-05 to 2006-07	High Court of Gujarat	189.19
4.			2007-08	Income Tax Appellate	308.29
5.			2006-07 to 2010-11	Tribunal, Ahmedabad	1953.30
6.			2010-11		244.64
7.			2011-12		797.40
8.			2012-13		836.74
9.			2013-14		1048.50
10.			2014-15		1,263.15
11.			2015-16		1,414.34
12.			2016-17		2,087.00
13.			2017-18		3,700.93
14.	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
15.	Gujarat Value Added Tax Act, 2003	VAT	2006-07	Gujarat Value Added Tax Tribunal	321.96
16.		GST	2017-18		171.31

Sr. No.	Name of the Statute	Nature of the Dues	Financial Year to which the amount relates	Forum where Dispute is pending	Amount (₹ in Lakhs) net off amount paid under the proof of protest
17.	Goods and Service Tax Act, 2017		2018-19	Joint Commissioner (Appeals) of Maharashtra State Tax	405.04

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

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

Name of lender	Aggregate amount not paid on due date	Whether Principal or Interest	Period of delay of unpaid amount
	(₹ in Lakhs)		
Long Term Loans from Banks			
Punjab National Bank (erstwhile Oriental Bank of Commerce)	441.58	Principal	1 to 30 days
	17.72	Interest	1 to 30 days
	126.67	Principal	31 to 60 days
	21.36	Interest	31 to 60 days
	63.78	Principal	61 to 90 days
	4.39	Interest	61 to 90 days
Union Bank of India	54.34	Principal	1 to 30 days
	1.39	Interest	1 to 30 days
	40.00	Principal	31 to 60 days
Bank of India	61.38	Principal	1 to 30 days
	7.03	Interest	1 to 30 days
	93.06	Principal	31 to 60 days
	3.37	Interest	31 to 60 days
ICICI Bank Limited	17.70	Principal	61 to 90 days
	292.84	Interest	1 to 30 days
	330.44	Interest	31 to 60 days
	334.63	Interest	61 to 90 days
	6,717.61	Principal	61 to 90 days
Long Term loan for Machinery Finance from Banks			
State Bank of India	50.00	Principal	1 to 30 days
	1.42	Interest	1 to 30 days
Punjab National Bank (erstwhile Oriental Bank of Commerce)	297.62	Principal	1 to 30 days
	84.86	Interest	1 to 30 days
	71.82	Principal	31 to 60 days
	39.80	Interest	31 to 60 days
	73.03	Principal	61 to 90 days
	9.81	Interest	61 to 90 days
ICICI Bank Limited	47.49	Principal	1 to 30 days

Name of lender	Aggregate amount not paid on due date	Whether Principal or Interest	Period of delay of unpaid amount
	(₹ in Lakhs)		
	9.93	Interest	1 to 30 days
	22.04	Principal	31 to 60 days
	4.07	Interest	31 to 60 days
	7.89	Principal	61 to 90 days
	1.46	Interest	61 to 90 days
HDFC Bank Limited	131.85	Principal	1 to 30 days
	26.23	Interest	1 to 30 days
	435.56	Principal	31 to 60 days
	96.35	Interest	31 to 60 days
	254.97	Principal	61 to 90 days
Axis Bank Limited	51.72	Interest	61 to 90 days
	521.74	Principal	1 to 30 days
	235.37	Interest	1 to 30 days
	680.14	Principal	31 to 60 days
	352.40	Interest	31 to 60 days
	597.13	Principal	61 to 90 days
Yes Bank Limited	255.86	Interest	61 to 90 days
	76.20	Principal	1 to 30 days
	3.97	Interest	1 to 30 days
	147.98	Principal	31 to 60 days
	7.79	Interest	31 to 60 days
	138.40	Principal	61 to 90 days
Kotak Mahindra Bank	9.55	Interest	61 to 90 days
	22.97	Principal	1 to 30 days
	1.66	Interest	1 to 30 days
	12.87	Principal	31 to 60 days
	0.93	Interest	31 to 60 days
	0.61	Principal	61 to 90 days
	0.03	Interest	61 to 90 days
Short Term Loan from Banks			
Bank of India	28.23	Interest	31 to 60 days
	3.83	Interest	61 to 90 days
ICICI Bank Limited	125.30	Interest	1 to 30 days
	51.56	Interest	31 to 60 days
Axis Bank Limited	20.34	Interest	1 to 30 days
	21.02	Interest	31 to 60 days
	56.30	Interest	61 to 90 days
Punjab National Bank	197.03	Interest	1 to 30 days
	118.49	Interest	31 to 60 days
	46.22	Interest	61 to 90 days
Standard Chartered Bank	80.00	Principal	1 to 30 days
	345.85	Interest	1 to 30 days
	183.41	Interest	31 to 60 days
	180.15	Interest	61 to 90 days
Axis Bank Limited	62.15	Interest	1 to 30 days

Name of lender	Aggregate amount not paid on due date	Whether Principal or Interest	Period of delay of unpaid amount
	(₹ in Lakhs)		
State Bank of India	74.54	Interest	1 to 30 days
IDBI Bank	6.35	Interest	1 to 30 days
Punjab National Bank (erstwhile Oriental Bank of Commerce)	204.03	Interest	1 to 30 days
IDBI Bank	29.79	Interest	1 to 30 days
Long Term Loan from Financial Institutions			
STCI Finance Limited	182.31	Interest	1 to 30 days
	166.33	Interest	31 to 60 days
	56.51	Interest	61 to 90 days
Long Term Loan for Machinery Finance from Financial Institutions			
Tata Motors Finance Limited	56.04	Principal	1 to 30 days
	6.80	Interest	1 to 30 days
	34.67	Principal	31 to 60 days
	4.65	Interest	31 to 60 days
	317.56	Principal	61 to 90 days
	57.20	Interest	61 to 90 days
Tata Motors Finance Solutions Limited	11.62	Principal	1 to 30 days
	0.34	Interest	1 to 30 days
	22.67	Principal	31 to 60 days
	0.78	Interest	31 to 60 days
	282.29	Principal	61 to 90 days
	14.54	Interest	61 to 90 days
Tata Capital Financial Services Limited	108.45	Principal	1 to 30 days
	10.16	Interest	1 to 30 days
	215.17	Principal	31 to 60 days
	16.80	Interest	31 to 60 days
	168.90	Principal	61 to 90 days
	13.82	Interest	61 to 90 days
Mahindra & Mahindra Financial Services Limited	73.32	Principal	1 to 30 days
	12.65	Interest	1 to 30 days
	305.57	Principal	31 to 60 days
	56.07	Interest	31 to 60 days
	43.40	Principal	61 to 90 days
	8.46	Interest	61 to 90 days

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- e) We report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act. The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2022.
- f) The Company had issued non-convertible debentures during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as per details below and has not defaulted in the repayment of such loans raised.

Nature of loan Taken	Name of lender	Amount of loan (₹ in Lakhs)	Name of the subsidiary	Relation	Nature of Transaction for which fund is utilised
Non-Convertible Debentures	Centrum Capital Limited (NBFC)	5,500.00	Sadbhav Infrastructure Project Ltd (SIPL)	Subsidiary Company	Security pledge of 3,81,97,436 Equity Shares of Sadbhav Infrastructure Project Limited

- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.
b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) during the year and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the company or on the company has been noticed or reported during the year.
b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.
b) We have considered the internal audit reports of the Company issued till date for the period under audit, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause (xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans (refer note no 57 to the financial statements) and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to further viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) There is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable.

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCBH9876
Place: Ahmedabad
Date: May 30, 2022

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

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCAJ1800
Place: Ahmedabad
Date: May 30, 2022

***Standalone
Financial Statements***

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	4	19098.70	27918.39
(b) Capital Work in Progress	4	376.91	376.91
(c) Right to Use Assets	4	148.07	1235.98
(d) Intangible Assets	4	42.88	48.13
(e) Financial Assets			
(i) Investments	5	55934.11	56674.72
(ii) Trade Receivables	6	13236.35	26766.09
(iii) Loans	7	5328.67	4800.60
(iv) Other Financial Assets	8	9577.88	10554.18
(f) Deferred Tax Assets (Net)	9	10220.38	13379.14
(g) Other Non Current Assets	10	132.34	53.40
		114096.29	141807.54
(2) Current Assets			
(a) Inventories	11	10749.85	13911.08
(b) Financial Assets			
(i) Trade Receivables	12	59920.56	41499.91
(ii) Cash and cash Equivalents	13	2743.99	810.14
(iii) Bank balances other than (ii) above	14	975.40	146.59
(iv) Loans	15	52066.11	58933.61
(v) Other Current Financial Assets	16	32870.75	35646.95
(c) Current Tax Assets (Net)	17	6272.88	13229.04
(d) Other Current Assets	18	89004.34	152105.39
		254603.88	316282.61
Total Assets		368700.17	458090.15
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	19	1715.71	1715.71
(b) Other Equity	20	141136.82	212821.66
		142852.53	214537.37
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	29450.28	37943.25
		29450.28	37943.25
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	84943.71	93893.21
(ii) Lease Liability		172.24	1399.65
(iii) Trade Payables	23		
a. Total outstanding dues of micro and small enterprises		1574.40	750.94
b. Total outstanding dues of creditors other than micro and small enterprises		45087.56	50161.38
(iv) Other Financial Liabilities	24	26528.01	25331.85
(b) Other Current Liabilities	25	38091.44	34072.50
		196397.36	205609.53
Total Equity & Liabilities		368700.17	458090.15

Basis of preparation, measurement and significant accounting policies
Notes to standalone financial statements
The accompanying notes are an integral part of the financial statements.

1 to 3
4 to 72

As per our Audit Report of even date

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No.: 102511W/W100298

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad
Date: May 30, 2022

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

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: May 30, 2022

For and on behalf of Board,

Shashin V. Patel
Director
DIN : 00048328
Vasista C. Patel
Chief Executive Officer(CEO)

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN : 00466330
Hardik Modi
Company Secretary
Membership No.: F9193

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs.in Lakhs)

PARTICULARS	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income :			
I Revenue from Operations	26	122623.66	162362.45
II Other Income	27	9634.19	9348.14
III Total Revenue (I+II)		132257.85	171710.59
IV Expenses :			
Cost of Material Consumed	28	21013.35	34269.89
Construction Expenses	29	73032.25	89347.60
Employee Benefits Expense	30	8203.07	12190.97
Finance Cost	31	18788.45	18951.08
Depreciation and Amortization Expense		6919.73	9420.67
Other Expenses	32	73908.78	5416.60
Total Expenses		201865.63	169596.81
V Profit / (Loss) Before Exceptional Items and Tax (III-IV)		(69607.78)	2113.78
VI Exceptional Item	33	(1365.23)	(1958.72)
VII Profit / (Loss) Before Tax (V+VI)		(70973.01)	155.06
VIII Tax Expense	35		
(1) Current Tax		0.00	0.00
(2) Deferred Tax		3158.75	(2278.71)
(3) Short/(Excess) Provision for taxation for earlier years		(2500.05)	(1669.91)
		658.70	(3948.62)
IX Profit / (Loss) for the year (VII-VIII)		(71631.71)	4103.68
X Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans(net)		168.41	35.19
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		168.41	35.19
Total Comprehensive Income for the year		(71463.30)	4138.87
XI Earning per Equity Share (in Rupees)	36		
Basic and Diluted Earning per Share (EPS)		(41.75)	2.39

Basis of preparation, measurement and significant accounting policies 1 to 3
Notes to standalone financial statements 4 to 72
The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No.:
102511W/W100298

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

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: May 30, 2022

For and on behalf of Board

Shashin V. Patel
Director
DIN : 00048328

Nitin R. Patel
Executive Director &
Chief Financial Officer
DIN : 00466330

Vasistha C. Patel
Chief Executive Officer(CEO)

Hardik Modi
Company Secretary
Membership No.: F9193

Statement of Changes in Equity for the year ended March 31, 2022

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2022	1715.71	0	1715.71
As on March 31, 2021	1715.71	0	1715.71

B Other Equity

(Rs.in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earning		
As at April 01, 2020	345.00	62994.55	1950.00	18640.18	124498.43	254.61	208682.77
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	4,103.70	-	4,103.70
Other Comprehensive Income (OCI)	-	-	-	-	-	35.19	35.19
As at March 31, 2021	345.00	62994.55	1950.00	18640.18	128602.13	289.80	212821.66
As at April 01, 2021	345.00	62994.55	1950.00	18640.18	128602.13	289.80	212821.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(71631.71)	-	(71631.71)
Other Comprehensive Income (OCI)	-	-	-	-	-	168.41	168.41
Transfer from Reserve	-	-	(221.54)	-	-	-	(221.54)
As at March 31, 2022	345.00	62994.55	1728.46	18640.18	56970.42	458.21	141136.82

As per our Audit Report of even date

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No.:
102511W/W100298

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

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: May 30, 2022

For and on behalf of Board

Shashin V. Patel
Director
DIN : 00048328

Vasistha C. Patel
Chief Executive Officer(CEO)

Nitin R. Patel
Executive Director &
Chief Financial Officer
DIN : 00466330

Hardik Modi
Company Secretary
Membership No.: F9193

STATEMENT OF CASHFLOW FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before Tax		(70973.01)		155.06
Adjustments For :				
Interest Income	(8614.79)		(7232.98)	
Interest Expenses	18788.45		18951.08	
Depreciation & Amortisation	6919.73		9420.67	
Profit on sale of Property, Plant & Equipments	(2.17)		0.00	
Provision for impairment of Contract Assets	69391.76		0.00	
Expected Credit Loss	843.84		267.73	
Actuarial Gain/Loss	168.41		35.19	
Exceptional Items (Net)	1365.23	88860.46	1958.72	23400.41
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		17887.45		23555.47
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	13529.74		(7798.84)	
(Increase)/Decrease of Trade Receivables	(19264.59)		(16497.83)	
(Increase)/Decrease of Other Current Assets	(6.290.71)		8684.61	
(Increase)/Decrease of Other Current Financial Assets	1418.56		22011.92	
(Increase)/Decrease of Other Non Current Assets	0.95		2664.33	
(Increase)/Decrease of Other Non Current Financial Assets	976.30		(8696.52)	
(Increase)/Decrease of Inventories	3161.23		813.67	
(Increase)/Decrease of Other Bank Balances	(1846.96)		10888.52	
Increase/(Decrease) of Other Long Term Financial Liabilities	0.00		(1597.21)	
Increase/(Decrease) of Trade Payables	(4250.36)		(4380.02)	
Increase/(Decrease) of Other Current Liabilities	4018.94		(13379.64)	
Increase/(Decrease) of Other Current Financial Liabilities	1196.16		3816.21	
Increase/(Decrease) of Short Term Provision	0.00		(31.39)	
		(7350.74)		(3502.19)
Cash generated from Operations		10536.71		20053.28
Tax Paid		7786.30		(311.80)
Net Cash From Operating Activities		18232.01		19741.48
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	(588.87)		105.76	
Sales of Property, Plant & Equipments	4945.06		2248.35	
Investments in Subsidiary Companies (Net)	0.00		(98.49)	
Proceeds from sale of Non Current Investments	3138.76		(775.43)	
Other Non Current Investments	(2398.15)		(98.49)	
Loan to/recd back from Subsidiary Companies	6339.42		(15986.62)	
Interest Received	8614.79	20051.00	7232.98	(7371.94)
Net Cash From/(used in) Investing Activities		20051.00		(7371.94)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds From Long Term Borrowings (Net)	(20781.10)		8193.91	
Proceeds/(Repayment) of Short Term Borrowings (Net)	10491.35		(2440.70)	
Net Increase in Working Capital Loan	(7152.72)		2249.08	
Payment of Lease Liability	(1227.41)		(1889.81)	
Interest Paid	(18788.45)		(18950.18)	
		(37458.33)		(12838.60)
Net Cash From/(used) Financing Activities		(37458.33)		(12838.60)

STATEMENT OF CASHFLOW FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	915.68	(469.06)
Opening Balance Of Cash & Cash Equivalents	519.14	988.20
Closing Balance Of Cash & Cash Equivalents	1434.82	519.14
Components Of Cash & Cash Equivalents		
Cash On Hand	8.56	18.90
Balance In Current Account With Banks	1426.28	500.24

Changes in liabilities arising from financing activities

(Rs. In Lakhs)

Particulars	April 1, 2021	Cash Flow	Other Adjustment	March 31, 2022
Long Term Borrowings (Including Current maturities of Long Term Debts)	64392.42	(20781.10)	-	43611.32
Short Term Borrowings	67444.04	3338.63	-	70782.67
Interest Accrued	3202.45	(1090.22)	-	2112.23
Lease Liabilities	1399.65	(1227.41)	-	172.24
Total	136438.56	(19760.10)	-	116678.46

Particulars	April 1, 2020	Cash Flow	Other Adjustment	March 31, 2021
Long Term Borrowings (Including Current maturities of Long Term Debts)	56198.51	8193.91	-	64392.42
Short Term Borrowings	67329.07	114.97	-	67444.04
Interest Accrued	2089.05	1113.40	-	3202.45
Lease Liabilities	3461.82	(2062.17)	-	1399.65
Total	129078.45	7360.11	-	136438.56

Notes:

1. All figures in bracket are cash outflow.
2. Fixed Deposits are pledged with central and various state gov/undertakings and local bodies, hence not considered in Components of Cash & Cash equivalents
3. The statement of cash flow has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flow".

As per our Audit Report of even date

For Dhirubhai Shah & Co LLP
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Executive Director &
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DIN : 00466330

Hardik Modi
Company Secretary
Membership No.: F9193

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

1. Company overview

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

2. Basis of preparation

2.1 Statement of compliance

These standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) including rules notified under the relevant provisions of the Companies Act, 2013, ("the Act") and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter.

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates

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

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

2.5 Current versus Non-current Classification

- The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:
 - Expected to be realized or intended to be sold or consumed in the normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realized within twelve months after the reporting period, except in case of trade receivables; or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
 - It is expected to be settled in the normal operating cycle;
 - Held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Operating cycle

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

2.7 Estimation of uncertainties relating to the global health pandemic from COVID-19 ("COVID-19")

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

3. Summary of Significant Accounting Policies:

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on all Property, Plant and Equipment except vehicles is provided on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013.

Depreciation is provided for all Property, Plant and Equipment as per the useful life prescribed in the Schedule II of the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where useful life is considered lesser than those prescribed in schedule II.

The estimated useful life of Property, Plant and Equipment as prescribed in the Schedule II to the Companies Act, 2013 & useful life adopted by the company are as follows :

Asset Class	Useful life as per Schedule II	Useful life adopted by the company
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Wind-Mills	22 Years	22 Years
Plant and Equipment	9 to 12 Years	8 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

In respect of Property, Plant and Equipment purchased/sold during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use or till the date when asset is sold, as the case may be. Assets costing less than rupees fifty thousand each are fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.2 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

a) Revenue from contracts with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

The specific recognition criteria described below must also be met before revenue is recognized. The company has concluded that it is principal in its revenue arrangements because it typically controls goods or services before transferring them to the customer.

i) Revenue from construction / project related activity:

- **Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- **Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

Impairment loss (termed as provision for foreseeable losses in the standalone financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the standalone financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

ii. Contract Balances:

• Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

• Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

• Contract liabilities

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

iii. Rendering of Services:

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

b) Other income

• Revenue from wind-mill power generation

Revenue from wind-mill power generation is recognized when the electricity is delivered to electricity Distribution Company at a common delivery point and the same is measured on the basis of meter reading.

• Interest income

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

• Dividend income

Dividend income is recognized when the right to receive dividend is established.

3.3 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis except in case of items produced by the company, where the cost are derived on weighted average basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.4 Intangible assets

An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern. Software being Intangible Assets used at Head office and work-shop are amortized over a period of three years and software used at Project sites are amortized over the project completion period.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

In respect of intangible assets acquired / purchased during the year, amortization is provided on a pro-rata basis from the date on which such asset is ready to use.

3.5 Investments in Subsidiaries

Investments in subsidiaries are recognized at cost as per Ind AS 27. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary.

3.6 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss

• Financial assets at amortized cost

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

• Debt instruments at amortized cost

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

• Perpetual securities

The Company invests in perpetual securities (subordinated debt), without coupon and redeemable at the issuer's option. The Company classifies this instrument as equity under Ind AS 32.

• Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

iii. De-recognition of financial assets

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

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

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

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

All financial liabilities are recognized initially at fair value in case of loan and borrowings and payable, fair value is reduced by directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

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

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

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

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

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

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

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

- **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract. At inception, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another liability from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount is recognized in the Standalone Statement of Profit and Loss.

c) Offsetting of financial instruments

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

3.7 Impairment

- **Financial assets other than investments in subsidiaries**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

The impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss.

- **Financial assets – investments in subsidiaries**

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount based on value in use.

To arrive at the value in use of the investment, the Company has used expected future cash flows of projects in subsidiaries which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present.

Value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in statement of profit and loss.

- **Non-financial assets - Tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Fair Value Measurement

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

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.9 Income tax

Income tax expense comprises current tax, deferred tax and MAT Credit.

Current Tax

Current tax is recognized in profit or loss.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognized in profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to statement of profit and loss as current Tax. The company recognizes MAT Credit available as an assets only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under Income Tax Act, 1961", the said assets is created by way of credit to the statement of Profit and loss and shown as "Deferred Tax". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.10 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

3.11 Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the Standalone Statement of Profit and Loss in the period in which the employee renders the related services.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized and charged to Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Standalone Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Other Employment benefits

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

3.12 Provisions , Contingent Liabilities and Contingent Assets

a) Provision :

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

b) Contingent Liabilities :

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

c) Contingent Assets :

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset.

3.13. Foreign Currency Transactions & Translations

a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange difference

The company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

i) Exchange differences arising from translation of long term foreign currency monetary items:

Long-term foreign currency monetary items recognized in the financial statements as on March 31, 2016 related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Long-term foreign currency monetary items recognized in the financial statements after March 31, 2016 related to acquisition of a fixed asset are charged to the Profit and Loss statement.

Other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

ii. Exchange differences on other monetary items:

All other exchange differences are recognized as income or as expenses in the year in which they arise.

3.14 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Lease

The Company's lease asset classes primarily consist of leases for Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet.

3.17 Segment Reporting

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Chief Executive Officer and Managing Director.

3.18 Investment property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the Standalone Statement of profit and loss for the period during which such expenses are incurred.

An Investment property is derecognized either when it has been disposed of or when it has been permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

3.19 Cash Dividend Distribution to Equity Shareholders

The company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in Equity.

3.20 Non-Current Assets Held for Sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

3.21 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

Impairment of Investments

The Company reviews its carrying value of its investments carried at cost annually, or more frequently when there is indication for impairments. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Taxes

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

Revenue from contract with customer

The Company uses the input method for recognizing construction revenue. Use of the input method requires the company to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

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

3.22 Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") through a notification of March 23, 2022, introduced the Companies (Indian Accounting Standards) Amendment Rules, 2022 to amend the Companies (Indian Accounting Standards) Rules, 2015 which come into force with effect from April 1, 2022. The following are the amendments:

Ind AS 103 - Business Combination

The amendment specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

For example, costs the acquirer expects but is not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees are not liabilities at the acquisition date.

Therefore, the acquirer does not recognise those costs as part of applying the acquisition method and instead, the acquirer recognises those costs in its post combination financial statements in accordance with other Ind AS. This amendment does not significantly change the requirements of Ind AS 103 and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

Ind AS 109 - Financial Instruments

The amendment clarifies that while performing the '10 percent test' for derecognition of a financial liability, for computing the discounted present value of the cash flows under the new terms, for determining fees paid net of fees received, a borrower should include only fees paid or received between borrower and lender, including fees paid or received by either the borrower or lender on the other's behalf.

This amendment is under Annual Improvements to Ind AS (2021). The Company does not expect the above amendment/improvement to have any significant impact in its standalone financial statements.

Ind AS 16 – Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment also provides for transitional provisions for contracts for which the entity has not yet fulfilled its obligations. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

The amendments to Ind AS 101 - First Time Adoption and Ind AS 41 – Agriculture have not been specified here since both Standards are presently not applicable to the Company.

Notes forming Part of the financial statements

Note No. 4

Property, Plant and Equipments

(A) Owned Assets

(Rs. in Lakhs)

Particulars	Property, Plant and Equipment								Capital Work in Progress	Intangible Assets Computer Software
	Land	Building	Plant and Machineries	Furniture	Vehicles	Office Equipment	Wind Mills	Total Property, Plant and Equipment		
Cost										
As at 01/04/2020	1109.24	4113.58	57999.51	1646.96	642.86	259.66	5602.08	71373.88	376.91	762.37
Addition	0.00	0.00	95.89	0.00	0.00	7.03	0.00	102.92	0.00	2.84
Disposal	0.00	0.00	1049.05	0.00	12.83	0.00	4657.41	5719.29	0.00	0.00
Adjustment of Foreign Exchange	0.00	0.00	0.21	0.00	0.00	0.00	(944.67)	(944.45)	0.00	0.00
As at 31/03/2021	1109.24	4113.58	57046.56	1646.96	630.03	266.69	0.00	64813.05	376.91	765.21
Addition	0.00	0.00	565.56	0.00	22.48	0.83	0.00	588.87	0.00	0.00
Disposal	0.00	0.00	10269.00	0.00	21.06	0.00	0.00	10290.07	0.00	0.00
Adjustment of Foreign Exchange	0.00	0.00	-	0.00	0.00	0.00	-	0.00	0.00	0.00
As at 31/03/2022	1109.24	4113.58	47343.12	1646.96	631.45	267.52	0.00	55111.86	376.91	765.21
Accumulated Depreciation										
As at 01/04/2020	0.00	407.81	28694.52	824.61	379.17	125.06	1351.10	31782.25	0.00	590.13
Addition	0.00	85.24	6937.64	174.36	76.63	54.30	240.93	7569.10	0.00	126.95
Disposal	0.00	0.00	852.46	0.00	12.19	0.00	1592.02	2456.67	0.00	0.00
As at 31/03/2021	0.00	493.04	34779.70	998.97	443.61	179.36	0.00	36894.68	0.00	717.08
Charge for the Year	0.00	85.24	5478.86	173.65	50.25	38.58	0.00	5826.57	0.00	5.25
Disposal	0.00	0.00	6689.88	0.00	18.19	0.00	0.00	6708.07	0.00	0.00
As at 31/03/2022	0.00	578.28	33568.68	1172.62	475.66	217.94	0.00	36013.19	0.00	722.33
Net Book Value										
As at 31/03/2021	1109.24	3620.53	22266.86	647.99	186.42	87.33	0.00	27918.39	376.91	48.13
As at 31/03/2022	1109.24	3535.30	13774.43	474.34	155.78	49.58	0.00	19098.70	376.91	42.88

Notes forming Part of the financial statements

- The Company has applied the different estimated useful lives as specified in Schedule II to the Companies Act, 2013 in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Company instead of useful life specified in the Schedule II. Consequently, charge of depreciation is higher by Rs. 620.69 lakhs (Rs. 932.71 lakhs) as compared to depreciation that would have been charged based on useful life as prescribed in Schedule II.
- Refer Note No 43 for information on property, plant and equipment pledged as security"
- There are no restriction on title of property, plant and equipments and Intangible Assets
- There is no contractual commitment on acquisition of property, plant and equipment and intangible assets
- Capital Work in progress balance is relating to Plant & Machinery of Rs. Nil (Rs. Nil lakhs) and office Building of Rs. 376.91 Lakhs (Rs. 376.91 lakhs).
- The Company has not done revaluation of PPE / Intangible assets during the year.

Particulars	Plant & Equipment
Movement During The Year	
Balance as at 1st April 2020	5184.12
Addition	0.00
Disposals	310.88
Balance as at 31st March 2021	4873.24
Addition	0.00
Disposals	0.00
Balance as at 31st March 2022	4873.24
Accumulated Depreciation	
Balance as at 1st April 2020	0.00
Addition	3637.26
Disposals	0.00
Balance as at 31st March 2021	3637.26
Addition	1087.91
Disposals	0.00
Balance as at 31st March 2022	4725.17
Net Block as at 31st March,2022	148.07
Net Block as at 31st March,2021	1235.98

(a) The total cash outflow for leases is Rs. 1227.41 Lakhs (Rs. 1889.81 Lakhs) for the year ended 31st March, 2022. Interest on lease liabilities is Rs. 76.96 Lakhs (Rs. 265.44 Lakhs) for the year.

(b) The Company's leases mainly comprise of Plant and equipment.

7. CWIP Ageing Schedule

Project in progress						(Rs. in Lakhs)
CWIP	<1 year	1-2 years	2-3 years	>3 years	Total	
As at 31st March 2022	0	0	50.82	326.09	376.91	
As at 31st March 2021	0	50.82	91.1	234.99	376.91	

8. CWIP Completion Schedule

Project in progress						(Rs. in Lakhs)
CWIP	<1 year	1-2 years	2-3 years	>3 years	Total	
As at 31st March 2022	762.72	0	0	0	762.72	
As at 31st March 2021	0	762.72	0	0	762.72	

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
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5. Investments

5.1 Investments in Equity Instruments of Subsidiary Companies

(A) Quoted

- (i) Sadbhav Infrastructure Project Ltd. 49255.72 49255.72
 24,57,21,252(24,57,21,252) Fully Paid up Equity Shares of
 Rs. 10/-each
 Out of 24,57,21,252 (24,57,21,252) shares held in
 Sadbhav Infrastructure Project Ltd., 24,57,21,252 (19,61,88,285)
 Shares have been pledged with different Bank &
 Financial Institution as under

Bank Financial Institution	FY21-22 (No. of Shares Pledged)	FY20-21 (No. of Shares Pledged)
ICICI Bank Ltd.	10,53,15,340	10,53,15,340
IDBI Trusteeship Services Ltd.	5,88,72,945	5,88,72,945
Adani Properties Pvt. Ltd.*	11335531	0
Centrum Capital Ltd.	38197436	0
RBL Bank Ltd.	3,20,00,000	3,20,00,000
Total No. of shares pledged	245721252	19,61,88,285

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	52768.91	52768.91
* Shares have been pledged for borrowing by promoter company and step down subsidiary		
(ii) Equity component of unsecured interest free loan to Sadbhav Infrastructure Project Ltd.	3513.19	3513.19
(B) Unquoted		
(a) Rohtak-Hissar Tollway (P) Limited 100 (100) Fully paid up Equity Shares of Rs.10/-each	0.01	0.01
(b) Sadbhav Gadag Highway Pvt. Ltd. 2,40,31,500 (50,000) Fully paid up Equity Shares of Rs.10/- each	2403.15	5.00
	2403.16	5.01
5.2 Investments in Equity Instruments of Other Companies-Unquoted		
(a) 5,55,370 (5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of Rs.10/- each	55.54	55.54
	55.54	55.54
5.3 Investments in Bonds and Debentures		
(a) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of Rs. 10,00,000/- each. - Unquoted (Refer Note No 33)	100.00	100.00
(b) 9.25% 20000 (20000) Debentures of Srei Equipment Finance Ltd of Rs. 1,000/- each. - Unquoted (Refer Note No 33)	200.00	200.00
Less: Provision for Impairment in Value of Investments	(298.00)	0.00
	2.00	300.00
5.4 Investment in Subsidiaries-Sub Debt		
Maharashtra Border Checkpost Network Ltd	0.00	1992.61
Sadbhav Gadag Highway Private Ltd	689.72	1537.87
	689.72	3530.48
5.5 Investments in Government Securities		
National Saving Certificate	14.78	14.78
	14.78	14.78
Total	55934.11	56674.72
(i) Aggregate Value of Unquoted Investments Rs. 3165.20 Lakhs (Rs. 3905.81 Lakhs)		
(ii) Aggregate Value of Quoted Investments Rs. 52768.91 Lakhs (Rs. 52768.91 Lakhs)		
(iii) Market Value of Quoted Investments of Rs. 22114.91 Lakhs (Rs.48038.50 Lakhs)		
(iv) Refer Note No.46 for Related party transactions and outstanding balances		
6. Trade Receivables		
Trade Receivables considered good – Secured	0.00	0.00
Unsecured, considered good	14347.92	27033.82
Less: Allowance for expected credit loss	1111.57	267.73
Trade Receivables which have significant increase in credit risk	0.00	0.00
Trade Receivables – credit impaired	0.00	0.00
Less: Allowance for credit impairment	0.00	0.00
Total	13236.35	26766.09
The movement in change in allowance for expected credit loss and credit impaired		
Balance as at beginning of the year	267.73	0.00
Change in allowance for expected credit loss	843.84	267.73
Trade receivables written off during the year	0.00	0.00
Balance as at the end of the year	1111.57	267.73
Management is of the opinion that amount recoverable is not less than the amount stated, hence no impairment is required. Refer Note no 55		

Notes forming Part of the financial statements

As at 31st March, 2022

(Rs. in Lakhs)

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	332.03		67.27	5931.52	2841.82	9172.63
Undisputed Trade Receivable-Considered Doubtful						0.00
Disputed Trade Receivable-Considered Good				382.69	4792.59	5175.29
Disputed Trade Receivable-Considered Doubtful						0.00
Less: Allowance for expected credit loss	(1.81)		(0.25)	(67.09)	(1042.42)	(1111.57)
Total	330.22	0.00	67.02	6247.12	6591.99	13236.35

As at 31st March, 2021

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good		138.40	12070.11	5128.51	4522.38	21859.27
Undisputed Trade Receivable-Considered Doubtful						0.00
Disputed Trade Receivable-Considered Good			427.66	0.14	4746.76	5174.55
Disputed Trade Receivable-Considered Doubtful						0.00
Less: Allowance for expected credit loss		(21.80)	(245.93)			(267.73)
Total	0.00	116.80	12251.84	5128.51	9269.14	26766.09

* Due date of payment is the date of transaction

Refer Note No 43 for information on Trade receivable offered as security

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
7. Loans		
Unsecured, considered good		
Loan to related parties		
Loan to Subsidiary Companies-Interest free	5328.67	4800.60
Total	5328.67	4800.60
8. Other Financial Assets		
(a) Receivable under derivative contract	0.00	9.82
(b) Security & Other Deposits (Refer Note No. 55)	8312.97	8646.56
(c) Bank Deposits with more than 12 months Maturity*	1264.91	1897.80
Total	9577.88	10554.18
* Fixed Deposits include Rs.1264.91 Lakhs (Rs. 1897.80 lakhs) pledged with central and various State Govt/Undertakings and local bodies.		
9. Deferred Tax Assets		
Deferrrd tax Assets (Net) Refer Note No. 35.4	10220.38	13379.14
Total	10220.38	13379.14
10. Other Non Current Assets		
Capital Advance		
Advances to Suppliers for Fixed Assets	0.00	0.95
Group Gratuity Plan Assets (Net of Liabilities)	132.34	52.45
Total	132.34	53.40
11. Inventories		
(a) Construction Materials	9128.10	11789.29
(b) Stores & Spares	1621.75	2121.79
Total	10749.85	13911.08
Refer Note No 43 for information on inventories offered as security		

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
12. Trade Receivables		
Trade Receivables considered good – Secured	0.00	0.00
(Unsecured, considered good)		
(a) Receivable from related parties	28811.65	30166.89
(b) Receivable from Others	31108.91	11332.92
Less: Allowance for expected credit loss	0.00	0.00
Trade Receivables which have significant increase in credit risk	0.00	0.00
Trade Receivables – credit impaired	0.00	0.00
Less: Allowance for expected credit loss	0.00	0.00
Total	59920.56	41499.81

As at 31 March 2022

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	51073.60		4267.55	4578.24	1.17	59920.56
Undisputed Trade Receivable-Considered Doubtful						0.00
Disputed Trade Receivable-Considered Good						0.00
Disputed Trade Receivable-Considered Doubtful						0.00
Total	51073.60	0.00	4267.55	4578.24	1.17	59920.56

As at 31 March 2021

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	34708.59		6506.84	183.72	100.66	41499.81
Undisputed Trade Receivable-Considered Doubtful						0.00
Disputed Trade Receivable-Considered Good						0.00
Disputed Trade Receivable-Considered Doubtful						0.00
Total	34708.59	0.00	6506.84	183.72	100.66	41499.81

* Due date of payment is the date of transaction
Refer Note No 43 for information on Trade receivable offered as security

13. Cash and Cash Equivalents

13.1 Balance with Banks

(a) In Current Accounts	1426.28	500.24
(b) In Fixed Deposit Accounts* (Maturity up to 3 months)	1309.15	291.00
	2735.43	791.24

13.2 Cash On Hand

	8.56	18.90
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Total	2743.99	810.14
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* Fixed Deposits include Rs.1309.15 lakhs (Rs. 291.00 lakhs) pledged with central and various State Govt/Undertakings and local bodies.

14. Bank balance other than Cash and Cash Equivalents

In earmarked Accounts

(a) Unclaimed Dividend	1.75	2.24
(b) Maturity more than 3 months but upto 12 months*	973.65	144.35
	975.40	146.59

* Fixed Deposits include Rs.973.65 lakhs (Rs. 144.35 lakhs) pledged with central and various State Govt/Undertakings and local bodies.

15. Loans

Unsecured, considered good

Loans to Subsidiary Companies	48852.96	54796.32
Loan to others	3213.15	4137.29

Total	52066.11	58933.61
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Notes forming Part of the financial statements

Disclosures in terms of regulation 34(3) and 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015) and additional regulatory information as required by Schedule III

(a) Loans given to Subsidiaries and step down Subsidiaries having no repayment schedule

Name of Subsidiaries	2021-22			2020-21		
	Maximum Balance	Closing Balance	%	Maximum Balance	Closing Balance	%
Sadbhav Infrastructure Project Limited	49195.63	32703.44	62.81%	49,484.66	41,973.64	71.22%
Rohtak Panipat Tollway Pvt. Ltd. (Refer Note No. 49)	13943.80	13943.80	26.78%	9295.24	9244.99	15.69%
Rohtak Hissar Tollway Pvt. Ltd. (Refer Note No. 53)	1471.76	1471.76	2.83%	1471.76	1332.19	2.26%
Sadbhav Bhavnagar Highway Pvt. Ltd.	520.63	0.00	0.00%	520.63	520.63	0.88%
Sadbhav Rudrapur Highway Pvt. Ltd.	1567.88	0.00	0.00%	1567.88	1567.88	2.66%
Sadbhav Una Highway Pvt. Ltd.	156.98	0.00	0.00%	156.98	156.98	0.27%
Sadbhav Bangalore Highway Pvt. Ltd. (Refer Note No 52)	1180.00	1180.00	2.27%	0.00	0.00	0.00%

(b) Company has not given any Loans and Advances to any firms/companies (except subsidiaries as stated above) in which directors are interested

(c) Loans given to subsidiaries are of short term and to fund the temporary mismatch in cash flow.

(d) Refer Note No.46 for Related party transactions and outstanding balances.

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
16. Other Current Financial Assets		
(i) Interest accrued on loans to subsidiaries	4014.40	5530.96
(ii) Security & Other Deposits	25327.41	27153.64
(iii) Other Receivable From subsidiaries	3528.94	2962.35
Total	32870.75	35646.95
17. Current Tax Assets (Net)		
Advance Income Tax	6272.88	34882.90
Less : Provision for Income Tax	0.00	21653.86
Total	6272.88	13229.04
18. Other Current Assets		
18.1 Advances other than capital advances		
Advances for goods and Services	10707.32	10962.91
	10707.32	10962.91
18.2 Others		
(a) Balance with Statutory Authorities	6493.15	5289.64
(b) Contract Assets	139133.92	133922.17
Less: Provision for Impairment of Contract Assets (Refer Note No. 53)	(69391.76)	0.00
	69742.16	133922.17
(c) Prepaid Expenses	1920.39	1772.12
(d) Group Gratuity Plan Assets (Net of Liabilities)	141.32	158.55
	78297.02	141142.48
Total	89004.34	152105.39
19. Equity Share Capital		
(a) Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re. 1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of Re. 1/- each	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights: Outstanding at the beginning of the Year (Nos.)	171570800	171570800

Notes forming Part of the financial statements

(d) Rights of Shareholders and Repayment of Capital:

(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-.

(ii) Each holder of equity shares is entitled to one vote per share.

(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders. There are no preferential amount as on balance sheet date.

(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:-

Name of Share Holder(s)	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% age	No. of shares	% age
Sadbhav Finstock Private Limited	16545275	9.64%	16545275	9.64%
Shantaben V. Patel	49086135	28.60%	49086135	28.61%
HDFC Small Cap Fund	15856599	8.80%	15856599	9.24%

(f) Shareholding of Promoters

Sr. No.	Name of Subsidiaries	2021-22			2020-21		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1	Shantaben Vishnubhai Patel	49061199	28.60	(0.01)	49086135	28.61	0.00
2	Vikram Rasiklal Patel	4468750	2.60	(0.10)	4638750	2.70	0.00
3	Vasistha Chandulal Patel	3225535	1.88	(0.12)	3426535	2.00	0.00
4	Shashin Vishnubhai Patel	2388866	1.39	(1.86)	5572199	3.25	0.00
5	Bhavna Vikramkumar Patel	437500	0.25	-	437500	0.25	0.00
6	Rekhaben Vasisthakumar Patel	437500	0.25	-	437500	0.25	0.00
7	Patel Girishbhai Nandubhai	0	0.00	(0.03)	50500	0.03	(0.03)
8	Sadbhav Finstock Private Limited	16545275	9.64	-	16545275	9.64	0.00
	Total	76564625	44.63	(2.12)	80194394	46.74	(0.03)

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
20. Other Equity		
(a) Capital reserve		
As per Last Balance Sheet	345.00	345.00
Closing Balance	345.00	345.00
The promoter of the company, to whom the company had allotted 6,00,000 warrants on July 31, 2007, did not exercise option to convert the said warrants into equity shares of the company before the due date January 31, 2009, and the right has since lapsed. As per the term of issue of warrants, the application money received at the time of subscribing the said warrants has been forfeited and the same has been transferred to the Capital Reserve. The same can not be used for distribution of profits to the share holders as a dividend.		
(b) Security Premium Reserve		
As per Last Balance Sheet	62994.55	62994.55
Addition during the year	0.00	0.00
Closing Balance	62994.55	62994.55
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.		
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1950.00	1950.00
Addition/Deduction during the year	(221.54)	-
Closing Balance	1728.46	1950.00

The Company has issued redeemable non-convertible debentures. In respect thereof, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the company to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve.

As per Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, issued by the Ministry of Corporate Affairs, listed companies are exempt from creation of DRR. The company has carried forward opening balance of DRR which pertains to earlier reporting period."

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(d) General Reserves		
As per Last Balance Sheet	18640.18	18640.18
Addition during the year	0.00	0.00
Closing Balance	18640.18	18640.18
(e) Other Comprehensive Income		
As per Last Balance Sheet	289.80	254.61
Addition During the Year	168.41	35.19
Closing Balance	458.21	289.80
(f) Retained Earnings		
As per last Balance Sheet	128602.13	124498.43
Net Profit for the year	(71631.71)	4103.70
Closing Balance	56970.42	128602.13

The general reserve is a free reserve which is used on time to time to transfer profits from retained earnings for appropriation purposes.

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

Total	141136.82	212821.66
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21. Non Current Borrowings

Measured at Amortised Cost

(a) Bonds/Debentures

(Secured)

Secured redeemable non-convertible debentures

(a) ICICI Prudential Asset Management 675 (1500) debentures of Rs. 10 lakhs each	4500.00	7860.00
(b) Centrum Credit Opportunities Trust 15500 (10000) debentures of Rs. 1 lakh each	10075.00	10000.00

Total	14575.00	17860.00
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Details of Security:

NCDs of ICICI Prudential asset management are secured against the following :

- First charge on specific / unencumbered machinery / equipments.
- First charge on 5,88,72,945 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.
- Pledge of 24,40,667 shares of Ahmedabad Ring Road Infrastructure Limited held by SIPL.

NCDs of Centrum credit opportunities trust are secured against the followings:

- Mortgage over certain identified immovable properties of the Company and promoters.
- First charge on 3,81,97,436 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.
- Pledge of 35,00,000 Fully Paid up equity shares of the Company held by specific entity from the promoters group.

Terms of Repayment:

NCDs of ICICI Prudential asset management, having yearly coupon rate of 14.75% are repayable in yearly unequated installments till June 2023.

NCDs of Centrum Credit Opportunities Trust, having yearly coupon rate of 11.50% are repayable in unequal quarterly installments till September 2024.

(b) Term Loans

Secured

(i) From Banks:

Rupee Term Loan	9476.18	12616.84
	9476.18	12616.84

Detail of Security

- In case of equipment finance term loan Hypothecation of specific machineries and equipments purchased.
- First Charge and Subservient charge on movable fixed asset of the company.
- Pledge of 10,53,15,340 Fully Paid up unencumbered, freely transferable equity shares of SIPL held by the Company.
- Extension of charge on First Pari-passu Charge by way of Hypothecation on Stocks/ Book Debts/ Work in Progress at Various sites.
- Mortgage of some of the immovable properties of the Company as a collateral security.

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
(ii) From Financial Institutions	5399.10	7466.41
Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.		
Total	29450.28	37943.25
Detail of Security		
a) Mortgage of share in identified immovable property owned by one of the promoters.		
b) Pledge of 2,67,70,270 Fully Paid up unencumbered, freely transferable equity shares of the Company held by some of the promoters.		
c) Hypothecation of specific machineries and equipments financed by the respective financial institution.		
d) Personal Guarantee of one of the directors and chief executive officer.		
Terms of repayment		
Term Loans from Banks/ Financial Institutions are repayable in monthly/quarterly instalments over a period of 24 months to 48 months		
Note on repayment of Borrowing		
During year 2021-22, there were delays on some occasions in repayment of dues to lenders on account of resource constraint. The delay in some cases was also on account of technical constraints. The aggregate amount of arrear of dues as on 31st March, 2022 was Rs. 2306.37 lakhs which was subsequently paid and lenders has accepted the same.		
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.		
22. Short-Term Borrowings		
Measured at Amortised Cost		
22.1 Loans repayable on demand		
Secured		
Working capital facilities from banks	56783.46	60947.41
Short Term Loans From Financial Institutions	0.00	1947.13
Cash credit facilities from banks	1581.97	2623.61
Details of Security		
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated/Charged to other lenders. Second charge on machineries owned by the company.		
(c) Personal Guarantee of one of the directors and some of the promoters.		
Unsecured		
From Banks	600.00	980.00
	58965.43	66498.15
22.2 Loan from Related Parties - Unsecured		
From a Director and Promoter	11676.24	436.79
From a company in which some of the directors are directors	141.00	509.10
	11817.24	945.89
(a)Refer to Note No.46 for Related party transactions and outstanding balances		
22.3 Current Maturities of Long term debts		
Non Convertible Debentures	7675.00	6640.00
Foreign Currency Term Loan	0.00	306.56
Loan from Banks	4819.37	15138.60
Loan from Financial Institutions	1666.67	4364.01
	14161.04	26449.17
Total	84943.71	93893.21

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
23 Trade Payables		
Total outstanding dues of micro and small enterprises *	1574.40	750.94
Total outstanding dues other than micro and small enterprises	45087.56	50161.38
Total	46661.96	50912.32

Refer Note No.46 for Related party transactions and outstanding balances

[*] Disclosure in respect of Micro, Small and Medium Enterprises:

A	Principal amount remaining unpaid to any supplier as at year end	1574.40	750.94
B	Interest due thereon	53.81	0.00
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	0.00	0.00
D	Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	0.00	0.00
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	0.00	0.00
F	Amount of further interest remaining due and payable in succeeding years	0.00	0.00

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company

As at 31 March 2022

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	197.129	726.66	-	-	923.79
Other	3393.56	-	15176.73	9224.72	4481.93	2898.32	35175.26
Disputed Dues-MSME	-	-	-	650.61	-	-	650.61
Disputed Dues-Others	-	-	1511.43	1415.69	6365.89	619.29	9912.30
Total	3393.56	0.00	16885.29	12017.68	10847.82	3517.61	46661.96

As at 31 March 2021

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	750.94	-	-	-	750.94
Other	2036.37	-	22729.36	16492.93	6267.76	2634.96	50161.38
Disputed Dues-MSME	-	-	-	-	-	-	0
Disputed Dues-Others	-	-	-	-	-	-	0
Total	2036.37	0.00	23,480.30	16492.93	6,267.76	2,634.96	50,912.32

*Due date of payment is the date of transaction

24. Other Financial Liabilities

a) Interest Accrued	2112.23	3202.45
b) Unclaimed Dividend*	1.75	2.24
c) Employee Emoluments Payable	232.69	332.06
d) Security & Other Deposits	24181.34	21795.10
Total	26528.01	25331.85

*There are no amounts due to be transferred to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as on March 31, 2022 (As on March 31, 2021 - Rs. Nil)

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
25. Other Current Liabilities		
(a) Creditors for Capital Goods	716.46	332.89
(b) Statutory Dues	1352.99	1573.11
(c) Mobilization advance received from Customer	19340.82	28761.56
(d) Other Advance	9428.13	100.86
(e) Other Payables	7253.04	3304.04
Total	38091.44	34072.50
26. Revenue from Operations		
Contracts Receipt	121832.08	161916.76
Other Operating Income*	791.58	445.69
Total	122623.66	162362.45
* Other Operating Income includes:		
Sale of Electricity	0.00	353.51
Other Construction Income	0.00	11.41
Sale of Scrap	791.58	80.77
Total	791.58	445.69
Refer to Note No.46 for Related party transactions and outstanding balances		
27. Other Income		
(a) Net Gain or (Loss) on financial assets measured at FVTPL		
Gain on Derivative Contracts	0.00	340.35
(b) Interest on financial assets measured at amortised cost		
(i) Interest from Subsidiaries and step-down subsidiaries	5311.66	6584.01
(ii) Interest on Fixed Deposits	305.78	441.97
(iii) Interest on Bonds & Debentures	0.00	35.48
(c) Interest On Income Tax Refund	2958.13	0.53
(d) Other Interest	39.22	171.77
(e) Gain on foreign currency translation	26.60	0.00
(f) Miscellaneous Income	992.80	1774.03
Total	9634.19	9348.14
Refer to Note No.46 for Related party transactions and outstanding balances		
28. Cost of Material Consumed		
Opening Stock	11789.29	12046.39
Add Purchase	183.52.16	34012.80
	30141.45	46059.19
Less Closing Stock of Material	9128.10	11789.29
Total	21013.35	34269.89
29. Construction Expenses		
Labour Expenses	61392.92	58301.35
Power & Fuel	6466.39	17463.92
Stores Consumed	623.54	1621.87
Repairs & Maintenances-Construction Machineries	413.01	1463.44
Transportation Expenses	1440.74	3385.91
Machinery Rent	1413.15	5442.93
Land & Godown Rent	614.15	494.15
Site Establishment Expenses	190.99	437.54
Mess Expenses	477.36	736.49
Total	73032.25	89347.60

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
30. Employee Benefits Expense		
Salaries & Wages	7735.33	11328.84
Contribution to PF and Other Funds	354.31	714.08
Group Gratuity Fund Expenses	7.93	7.93
Staff Welfare Expenses	105.50	140.12
Total	8203.07	12190.97
Refer to Note No.46 for Related party transactions and outstanding balances		
31. Finance Cost		
(a) Interest Expenses		
On Borrowings*	15367.20	14472.02
On Taxes	311.35	399.21
(b) Other Borrowing Costs - Bank Charges & Other Service Charges	3109.90	4079.85
Total	18788.45	18951.08
* Interest Expenses on borrowings includes:		
i On NCDs	3185.91	1704.32
ii On Term Loan	3747.97	5181.68
iii On Working capital facility	8433.32	7586.01
Total	15367.20	14472.02
32. Other Expenses		
Rent	24.67	36.06
Rates & Taxes	552.52	748.38
Insurance	788.97	720.51
Legal & Consultation Fees & Expenses	946.66	1862.03
Corporate Social Responsibility activities	269.71	379.56
Provision for Impairment of Contract Assets (Refer Note No. 53)	69391.76	0.00
Donation	24.28	10.66
Allowance for Expected Credit Loss Expenses	843.84	267.73
Auditors Remuneration	60.00	60.00
Miscellaneous Expenses	1006.37	1331.67
Total	73908.78	5416.60
32.1 Payment to Auditors		
(i) For Audit	45.00	45.00
(ii) For Certification Works	15.00	15.00
Total	60.00	60.00
32.2	As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The Company is liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013. Accordingly, it has incurred expenses of Rs 269.71 Lakhs (Rs. 379.00 Lakhs) on the activities which are specified in Schedule VII of the Companies Act, 2013.	
	(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : Rs. 252.97 Lakhs (Rs. 379.00 Lakhs)	
	(b) Amount spent during the period : Rs.269.71 Lakhs (Rs 379.00 Lakhs)	
(i)	Amount required to be spent by the company during the year	252.97
(ii)	Amount of expenditure incurred	269.71
(iii)	Shortfall at the end of the year	0.00
(iv)	Total of previous years shortfall	0.00
Total amount contributed during the year	269.71	379.00
(v)	Reason for shortfall	N.A.
(vi)	Nature of CSR activities	Rural Development
(v)	Out of note (b) above Nil (Nil) contributed to Related Party.	Rural Development Projects

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
33. Exceptional Item		
Include net profit/(loss) on sale of assets	(1067.23)	(1958.72)
Include impairment in carrying value of investments	(298.00)	-
Total	(1365.23)	(1958.72)

34. Employee Benefits Note

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	2021-22	2020-21
Contribution to Provident Funds	330.99	711.35
Contribution to ESIC	1.47	2.73
Total (Ref. Note No. 32)	332.46	714.08

34.1 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age*	60 years

*In case of employees with age above the retirement age mentioned in plan features, the retirement is assumed to happen immediately and vacation is done accordingly.

34.2 The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustees' duty to look after assets on behalf of employees who are entitled to benefit from those assets at some future date. Investment of assets of fund is key responsibility of the trustees. The trustees must review investment performance regularly.

34.3 Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Notes forming Part of the financial statements

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

34.4 Reconciliation of defined benefit obligations

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligations as at beginning of the year	848.84	823.15
Current service cost	123.89	150.95
Interest cost	49.52	46.36
Actuarial Loss/(Gain) due to change in financial assumptions	(16.01)	-
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	(152.11)	(45.46)
Past Service Cost	-	-
Benefits Paid	142.42	(126.16)
Defined benefit obligations as at end of the year	711.71	848.84

34.5 Reconciliation of Plan Asset

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Plan Asset as at beginning of the year	1059.84	1,125.64
Expenses deducted from the fund	-	-
Interest Income	67.66	70.63
Return on plan assets excluding amounts included in interest income	0.29	(10.27)
Contributions by employer	-	-
Benefits paid	(142.42)	(126.16)
Plan Asset as at end of the year	985.37	1,059.84

34.6 Reconciliation of the Effect of Asset ceiling

Particulars	As at March 31, 2022	As at March 31, 2021
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

34.7 Net amount Charged to Statement of Profit and Loss for the period

Particulars	2021-22	2020-21
Current service cost	123.89	150.95
Past Service Cost and Loss/(gain) on curtailments and settlement	-	-
Net Interest cost	(18.14)	(24.26)
Net amount recognized	105.75	126.69

34.8 Other Comprehensive income for the period

Particulars	2021-22	2020-21
Components of actuarial (gain)/losses on obligations:		
Due to Change in financial assumptions	(16.01)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	(152.11)	(45.46)
Return on plan assets excluding amounts included in interest income	(0.29)	10.27
Amounts recognized in Other Comprehensive Income	(168.41)	(35.19)

34.9 Break up of Plan Assets

Particulars	2021-22	2020-21
Insurance Policy	100%	100%

Notes forming Part of the financial statements

34.10 Actuarial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	6.70	6.25%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Rate of Return on Plan Assets	6.70% p.a	6.25% p.a

34.11 Sensitivity Analysis for Actuarial Assumption

As at 31.03.2022	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(16.97)	-2.39%	17.84	2.51%
Salary Growth Rate	0.50%	0.50%	16.86	2.37%	(16.26)	-2.29%
Withdrawal Rate	0.50%	0.50%	2.47	0.35%	(3.09)	-0.43%

As at 31.03.2021	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(22.90)	-2.70%	24.11	2.84%
Salary Growth Rate	0.50%	0.50%	23.02	2.71%	(22.28)	-2.62%
Withdrawal Rate	0.50%	0.50%	(0.90)	-0.11%	(0.01)	0.00%

Limitation of method used for sensitivity analysis :

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

34.12 Details of Asset - Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

34.13 Expected contribution to the plan for the next annual reporting period

Particulars	2021-22	2020-21
Expected contribution to the plan	96.06	158.55
Total	96.06	158.55

34.14 Maturity Profile of the Defined Benefit Obligation

As at March 31, 2022	Rs. in Lakhs	%
2023	141.32	12.40%
2024	93.78	9.10%
2025	77.62	7.50%
2026	90.91	8.80%
2027	82.85	8.10%
2028-2032	298.01	29.00%

As at March 31, 2021	Rs. in Lakhs	%
2022	112.98	9.00%
2023	107.80	8.60%
2024	108.12	8.60%
2025	100.10	7.90%
2026	104.10	8.30%
2027- 2031	385.81	30.60%

Notes forming Part of the financial statements

35. Income Tax expense

35.1 Income tax expense in the statement of profit and loss comprises of:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Current income tax		-
Adjustments in respect of current tax of earlier years	(2500.05)	(1669.91)
Total current income tax	(2500.05)	(1669.91)
Deferred tax		
Relating to origination and reversal of temporary difference	(3158.75)	(2278.71)
Total Deferred tax	(3158.75)	(2278.71)
Income tax expense	658.70	(3948.62)

35.2 The company was required to make provisions of Income tax as per the rate applicable . A reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate is summarized below:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Accounting profit before tax	(70973.01)	155.06
Statutory Income Tax rate	34.944%	34.944%
Expected Income Tax Expenses	(24800.81)	54.18
Deferred tax Adjustment	3158.75	(2278.71)
Adjustments in respect of current tax of earlier years	(2500.05)	(1669.91)
Effect of non deductible items		
Effect of deductible items	24800.81	(54.18)
Income tax expenses considered in accounts	658.70	(3948.62)

35.3 There is changes in the applicable tax rates compared to previous accounting period.

35.4 Details of each type of recognized temporary differences, unused tax losses and unused tax credits

(Rs. in Lakhs)

Particulars	Recognized DTA / DTL in balance sheet		Deferred tax (Income) / Expense recognized in P&L	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred tax liability on account of				
Derivative deals - Option and Currency Swap	-	3.43	(3.43)	156.13
Provision for Gratuity	95.63	73.73	21.90	(31.97)
Total Deferred tax liability	95.63	77.16	18.47	124.16
Deferred tax asset on account of				
Difference in value of Property, Plant and Equipment	2,909.23	2,040.66	868.57	2,530.84
Difference in value of Investment in SIPL - Sub Debt	862.05	1,046.58	(184.53)	(166.23)
Leave	7.47	38.26	(30.79)	38.26
Total Deferred tax asset	3,778.75	3,125.50	653.25	2,402.87
Net Deferred Tax (Assets) before MAT Credit	(3,683.12)	(3,048.34)	634.78	(2,278.71)
MAT Credit Entitlement	6,537.26	10,330.80	3,793.54	-
Net Deferred Tax (Assets) Recognized	(10,220.38)	(13,379.14)		
Deferred Tax Expenses / (Income) Recognized	-	-	3,158.75	(2,278.71)

As a matter of Prudence, the company has not recognised deferred tax assets on unused tax credits and carry forward losses.

Notes forming Part of the financial statements

36. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year: (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Nominal Value of Equity Share (Re. per share)	1.00	1.00
For Basic EPS		
Number of Equity Shares at the beginning of the year	17,15,70,800	17,15,70,800
Weighted Average number of Equity Shares	17,15,70,800	17,15,70,800
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,70,800	17,15,70,800
Weighted Average number of Dilutive Equity Shares	17,15,70,800	17,15,70,800
Basic EPS		
Net Profit after Tax and before Other Comprehensive income	(71631.71)	4103.68
Weighted Average number of Equity Shares	171570800	171570800
Basic EPS (Rs.)	(41.75)	2.39
Diluted EPS		
Net Profit after Tax and before Other Comprehensive income	(71631.71)	4,103.68
Weighted Average number of Diluted Equity Shares	171570800	171570800
Diluted EPS (Rs.)	(41.75)	2.39

37. Revenue from contract with customers

37.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (Rs. in Lakhs)

	March 31, 2022	March 31, 2021
Type of service rendered		
Revenue from construction services	122623.66	162362.45
	122623.66	162362.45
Place of service rendered		
India	122623.66	162362.45
Total revenue from contracts with customers	122623.66	162362.45
Timing of revenue recognition		
Services transferred over time	122623.66	162362.45
Total revenue from contracts with customers	122623.66	162362.45

37.2 Contract balances

Contract assets	139133.92	133922.17
Contract liabilities	28768.95	28862.42

Contract assets are recognised for revenue earned and other services render to customer as per the agreement. Upon completion of work, the contract assets are classified as trade receivable.

37.3 Performance obligation

Information about the company's performance obligations are summarised below:

Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

37.4 Reconciliation of the amount of revenue recorded in Standalone statement of Profit and loss is not required as there are no adjustments to the contracted price.

Notes forming Part of the financial statements

38 Contingent Liabilities and commitments

A Contingent Liabilities	(Rs. in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Income tax matters in dispute	15113.97	4850.02
(b) Service tax matters in dispute	612.34	612.34
(c) Value added tax matters in dispute	414.36	414.36
(d) Customs duty matters in dispute	237.89	237.89
(e) Goods and Service tax	609.03	0.00
(f) Claims against the company not acknowledge as debt:		
(i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (March 31, 2020: Rs. 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (March 31, 2020: Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.020 Lakhs (March 31, 2020: Rs. 21.20 Lakhs). The matter is pending before the high Court, Nagpur.		
(ii) A case before Workmen Compensation Commissioner , Udaipur was filed for compensation of Rs. 11.69 Lakhs (March 31, 2020 : Rs. 11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.		
(iii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (March 31, 2020 : Rs. 3.63 Lakhs). the company has filled appeal before the High court of Gujarat. The matter is currently pending.		
(iv) SEL has moved to Nagpur High Court for release of penalty amount Rs. 113.45 Lakhs (March 31, 2020 : Rs. 113.45 Lakhs) against the services provided at Junad Mines of WCL. The case is pending.		
(v) Retention of 226 workers at UCIL Site. Company has received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. The Labour Court, dhanbad has given the order in favour of the workers. The company has filed the appeal in Jharkhand High court at Ranchi. The Matter is pending.		
(vi) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to the Company on 22/11/2017, seeking reasons for not demanding Rs. 187.89 Lakhs with respect to the customs duty on importing Electronic Sensor paver Finisher , which was valued at Rs. 726.77 Lakhs by Company. The DRI contended that Company wrongly claimed a nil rate of customs duty as per Notification No. 12 / 2012, pertaining to exemption from payment of custom duty. Company has filed an appeal before the Commissioner of Customs Customs Commninsinerate - II against the above aforesaid showcause notice and Commissioner had passed order and confirmed the demand and also impose penalty of Rs. 50.00 lakhs. Company has filed appeal before Customs, Excise & Service Tax Appellate Tribunal, Chennai. The matter is pending.		
(vii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of Rs. 8160.00 Lakhs (March 31, 2020: Rs. 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is Rs. 8160 Lakhs (March 31, 2020: Rs. 8160.00 Lakhs). The matter is currently pending.		
(g) Guarantees:		
Company has given corporate guarantee to banks for Rs. 93913.59 Lakhs (March 31, 2021: Rs. 83682.47 Lakhs) against the financial assistance given by the banks to subsidiary company and step down subsidiaries.		

Notes forming Part of the financial statements

B Capital & other Commitments

The followings are the estimated amount of contractual commitments of the company: (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	0.00	9822.00
(ii) Capital Commitments	762.72	762.72
(iii) Other Commitments	5381.62	5138.91

39. Financial Instruments

39.1 Disclosure of Financial Instruments by Category

As at March 31, 2022 (Rs. in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	5	-	55.54	-	55.54	55.54
Investments in Bonds and Debentures	5	-	-	2.00	2.00	2.00
Investments in Subdebt	5	-	-	689.72	689.72	689.72
Investments in NSC	5	-	-	14.78	14.78	14.78
Trade Receivables	6 & 12	-	-	73,156.91	73,156.91	73,156.91
Long term Loans and Advances	7	-	-	5,328.67	5,328.67	5,328.67
Receivables under derivative contract	9	-	-	-	-	-
Other Long term Financial Assets	8	-	-	9,577.88	9,577.88	9,577.88
Cash and Cash Equivalents	13	-	-	2,743.99	2,743.99	2,743.99
Bank Balances other than Cash and Cash equivalents	14	-	-	975.40	975.40	975.40
Loan given - Current	15	-	-	52,066.11	52,066.11	52,066.11
Other current financial assets	16	-	-	32,870.75	32,870.75	32,870.75
Total Financial Asset		-	55.54	1,77,426.21	1,77,481.75	1,77,481.75
Financial liability						
Long Term Borrowings	21			43,611.32	43,611.32	43,611.32
Short Term Borrowings	22			70,782.67	70,782.67	70,782.67
Lease Liabilities				172.24	172.24	172.24
Trade Payables	24			46,661.96	46,661.96	46,661.96
Other Current Financial Liabilities	25			26,528.01	26,528.01	26,528.01
Total Financial Liabilities		-	-	1,87,756.20	1,87,756.20	1,87,756.20

Notes forming Part of the financial statements

As at March 31, 2021

(Rs. in Lakhs)

Financial instruments by categories	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value
Financial asset						
Investments in Equity Instruments of Other Companies	5	-	55.54	-	55.54	55.54
Investments in Bonds and Debentures	5	-	-	300.00	300.00	300.00
Investments in Subdebt	5	-	-	3,530.48	3,530.48	3,530.48
Investments in NSC	5	-	-	14.78	14.78	14.78
Trade Receivables	6 & 12	-	-	68,265.90	68,265.90	68,265.90
Long term Loans and Advances	7	-	-	4,800.60	4,800.60	4,800.60
Receivables under derivative contract	9	9.82	-	-	9.82	9.82
Other Long term Financial Assets	8	-	-	10,554.18	10,554.18	10,554.18
Cash and Cash Equivalents	13	-	-	810.14	810.14	810.14
Bank Balances other than Cash and Cash equivalents	14	-	-	146.59	146.59	146.59
Loan given - Current	15	-	-	58,933.61	58,933.61	58,933.61
Other current financial assets	16	-	-	35,646.95	35,646.95	35,646.95
Total Financial Asset		9.82	55.54	1,83,003.23	1,83,068.59	1,83,068.59
Financial liability						
Long Term Borrowings	21			64,392.42	64,392.42	64,392.42
Short Term Borrowings	22			67,444.04	67,444.04	67,444.04
Lease Liabilities				1,399.65	1,399.65	1,399.65
Trade Payables	24			50,912.32	50,912.32	50,912.32
Other Current Financial Liabilities	25			25,331.85	25,331.85	25,331.85
Payable under Derivative Contract	25			-	-	-
Total Financial Liabilities		-	-	2,09,480.28	2,09,480.28	2,09,480.28

39.2 The Fair value of Investments in Bonds and Debentures, NSCs, Long term Loans and advances, Bank Deposits with more than 12 months maturities and earmarked balances approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The Fair value of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their carrying amount because they are of short term nature.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of Borrowed Funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

39.3 Refer Note 43 for information on financial asset pledged as security

40. Fair Value Measurement of Financial Assets and Liabilities

40.1 Fair value hierarchy

As at March 31, 2022	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	9	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial asset measured at FVTOCI					
Investments in Equity Instruments of other Entities	5		55.54		55.54
Total of Financial Assets		-	55.54	-	55.54
As at March 31, 2021					
Financial liabilities measured at FVTPL - Recurring FVM					
Payable under Derivative Contract	25	-	9.82		9.82
Total of Financial Liabilities		-	9.82	-	9.82
Financial asset measured at FVTOCI - Recurring FVM					
Investments in Equity Instruments of other Entities	5	-	55.54	-	55.54
Total of Financial Assets		-	55.54	-	55.54

Notes forming Part of the financial statements

40.2 There are no transfer between level 1 and level 2 during the year.

40.3 The company policy is to recognize transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

40.4 Valuation technique and inputs used to determine fair value in level 2

The Company enters into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs include currency spot rate, risk free interest rate of respective currency, volatility and interest rate curves. The derivative instrument fair value using marked-to-market valuation as at March 31, 2022.

The cost of investments in equity instruments approximates fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

41. Financial Risk Management

41.1 Financial Instruments Risk management objectives and Policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade & other receivables and cash and bank balance that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

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

41.2 Market Risk

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

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

- a parallel shift of 100-basis points of the interest rate yield curves in all currencies. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2 %

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

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

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

41.2.1 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Company may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

Notes forming Part of the financial statements

The Company's exposure to Foreign Currency Risk is as follows:

(Rs. in Lakhs)

Particulars	Currency	March 31, 2022	March 31, 2021
ECB Loans	USD	-	-
	Equivalent INR	-	-
Buyer's Credit	EURO	-	10.90
	Equivalent INR	-	934.67
GCTL Loans	EURO	-	3.58
	Equivalent INR	-	306.56

Sensitivity Analysis

Exchange difference arising from translation of ECB Loans, being long-term foreign currency monetary items, which are capitalized and depreciated over the remaining useful life of the asset and therefore, impact on Profit / Loss for the year ending March 31, 2022 and March 31, 2021 is considered as Nil.

41.2.2 Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings in INR		
Buyer's Credit	-	934.67
FCTL	-	306.56
Long Term Loan from Banks	32,999.04	44,858.94
Short Term loan from banks	58,965.43	65563.48
	91,964.47	1,11,663.65

Sensitivity analysis

(Rs. in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss before tax	
	March 31, 2022	March 31, 2021
Interest rate increase by 100 basis point	(919.64)	(1,116.64)
Interest rate decrease by 100 basis point	919.64	1,116.64

The effect of interest rate changes on future cash flows is excluded from this analysis.

41.3 Liquidity Risk

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

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

Notes forming Part of the financial statements

(Rs. in Lakhs)

As at March 31, 2022	Contractual Maturity	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	22,250.00	7,675.00	13,525.00	1,050.00	-
Foreign Currency Term Loan	-	-	-	-	-
Long Term Rupee Loan from Banks & Fin. Inst.	21,361.32	6,486.04	10,840.37	4,034.91	-
Short Term Borrowings other than current maturity of long term debt	70,782.67	70,782.67	-	-	-
Lease Liabilities	172.24	172.24	-	-	-
Trade Payables	46,661.96	46,661.96	-	-	-
Other Short Term Payables	26,528.01	26,528.01	-	-	-
As at March 31, 2021					
As at March 31, 2021	Contractual Maturity	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	24,500.00	6,640.00	6,860.00	11,000.00	-
Foreign Currency Term Loan	306.56	306.56	-	-	-
Long Term Rupee Loan from Banks & Fin. Inst.	39,585.86	19,502.61	10,840.37	9,242.88	-
Short Term Borrowings other than current maturity of long term debt	67,444.04	67,444.04	-	-	-
Lease Liabilities	1,399.65	1,227.41	172.24	-	-
Trade Payables	50,912.32	50,912.32	-	-	-
Other Short Term Payables	25,331.85	25,331.85	-	-	-

41.4 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade and other receivables, Loans and advances, cash and cash equivalent and other balances with banks.

Credit risk on cash and cash equivalents is limited as company deposits with the banks.

The company generally gives loans and advances to its subsidiaries and employees. Hence, the management believes that the company is not exposed to any credit risk in respect of such loans and advances.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis. The Company has reviewed expected credit loss provision (ECL) on its trade receivables as per Ind AS provisions.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as on March 31, 2022 Rs. 73156.91 Lakhs (as on March 31, 2021 Rs. 68265.90 Lakhs).

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows generated.

Summary of Quantitative Data is given hereunder:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Equity	1,715.71	1,751.71
Other Equity	1,41,136.82	2,12,821.66
Total	1,42,852.53	2,14,537.37

Notes forming Part of the financial statements

43. Asset offered as security

Carrying Value of Assets offered as security

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Non Financial Asset		
Tangible asset-Property, Plants & Equipments	19,098.70	17,447.02
Financial Asset		
Trade Receivables	73,156.91	68,265.90
Inventory	10,749.85	13,911.08

44. Detail of Investments in Subsidiaries, Associates and Joint Ventures

(Rs. in Lakhs)

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2022	As at March 31, 2021
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	69.76%	69.76%
Sadbhav Gadag Highway Pvt Ltd	Subsidiary	Ahmedabad	74.00%	100.00%
Ahmedabad Ring Road Infrastructure Limited	Step down Subsidiary	Ahmedabad	-	-
Maharashtra Border Check Post Network Limited	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Hissar Tollway Private Limited	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Panipat Tollway Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bangalore Highway Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bhavnagar Highway Limited (earlier known as Sadbhav Bhavnagar Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Jodhpur Ring Road Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Nainital Highway Limited (earlier known as Sadbhav Nainital Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav PIMA Private Limited (earlier known as Sadbhav Tumkur Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Una Highway Limited (earlier known as Sadbhav Una Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Kim Expressway Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited)	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Hybrid Annuity Project Limited	Step down Subsidiary	Ahmedabad	-	-
SEL-GKC JV	Joint Venture	Ahmedabad	-	-

Notes forming Part of the financial statements

Name of the entity	Type of entity	Place of business	Ownership interest held by the company	
			As at March 31, 2022	As at March 31, 2021
Radhanpur - Manpura Project	-	-	52.00%	52.00%
Vishakhapatnam Project	-	-	50.00%	50.00%
Omkareshwar Project	-	-	60.00%	60.00%
Karimnagar Project	-	-	52.00%	52.00%
Omkareshwar Project	-	-	40.00%	40.00%
Managuru Project	-	-	51.00%	51.00%
BSHP-II Project	-	-	50.00%	50.00%
Govindpur Project	-	-	50.00%	50.00%
SEL-Annapurna	-	-		
Basantimata Project	-	-	80.00%	80.00%
SEL-Vishnushiva	-	-		
Maheshpur Project	-	-	75.00%	75.00%
Jalipa / Kapurdi Project	-	-	98.00%	98.00%
SEL-Vaishnovi JV - Halon Project	Joint Venture	Ahmedabad	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV	Joint Venture	Ahmedabad		
DMRC-CC43 Project	-	-	40.00%	40.00%
DMRC-CC47 Project	-	-	40.00%	40.00%
PBA SADBHAV JV	Joint Venture	Ahmedabad	50.00%	50.00%
SEL-PIPL JV	Joint Venture	Ahmedabad	51.00%	51.00%
SEL-SPSCPL JOINT VENTURE	Joint Venture	Ahmedabad	74.00%	74.00%

44.1 Sadbhav Infrastructure Project Ltd.. is the holding company of all the step down subsidiary companies.

44.2 Investments in Subsidiaries, Associates and Joint Ventures are accounted at Cost.

45. Segment Reporting

The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered business as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

46. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited
Sadbhav Gadag Highway Private Limited

Step-down Subsidiaries:

Ahmedabad Ring Road Infrastructure Limited
Maharashtra Border Check Post Network Ltd.
Rohtak-Panipat Tollway Private Limited
Rohtak-Hissar Tollway Private Limited
Sadbhav Nainital Highway Limited (earlier known as Sadbhav Nainital Highway Private Limited)
Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited)
Sadbhav Bhavnagar Highway Limited (earlier known as Sadbhav Bhavnagar Highway Private Limited)
Sadbhav Una Highway Limited (earlier known as Sadbhav Una Highway Private Limited)
Sadbhav Hybrid Annuity Project Limited

Notes forming Part of the financial statements

Sadbhav Bangalore Highway Private Limited
 Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited)
 Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)
 Sadbhav Jodhpur Ring Road Private Limited
 Sadbhav PIMA Private Limited (earlier known as Sadbhav Tumkur Highway Private Limited)
 Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited)
 Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited)
 Sadbhav Kim Express Way Private Limited

Joint Ventures:

SEL-GKC JV, Corsan Corviam Construction SA – Sadbhav,
 Sadbhav-Annapurna, SEL-PIPL, PBA-Sadbhav,
 Sadbhav-Vishnushiva, SEL-SPSCPL Joint Venture
 Sadbhav Engineering Ltd Vaishnovi Construction,

(b) Related Party with whom transaction during the year

Key Management Personnel (KMP):

Shri Shashinbhai V. Patel Non-Executive Vice Chairman
 Shri Nitin R. Patel, Executive Director and Chief Financial Officer
 Shri Vasistha C. Patel, Chief Executive Officer
 Shri Arun S Patel, Non-Executive – Independent Director
 Shri Sandip Patel, Non-Executive – Independent Director
 Shri Tarang Desai, Non-Executive – Independent Director
 Shri Hardik Modi, Company Secretary and Compliance Officer (w.e.f March 04, 2021)
 Shri Tushar D Shah, (Company Secretary and Compliance Officer upto March 01, 2021)
 Shri Atul Ruparel, (Non Executive- Independent Director upto May 25, 2020)
 Smt. Anjali Nirav Choksi- Independent Director; (w.e.f. August 10, 2021)
 Smt. Purvi S Parikh, Non Executive - Independent Director upto May 05, 2021

Relatives of KMP:

Smt. Shantaben V. Patel

Entities in which KMP / relatives of KMP can exercise significant influence

Sadbhav Finstock Pvt. Ltd., Sadbhav Realty Pvt. Ltd.,
 Ennar Infra Solutions LLP, Sadbhav Quarry Works Pvt. Ltd.

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties						
Sub contracting Income	2021-22	42291.91	1059.05	-	-	43350.96
	2020-21	(70928.28)	(2184.44)	-	-	(73112.72)
Providing of services	2021-22	56.15	0.60	-	-	56.75
	2020-21	(144.00)	(0.60)	-	-	(144.60)
Sub contracting Expenditure	2021-22	-	-	-	19.63	19.63
	2020-21	(6240.62)	-	-	(31.77)	(6272.39)
Sale of Material	2021-22	-	-	-	-	-
	2020-21	(334.37)	-	-	-	(334.37)
Remuneration Expenses	2021-22	-	-	190.36	-	190.36
	2020-21	-	-	(226.05)	-	(226.05)
Service Received	2021-22	-	-	-	6.00	6.00
	2020-21	-	-	-	(4.50)	(4.50)
Investment In Sub Debt	2021-22	1550.00	-	-	-	1550.00
	2020-21	(1003.00)	-	-	-	(1003.00)
Investment In Sub Debt Recd. Back	2021-22	4390.76	-	-	-	4390.76
	2020-21	-	-	-	-	-
Director Sitting Fees	2021-22	-	-	3.30	-	3.30
	2020-21	-	-	(3.15)	-	(3.15)
Interest Expenses	2021-22	1200.27	-	-	-	1200.27
	2020-21	(1732.97)	-	-	-	(1732.97)

Notes forming Part of the financial statements

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Interest Income	2021-22	5311.66	-	-	-	5311.66
	2020-21	(6544.23)	-	-	-	(6544.23)
Unsecured Loan given	2021-22	40300.27	-	-	-	40300.27
	2020-21	(28651.58)	-	-	(2832.98)	(31484.56)
Unsecured Loan received back	2021-22	51650.07	-	-	1500.75	53150.82
	2020-21	(25452.36)	-	-	-	(25452.36)
Unsecured Loan Received	2021-22	2337.68	-	16939.55	-	19277.23
	2020-21	-	-	(436.79)	-	(436.79)
Unsecured Loan Repaid	2021-22	2878.19	-	5700.10	-	8578.29
	2020-21	-	-	-	-	-
Mobilization/ Material/ Machinery Advance Received	2021-22	-	218.20	-	-	218.20
	2020-21	(8392.86)	-	-	-	(8392.86)
Mobilization/ Material/ Machinery Advance Repaid	2021-22	7851.16	148.00	-	-	7999.16
	2020-21	(3487.36)	(0.11)	-	-	(3487.47)
Security Deposit /Retention Deducted by Clients	2021-22	1801.39	171.38	-	-	1972.77
	2020-21	(3515.49)	(418.14)	-	-	(3933.63)
Security Deposit/ Retention Released by Clients	2021-22	5803.30	522.30	-	-	6325.60
	2020-21	(2030.30)	(675.05)	-	-	(2705.35)
Security Deposit/ Retention Deducted from Sub-contractors	2021-22	-	-	-	0.49	0.49
	2020-21	-	-	-	(0.79)	(0.79)
Security Deposit/ Retention Paid from Sub-contractors	2021-22	-	-	-	1.28	1.28
	2020-21	-	-	-	-	-
Outstanding Balance at year end:						
Trade Receivable	March 31, 2022	20389.53	2443.29	-	-	22832.82
	March 31, 2021	(44784.14)	(3731.50)	-	-	(48515.64)
Trade Payable	March 31, 2022	7317.48	-	7.24	4.32	7329.04
	March 31, 2021	-	-	-	(38.34)	(38.34)
Unsecured Loan given	March 31, 2022	58642.07	-	-	1025.72	59667.79
	March 31, 2021	(64618.78)	-	-	(2526.39)	(67145.17)
Mobilization/ Material/ Machinery Advance Received	March 31, 2022	22204.10	70.19	-	-	22274.29
	March 31, 2021	(30007.81)	-	-	-	(30007.81)
Security Deposit/ Retention Deducted by Clients	March 31, 2022	4984.11	9414.21	-	-	14398.32
	March 31, 2021	(8986.03)	(9765.13)	-	-	(18751.16)

Notes forming Part of the financial statements

Transactions	Years	Subsidiaries & Step Down Subsidiaries	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Security Deposit/ Retention	March 31, 2022	-	-	-	-	-
Deducted from Sub-contractors	March 31, 2021	-	-	-	(0.79)	(0.79)
Unsecured Loan received	March 31, 2022	-	-	11676.24	-	11676.24
	March 31, 2021	-	-	(436.79)	-	(436.79)

NOTE:

- Remuneration expenses includes Rs. 84.00 lakhs (Rs 84.00 lakhs) paid to Nitin R. Patel, Executive Director & CFO of the company , Rs. 16.36 lakhs (Rs. 1.10 lakhs) paid to Hardik Modi, Company Secretary and Compliance Officer.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Terms and conditions of the balance outstanding:
Outstanding balances at the year end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of agreement
Short term loans (unsecured) given to Sadbhav Infrastructure Projects Ltd (SIPL) carries interest rate @11% p.a. (March 31, 2021 : 11%)
The company has not provided any commitment to the related party As at March 31, 2022 except mentioned at Note No. 40B
Outstanding balances towards rent and reimbursement are unsecured and will be settled as per the terms of the agreement.
There is no guarantee given or received except mentioned at Note No. 58

- The Company's operations were not significantly impacted due to COVID-19. The Management does not see any long term risk in company's ability to continue as going concern.
- 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.
- "The Company has outstanding loan, trade and other receivable aggregating to Rs. 19,839.58 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 March 31, 2022 is considered necessary."

Notes forming Part of the financial statements

50. "The Company has 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 projects 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 for Rs. 123317.20 lacs as a termination payment and other Claims amounting to Rs. 37936.10 lacs 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 March 31, 2022 is considered necessary."

51. The Company has outstanding trade and other receivable aggregating to Rs. 1,442.64 lakhs in 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), there is delay in physical work progress due to delay in handing over the land from Authority (NHAI). In the said subsidiary there is 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 has given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions which also provides for payment of penalty before final approval for substitution. SJRRPL is in the process of compliance of the conditions prescribed by NHAI for substitution. Pending the compliance of condition for obtaining final approval of substitution, no adjustment to the carrying value of trade receivable from SJRRPL have been made in the financial statements.

52. The Company has outstanding loan, trade and other receivables aggregating to Rs. 6,946.49 lakhs in Sadbhav Bangalore 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 lenders have also requested to NHAI to allow 180 days time for the substitution of the concessionaire i.e., SBHPL. As on the date of approval of financial statements of the company, the period of 180 days is not over. 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 lender. Considering the pending procedure for substitution, no adjustment to the carrying value of loan, trade and other receivable from SBHPL has been made in the financial statements.

53. 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 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.

Notes forming Part of the financial statements

54. Company's operations were impacted due to inflationary pressure and resources constraint during F. Y. 2021 – 22. 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 three HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for next 12 months 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 date of balance sheet and there is no threat to going concern assumption adopted in preparation of financial statements.
55. Realisability of Non- Current Trade Receivables amounting to Rs. 13236.35 Lakhs along with other incidental balances amounting to Rs. 8312.97 lakhs pertaining to completed projects as at balance sheet date are subject to the proceedings convened with the parties, and in some of the cases the matters are adjudged. The management is hopeful that in view of the steps being taken for recovery, the dues will be realised and hence the same are considered as good and recoverable. Reference has been invited to Note No. 6 and 8.
56. 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.

57. Disclosure of Ratio are as under

Sr. No.	Ratio	As at March 31, 2022	As at March 31, 2021	% in change in Ratio	Explanation
1	Debt Equity Ratio (in times) (Total Borrowings / Total Equity)	0.81	0.62	30.71	Refer Note 1 below
2	Debt Service Ratio (in times) (Earnings Before Interest, Depreciation and Tax (EBIDTA) and Non Cash Item / (Interest + Principal Repayments of Long Term Borrowings)	0.57	0.79	-28.32	Refer Note 2 below
3	Interest Service Coverage Ratio (in times) (EBIDTA and Non Cash Items/ Interest Expense)	1.36	1.61	-15.66	
4	Capital Redemption Reserve (Rs. in lakhs)	345.00	345.00	0.00	
5	Debenture Redemption Reserve (Rs. in lakhs)	1728.46	1950.00	-11.36	
6	Net Worth (Rs. in lakhs)	142852.53	214537.37	-33.41	Refer Note 3 below
7	Net Profit/(Loss) after Tax (Rs. in lakhs)	-71631.71	4103.68	-1845.55	Refer Note 4 below
8	Earning Per Share (basic and diluted) (not annualised except year ended March 31, 2021) (in Rs.)	-41.75	2.39	-1846.86	Refer Note 5 below
9	Current Ratio (in times) (Current Assets/Current Liabilities)	1.30	1.54	-15.73	
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)	0.60	0.47	28.33	Refer Note 6 below
11	Current Liability Ratio (in times) (Current Liabilities/Total Liabilities)	0.87	0.84	3.01	
12	Total Debts to Total Assets Ratio (in times) (Total Borrowings / Total Assets)	0.31	0.29	7.81	
13	Debtors Turnover Ratio (in times) (Revenue from Operations / Average Trade Receivables)	0.80	0.93	-13.42	
14	Inventory Turnover Ratio (in times) (Material Consumed / Average Inventory)	1.70	2.39	-28.80	Refer Note 7 below
15	Operating Margin (%) (EBIDTA and non cash items excluding Other Income / Revenue from Operations)	12.93%	13.02%	-0.66	
16	Net Profit Margin (%) (Net Profit / Total Income)	-54.16%	2.39%	-2366.25	Refer Note 8 below

Notes forming Part of the financial statements

NOTE:

- 1 The company has made provision for impairment in the carrying value of the contract assets resulting into decrease in the retained earnings forming part of total equity; thereby increased the debt equity ratio.
- 2 Principal repayment of the long term borrowings include prepayment of the borrowings which has been repaid out of the repayment of loan from the subsidiary company. This has resulted in to decrease in the debt service coverage ratio.
- 3 The company has made provision for impairment in the carrying value of the contract assets resulting into decrease in the retained earnings forming part of other equity; thereby reduces its net worth.
- 4 The company incurred net loss in the current year due to provision for impairment to the carrying value of the contract assets compared to net profit in the previous year resulting into negative ratio.
- 5 The company incurred net loss in the current year due to provision for impairment to the carrying value of the contract assets compared to net profit in the previous year resulting into negative earning per share.
- 6 There is decrease in net current assets on account of provision for impairment to the carrying value of the contract assets and company has repaid long term borrowings in the current year which reduces long term borrowings compared to previous year as combined effect of both those is in increases long term debt to working capital ratio.
- 7 There is reduction in material consumption in the current year as compared to previous year resulting into decrease in inventory turnover ratio.
- 8 The said ratio has been decreased on account of provision for impairment to the carrying value of the contract assets resulting into net loss to the company during the current year compared to net profit in the previous year.

58. Details of Loan Given, Investment Made And Guarantee Given Covered U/S 186(4) Of The Companies Act, 2013

Loans given and investment made are disclosed under respective heads.

Corporate Guarantee given by the Company in respect of loans taken by subsidiary and step down subsidiaries:-

Sr. No.	Ratio	Amount of Corporate Guarantee	As at March 31, 2022	As at March 31, 2021
1	Ahmedabad Ring Road Infrastructure Co.Ltd.	40500	3470.57	750
2	Sadbhav Infrastructure Project Ltd.	55000	48499.2	40000
3	Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)	42700	41943.8	42932.5
	Total	138200	93914	83682

59. The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
60. The Company is required to provide QIS to Banks on quarterly basis. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
61. As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
62. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
63. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
64. The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
65. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
66. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Notes forming Part of the financial statements

67. The Company has no transaction and or outstanding balance as at 31st March, 2022 with the companies struck off under Companies Act, 2013.
68. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
69. The Company is not decalred as wilful defaulter by any Bank or Financial Institution or Other lenders.
70. In the opinion of the Management, trade receivables and loans and Advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.
71. Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
72. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.

As per our Audit Report of even date

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No.:
102511W/W100298

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad
Date: May 30, 2022

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

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date : May 30, 2022

For and on behalf of Board

Shashin V. Patel
Director
DIN : 00048328

Vasistha C. Patel
Chief Executive Officer(CEO)

Nitin R. Patel
Executive Director &
Chief Financial Officer
DIN : 00466330

Hardik Modi
Company Secretary
Membership No.: F9193

***Consolidated
Financial Statements***

Dhirubhai Shah & Co LLP
Chartered Accountants
401/408 'Aditya' Opp. Sardar Patel Seva
Samaj Hall, Nr. Mithakali Six Roads,
Ahmedabad,
Gujarat, 380006.

Manubhai & Shah LLP
Chartered Accountants
G-4 Capstone, Opp. Chirag Motors,
Sheth Mangaldas Road,
Ellisbridge, Ahmedabad,
Gujarat, 380006.

**Independent Auditors' Report
To the Members of
Sadbhav Engineering Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, its consolidated loss including other comprehensive income and its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

As detailed in Note 68 of the accompanying consolidated financial results with respect to Sadbhav Bangalore Highway Private Limited (Concessionaire or SBGHPL), a step-down 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 position of the Group as on March 31, 2022.

One of the joint auditors have expressed qualified opinion on the financial statements of SBGHPL for the year ended 31 March 2022 vide their report dated May 26 2022.

Independent Auditor's Report on Consolidated Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

Note 65 & 66 of the accompanying consolidated financial statements with respect to preparation of financial statement of Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hissar Tollway Private Limited (RHTPL) step-down subsidiaries on non-going concern basis on account of issue of termination notice by RPTPL and RHTPL to National Highway Authority of India (NHAI) and consequently making necessary adjustments to carrying value of assets and liabilities of the step-down subsidiaries included in consolidated financial statements considering non going concern basis.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Revenue recognition and measurement of Contract assets in respect of unbilled amounts and evaluation of impairment in the carrying value of Contract Assets</p> <p>The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>The Company recognises revenue and the resultant profit/loss relying on the estimates in relation to forecast contract revenue and forecast contract costs on the basis of stage of completion which is determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none">• Evaluating the appropriateness of the Company's accounting policy for revenue recognition.• Obtaining an understanding of the Company's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates and contract assets.• For a sample of contracts, testing the appropriateness of amount recognised as revenue basis percentage of completion method by evaluating key management

Key Audit Matter Description	Response to Key Audit Matter
<p>of the contract at completion. The revenue on contracts may also include variable considerations which are recognised when the recovery of such consideration is highly probable.</p> <p>These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins.</p> <p>The management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment amounting to ₹. 69,391.73 Lakhs 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".</p> <p>In view of the involvement of significant estimates by the management, the matter has been determined as Key Audit Matter. Refer Note Nos. 3.2 & 63 to the consolidated financial statements.</p>	<p>judgements inherent in determining forecasted contract revenue and costs to complete the contract, including:</p> <ul style="list-style-type: none"> - verifying the underlying documents such as original contract and its amendments, if any, for reviewing the significant contract terms and conditions; - evaluating the identification of performance obligation of the contract; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of variable consideration with respect to the contractual terms and inspecting the related correspondences with customers; and - reviewing legal and contracting experts' reports received on certain contentious matters; <ul style="list-style-type: none"> • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognised ; and • Evaluating the appropriateness and adequacy of the provision of impairment made in the contract assets along with its disclosures in the consolidated financial statements in accordance with the applicable accounting standards.
<p>B. Uncertain Tax Positions under Direct and Indirect Tax Laws</p> <p>There is inherent judgement involved in determining provisions for uncertain tax positions.</p> <p>The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business,</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained the details of uncertain tax position and gained understanding thereof. • Discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on

Key Audit Matter Description	Response to Key Audit Matter
<p>including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required. Given the number of judgements involved in estimating the provisions relating to uncertain tax Positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p> <p>Refer Note no. 52 to the Consolidated Financial Statements.</p>	<p>the likely outcome of each assessment / litigation and magnitude of potential exposure.</p> <ul style="list-style-type: none"> • Focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. • Also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.
<p>C. Assessment of going concern basis</p> <p>As at March 31, 2022, the Company have incurred losses with a consequent erosion of its net worth, lower credit ratings for some of its borrowings and has net current liabilities of ₹ 58207 Lakhs.</p> <p>As disclosed in the assessment of liquidity risk in note 59 to the consolidated Ind AS financial statements, the Company has financial liabilities of ₹ 158305 Lakhs to be settled within one year from March 31, 2022. Further, the Company has commitments towards funding support to its Group Companies and Corporate guarantees issued to lenders /outsiders on behalf of its Group Companies as detailed in note 52 of the consolidated financial statements.</p> <p>The Company has prepared cash flow forecast for next twelve months which involves judgement and estimation around sources of funds to meet the Financial obligations and cash flow requirements over the next twelve months.</p> <p>Considering the above, we have identified the assessment of going concern assumption as a key audit matter considering that the Company has net current liabilities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have obtained an understanding of the process of management assessment of going concern and also assessed the same. • We read the management assessment in note 73 to the consolidated financial statements which states: Company's operations were impacted due to inflationary pressure and resources constraint during F. Y. 2021-22. 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 three HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for next 12 months 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 date of balance sheet and there is no threat to going concern assumption adopted in preparation of financial statements. • We have obtained the future cash flows of

Key Audit Matter Description	Response to Key Audit Matter
	<p>the Company. We have considered the same for our assessment of the Company's capability to meet its financial obligation falling due within next twelve months.</p> <ul style="list-style-type: none"> • We have assessed the disclosures made by the Company in relation to this matter.
<p>D. Impairment of Toll Collection Assets and Financial assets:</p> <p>The Group operates toll asset which is constructed on Build Operate and Transfer (BOT) basis and Hybrid Annuity (HAM) assets. The carrying value of the Toll Collection Rights ('TCR') as at March 31, 2022 is ₹ 18905.2 Lakhs.</p> <p>For the purpose of impairment testing, recoverable amount has been determined based on discounted future cash flows. Further, the recoverable amount is highly sensitive to changes in key assumptions used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. Thus, the determination of the recoverable amount of the Carrying value involves significant judgement.</p> <p>Accordingly, the impairment assessment of asset operated under concession arrangement was determined to be a key audit matter in our audit of the consolidated financial statements.</p> <p>Refer Note No. 3.8 to the consolidated financial statements</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's valuation methodology applied in determining the recoverable amount of Carrying Value. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll and future operating and finance costs considering the current and estimated future economic conditions • Together with our valuation specialists, we assessed the inputs and assumptions around the key drivers of the cash flow forecasts against historical performance, economic and industry indicators. • Performed sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. <p>Assessed the adequacy of the disclosures made in the financial statements.</p>
<p>E. Revenue from Toll Operation and Construction Services under Service Concession Agreements</p> <p>The Group has certain operational BOT assets and under construction hybrid annuity assets of road infrastructure under the concession agreement with National Highway Authority of India (NHAI) or state/local authorities which falls within the scope of Appendix C of Ind AS 115, Service Concession Arrangements.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and controls placed for revenue recognition process, evaluated the key controls around such process and tested those controls for the design and operating effectiveness. • Below are our audit procedures in respect of revenue from Toll Operation:

Key Audit Matter Description	Response to Key Audit Matter
<p>In case of operational BOT assets (intangible), the company operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of technology, specifically, customized equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection.</p> <p>In case of hybrid annuity assets (financial assets), the group provides construction and operational and maintenance services against fixed annuity receivable from NHAI under the concession agreement. Revenue recognition involves significant judgement and estimates relating to identification of distinct performance obligations, determination of fair value of services and finance income on financial assets using effective interest rate.</p> <p>Based on above, we regard this as the key audit matter.</p> <p>Refer Note No 3.8 to the consolidated financial statements</p>	<ul style="list-style-type: none"> - Tested Information Technology General Controls (ITGCs) and application controls relating to the tolling systems' operation, including access, operations and change management controls. - Obtained and tested reconciliation of toll collected as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books. - Tested the rationalisation done by management by multiplying the toll rate charged for each category of vehicle as per NHAI or state/local authorities' notification with the number of vehicles (as per transaction report) and its reconciliation with the revenue recorded in the books. - On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded. - Performed analytical procedures to detect unusual transactions/trends for further examination, including testing of exemptions and other dispensations allowed. - On test check basis, tested classification of vehicle independently from stored images and videos recorded by the Group. - Performed revenue cut off procedures. <p>• Below are our audit procedures in respect of revenue from hybrid annuity assets:</p> <ul style="list-style-type: none"> - Obtained and assessed key terms of the concession agreement. - Obtained and assessed basis of identification performance obligation and determination of fair value of services. - Obtained and assessed the key assumptions around the financial model like forecasting of price escalation and corresponding costs which is used during financial closure documents. - Tested the arithmetical accuracy of the model as well determination of effective interest rate.

Key Audit Matter Description	Response to Key Audit Matter
<p>F. Provision towards periodical major maintenance obligations</p> <p>As at March 31, 2022, the Group has recognised provision of ₹ 3352.70 Lakhs towards its periodical major maintenance obligation, required to ensure maintenance of the project highways as per the requirement of concession agreement.</p> <p>The estimate made by the Group over the concession period, involves detailed calculation and estimation of traffic forecast and cost of resurface. In view of the judgement involved in determination of provision and the amount involved, the provision for major maintenance obligation is considered to be a key audit matter.</p> <p>Refer Note No 53 to the consolidated financial statements</p>	<p>Assessed the relevant disclosures made by the Group relating to the revenue.</p> <p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Understood the terms of concession agreement and the Group's process associated with the estimation of periodical major maintenance obligation. • Obtained and checked estimation working of major maintenance obligation prepared by the management and tested key assumptions such as traffic forecast and cost of resurface used in determining the provisions. • Also compared these assumptions with previous year and enquired into reasons for any variations; <p>Tested the arithmetical accuracy and also assessed the disclosure in the consolidated financial statement.</p>
<p>G. Receivable from authorities towards various claims</p> <p>As at March 31, 2022, the Group has recognised ₹ 23,0548.50 Lakhs of receivables from authorities towards various claims.</p> <p>The receivables comprise of receivables towards arbitration claim, toll suspension, Termination Payment, Operation & Maintenance claims and toll exemption claim.</p> <p>The assessment of the recoverability of receivables requires significant judgment and hence, this is considered as a key audit matter.</p> <p>Refer Note No 22 to the consolidated financial statements</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Inquired status of receivable with the management and understood the management rational of recoverability of such receivable. • Obtained and assessed supporting documents / correspondences with authorities related to such receivable. <p>Assessed the disclosures made by the Group in relation to this matter.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of One subsidiary company and Six step-down subsidiary companies, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 6,07,601.30 Lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ 1,06,385.47 Lakhs, total net (loss) / profit after tax (before consolidation adjustments) of ₹ (2,834.44) Lakhs, total comprehensive income (before consolidation adjustments) of ₹ (2,783.34) Lakhs and net cash inflows (before consolidation adjustments) ₹ 4,032.40 Lakhs for the year ended on that date respectively, as considered in the consolidated financial statements. These financial statements have been audited by their respective independent auditors.

In respect of One Subsidiary and Eleven step-down subsidiary companies, which have been audited by one of the joint auditors and whose financial statements reflect total assets (before consolidation adjustments) of ₹ 5,36,244.23 Lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ 1,03,060.53 Lakhs, total net (loss)/ profit after tax (before consolidation adjustments) of ₹ 2,366.39 Lakhs, total comprehensive income (before consolidation adjustments) of ₹ 2,412.69 Lakhs and net cash inflows (before consolidation adjustments) ₹ 29.90 lakhs, for the year ended on that date respectively, as considered in the consolidated financial statements

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and step-down subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports, we have relied upon, have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) Except for the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) Except for matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) In our opinion, the matters described in the Basis for Qualified Opinion paragraph above may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary and step-down subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, and its subsidiary companies incorporated in India, refer to our separate report in "Annexure B" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries step-down subsidiaries, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company; its subsidiaries and step-down subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Independent Auditor's Report on Consolidated Financial Statements of Sadbhav Engineering Limited for the year ended on March 31, 2022

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and step-down subsidiaries as noted in the 'Other matter' paragraph;
- i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group – Refer Note 52 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its step-down subsidiaries incorporated in India during the year ended March 31, 2022.
- iv. (a) The respective management of the Holding Company, its subsidiaries and its step-down subsidiaries and respective auditors of such subsidiaries and step down subsidiaries which are incorporated in India, whose financial statements are audited under the Act have represented to us that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its step-down subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its step-down subsidiaries "Ultimate Beneficiaries") or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Holding Company, its subsidiaries and its step-down subsidiaries incorporated in India, whose financial statements are audited under the Act, have represented to us and respective auditors of such subsidiaries and step down subsidiaries have represented to us that to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its step-down subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its step-down subsidiaries shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are incorporated in India, whose financial statements are audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

v. The Holding Company, its subsidiaries and its step-down subsidiaries have not declared or paid any dividend during the year and has not proposed final dividend during the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on our audit and on the consideration of report of other auditors on separate Financial Statements and the other financial information of the subsidiaries, step down subsidiaries and joint venture included in the Consolidated Financial Statements of the Company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.

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

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCTC1860
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCJD5929
Place: Ahmedabad
Date: May 30, 2022

Sadbhav Engineering Limited

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

Summary of comments and observations given by the respective auditors in the Companies (Auditors Report) Order 2020 of the respective subsidiary and step down subsidiary companies is given hereunder:

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have adverse remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

Sr No.	Name	Corporate Identification Number (CIN)	Holding Company/ Subsidiary / Step Down Subsidiary	Clause number of the CARO report which is qualified or adverse
1	Sadbhav Engineering Limited	L45400GJ1988PLC011322	Holding Company	(iii) (b), (vii), (ix)
2	Sadbhav Infrastructure Projects Limited	L45202GJ2007PLC049808	Subsidiary	(iii), (vii), (xvii)
3	Sadbhav Gadag Highway Private Limited	U45309DL2018PTC335962	Subsidiary	(vii), (xvii)
4	Sadbhav Bhavnagar Highway Limited (Formerly known as Sadbhav Bhavnagar Highway Private Limited)	U45309GJ2016PLC092557	Step Down Subsidiary	(vii),(ix)
5	Sadbhav Una Highway Limited (Formerly known as Sadbhav Una Highway Private Limited)	U45500GJ2016PLC092589	Step Down Subsidiary	(vii),(ix)
6	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PTC094257	Step Down Subsidiary	(vii),(ix)
7	Sadbhav Udaipur Highway Limited (Formerly known as Sadbhav Udaipur Highway Private Limited)	U45309GJ2017PLC097508	Step Down Subsidiary	(vii),(ix)
8	Sadbhav Kim Expressway Private Limited	U45309GJ2018PTC101800	Step Down Subsidiary	(vii)
9	Sadbhav Vidarbha Highway Limited (Formerly known as Sadbhav Vidarbha Highway Private Limited)	U45500GJ2017PLC097040	Step Down Subsidiary	(vii),(ix)
10	Sadbhav Hybrid Annuity Projects Limited	U45500DL2018PLC335787	Step Down Subsidiary	(vii), (xvii)
11	Sadbhav Infra Solutions Private Limited (Formerly known as Sadbhav Bhimasar Bhuj Highway Private Limited)	U45309GJ2018PTC101821	Step Down Subsidiary	(vii), (xvii)

Sr No.	Name	Corporate Identification Number (CIN)	Holding Company/ Subsidiary / Step Down Subsidiary	Clause number of the CARO report which is qualified or adverse
12	Sadbhav PIMA Private Limited (Formerly known as Sadbhav Tumkur Highway Private Limited)	U45309GJ2018PTC101396	Step Down Subsidiary	(vii), (xvii)
13	Rohtak-Hissar Tollway Private Limited	U45203GJ2013PTC074446	Step Down Subsidiary	(vii),(ix), (xvii),
14	Rohtak-Panipat Tollway Private Limited	U45202GJ2010PTC059322	Step Down Subsidiary	(vii),(ix), (xvii)

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

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCTC1860
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCD5929
Place: Ahmedabad
Date: May 30, 2022

Sadbhav Engineering Limited

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sadbhav Engineering Limited

(Referred to in Paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sadbhav Engineering Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

We have audited the internal financial controls over financial reporting of Sadbhav Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and step down subsidiaries (the Holding Company and its subsidiaries and step down subsidiaries together referred to as "the Group") which are incorporated in India, as of 31st March, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors, as referred to in Other Matters paragraph, the Group, its subsidiaries and step down subsidiaries, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to One subsidiary and Six step-down subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

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

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

Samip K. Shah
Partner
Membership No: 128531
ICAI UDIN: 22128531AJYCTC1860
Place: Ahmedabad
Date: May 30, 2022

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 22030083AJYCD5929
Place: Ahmedabad
Date: May 30, 2022

SADBHAV ENGINEERING LIMITED
CIN :: L45400GJ1988PLC011322
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current Assets			
(a) Property, Plant & Equipment	5	19296.70	28567.99
(b) Right to Use Assets	5	148.07	1235.98
(c) Capital Work-In-Progress	5	376.91	376.91
(d) Investment Property	6	94.10	94.10
(e) Goodwill	7	2653.00	2653.00
(f) Other Intangible Assets	7	18948.98	390825.13
(g) Intangible Assets under Development	7	0.00	9645.30
(h) Financial Assets			
(i) Investments	8	17664.12	72257.42
(ii) Trade Receivables	9	13236.35	19767.98
(iii) Loans	10	77.60	40.07
(iv) Receivable Under Service Concession Agreement	11	332488.40	308307.60
(v) Other Financial Assets	12	10108.38	12102.94
(i) Deferred Tax Assets (Net)	13	10220.38	13379.14
(j) Other Non Current Assets	14	900.54	6021.60
Total Non-current Assets		426213.53	865275.16
Current Assets			
(a) Inventories	15	10749.85	13911.08
(b) Financial Assets			
(i) Investments	16	0.00	706.40
(ii) Trade Receivables	17	32310.11	16417.48
(iii) Cash and cash Equivalents	18	15676.29	10746.54
(iv) Bank balance other than (iii) above	19	5564.60	499.79
(v) Loans	20	3218.95	5629.29
(vi) Receivable Under Service Concession Agreement	21	36813.00	33916.90
(vii) Other Current Financial Assets	22	273494.44	38046.67
(c) Current Tax Assets	23	7541.78	14222.94
(d) Other Current Assets	24	135745.42	217274.18
Total Current Assets		521114.44	351371.27
Assets classified as held for sale	57	141363.70	31783.60
Total Assets		1088691.67	1248430.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	25	1715.71	1715.71
(b) Other Equity	26	78437.76	142813.22
(c) Non Controlling Interest		26031.60	33913.19
		106185.07	178442.12
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	298496.78	536749.45
(ii) Other Financial Liabilities	28	3513.90	109916.90
(b) Deferred Tax Liabilities (Net)	29	8948.70	9393.20
(c) Provisions	30	72.30	17423.60
Total Non-current Liabilities		311031.68	673483.15
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	31	277391.91	172190.41
(ia) Lease Liabilities		172.24	1399.65
(ii) Trade Payables			
a. Total outstanding dues of micro and small enterprises		1604.50	830.04
b. Total outstanding dues of creditors other than micro and small enterprises		60781.39	88031.41
(iii) Other Financial Liabilities	33	136464.07	68059.27
(b) Other Current Liabilities	34	43208.22	47806.98
(c) Provisions	35	3508.70	336.90
(d) Current Tax Liabilities (net)	36	1199.29	1028.80
Total Current Liabilities		524330.32	379683.46
Liabilities relating to assets classified as held for sale	57	147144.60	16821.30
Total Equity & Liabilities		1088691.67	1248430.03

Summary of significant accounting policies 1 to 4
The accompanying notes are an integral part of the consolidated financial statements 5 to 75

For and on behalf of Board,

Shashin V. Patel

Director

DIN : 00048328

Nitin R. Patel

**Executive Director &
Chief Financial Officer**

DIN : 00466330

Vasistha C. Patel

Chief Executive Officer (CEO)

Hardik Modi
Company Secretary
Membership No. F9193

As per our Audit Report of even date attached

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No. : 102511W/W100298

Samip K. Shah
Partner
Membership No. : 128531
Place: Ahmedabad
Date : May 30, 2022

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

K. C. Patel
Partner
Membership No. : 030083
Place: Ahmedabad
Date : May 30, 2022

SADBHAV ENGINEERING LIMITED

CIN :: L45400GJ1988PLC011322

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

P A R T I C U L A R S	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from Operations	37	190770.10	224327.80
II Other Income	38	92003.88	35400.23
III Total Revenue (I+II)		282773.98	259728.03
IV Expenses :			
Cost of Material Consumed	39	21013.36	34269.90
Construction, Toll Plaza & Road Maintenance Expenses	40	105403.59	105099.18
Employee Benefits Expense	41	11308.37	15263.67
Finance Cost	42	97542.59	100345.04
Depreciation and Amortization Expense	5 to 7	16687.33	21101.47
Other Expenses	43	87796.03	9882.20
Total Expenses		339751.27	285961.46
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		(56977.29)	(26233.43)
VI Exceptional Item (Net of Expenses)	64	(16517.43)	2346.38
VII Profit/(Loss) Before Tax (V+VI)		(73494.72)	(23887.05)
VIII Tax Expense	44		
(1) Current Tax		992.40	678.60
(2) Deferred Tax		925.15	930.09
(3) Short/(Excess) Provision for taxation for earlier years		(2572.95)	(1750.91)
		(655.40)	(142.22)
IX Profit/(Loss) for the year (VII-VIII)		(72839.32)	(23744.83)
Profit/(Loss) for the year attributable to:			
Owners of the Company		(72370.18)	(15490.76)
Non-controlling Interest		(469.14)	(8254.07)
X Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (refer note 49)		219.51	37.99
Net Comprehensive Income Not to be reclassified to profit or loss in subsequent periods:		219.51	37.99
Other Comprehensive Income for the year attributable to			
Owners of the company		219.51	37.99
Non-controlling Interest		0.00	0.00
Total Comprehensive Income for the year		(72619.81)	(23706.84)
Total Comprehensive Income for the year attributable to:			
Owners of the company		(72150.67)	(15452.77)
Non-controlling Interest		(469.14)	(8254.07)
XI Earning / (Loss) per Equity Share having face value of Re. 1/-			
(1) Basic		(42.18)	(9.03)
(2) Diluted		(42.18)	(9.03)
Summary of significant accounting policies	1 to 4		
The accompanying notes are an integral part of the consolidated financial statements	5 to 75		

For and on behalf of Board,

Shashin V. Patel
Director
DIN : 00048328

Nitin R. Patel
Executive Director &
Chief Financial Officer
DIN : 00466330

Vasistha C. Patel
Chief Executive Officer
(CEO)

Hardik Modi
Company Secretary
Membership No. F9193

As per our Audit Report of even date attached

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No. :: 102511W/W100298

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

Samip K. Shah
Partner
Membership No. :: 128531
Place: Ahmedabad
Date : May 30, 2022

K. C. Patel
Partner
Membership No. :: 030083
Place: Ahmedabad
Date : May 30, 2022

Sadbhav Engineering Limited

CIN :: L45400GJ1988PLC011322

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A Equity Share Capital

(Rs. in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share capital during the year	Balance at the end of the reporting period
As on March 31, 2022	1715.71	-	1715.71	-	1715.71
As on March 31, 2021	1715.71	-	1715.71	-	1715.71

B Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus						Non Controlling Interest (refer note 26)	Total
	Capital Reserve (refer note 26)	Security Premium Reserve (refer note 26)	Debenture Redemption Reserve (refer note 26)	General Reserve (refer note 26)	Retained Earning (refer note 26)	Other Comprehensive Income		
As at April 01, 2020	33,104.47	57,134.05	4,168.90	30,967.98	32,799.09	178.30	42,266.66	2,00,619.45
Profit/(Loss) for the year	-	-	-	-	(15,490.76)	37.99	(8,254.07)	(23,706.84)
Total Comprehensive Income for the year	-	-	-	-	(15,490.76)	37.99	(8,254.07)	(23,706.84)
Share issue expenses	-	-	-	-	82.71	-	-	82.71
Transfer to/from debenture redemption reserve	-	-	325.40	(325.40)	-	-	-	-
Adjustment on acquisition of shares of Subsidiary	-	-	-	-	-	-	99.19	99.19
Loss of Subsidiary for previous year	-	-	-	-	4.12	-	-	4.12
As at March 31, 2021	33,104.47	57,134.05	3,843.50	31,293.38	17,221.53	216.29	33,913.19	1,76,726.41
As at April 01, 2021	33,104.47	57,134.05	3,843.50	31,293.38	17,221.53	216.29	33,913.19	1,76,726.40
Profit/(Loss) for the year	-	-	-	-	(72,370.88)	168.41	(469.14)	(72,671.61)
Other Comprehensive Income (OCI)	-	-	-	-	91.80	-	-	91.80
Total Comprehensive Income for the year	-	-	-	-	(72,279.08)	168.41	(469.14)	(72,579.81)
Addition during the year	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	47.06	-	-	47.06
Transfer to/from debenture redemption reserve	-	-	2,115.04	(2,115.04)	-	-	-	-
Acquisition of shares of Subsidiary	-	-	-	-	-	-	(590.36)	(590.36)
Transfer of amount from non-controlling interest	-	-	-	-	(8,002.81)	-	8,002.81	-
Transfer from Reserve	-	-	-	(221.54)	-	-	-	(221.54)
As at March 31, 2022	33,104.47	57,134.05	1,728.46	33,186.88	(47,101.80)	384.70	26,031.60	1,04,469.36

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

For and on behalf of Board,

Shashin V. Patel
Director
DIN : 00048328

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN : 00466330

Vasistha C. Patel
Chief Executive Officer (CEO)

Hardik Modi
Company Secretary
Membership No. F9193

As per our Audit Report of even date attached

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No. : 102511W/W100298

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

Samip K. Shah
Partner
Membership No. : 128531
Place: Ahmedabad
Date : May 30, 2022

K. C. Patel
Partner
Membership No. : 030083
Place: Ahmedabad
Date : May 30, 2022

SADBHAV ENGINEERING LIMITED
CIN :: L45400GJ1988PLCO11322
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax as per Profit and loss account		(73494.72)		(23887.05)
Adjustments For :				
Interest Income	(94680.44)		(7858.87)	
Interest Expenses	97542.59		100345.04	
Depreciation & Amortisation	16687.33		21101.47	
Provision for impairment of Contract Assets	69391.76		0.00	
Exceptional Item	0.00		(2346.38)	
Other comprehensive income	219.51		0.00	
Deferred Tax Liabilities/(Assets)		89160.75		111241.26
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		15666.02		87354.21
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	(17649.17)		(43499.09)	
(Increase)/Decrease of Trade Receivables	(18788.73)		(10112.14)	
(Increase)/Decrease of Other Current Assets	(94108.73)		(8821.91)	
(Increase)/Decrease of Other Current Financial Assets	(129202.14)		13048.47	
(Increase)/Decrease of Other Non Current Assets	5026.02		5634.68	
(Increase)/Decrease of Other Non Current Financial Assets	2089.60		(10448.60)	
(Increase)/Decrease of Inventories	3161.23		813.67	
(Increase)/Decrease of Loan given	2372.81		3880.55	
(Increase)/Decrease of Other Bank Balances	(5064.81)		10614.19	
Increase/(Decrease) of Other Long Term Financial Liabilities	(106403.00)		(3950.51)	
Increase/(Decrease) of Other Long Term Liabilities	0.00		(2902.50)	
Increase/(Decrease) of Trade Payables	(26475.56)		15936.15	
Increase/(Decrease) of Other Current Liabilities	(4598.76)		(21254.72)	
Increase/(Decrease) of Other Current Financial Liabilities	68404.80		80392.39	
Increase/(Decrease) of Provision	(14179.50)		3727.51	
Increase/(Decrease) in Deferred Tax (net)	2714.26		(346.71)	
		(332701.68)		32711.43
Cash Generated / (used in) From Operations		(317035.66)		120065.64
Income Tax Paid		7494.73		(2025.34)
Net Cash Flow Generated / (used in) From Operating Activities		(309540.93)		118040.30
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Property, Plant & Equipments and Intangible Assets	370248		(703.76)	
Sales of Property, Plant & Equipments	4945.06		2248.35	
Other Current Investments	706.40		(706.40)	
(Increase)/Decrease of Loans given	0.00		773.47	
Proceeds from Other Non Current Investments (Net)	54593.30		2346.38	
Proceed Repayment towards compound financial	0.00		7858.87	
Interest Received	94680.44	525173.46		11816.91
Net Cash Flow Generated From Investing Activities		525173.46		11816.91
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Share issue expenses			82.60	
Proceeds/(Repayment) of Long Term Borrowings (Net)	(238252.67)		(26529.51)	
Proceeds/(Repayment) of Short Term Borrowings (Net)	105201.50		6091.68	
Lease Liability	(1227.41)		(2062.17)	
Debenture Redemption Reserve	0.00		(100345.04)	
Interest Paid	(97542.59)		0.00	
Assets held for sale	20743.20		(5955.20)	
Loss transfer to Non controlling Interest	375.09		(99.19)	
Loss/(profit) of subsidiary of Previous year (Net)		(210702.88)	6.90	(128809.93)
Net Cash Flow (Used in) Financing Activities		(210702.88)		(128809.93)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		4929.65		1412.41
OPENING BALANCE OF CASH & CASH EQUIVALENTS		10746.54		9334.13
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		15676.19		10746.54
COMPONENTS OF CASH & CASH EQUIVALENTS (refer note 18)				
CASH ON HAND		83.66		204.70
BALANCE IN CURRENT ACCOUNT WITH BANKS		14201.78		9348.14
BALANCE IN FIXED DEPOSITS		1390.75		1193.70
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		15676.19		10746.54

Changes in liabilities arising from financing activities (Rs. In Lakhs)

Particulars	April 1, 2021	Cash Flow	Other Adjustment	March 31, 2022
Long Term Borrowings (Including Current maturities of Long Term Debts)	633426.82	(304414.70)		329012.12
Short Term Borrowings	75513.04	171363.53		246876.57
Interest Accrued	38976.97	23956.22		62933.19
Lease Liabilities	1399.65	(1227.41)		172.24
Total	749316.48	(110322.36)	-	638994.12

(Rs. In Lakhs)

Particulars	April 1, 2020	Cash Flow	Other Adjustment	March 31, 2021
Long Term Borrowings (Including Current maturities of Long Term Debts)	87295.25	546131.57	-	633426.82
Short Term Borrowings	69421.36	6091.68	-	75513.04
Interest Accrued	15964.51	23012.46	-	38976.97
Lease Liabilities	3461.82	(2062.17)	-	1399.65
Total	176142.94	573173.54	-	749316.48

Notes:

- All figures in bracket represent cash outflow.
- The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flows". The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Board,

Shashin V. Patel
Director

Nitin R. Patel
Executive Director &
Chief Financial Officer
DIN : 00466330

Vasistha C. Patel
Chief Executive
Officer (CEO)

DIN : 00048328
Hardik Modi
Company Secretary
Membership No. F9193

As per our Audit Report of even date attached

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Regn. No. : 102511W/W100298
Samp K. Shah
Partner
Membership No. : 128531
Place: Ahmedabad
Date : May 30, 2022

For Manubhai & Shah LLP
Chartered Accountants
Firm Regn. No. : 106041W/W100136
K. C. Patel
Partner
Membership No. : 030083
Place: Ahmedabad
Date : May 30, 2022

Sadbhav Engineering Limited

Notes to consolidated Ind AS financial statements for the year ended March 31, 2022

1 Corporate information:

Sadbhav Engineering Limited ("The Company" or "Parent Company") is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridges, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. The Company also establishes, maintains, operates, lease or transfers the above infrastructure facilities on BOT, BOLT and BOOT basis. Company is also engaged in business of energy generation through Wind Power Project.

Sadbhav Infrastructure Project Limited (SIPL), subsidiary company, is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

Sadbhav Gadag Highway Pvt Ltd, a subsidiary company and all other step down subsidiaries are the Special Purpose Vehicles (SPVs) incorporated to undertake the specific project.

The Consolidated Ind AS Financial Statements comprise of financial statements of Sadbhav Engineering Limited ('the Company' or 'SEL'), its subsidiaries and step-down subsidiaries (collectively, 'the Group') for the year ended March 31, 2022. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at "Sadbhav House", Opp. Law Garden Police Chowki, Ellis bridge, Ahmedabad-380006.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 30, 2022.

2 Basis of preparation:

2.1 The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India.

The consolidated financial statements of the company have been prepared and presented on accrual and historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments): and
- Derivative financial instruments measured at fair value
- Defined benefit plans – Plan Assets measured at fair value

The consolidated financial statements are presented in Indian Rupee ('₹') which is also the Group's functional currency and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

Current versus non-current classification

- The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:
 - Expected to be realized or intended to be sold or consumed in the normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realized within twelve months after the reporting period, except in case of trade receivables; or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

- All other assets are classified as non-current.

- A liability is current when:
 - It is expected to be settled in the normal operating cycle;
 - Held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- The Group classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle for the business activities of the company covers the duration of the specific projects/contract/product line/service including the defect liability period wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2022. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

Sadbhav Engineering Limited

Notes to consolidated Ind AS financial statements for the year ended March 31, 2022

- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

Consolidation Procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate & Transfer (BOT)/ Hybrid Annuity Model (HAM) / Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets

Sadbhav Engineering Limited

Notes to consolidated Ind AS financial statements for the year ended March 31, 2022

and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

- v. The following entities are considered in the Consolidated Ind AS Financial Statements as well as the Company's voting power in entities listed below:

Information pertaining to Subsidiaries			
Sr No	Name of subsidiaries	Proportion of Ownership Interest (%)	
		As at March 31, 2022	As at March 31, 2021
1	Sadbhav Infrastructure Projects Ltd (SIPL)	69.76%	69.76%
2	Sadbhav Gadag Highway Pvt Ltd	100%	100%

Sr. No.	Name of step-down subsidiaries (subsidiaries of SIPL)	Proportion of Ownership Interest (%)	
		As at March 31, 2022	As at March 31, 2021
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Maharashtra Border Check Post Network Limited (MBCPNL)	51%*	99.63%*
3.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%
4.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%
5.	Sadbhav Bhavnagar Highway Limited (earlier known as Sadbhav Bhavnagar Highway Private Limited) (SBHL)	100%	100%
6.	Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited) (SRHL)	100%	100%
7.	Sadbhav Una Highway Limited (earlier known as Sadbhav Una Highway Private Limited) (SUHL)	100%	100%
8.	Sadbhav Nainital Limited (earlier known as Sadbhav Nainital Highway Private Limited) (SNHL)	100%	100%
9.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
10.	Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited) (SUDHL)	100%	100%
11.	Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited) (SVHL)	100%	100%
12.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	100%	100%
13.	Sadbhav PIMA Private Limited (earlier known as Sadbhav Tumkur Highway Private Limited) (note (ii) below) (SPPL)	100%	100%

Sadbhav Engineering Limited
Notes to consolidated Ind AS financial statements for the year ended March 31, 2022

14.	Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited) (note (ii) below) (SMIPL)	100%	100%
15.	Sadbhav Kim Expressway Private Limited (SKEPL)	100%	100%
16.	Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited) (note (ii) below) (SISPL)	100%	100%
17.	Sadbhav Hybrid Annuity Project Limited (SHAPL)	100%	100%

*0.37% to be held by third party by virtue of agreement to be transferred to SIPL.

Notes:

- (i) All the above entities have principal nature of activity as Infrastructure and are incorporated in India.
- (ii) The concession agreements with National Highway Authority of India (NHAI) are terminated in case of these subsidiaries during the year ended March 31, 2020, due to non-availability of required 80% right of way (ROW) by NHAI within the stipulated time period as a consequence of which, these subsidiaries were inoperative.

Name of the Joint Ventures	Ownership interest held by the company	
	As at March 31, 2022	As at March 31, 2021
SEL-GKC JV		
Radhanpur - Manpura Project	52.00%	52.00%
Vishakhapatnam Project	50.00%	50.00%
Omkareshwar Project	60.00%	60.00%
Karimnagar Project	52.00%	52.00%
Omkareshwar Project	40.00%	40.00%
Managuru Project	51.00%	51.00%
BSHP-II Project	50.00%	50.00%
Govindpur Project	50.00%	50.00%
Basantimata Project	80.00%	80.00%
Maheshpur Project	75.00%	75.00%
Jalipa / Kapurdi Project	98.00%	98.00%
SEL-Vaishnovi JV - Halon Project	72.00%	72.00%
Corsan Corviam Const S.A.-SEL JV		
DMRC-CC43 Project	40.00%	40.00%
DMRC-CC47 Project	40.00%	40.00%
PBA SADBHAV JV	50.00%	50.00%
SEL-PIPL JV	51.00%	51.00%
SEL-SPSCPL JV	74.00%	74.00%

3 Summary of significant accounting policies

The following are the significant accounting policies applied by the group in preparing its consolidated financial statements:

3.1 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

Depreciation

Depreciation on Property, Plant and Equipment's

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Sadbhav Engineering Limited**Notes to consolidated Ind AS financial statements for the year ended March 31, 2022**

Depreciation is provided for all Property, Plant and Equipment except for vehicles on straight-line method and depreciation on vehicles is provided on written down value method as per the useful life prescribed in schedule II of the Companies Act, 2013.

Depreciation is provided for all Property, Plant and Equipment as per the useful life prescribed in the Schedule II to the Companies Act, 2013 except in respect of plant and machineries used other than in mining activity, where less useful life is considered than those prescribed in schedule II.

The estimated useful life of Property, Plant and Equipment as prescribed in the Schedule II to the Companies Act, 2013 & useful life adopted by the company are as follows

Asset Class	Useful life as per Schedule II	Useful life adopted by the company
Building	30 Years	30 Years
Building component	10 Years	10 Years
Office Building	60 Years	60 Years
Wind Mills	22 Years	22 Years
Plant and Equipment	9 to12 Years	8 Years
Plant and Equipment for Mining	8 Years	8 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8-10 Years	8-10 Years
Temporary Structure	3 Years	1 Years

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees fifty thousand each are fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case of subsidiaries and step down subsidiaries depreciation on Property, Plant and Equipments is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.2 Revenue from contract with Customers

i. Toll / check post operation services

Revenue from Toll operation services is recognized over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Group. However, given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the group recognizes toll revenue when it collects the tolls as per rates notified by NHAI / state authorities.

ii. Construction services in subsidiary and step down subsidiaries

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

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Contract balances

- **Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- **Trade receivables**

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 4.1 Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**

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

iii Revenue from contracts with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before

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revenue is recognized. The company has concluded that it is principal in its revenue arrangements because it typically controls goods or services before transferring them to the customer.

Revenue from construction/project related activity is recognised as follows:

- **Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
- **Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Rendering of Services:

Revenue from contracts to provide services (other than those covered under construction contracts referred above) are recognized by reference to the stage of completion of the contract.

3.3 Other Income

Interest

For financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Profit or loss on sale of Mutual Fund

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

Dividend

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.4 Inventory

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis except in case of items produced by the company, where the cost are derived on weighted average basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Construction material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method.

3.5 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included/rerecognized in the consolidated Statement of Profit and Loss when the asset is derecognised.

Amortization

Software is amortized over management estimate of its useful life of 3-6 years.

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets under development

Expenditure related to and incurred during implementation of infrastructure project are included under "Intangible Assets under Development". The same is transferred to the respective intangible assets on completion of project.

3.6 Business combinations and goodwill / Capital Reserve

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' in the consolidated financial statements.

3.7 Foreign currency transactions:

- **Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

- **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

- **Exchange difference**

The company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

Exchange differences arising from translation of long term foreign currency monetary items

- Long-term foreign currency monetary items recognized in the financial statements as on March 31, 2016 related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Long-term foreign currency monetary items recognized in the financial statements after March 31, 2016 related to acquisition of a fixed asset are charged to the Profit and Loss statement.
- Other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

Exchange differences on other monetary items

All other exchange differences are recognized as income or as expenses in the year in which they arise.

3.8 Service concession arrangement

Toll Collection/ User fee right (BOT Model):

The Group builds infrastructure assets viz roads / infrastructure facilities under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognized and classified as "Intangible Assets" in accordance with Appendix D to Ind AS 115. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary or step down subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement. In case of MBCPNL (entity operating multiple border check posts in the state of Maharashtra), each check post is capitalized when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group.

Financial Assets Model

The group recognizes the considerations given by the grantor in accordance with Appendix D to Ind AS 115. The group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

Premium capitalization

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognized upfront on a discounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognized as liabilities.

Amortization

The intangible assets which are recognized in the form of Toll collection / user fee right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total projected traffic or revenue are reviewed by the management at the end of each financial year and accordingly, the total projected traffic or revenue is adjusted to reflect any changes in the estimates which lead to the actual number of traffic or revenue at the end of the concession period.

3.9 Impairment – Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the group estimates the asset's recoverable amount or cash-generating unit's (CGU). An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CUG exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to consolidated statement of profit and loss accounts.

3.10 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price and borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

An investment property is derecognised either when it has been disposed of or when it has been permanently withdrawn from use and no future economic benefit is expected from their disposal. the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in consolidated Statement of Profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and

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Notes to consolidated Ind AS financial statements for the year ended March 31, 2022

other costs that Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.12 Leases

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application.

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

The Group's lease asset classes primarily consist of leases for Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Short-term leases and leases of low-value assets

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

3.13 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies of Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- **Financial assets at amortised cost :**
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- **Debt instruments at amortized cost**
A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortized is included in finance income in the profit or loss. The losses arising from impairment are amortized in the profit or loss.
- **Financial assets at fair value through profit or loss:**
financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Financial assets at fair value through Other comprehensive income (FVOCI) (equity instrument)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

The Group recognizes an allowance for Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

All financial liabilities are recognized initially at fair value, in case of loan and borrowings and payables, fair value is reduced by directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the Consolidated statement of profit and Loss. The group has not designated any financial liability as at fair value through profit and loss.

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

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized through the EIR amortization process.

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

- **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract. At inception, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 recognized amortization.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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

c) Offsetting of financial instruments

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

d) Derivative financial instruments

The company holds certain derivative contracts such as cross currency interest rate swaps and forward contracts to hedge risks. These contracts do not qualify for hedge accounting under Ind AS 109, Financial Instruments. Hence these contracts are not designated as hedges and are accounted for at fair value through profit or loss.

3.14 Fair Value Measurement

The Group measures financial instruments such as derivatives and Investments at fair value at each balance sheet date.

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

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

3.15 Employee Benefits

3.15.1 Short Term Employee Benefits

All employee benefits expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the consolidated statement of profit and loss in the period in which the employee renders the related services.

3.15.2 Post-Employment Benefits

- **Defined contribution plan**

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund and employee state insurance fund. The Group recognize contribution paid/payable under the provident fund is charged to consolidated statement of profit & loss account during the period in which the employee renders the related service.

- **Defined benefit plan**

The Group also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries. Company has taken Group Gratuity Policy of L.I.C. of India. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net

defined benefit liability / (asset)). Re-measurement is recognized in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

3.15.3 Other employee benefits:

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Group's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

3.16 Government grants

Government grants are recognized where there is reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant relates to an expense item. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related assets.

3.17 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current income tax is recognized in correlation to the underlying

transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

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

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

As per provision of Income tax Act 1961, the Company's step down subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognized in the year in which the timing difference originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

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

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

The Group offsets Deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period

3.18 Provisions

General

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

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

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognized by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

3.19 Contingent liabilities

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

3.20 Premium deferment

Premium deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

3.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

3.22 Cash dividend distribution to equity holders

The Group recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.23 Earnings per share

Basic earnings per share is calculated by dividing the profit / loss for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / loss attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the year are adjusted for the effects plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.24 Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

3.25 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

4 Significant accounting judgements, estimates and assumption

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

Estimates and assumptions

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

Revenue and expenses of construction contracts

As described in Note 3.2, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified

Taxes

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from

the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Property, plant and equipment

Refer Note 3.1 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Service concession arrangement – Toll collection / user fee right

The Cash flow model indicates the cash flow to be generated over the project lifecycle. The key inputs of the model comprise of revenue inflows (Toll/user fee), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

Amortization - Toll collection / user fee right

The intangible assets which are recognized in the form of Toll Right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projected revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date

Provision for periodical Major Maintenance

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

Revenue from contract with customer

The Subsidiary and step down subsidiaries uses the input method for recognize construction revenue. Use of the input method require the group to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress toward completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress by survey of work performed towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognised in the period in which such losses become probable on the basis of the expected total contract cost as at the reporting date.

Fair value measurement of financial instruments

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

Recent accounting pronouncements issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Consolidated Financial Statements are disclosed below. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2022 on 23rd March, 2022.

Ind AS 103 - Business Combination

The amendment specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

For example, costs the acquirer expects but is not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees are not liabilities at the acquisition date.

Therefore, the acquirer does not recognise those costs as part of applying the acquisition method and instead, the acquirer recognises those costs in its post combination financial statements in accordance with other Ind AS. This amendment does not significantly change the requirements of Ind AS 103 and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

Ind AS 109 - Financial Instruments

The amendment clarifies that while performing the '10 percent test' for derecognition of a financial liability, for computing the discounted present value of the cash flows under the new terms, for determining fees paid net of fees received, a borrower should include only fees paid or received between borrower and lender, including fees paid or received by either the borrower or lender on the other's behalf.

This amendment is under Annual Improvements to Ind AS (2021). The Group does not expect the above amendment/improvement to have any significant impact in its consolidated financial statements.

Ind AS 16 – Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment also provides for transitional provisions for contracts for which the entity has not yet fulfilled its obligations. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

The amendments to Ind AS 101 - First Time Adoption and Ind AS 41 – Agriculture have not been specified here since both Standards are presently not applicable to the Company.

SADBHAV ENGINEERING LIMITED

Notes forming Part of the consolidated financial statements

Note No. 5**Property, Plant and Equipments****(A) Owned Assets**

(Rs. in Lakhs)

Particulars	Property, Plant and Equipments							Total Tangible Assets	Capital Work In Progress
	Land	Building	Plant and Machineries	Furniture	Vehicles	Office Equipment	Wind Mills		
Cost									
As at 01/04/2020	1109.24	4645.68	58165.81	1709.66	743.56	641.76	5602.08	72617.78	376.91
Addition	-	-	157.19	-	49.20	84.43	-	290.82	-
Disposal	-	-	1049.05	-	12.83	0.80	4657.41	5720.09	-
Transfer related to carve out asset	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale (refer note 57)	-	-	56.00	-	-	39.30	-	95.30	-
Adjustment of Foreign Exchange	-	-	0.21	-	-	-	(944.67)	(944.45)	-
As at 31/03/2021	1109.24	4645.68	57217.73	1709.66	779.93	686.09	0.00	66148.76	376.91
Addition	-	-	572.16	2.50	40.28	52.53	-	667.47	-
Disposal	-	-	10269.70	0.50	21.07	9.50	-	10300.77	-
Transfer related to carve out asset	-	-	-	-	-	-	-	-	-
Transfer from Asset held for sale (refer note 57)	-	-	801.70	11.50	105.00	85.00	-	1003.20	-
Transfer to Asset held for sale (refer note 57)	-	532.10	73.40	64.00	128.40	414.70	-	1212.60	-
Adjustment of Foreign Exchange	-	-	-	-	-	-	-	-	-
As at 31/03/2022	1109.24	4113.58	48248.49	1659.16	775.74	399.43	-	56306.06	376.91

Accumulated Depreciation

As at 01/04/2020	-	525.41	28801.12	864.51	422.17	387.46	1351.10	32351.75	-
Charge for the Year	-	105.44	7001.34	179.36	106.83	126.20	240.93	7760.10	-
Disposal	-	-	852.46	-	12.19	0.30	1592.02	2456.97	-
Transfer to Asset held for sale (refer note 57)	-	-	51.10	0.30	6.20	16.50	-	74.10	-
As at 31/03/2021	-	630.84	34898.90	1043.57	510.61	496.86	-	37580.78	-
Charge for the Year	-	104.44	5547.26	177.55	81.65	103.58	-	6014.47	-
Disposal	-	-	6690.11	0.00	18.19	0.00	-	6708.30	-
Transfer to Asset held for sale (refer note 57)	-	157.00	40.30	47.80	70.90	340.30	-	656.30	-
Transfer from Asset held for sale (refer note 57)	-	-	633.70	9.20	86.10	49.70	-	778.70	-
As at 31/03/2022	-	578.28	34349.45	1182.52	589.26	309.84	-	37009.36	-
Net Book Value									
As at 31/03/2021	1109.24	4014.84	22318.84	666.09	269.32	189.23	-	28567.99	376.91
As at 31/03/2022	1109.24	3535.30	13899.04	476.64	186.48	89.58	-	19296.70	376.91

1. The Parent Company has applied the different estimated useful lives as specified in Schedule II to the Companies Act, 2013 in respect of certain assets as disclosed in accounting policy on depreciation on the basis of working of machineries in very tough condition at project sites. In support of that Parent Company has also taken an opinion of Chartered Engineer & Valuer regarding the different useful life. Accordingly the unamortized carrying value of those assets is being depreciated over the remaining useful life as adopted by the Parent Company instead of useful life specified in the Schedule II. Consequently, charge of depreciation is higher by Rs. 620.69 lakhs (Rs. 932.71 lakhs) as compared to depreciation that would have been charged based on useful life as prescribed in Schedule II.

2. Refer Note No 27 for information on property, plant and equipment pledged as security".

3. There are no restriction on title of property, plant and equipments and Intangible Assets.

4. There is no contractual commitment on acquisition of property, plant and equipment and intangible assets.

5. Capital Work in progress balance is relating to Office Building of Rs. 376.91 Lakhs (Rs. 376.91 lakhs).

6. The Group has not done revaluation of PPE / Intangible assets during the year.

SADBHAV ENGINEERING LIMITED**Notes forming Part of the consolidated financial statements**

7. CWIP Ageing Schedule

Project in progress						(Rs. in Lakhs)
CWIP	<1 year	1-2 years	2-3 years	>3 years	Total	
As at 31st March 2022	0.00	0.00	50.82	326.09	376.91	
As at 31st March 2021	0.00	50.82	91.10	234.99	376.91	

8. CWIP Completion Schedule

Project in progress						(Rs. in Lakhs)
CWIP	<1 year	1-2 years	2-3 years	>3 years	Total	
As at 31st March 2022	762.72	0.00	0.00	0.00	762.72	
As at 31st March 2021	0.00	762.72	0.00	0.00	762.72	

(B) Right of Use Assets (Leased Assets)

(Rs. in Lakhs)

Particulars	Plant & Equipment
Movement During The Year	
Balance as at 1st April 2020	5184.12
Addition	-
Disposals	310.88
Balance as at 31st March 2021	4873.24
Addition	-
Disposals	-
Balance as at 31st March 2022	4873.24
Accumulated Depreciation	
Balance as at 1st April 2020	1912.62
Addition	1724.64
Disposals	-
Balance as at 31st March 2021	3637.26
Addition	1087.91
Disposals	-
Balance as at 31st March 2022	4725.17
Net Block as at 31st March, 2022	148.07
Net Block as at 31st March, 2021	1235.98

The total cash outflow for leases is Rs. 1227.41 Lakhs (Rs. 1889.81 Lakhs) for the year ended 31st March, 2022. Interest on lease liabilities is Rs. 76.96 Lakhs (Rs. 265.44 Lakhs) for the year.

The Parent Company's leases mainly comprise of Plant and equipment.

Note No. 6**Investment property**

Investment property	(Rs. in Lakhs)
	Freehold land
Particulars	(Rs. in Lakhs)
At Cost	
As at April 1, 2020	83.80
Addition	10.30
Disposal / adjustment	-
Transfer related to carve out asset	-
As at March 31, 2021	94.10
Addition	-
Disposal / adjustment on account of	-
Transferred to carve out asset receivable	-
As at March 31, 2022	94.10
Accumulated Depreciation	
As at April 1, 2020	-
Charge for the year	-
On disposal / adjustment	-
As at March 31, 2021	-
Charge for the year	-
On disposal / adjustment	-
As at March 31, 2022	-
Net Block	
As at March 31, 2021	94.10
As at March 31, 2022	94.10

SADBHAV ENGINEERING LIMITED**Notes forming Part of the consolidated financial statements****Notes:**

- (i) There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
(ii) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
(iii) The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of investment property.
(iv) The title deeds of the Investment properties are held in the name of the respective Group Companies.

Note No. 7**Intangible asset and Intangible asset under development**

(Rs. in Lakhs)

Particulars	Toll collection rights	User fee rights	Computer software	Total	Goodwill on consolidated on (refer note (iv) below)	Intangible asset under development
Cost						
As at April 1, 2020	2,90,401.80	1,51,603.00	767.47	4,42,772.27	2,653.00	9,552.80
Additions	-	18.50	2.84	21.34	-	111.00
Deletion / Adjustments	-	-	-	-	-	(18.50)
As at March 31, 2021	2,90,401.80	1,51,621.50	770.31	4,42,793.61	2,653.00	9,645.30
Additions	43,589.10	309.10	13.20	43,911.40	-	-
Deletion / Adjustments	-	-	-	-	-	-
Transfer to Financial Asset (Refer Note 12)	(2,90,401.80)	-	-	(2,90,401.80)	-	(9,645.30)
Transfer to Asset held for Sale (Refer Note 57)	-	(1,51,930.60)	-	(1,51,930.60)	-	-
As at March 31, 2022	43,589.10	-	783.51	44,372.61	2,653.00	-
Accumulated Amortisation						
As at April 1, 2020	27,683.30	14,653.24	595.12	42,931.66	-	-
Charge for the year	7,389.70	4,099.47	126.95	11,616.12	-	-
Disposal / Adjustment on account of:	-	-	-	-	-	-
Transfer to Asset held for sale (refer note 57)	(2,579.30)	-	-	(2,579.30)	-	-
As at March 31, 2021	32,493.70	18,752.71	722.07	51,968.48	-	-
Charge for the year	4,339.60	5,240.30	5.35	9,585.25	-	-
Transfer from Asset held for sale (refer note 57)	20,345.20	-	12.31	20,357.51	-	-
On disposal / adjustment	-	-	-	-	-	-
Transfer to Financial Asset (Refer Note 12)	(32,494.60)	-	-	(32,494.60)	-	-
Transfer to Asset held for sale (refer note 57)	-	(23,993.01)	-	(23,993.01)	-	-
As at March 31, 2022	24,683.90	(0.00)	739.73	25,423.63	-	-
Net Block						
As at March 31, 2022	18,905.20	-	43.78	18,948.98	2,653.00	-
As at March 31, 2021	2,57,908.10	1,32,868.79	48.24	3,90,825.13	2,653.00	9,645.30

Note:

(i) Toll collection rights also include premium paid / payable to Concessioning authorities under the concession agreement over the concession period. The fair value of premium of Rs. 39,825.50 lakhs (March 31, 2021: Rs 76,043.70 lakhs) payable under the concession agreement at the time of receipt of completion certificate from the authority has been included in the Toll collection rights.

(ii) Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note no 27)

(iii) Refer note 61 for additional disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ('SCA').

(iv) The Group has determined that goodwill arising from the acquisition of subsidiaries, has indefinite useful life. As at March 31, 2022, it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. As at March 31, 2022, the recoverable value of its investment in subsidiaries to which goodwill relates is higher than the carrying amount of such investment, hence, no adjustment is considered necessary to the carrying value of goodwill by the management.

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
8 Investments		
8.1 Investments in Equity Instruments (Unquoted)		
(a) 5,55,370 (P.Y. :5,55,370) Fully Paid up Equity Shares of Indian Highways Management Co.Ltd. of Rs.10/- each	55.54	55.54
	55.54	55.54
8.2 Investments in Bonds and Debentures		
(a) 12.5% 10 (10) Debentures of SREI Equipment Finance Ltd of Rs. 10,00,000/- each.	100.00	100.00
(b) 9.25% 20000 (20000) Debentures of SREI Equipment Finance Ltd of Rs. 1,000/- each.	200.00	200.00
Less : Provision for Impairment in value of Investments	(298.00)	-
	2.00	300.00
8.3 Other Investments		
Investment in National Saving Certificate	14.78	14.78
	14.78	14.78
8.4 Investment in Unit of Business Trust - quoted		
15,510,280 (P.Y. : 62,041,118) fully paid up units of Rs. 115.87 each in Indinfravit Trust after adjusting redemption towards capital	17591.80	71887.10
	17591.80	71887.10
Total	17664.12	72257.42

Aggregate Value of Un-Quoted Investment Rs. 72.32 Lakhs (P.Y. :Rs. 370.32 Lakhs)

Aggregate Value of quoted Investment Rs. 17591.80 Lakhs (P.Y. :Rs. 72433.00 Lakhs)

Market Value of Quoted Investments of Rs. 17591.80 Lakhs (P.Y.: Rs.71887.10 Lakhs)

Notes:

(i) For Fair value disclosures of financial assets refer note 46

9 Trade Receivables

Trade Receivables considered good – Secured	-	-
Unsecured considered good	14347.92	20035.71
Less: Allowance for expected credit loss	1111.57	267.73
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
Less: Allowance for credit impairment	-	-
Total	13236.35	19767.98

The movement in change in allowance for expected credit loss and credit impaired

Balance as at beginning of the year	267.73	-
Change in allowance for expected credit loss and credit impairment	843.84	267.73
Trade receivables written off during the year	-	-
Balance as at the end of the year	1111.57	267.73

Management is of the opinion that amount recoverable is not less than the amount stated, hence no impairment is required. Refer Note no 62

As at 31st March, 2022

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	332.03	0.00	67.27	5931.52	2841.82	9172.63
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	382.69	4792.59	5175.29
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	(1.81)	-	(0.25)	(67.09)	(1042.42)	(1111.57)
Total	330.22	-	67.02	6,247.12	6591.99	13236.35

PARTICULARS

As at March 31, 2022 As at March 31, 2021

As at 31st March, 2021

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	-	138.40	12070.11	40.73	2611.91	14861.16
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	427.66	0.14	4746.76	5174.55
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	(21.80)	(245.93)	-	-	(267.73)
Total	-	116.60	12251.84	40.87	7358.67	19767.98

* Due date of payment is the date of transaction

- (i) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member.
- (ii) For terms and conditions relating to related party receivable, refer note 51

10 Loans

Unsecured, considered good

Loans to employees 77.60 40.07

Total 77.60 40.07

- (a) Since all the above loans given by the group are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.
- (b) There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- (c) The fair value of non-current loans is not materially different from the carrying value presented.

11 Receivable under Service Concession Arrangement (Unsecured considered good)

Receivable under Service concession arrangements 332488.40 308307.60
332488.40 308307.60

Notes:

- (i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- (ii) Refer note 61 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ("SCA").

12 Other Financial Assets

(i) Receivable Under Derivative Contract - 9.82
(ii) Security & Other Deposits 8313.27 8552.82
(iii) Bank Deposits with more than 12 months Maturity 1299.91 2325.20
(iv) Interest receivable on Mobilization Advance - 1215.10
(v) Unamortized Processing Fees 495.20 -
Total 10108.38 12102.94

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
13 Deferred Tax Assets (Net)		
Deferred tax assets (Refer note 44)	10220.38	13379.14
Total	10220.38	13379.14
14 Other Non Current Assets		
Capital Advance		
Advances to Suppliers for Fixed Assets	-	0.95
Advance other than capital Assets		
(a) Security & Other Deposits	11.70	-
(b) Advances for Goods and Services	-	1732.60
(c) Tax Credit and Receivables	60.10	279.60
(d) Unamortised processing fees	452.70	1080.70
(e) Deferred GST	-	952.10
(f) Advance Income Tax (net of provision)	200.40	1907.10
(g) Tax paid under Protest	43.30	-
(h) Group Gratuity Plan Assets (Net of Liabilities)	132.34	52.45
(i) Capital Advances-Others	-	16.10
Total	900.54	6021.60
15 Inventories		
(a) Construction Materials	9128.10	11789.29
(b) Stores & Spares	1621.75	2121.79
Total	10749.85	13911.08
16 Current Investments		
Unquoted		
(a) Investment in Units of Mutual Fund	-	706.40
Total	-	706.40
Notes:		
(i) For Fair value disclosures of financial assets refer note. 46		
(ii) Details of investments in unquoted units of mutual funds :		
HDFC Mutual Fund-Ultra Short Term fund- Regular Growth	Rs. In lakhs Nos of units	706.40 1569528.46
17 Trade Receivables		
Trade Receivables considered good – Secured	-	-
<u>(Unsecured considered good)</u>		
(a) Debts outstanding for more than six months directors	-	-
(ii) Due from Others	-	-
(a) Other Debts		
(i) Receivable from Related Parties	-	-
(ii) Receivable from Others	32310.11	16417.48
Less: Allowance for expected credit loss	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
Less: Allowance for credit impairment	-	-
Total	32310.11	16417.48

PARTICULARS

As at March 31, 2022 As at March 31, 2021

As at 31st March, 2022

Particulars	Outstanding from due date of payment *					Total
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed Trade Receivable-Considered Good	28408.10	0.00	2987.54	784.90	129.57	32310.11
Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivable-Considered Good	-	-	-	-	-	-
Disputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Total	28408.10	0.00	2987.54	784.90	129.57	32310.11

As at 31st March, 2021

Particulars	Outstanding from due date of payment *					Total
	<6 months	1 year	1-2 years	2-3 years	>3 years	
Receivable-Considered Good	14215.05	-	1545.89	194.06	462.48	16417.48
Receivable-Considered Doubtful	-	-	-	-	-	-
Receivable-Considered Good	-	-	-	-	-	-
Receivable-Considered Doubtful	-	-	-	-	-	-
Total	14215.05	0.00	1545.89	194.06	462.48	16417.48

* Due date of payment is the date of transaction

- (i) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) For terms and conditions relating to related party receivable, refer note 51.

18 Cash and Cash Equivalents

18.1 Balance with Banks

(a) In Current Accounts (refer note (ii) below)	14200.48	9348.14
(b) In Fixed Deposit Accounts *	1390.75	1193.70
	15591.23	10541.84

18.2 Cash On Hand (refer note (iii) below)

83.66 204.70

18.3 In Current Account Earmarks for Unpaid Share Application

1.40 -

Total **15676.29** **10746.54**

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.
- (ii) Balances with banks includes balances of Rs. 7838.60 lakh (P.Y. : Rs. 7163.3 lakh) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- (iii) Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.
- (iv) The Group had pledged a part of its deposits to fulfill collateral requirements for the bank overdraft

* Fixed Deposits include Rs.1309.15 lakhs (Rs. 291.00 lakhs) pledged with central and various State Govt/Undertakings and local bodies.

19 Bank balance other than Cash and Cash Equivalents

In earmarked Accounts

(i) Unclaimed Dividend	1.75	2.24
(ii) Maturity more than 3 months but not more than 12 months *	5562.85	497.55
Total	5564.60	499.79

* Fixed Deposits include Rs.144.35 lakhs (P.Y. : Rs. 10180.68 lakhs) pledged with Central and various State Govt/Undertakings and local bodies.

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
20 Loans		
Unsecured, considered good		
Inter-Corporate Loans	3218.55	5623.99
Loan to Employee	0.40	5.30
Total	3218.95	5629.29

- (i) Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.
- (ii) There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.
- (iii) The fair value of non-current loans is not materially different from the carrying value presented.

21 Receivable under Service Concession Arrangement (Unsecured considered good)

Receivable under Service concession arrangements (refer note 61)	36813.00	33916.90
	36813.00	33916.90

- (i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- (ii) Refer note 61 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

22 Other Current Financial Assets

(i) Interest Receivable	7848.10	5615.50
(ii) Grant Receivable from concessionaire authorities	-	642.40
(iii) Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope	19636.90	11600.70
(iv) Receivable from concessionaire authorities towards Toll Suspension (refer note (iv) below)	410.10	410.10
(v) Receivable towards toll collection rights (refer note (i) & (ii) below)	219396.80	-
(vi) Security & Other Deposits	24897.03	18321.56
(vii) Receivable toward carve out asset (refer note (iii) below)	611.70	611.70
(viii) Advances Recoverable in Cash or kind	528.81	549.32
(ix) Others	165.00	295.39
	273494.44	38046.67

- (i) In case of Rohtak Hissar Tollway Private Limited (RHTPL), the stepdown subsidiary company has terminated the concession agreement (CA) with NHAI on August 27, 2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the stepdown subsidiary, the stepdown subsidiary has filed a claim for Rs. 123317.20 Lakhs as a termination payment and other Claims amounting to Rs. 37936.10 Lakhs (Refer Note No 40) on the account of O&M cost due to force majeure, Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the stepdown subsidiary company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by the stepdown subsidiary company.

On the basis of the above, the stepdown subsidiary company has transferred the carrying value of intangible asset to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the stepdown subsidiary company due to NHAI defaults under CA.

- (ii) In case of Rohtak Panipat Tollway Private Limited (RPTPL), the stepdown subsidiary company has terminated the concession agreement with NHAI on July 27, 2021, by exercising the criteria of 'Event of Defaults' under concession agreement and the toll collection hand over to the NHAI by the stepdown subsidiary company, the stepdown subsidiary company has filed a claim for Rs. 125190.50 Lakhs as a termination payment and other Claims amounting to Rs. 270593.93 Lakhs (Refer Note No 65) on the account of O&M cost due to force majeure, Covid claim & demonetization claim to the NHAI. In respect of such claims, NHAI has approached to the stepdown subsidiary company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by the stepdown subsidiary company.

On the basis of the above, the stepdown subsidiary company has transferred the carrying value of intangible asset to the other financial assets (i.e. receivable from the NHAI) and the management is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets which is representing the carrying value of Intangible asset till the date of termination doesn't require any impairment suffered by the stepdown subsidiary company due to NHAI defaults under CA.

SADBHAV ENGINEERING LIMITED

Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31,	As at March 31,
	2022	2021

(iii) Pursuant to the definitive share purchase agreement (SPA) dated 1 July 2019 related to sale of equity share of subsidiaries. Certain assets such as land, investment properties and arbitration claim receivable ('carve out assets') do not form part of the equity consideration and hence, all beneficial rights of the same are retained by the group. Accordingly, the group has accounted such carve out assets as receivable from respective entities in these consolidated financial statement.

(iv) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, Ahmedabad Ring Road Infrastructure Limited (ARRIL), had claimed and recognised revenue of Rs. 410.10 lakhs during the year 2016-17. The claim amount is still receivable from the AUDA.

23	Current Tax Assets (Net)		
	Advance Income Tax	7541.78	35876.80
	Less: Provision for Income Tax	-	21653.86
	Advance Income Tax (Net)	7541.78	14222.94
24	Other Current Assets		
24.1	Advances		
	Advances for goods and Services	10707.32	10962.91
		10707.32	10962.91
	Others		
	(a) Advance Sales Tax, GST & Service Tax	7534.75	5289.64
	(b) Advance to Vendors	4138.68	29211.49
	(c) Contract Assets	144339.12	135509.87
	Less: Provision for Impairment of Contract Assets (Refer Note No. 63)	(69391.76)	-
	(d) Prepaid Expenses	2314.99	2353.32
	(e) Tax Credit Receivables	35345.00	33764.40
	(f) Group Gratuity Fund	141.32	158.55
	(g) Others	616.00	45.90
		125038.10	206333.17
	Total	135745.42	217296.08

25	Equity Share Capital		
(a)	Authorized Share Capital: 20,00,00,000 (20,00,00,000) Equity Shares of Re.1/- each	2000.00	2000.00
(b)	Issued, Subscribed and fully paid 171570800 (171570800) Equity Shares of Re.1/- each with voting rights	1715.71	1715.71
(c)	Reconciliation of Nos. of Equity Shares with voting rights:		
	Outstanding at the beginning and end of the year	(Nos.) 171570800.00	171570800.00
	Addition during the period towards ESOP	(Nos.) -	-
	Outstanding at the end of the Period	(Nos.) 171570800.00	171570800.00
(d)	Rights of Shareholders and Repayment of Capital:		
	(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-		
	(ii) Each holder of equity shares is entitled to one vote per share.		
	(iii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		

(e) Shares with voting rights held by each share holder holding more than 5% Equity shares of the company:-

Name of Share Holder(s)	As at 31.03.2022		As at 31.03.2021	
	No. of shares	%age	No. of shares	%age
Sadbhav Finstock Private Limited	16545275	9.64%	16545275.00	0.10
Shantaben V. Patel	49061199	28.60%	49086135.00	0.29
HDFC Small Cap Fund	15096981	8.80%	15856599.00	0.09

PARTICULARS

As at March 31, 2022, As at March 31, 2021

(f) Shareholding of Promoters

Sr No.	Promoter Name	2021-22		% Change during the year	2020-21		% Change during the year
		No. of Shares	% of total shares		No. of Shares	% of total shares	
1	Shantaben Vishnubhai Patel	49061199	28.60	(0.01)	49086135	28.61	0.00
2	Vikram Rasiklal Patel	4468750	2.60	(0.10)	4638750	2.70	0.00
3	Vasistha Chandulal Patel	3225535	1.88	(0.12)	3426535	2.00	0.00
4	Shashin Vishnubhai Patel	2388866	1.39	(1.86)	5572199	3.25	0.00
5	Bhavna Vikramkumar Patel	437500	0.25	-	437500	0.25	0.00
6	Rekhaben Vasisthakumar Patel	437500	0.25	-	437500	0.25	0.00
7	Patel Girishbhai Nandubhai	0	0.00	(0.03)	50500	0.03	(0.03)
8	Sadbhav Finstock Private Limited	16545275	9.64	-	16545275	9.64	0.00
	Total	76564625	44.63	(2.12)	80194394	46.74	(0.03)

26 Other Equity

(a) Capital reserve			
As per Last Balance Sheet		33104.47	33104.47
Addition/(Deduction) during the year		-	-
	Closing Balance	33104.47	33104.47

Capital reserve includes:

- The excess of net assets taken over the cost of consideration paid at the time of acquisition of subsidiaries was treated as capital reserve.
- The promoter of the company, to whom the company had allotted 6,00,000 warrants on July 31, 2007, did not exercise option to convert the said warrants into equity shares of Rs 345 lakhs of the company before the due date January 31, 2009, and the right has since lapsed. As per the term of issue of warrants, the application money received at the time of subscribing the said warrants has been forfeited and the same has been transferred to the Capital Reserve.

(b) Security Premium			
As per Last Balance Sheet		57134.05	57134.05
	Closing Balance	57134.05	57134.05

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve			
As per Last Balance Sheet		3843.50	4168.90
Addition: Transfer from surplus of statement of profit and loss		-	-
Deduction: Transfer to General Reserve		(2115.04)	(325.40)
	Closing Balance	1728.46	3843.50

The Group has issued redeemable non-convertible debentures. In respect thereof, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the Group to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created to an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve.

As per Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, issued by the Ministry of Corporate Affairs, listed companies are exempt from creation of DRR.

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
(d) General Reserves		
As per Last Balance Sheet	31293.38	30967.98
Transfer from Debenture Redemption Reserve	1893.50	325.40
Closing Balance	33186.88	31293.38

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity and is not an item of other comprehensive income.

(e) Other Comprehensive Income		
As per Last Balance Sheet	216.29	178.30
Addition/(deduction) During the Year	168.41	37.99
Closing Balance	384.70	216.29
(f) Retained Earnings		
As per Last Balance Sheet	17221.53	32799.09
Net Loss/(Profit) for the year	(72370.88)	(15490.73)
Appropriations:-		
Share Issue Expenses	47.06	82.71
Transfer of amount from non-controlling interest	(8002.81)	
Add: Loss of Subsidiary for previous year	-	4.12
Other comprehensive income for the year (net of tax)	(91.80)	
Closing Balance	(47101.80)	17221.53
Total	78436.76	142813.22

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

27 Long Term Borrowings

(a) Bonds/Debentures

(Secured)

Secured redeemable non-convertible debentures

(a) ICICI Prudential Asset Management 675 (1500) debentures of Rs. 10 lakhs each	4500.00	7860.00
(b) Centrum Credit Opportunities Trust 15500 (10000) debentures of Rs. 1 lakh each	10075.00	10000.00
(d) 0 (P.Y. : 1500) debentures of Rs. 10 lakhs each	-	15000.00
(e) 0 (P.Y. : 2000) debentures of Rs. 10 lakhs each	-	20000.00
(f) 19500 Allianz NCD (31 March 2020: Nil) of Rs. 72151 each	14069.50	-
(g) 19500 AMP CAPITAL NCD (31 March 2020: Nil) of Rs. 72151 each	14069.50	-
(h) 8000 Allianz NCD (31 March 2020: Nil) of Rs. 100000 each	8000.00	-
(i) 8000 AMP CAPITAL NCD (31 March 2020: Nil) of Rs. 100000 each	8000.00	-
	58714.00	52860.00
Less Current maturity	-	35000.00
	58714.00	17860.00

27.1 Details of Security and terms of repayment in respect of debentures issued by Parent Company

Details of Securities

NCDs of ICICI Prudential asset management are secured against the following :

- First charge on specific / unencumbered machinery / equipments.
- First charge on 5,88,72,945 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.
- Pledge of 24,40,667 shares of Ahmedabad Ring Road Infrastructure Limited held by SIPL.

NCDs of Centrum credit opportunities trust are secured against the followings:

- Mortgage over certain identified immovable properties of the Company and promoters.
- First charge on 3,81,97,436 shares of Sadbhav Infrastructure Project Limited (SIPL) held by SEL.
- Pledge of 35,00,000 Fully Paid up equity shares of the Company held by specific entity from the promoters group.

Terms of Repayment

NCDs of ICICI Prudential asset management, having yearly coupon rate of 14.75% are repayable in yearly unequated installments till June 2023.

NCDs of Centrum Credit Opportunities Trust, having yearly coupon rate of 11.50% are repayable in unequal quarterly installments till September 2024.

27.2 Details of Security and terms of repayment in respect of debentures issued by Subsidiary Company

Details of Securities

39000 (P.Y. : Nil) Redeemable , Non Convertible debentures (NCD) are secured by:

(i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (the Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the subsidiary company in its step down subsidiary Companies. Pledge of shares of various stepdown subsidiaries are given in table below

16,000 (P.Y. : Nil) Redeemable , Non Convertible debentures (NCD) are secured by:

(i) (i) The Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (the Company); (ii) first ranking charge created by way of hypothecation over the Escrow account and (iii) Pledge over such numbers of Equity shares held by the subsidiary Company in its stepdown subsidiary Companies. Pledge of shares of various subsidiaries are given in table below.

Details of Initially Pledged Securities for both NCDs

Sr. No.	Name of Stepdown subsidiaries companies	No of Shares Initially Pledged	Percent of Initially Pledged Securities	Total No. of shares issued
1	Sadbhav Rudrapur Highway Limited (SRHL)	489940	0.49	1000000.00
2	Sadbhav Nainital Highway Limited (SNHL)	489940	0.49	1000000.00
3	Sadbhav Bhavnagar Highway Limited (SBHL)	9633340	0.49	19660000.00
4	Sadbhav Una Highway Limited (SUHL)	7325440	0.49	14950000.00
5	Sadbhav Bangalore Highway Private Limited (SBGHPL)	15142258	0.49	30902690.00
6	Sadbhav Vidarbha Highway Limited (SVHL)	12641275	0.49	25798550.00
7	Sadbhav Udaipur Highway Limited (SUDHL)	13213280	0.49	26966000.00
8	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	5708485	0.49	11650000.00
9	Sadbhav Kim Expressway Private Limited (SKEPL)	49566801	0.49	101156860.00
10	Rohtak-Panipat Tollway Private Limited (RPTPL)	1071198	0.49	2186445.00
11	Rohtak-Hissar Tollway Private Limited (RHTPL)	5276170	0.49	10768000.00

Details of Subsequent Pledged Securities for both NCDs

Sr. No.	Name of Stepdown subsidiaries companies	Subsequent Pledged Securities	Percent of Subsequent Pledged Securities	Total No. of shares issued
1	Maharashtra Border Check Post Network Limited (MBCPNL)	2250	0.05	50000.00
2	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	4811600	0.46	10460000.00

Terms of Repayment for:

39,000 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	19500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025
Series B	19500	11.50%	48 months from the 1st deemed date of allotment	April 15, 2025

16,000 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	8000	23.00%	63 months from the 1st deemed date of allotment	July 15, 2026
Series B	8000	23.00%	63 months from the 1st deemed date of allotment	July 15, 2026

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
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As on March 31, 2021

Nil (March 31, 2021: 1,500) Redeemable, Non Convertible debentures (NCD) are secured by:

(i) Pledge of 69.53% shareholding of Maharashtra Border Check Post Network Limited representing 34,765 equity shares held by the Subsidiary company and (ii) A first charge over the Designated A/c-Debt Payments and all funds and monies lying therein present & future.

Nil (March 31, 2021: 2,000) Redeemable, Non Convertible debentures (NCD) are secured by:

(i) The Corporate Guarantee by SADBHAV Engineering Limited ('SEL') (the Company); (ii) first ranking charge created by way of hypothecation over the designated account and (iii) first and second ranking exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents. (iv) Pledge of 15% shareholding of Maharashtra Border Check Post Network Limited representing 7,500 equity shares held by the stepdown company and Pledge of 32% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 33,47,200 equity shares held by the stepdown company.

Terms of Repayment for:

The SADBHAV Infrastructure Project Limited (SIPL), the subsidiary company has repaid its dues to debenture holders in full on May 5, 2021

(b) Term Loans

Secured

(i) From Banks:-

Rupee Term Loan	214861.18	499002.24
	214861.18	499002.24
Less Current maturity	15416.90	24113.80
	199444.28	474888.44

Detail of Security*

(ii) From Financial Institutions

Less Current maturity	41276.10	44001.01
	937.60	-

Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and

Total	298496.78	536749.45
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***Details of Security in respect of Term loans from Banks**

(a) Details of Security in respect of Term loan availed by the Parent Company

In case of equipment finance term loan Hypothecation of specific machineries and equipments purchased.

First Charge and Subservient charge on movable fixed asset of the company.

Pledge of 10,53,15,340 Fully Paid up unencumbered, freely transferable equity shares of SIPL held by the Company.

Extension of charge on First Pari-passu Charge by way of Hypothecation on Stocks/ Book Debts/ Work in Progress at Various sites.

Mortgage of some of the immovable properties of the Company as a collateral security.

(b) Details of Security in respect of Term loan availed by the step down subsidiaries

- 1 a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the respective stepdown subsidiary's tangible moveable assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the company including the escrow account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to Debt service reserve ('DSR') and Major maintenance reserve ('MMR') and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
4 a first charge on all intangibles assets of the respective stepdown subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.		
5 a first charge on assignment by way of security in: all the right, title, interest, benefits, claims and demands whatsoever of the respective stepdown subsidiary entity in the Project documents; charge/ assignment on all the intangible assets of the respective stepdown subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective stepdown subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; all the right, title, interest, benefits, claims and demands whatsoever of the respective stepdown subsidiary under all Insurance Contracts.		
6 pledge of equity shares held by the subsidiary and promoters holding in the respective stepdown subsidiary as stipulated in the Loan agreements.		
7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.		

Details in respect of borrowings availed by step down subsidiaries

(i) **MBCPNL**

Term loan include loans amounting to Rs. 109264.60 lakhs as on March 31, 2021 (P.Y. : Rs. 113,840.10 lakhs) taken from a consortium consisting of a banks and finance companies.

Indian rupee term loans from banks & other party:

(a) The Outstanding Principal amounts of the loan to each of the lenders shall be repayable over a period of next 8 years from FY 2022-23 to FY 2030-31.
(b) Term loans carry interest of 10.30% to 10.60% per cent per annum.

(ii) **RPTPL**

Term loan include loans amounting to Rs. nil lakhs as on March 31, 2022 (P.Y.: Rs. 86,300.90 lakhs) taken from a consortium consisting of a banks and finance companies. During the year ended March 31, 2022 Term Loans from banks amounting to Rs. 87849.30 lakhs have been included in Current Borrowings.

Indian rupee term loans from banks & other party:

The principal amounts of the loan to each of the lenders is repayable in 43 structured quarterly instalments on the last day of each quarter, commencing from the expiry of moratorium period i.e. August 31, 2016. The last date of instalment is March 31, 2027.

Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.70% to 17.30% per annum as on March 31, 2022.

Lenders have classified the lending to the subsidiary company as "Non Performing Asset", the subsidiary company is in default of payment of interest & principal from March 2020.

(iii) **RHTPL**

Term loan include loans amounting to Rs. nil lakh as on March 31, 2022 (P.Y. : Rs. 93078.80 lakhs) taken from a consortium consisting of banks. During the year ended March 31, 2022 Term Loans from banks amounting to Rs. 93361.90 lakhs have been included in Current Borrowings.

Indian rupee term loans from banks:

The Principal amounts of the loan is repayable to the lenders in 174 structured monthly installments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs. i.e. July 31, 2017

As at March 31, 2022, term loans carry interest rate plus spread of 10.95% to 14.65% per annum.

Lenders have classified the lending to the subsidiary company as "Non Performing Asset", the subsidiary company is in default of payment of interest & principal from March 2020.

(iv) **SBHL**

Term loan include loans amounting to Rs. 34,733.90 lakhs as on March 31, 2022 (P.Y. : Rs. 32,884.70 lakhs) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the 1st Repayment date (October 31, 2020) on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loan carries average interest rate of 10.60% to 11.30% p.a as on March 31, 2022.

P A R T I C U L A R S	As at March 31, 2022	As at March 31, 2021
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(v) SUHL

Term loan include loans amounting to Rs. 22,726.90 lakhs as on March 31, 2022 (P.Y.: Rs. 20,287.60 lakhs) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the 1st Repayment date (August 31, 2020) on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loan carries average interest rate of 11% to 11.50% p.a as on March 31, 2022.

As per the provision of CLA, after the PCOD, the stepdown subsidiary company has to create Debt Service Reserve Account (DSRA) and keep the balance of 6 Month Interest and 2 Principal Repayment in DSRA.

As the stepdown subsidiary company has received PCOD and there has paid the Interest and Principal in DSRA to cover the Interest due at the end of the year. If the interest is not paid by the subsidiary company, the Bank can utilize the DSRA for payment of interest & Principal. So technically there is no delay in repayment of interest & Principal at the end of the year.

(vi) SRHL

Term loan include loans amounting to Rs. 27,224.50 lakhs as on March 31, 2022 (P.Y. : Rs. 28,979.30 lakhs) taken from consortium of banks.

As per the second amendment agreement to the amended and restated common loan agreement dated 10th January,2021 The Principal Amounts of the Loan to each of the Lenders shall be repayable in 28 structured Bi-Annually instalments, commencing from the July 15, 2020 and last date of Instalment is December 15, 2035.

Term loans carry interest at bank base rate plus spread i.e. 9.50 per cent to 11.25 percent per annum as on March 31, 2022.

(vii) SNHL

Term loan include loans amounting to Rs. 12,797.10 lakhs as on March 31, 2022 (P.Y. : Rs. 15,214.80 lakhs) taken from consortium of banks.

As per the second amendment agreement to the amended and restated common loan agreement dated 23rd July,2021.The Principal Amounts of the Loan to each of the Lenders shall be repayable in 28 structured Bi-Annually instalments, commencing from the July 15, 2020 and last date of Instalment is January 15, 2034.

Term loans carry interest at bank base rate plus spread i.e. 9.50% to 11.25% per cent per annum as on March 31, 2022.

(viii) SBGHPL

Term loan include loans amounting to Rs. 44128.10 lakhs as on March 31, 2021 (P.Y. : Rs. 45,199.20 lakhs) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the Lenders in 28 half yearly structured installments , commencing from the First Repayment date i.e. August 31,2021 on the last day of each Half Year in the amounts equivalent to the percentage of the total amount of loan as per amortisation Schedule in the loan agreement. The stepdown subsidiary company has the option to prepay the loan after the payment of Prepayment Premium. Term loan carries average interest rate of 8.50% to 9.50% p.a. as on March 31,2022.

Details of Delay in Interest and Principal as on March 2022

Due Date	Interest	Principal
January-2022	151.70	-
February-2022	233.50	1331.00
March-2022	394.10	-

(ix) SUDHL

Term loan include loans amounting to Rs. 41,326.30 lakhs as on March 31, 2021 (P.Y. : INR 42,447.10 lakhs) taken from consortium of banks.

The Principal amounts of the Loan is repayable to the lenders in 28 half yearly structured instalments, commencing from the May 31, 2021 on the last day of each half year in the amounts equivalent to the percentage of the total amount of loan as per the amortisation schedule in the loan agreement. Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.10% to 9.20% per annum as on March 31, 2022.

As per the provision of CLA, after the PCOD, the company has to create Debt Service Reserve Account (DSRA) and keep the balance of 6 Month Interest and 2 Principal Repayment in DSRA.

As the stepdown subsidiary company has received PCOD and there has paid the Interest and Principal in DSRA to cover the Interest due at the end of the year. If the interest is not paid by the stepdown subsidiary company, the Bank can utilize the DSRA for payment of interest & Principal. After adjusting the balance lying in escrow accounts as at March 31,2022 i.e. Rs. 1056.60 Lakhs there is no delay in repayment of interest at the end of the year.

PARTICULARS	As at March 31, As at March 31,	
	2022	2021

(x) **SVHL**

Term loan include loans amounting to Rs. 49,500.30 lakhs as on March 31, 2021 (P.Y. : Rs. 42,651.50 lakhs) taken from consortium of banks.

The step down subsidiary company had requested for extension of Schedule Commercial Operation Date (SCOD) to the lender for delay in completion of work for the reasons not attributed to the step down subsidiary company. The lenders have granted extension of SCOD to August 31,2022 with matching deferment of repayment schedule. Accordingly the first repayment date of loan has been deferred to April 2023.

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 27 structured Bi-Annual instalments, commencing from April,2023 and last date of Instalment is April,2036.

The loans carry average interest rate of 9.25 per cent to 9.40 per cent per annum.

Due Date	Interest	Principal
February-2022	115.90	-
March-2022	287.50	-

(xi) **ARRIL**

Term loan include loans amounting to Rs. 3496.10 lakhs as on March 31, 2022 (P.Y. : Rs. 10,674.50 lakhs) taken from a consortium consisting of bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly installments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021. Due to Moratorium on account of Covid-19, as per the revised repayment schedule the said loan shall be repaid by May 31, 2022.

The loans carry average interest rate of 8.60 per cent to 11.70 per cent per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly installments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024. Due to Moratorium on account of Covid-19, as per the revised repayment schedule the said loan shall be repaid by November 30, 2024.

The loans carry average interest rate of 11.60 per cent per annum.

ICICI Bank Car Loan

The ICICI Bank Car Loan is repayable to the lender in 45 structured quarterly installments commencing from June 01, 2021. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by April 01, 2025. The loans carry average interest rate of 7.80 per cent per annum.

(xii) **Debt covenants:**

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. Group has satisfied all the debts covenants prescribed in the terms of respective loan agreements as at reporting date, except in one of the stepdown subsidiary which has not able to meet one of the covenants viz debt service coverage ratio as at the end of the year. As per communication with lender, management believes that this does not have any financial or other implication as regards these consolidated financial statement.

Moratorium:

During the period from March'20 to August'20, the group had availed the moratorium provided by its lenders on certain principal and interest repayments as per the RBI directives vide circular no. RBI/2019-20/186,DOR No. BP.BC.47/21.04.048/2019-20 dated 27th March, 2020.

Note on repayment of borrowing

During year 2021-22, there were delays on some occasions in repayment of dues to lenders on account of resource constraint. The delay in some cases was also on account of technical constraints. The aggregate amount of arrear of dues as on 31st March, 2022 was Rs. 2306.37 lakhs which was subsequently paid and lenders has accepted the same.

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

28 Other Financial Liabilities

(i) Premium Obligation under Concession Agreement	-	66747.10
(ii) Deferred Premium Obligation (*)	-	32639.80
(iii) Interest accrued on premium obligation (*)	-	9569.20
(iv) Interest accrued but not due on Mobilization Advance	3513.90	960.80
Total	3513.90	109916.90

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
* In case of one of the step down subsidiary, RPTPL, Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter company shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. In the current year, the project has been terminated (refer note no 65) and there is no premium obligation payable to NHAI after termination period and accordingly the liability of premium obligation has been written back.		
As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the company is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.		
29 Deferred Tax Assets (Net)		
Deferred Tax Assets (net) (refer note 44)	8948.70	9393.20
Total	8948.70	9393.20
30 Long-Term Provisions		
Gratuity (refer note 49)	72.30	267.50
Periodic Major Maintenance (refer note 53)	-	17156.10
Total	72.30	17423.60
31 Current Borrowings		
Loans repayable on demand		
<u>Secured*</u>		
Working capital facilities from banks	56783.46	60947.41
Working capital facilities from Financial Institution	170101.60	3717.40
Short term loan from financial institutions	11107.70	6807.83
Overdraft	1581.97	2623.61
	239574.73	74096.25
<u>Unsecured</u>		
From Banks	600.00	980.00
From a Director and Promoter	6701.84	436.79
	7301.84	1416.79
Current Maturities of Long term debts		
Non Convertible Debentures	7675.00	69406.10
Foreign Currency Term Loan	-	306.56
Loan from Banks	20236.07	15138.60
Loan from Financial Institutions	2604.27	4364.01
Current maturities of premium obligation to NHAI	-	7462.10
	30515.34	96677.37
Total	277391.91	172190.41
31.1 *Detail of Security		
(a) Hypothecation of stock of construction materials lying at sites, books debts and other receivables		
(b) First charge by way of mortgage of immovable property (Sadbhav House) and immovable property situated at Village Ognaj along with furnitures, fixtures etc. owned by company and All Fixed Assets (Movable & Immovable) of the company which are not hypothecated / Charged to other lenders. Second charge on machineries owned by the company.		
(c) Personal Guarantee of one of the directors and some of the promoters.		
31.2 In case of RHTPL and RPTPL, the accounts have been prepared on non going concern basis as per the accounting policies stated in note no. 2.1 , hence the non current borrowings has been reclassified under current borrowings of Rs. 93361.90 lakhs and Rs. 87849.30 lakhs respectively.		
32 Trade Payables		
(a) Total outstanding due to Micro and Small Enterprises *	1604.50	830.04
(b) Total outstanding due to creditors other than Micro and Small Enterprises	60781.39	88031.41
Total	62385.89	88861.55
Refer to Note No.51 for Related party transactions and outstanding balances		

[*] Disclosure in respect of Micro, Small and Medium Enterprises:

A	Principal amount remaining unpaid to any supplier as at year end	1604.50	830.04
B	Interest due thereon	53.81	-
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D	Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Group.

PARTICULARS

As at March 31, 2022 As at March 31, 2021

As at 31 March 2022

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	227.23	726.66	-	-	953.89
Other	3393.56	3026.50	5856.71	16544.91	5886.69	16160.72	50869.09
Disputed Dues-MSME	-	-	-	650.61	-	-	650.61
Disputed Dues-Others	-	-	1511.43	1415.69	6365.89	619.29	9912.30
Total	3393.56	3026.50	7595.369	19337.87	12252.58	16780.01	62385.89

As at 31 March 2021

Particulars	Unbilled Dues	Not Due	Outstanding from due date of payment *				Total
			<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	830.04	-	-	-	830.04
Other	2036.37	3243.70	17397.95	26464.65	21571.09	5375.59	76089.35
Disputed Dues-MSME	-	-	-	-	-	-	-
Disputed Dues-Others	-	-	3167.56	7291.19	1200.11	283.30	11942.16
Total	2036.37	3243.70	21395.55	33755.84	22771.2	5658.89	88861.55

* Due date of payment is the date of transaction

33 Other Financial Liabilities

Interest Accrued but not due on Loans	13151.23	19176.25
Interest Accrued and due on Loans	36295.56	15415.22
Interest accrued and due on NHAI premium obligation / Mobilization advance	13486.40	4385.50
Unclaimed Dividend (Refer Note No. 33.1)	1.75	3.64
Security Deposit and Retention Money	24422.14	21943.70
Employee Emoluments Payable	524.69	809.16
Others Payable	-	243.60
Payable towards capital expenditure	5880.10	6082.20
Other Financial Liability	2876.70	-
Current maturities of premium obligation to NHAI	39825.50	-
Total	136464.07	68059.27

33.1 There are no amounts due to be transferred to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as on March 31, 2022 (As on March 31, 2021 - Rs. Nil)

33.2 In case of one of the stepdown subsidiary, RPPTL, Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter stepdown company shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. In the current year, the project has been terminated (refer note no 65) and there is no premium obligation payable to NHAI after termination period and accordingly the liability of premium obligation has been written back.

As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the stepdown company is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.

34 Other Current Liabilities

Sundry Creditors for Capital Goods	716.46	332.89
Statutory Dues	4636.09	8910.83
Advances Received from Clients	4861.61	33073.48
Contract liabilities	25741.02	2185.70
Other Payables	7253.04	3304.08
Total	43208.22	47806.98

35 Short-Term Provisions

(a) Provision for Employee Benefits (refer note 49)	155.20	137.80
(b) Provision for incomplete Work	3353.50	199.10
Total	3508.70	336.90

36 Current Tax Liabilities (Net)

Provision for Income Tax (Net of Advance tax & TDS)	1199.29	1028.80
Total	1199.29	1028.80

(Rs. In Lakhs)

P A R T I C U L A R S	For the year ended March 31, 2022	For the year ended March 31, 2021
37 Revenue from Operations		
EPC & Other Contract Income (Refer Note No 50)	150752.22	189294.39
Revenue from Toll Collection, User fees and Annuity Income	38952.50	34154.08
Other Operating Income*	1065.38	879.33
Total	190770.10	224327.80
* Other Operating Income includes:		
Sale of Electricity	0.00	353.51
Other Construction Income	0.00	11.41
Sale of Scrap	791.58	80.77
Advertisement Income	263.60	201.10
Advisory and Project Management Fees	10.20	232.54
Total	1065.38	879.33
38 Other Income		
(a) Net Gain or Loss on financial assets measured at FVTPL		
Income on change in fair valuation of financial instruments	0.00	340.35
Profit on sale of Investments/ units of Mutual Funds (Net)	76.30	23.50
(b) Interest Income on:		
Investments	1006.00	764.30
Income Tax Refund	3039.13	106.40
Deposits with banks	1324.28	649.07
Financial asset carried at amortised cost	28468.10	0.00
Non - Current Investments	0.00	75.25
Other	1576.20	1524.10
(c) Other Income		
Financial asset carried at amortised cost	0.00	30161.60
Liabilities no longer required written back*	55360.50	84.30
Insurance Claim Received	0.00	1.30
Dividend Income	102.40	29.70
Gain on foreign currency transaction	26.60	0.00
Others	87.72	28.30
(d) Miscellaneous Income	936.65	1612.06
Total	92003.88	35400.23
*In the view of the termination of the RHTPL project, there is no major maintenance obligation and pending works completion on the stepdown subsidiary company RHTPL and accordingly the provision of major maintenance & pending work completion has been written back.		
*In the view of the termination of the RPTPL project, there is no obligation for NHAI premium on the stepdown subsidiary company RPTPL and accordingly the provision of Unwinding of discount on NHAI premium written back.		
39 Cost of Material Consumed		
Opening Stock	11789.29	12046.39
Add Purchase	18352.16	34012.80
	30141.45	46059.19
Less Closing Stock of Material	9128.10	11789.29
Total	21013.36	34269.90
40 Construction , Toll Plaza & Road Maintenance Expenses		
Labour Expenses	55636.56	56446.83
Construction Expenses	35070.40	11976.10
Power & Fuel	7440.29	18499.82
Stores Consumed	623.54	1621.87
Repairs & Maintenances-Construction Machineries	413.01	1463.44
Transportation Expenses	1440.74	3385.91
Machinery Rent	1413.15	5442.93
Periodic Major Maintenance (refer note 53)	0.00	1993.10
Security Expenses	1728.90	1351.80
Land & Godown Rent	614.15	494.15
Site Establishment Expenses	190.99	437.54
Mess Expenses	477.36	736.49
Other Expenses	354.50	1249.20
Total	105403.59	105099.18

Sadbhav Engineering Limited
Notes forming Part of the consolidated financial statements

(Rs. In Lakhs)

P A R T I C U L A R S	For the year ended March 31, 2022	For the year ended March 31, 2021
41 Employee Benefits Expense		
Salary & Wages	10434.33	13847.34
Contribution to PF and Other Funds	549.61	920.28
Group Gratuity Fund Expenses	102.93	88.43
Staff Welfare Expenses	221.50	407.62
Total	11308.37	15263.67
42 Finance Cost		
a Interest Expenses on Financial liabilities measured at Amortised Cost		
On Borrowings	91096.90	80648.48
Deferred premium obligation	3015.70	2633.00
Others	20.20	2139.90
Interest Expense on Mobilization Advance	1418.40	0.00
Bank Charges and other finance cost	0.00	1673.40
Amortisation of Processing Fees	0.00	406.00
b Unwinding of Discount on		
Provision of major maintenance	295.60	1635.60
Premium Obligation	0.00	6729.60
Interest free loan	439.23	0.00
c Interest On Taxes	334.55	399.21
d Other Borrowing Costs	922.01	4079.85
Total	97542.59	100345.04
43 Other Expenses		
Rent (Expense Related to Short term Leases)	50.77	59.96
Rates & Taxes	744.72	787.88
Repairs & Maintenances to assets	0.00	122.40
Other Assets	33.30	0.00
Insurance Premium	1256.47	1138.31
Directors Sitting Fees	14.90	9.10
Legal & Consultation Fees & Expenses	3961.46	5216.83
Corporate Social Responsibility Expenses	404.91	516.76
Donation	24.28	10.66
Cash Collection Charges	18.20	117.00
Provision for Impairment of Contract Asset (Refer note no. 63)	69391.76	0.00
Impairment of Intangible Asset (Refer note no. 63)	9097.80	0.00
Auditors Remuneration	136.20	120.30
Communication Expenses	11.60	0.00
Miscellaneous Expenses	2649.66	1783.00
Total	87796.03	9882.20
43.1 Payment to Auditors		
(i) For Audit	103.10	97.40
(ii) For Tax Audit	0.00	1.20
(iii) For Certification Works	33.10	21.70
Total	136.20	120.30
43.2 Details of Corporate social responsibility expenditure		

As per Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) committee has been formed by the Company. The Company is liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013. Accordingly, it has incurred expenses of Rs 404.91 Lakhs (Rs. 516.76 Lakhs) on the activities which are specified in Schedule VII to the Companies Act, 2013.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : Rs. 388.17 Lakhs (Rs. 458.50 Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(i) Amount required to be spent by the company during the year	388.17	458.50
(ii) Amount of expenditure incurred	404.91	458.50
(iii) Shortfall at the end of the year		
(iv) Total of previous years shortfall		57.70
Total amount contributed during the year	404.91	516.20
(v) Reason for shortfall	N.A.	N.A.
(vi) Nature of CSR activities	Rural/Societal Development Projects	Rural/Societal Development Projects

44 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2022 and March 31, 2021 are as under

(a) Profit and Loss Section

Particulars	March 31, 2022	March 31, 2021
Current tax		
Current tax charges	992.40	678.60
Total (A)	992.40	678.60
Deferred tax		
Deferred tax charge	925.15	930.09
Total deferred income tax expense	Total (B)	930.09
Adjustments in respect of current tax of earlier years	(2,572.95)	(1,750.91)
Total income tax expense recognised in the Statement of Profit and Loss	Total (D=A+B+C)	(655.40)

(b) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2022 :

Particulars	Opening balance as at April 1, 2021	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 57)	Closing balance as at March 31, 2022
	(A)	(B)	(C)	(E=A+B-C)
Deferred Tax Liability				
Impact on liability component of Compound instruments	(767.50)	135.30		(632.20)
Impact of fair valuation of financial instruments	288.50	(19,026.90)	(1,312.10)	(17,426.30)
Accelerated depreciation for tax purpose	10.00	(2.00)	(2.40)	10.40
Expenditure allowed on payment basis	(18,846.40)	13,695.30	(724.60)	(4,426.50)
Expenditure allowed over the period	5,027.10	(1,593.50)	6,144.40	(2,710.80)
Income tax allowable on actual receipt basis	(5,698.40)	4,156.50		(1,541.90)
Unused tax losses available for offsetting against future taxable income	10,593.40	5,195.70	(2,315.90)	18,105.00
Temporary Differences on account of Non taxable Items		(326.40)		(326.40)
	(9,393.30)	2,234.00	1,789.40	(8,948.70)
Deferred Tax Assets				
Tax credit entitlement under MAT	10,330.98	(3,793.93)		6,537.05
Investment in SIPL - Sub Debt	1,046.58	(184.53)		862.05
Provision for Gratuity	(73.73)	(21.90)		(95.63)
Leave	38.26	(30.79)		7.47
Derivative Deals- option & currency Swap	(3.43)	3.43		(0.00)
Property, Plant & Equipment	2,040.77	868.57		2,909.45
	13,379.42	(3,159.15)	-	10,220.38
Total	3,986.12	(925.15)	1,789.40	1,271.68

Particulars	Opening balance as at April 1, 2020	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 57)	Closing balance as at March 31, 2021
	(A)	(B)	(C)	(E=A+B-C)
Deferred Tax Liability				
Impact on liability component of Compound instruments	(889.40)	121.90		(767.50)
Impact of fair valuation of financial instruments	(5,602.10)	7,203.90	1,313.30	288.50
Accelerated depreciation for tax purpose	14.80	(2.40)	2.40	10.00
Expenditure allowed on payment basis	(20,020.20)	270.50	(903.30)	(18,846.40)
Expenditure allowed over the period	9,070.30	(4,043.20)	-	5,027.10
Income tax allowable on actual receipt basis	(5,698.40)	-		(5,698.40)
Unused tax losses available for offsetting against future taxable income	15,445.60	(6,541.30)	(1,689.10)	10,593.40
	(7,679.40)	(2,990.60)	(1,276.70)	(9,393.30)
Deferred Tax Assets				
Tax credit entitlement under MAT	10,549.00	(218.20)		10,330.80
Investment in SIPL - Sub Debt	1,212.81	(166.23)		1,046.58
Provision for Gratuity	(105.70)	31.97		(73.73)
Leave		38.26		38.26
Derivative Deals- option & currency Swap	152.70	(156.13)		(3.43)
Property, Plant & Equipment	(490.18)	2,530.84		2,040.77
	11,318.63	2,060.51	-	13,379.24
Total	3,639.23	(930.09)	(1,276.70)	3,985.94

Reconciliation of Deferred tax	As at 31.03.2022	As at 31.03.2021
Deferred tax asset (net)	3,683.23	3,048.16
Deferred tax liability (net)	(8,948.70)	(9,393.20)
MAT	6,537.05	10,330.98
	1,271.58	3,985.94

- (d) Certain step down subsidiary companies have carry forward business losses aggregating Rs 2,07,416.70 lakhs (P.Y. : Rs. 2,07,383.30 lakhs) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of eight years of the respective year from the date of origin.
- (e) Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, which has arisen in subsidiaries that have been loss-making for some time, and there are no reasonable certainty supported by convincing evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by Rs. 64,704.40 lakhs (P.Y. :Rs. 44,310.30 lakhs).
- (f) The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

45 Disclosure of Financial Instruments by Category

Particulars	Note no.	March 31, 2022				March 31, 2021			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial asset									
Receivable under Service concession arrangements	11 & 21	-	-	3,69,301.40	-	-	3,42,224.50	-	-
Investments	8 & 16	17,591.80	55.54	16.78	-	71,887.10	55.54	314.78	-
Trade Receivables	9 & 17	-	-	45,546.46	-	-	-	36,185.46	-
Loans	10 & 20	-	-	3,296.55	-	-	-	5,669.36	-
Cash and cash equivalents	18	-	-	15,676.29	-	-	-	10,746.54	-
Other bank balances	19	-	-	5,564.60	-	-	-	499.79	-
Other financial assets	12 & 22	-	-	2,83,602.82	-	-	-	50,149.61	-
Total Financial Asset		17,591.80	55.54	7,23,004.90	-	71,887.10	55.54	4,45,790.04	-
Financial liability									
Non Current Borrowing	27	-	-	3,29,012.12	-	-	-	6,33,426.82	-
Current Borrowing	31	-	-	2,77,391.91	-	-	-	1,72,190.41	-
Trade Payables	32	-	-	62,385.89	-	-	-	88,861.45	-
Other Financial liabilities	28 & 34	-	-	1,39,977.97	-	-	-	1,77,976.17	-
Total Financial Liabilities		-	-	8,08,767.89	-	-	-	10,72,454.85	-

46 Fair value disclosures for financial assets and financial liabilities

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

Particular	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investments in Mutual Fund	-	-	706.40	706.40
Investments in units of Indinfravit Trust	17,591.80	17,591.80	71,887.10	71,887.10
Total Financial Assets	17,591.80	17,591.80	72,593.50	72,593.50
Financial liability				
Redeemable, Non Convertible Debentures	58,714.00	58,714.00	52,860.00	53,067.70
Premium Obligation under Concession Agreement	39,825.50	39,825.50	74,209.20	76,043.70
Total Financial Liabilities	98,539.50	98,539.50	1,27,069.20	1,29,111.40

- (i) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- (ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- (iii) The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- (iv) The carrying value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

47 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2022 and March 31, 2021

Assets measured at fair value	Note No.	March 31, 2022	
		Quoted Price in active market Level - 1	Significant observable Inputs Level - 2
Fair value through profit & loss			
Investment in Mutual Fund	16	0.00	
Investments in units of Indinfravit Trust	8	17,591.80	
Receivables under derivative contract	12		0.00
Fair value through OCI			
Investments in Equity Instruments of other Entities	8		55.54
Liabilities measured at fair value			
Assets for which fair values are disclosed			
Redeemable, Non Convertible Debentures	27 & 34		58,714.00
Premium Obligation under Concession Agreement	28		39,825.50

Assets measured at fair value	Note No.	March 31, 2021	
		Quoted Price in active market Level - 1	Significant observable Inputs Level - 2
Fair value through profit & loss			
Investment in Mutual Fund	16	706.40	
Investments in units of Indinfravit Trust	8	71,887.10	
Receivables under derivative contract			9.82
Fair value through OCI			
Investments in Equity Instruments of other Entities	8		55.54
Liabilities measured at fair value			
Assets for which fair values are disclosed			
Redeemable, Non Convertible Debentures	27 & 34		53,067.70
Premium Obligation under Concession Agreement	28		76,043.70

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between level 1 and level 2 during the years.

48 Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Nominal Value of Equity Share (Re per share)	1.00	1.00
For Basic EPS:		
Number of Equity Shares at the beginning of the year	17,15,70,800	17,15,70,800
Number of Equity Shares at year end	17,15,70,800	17,15,70,800
Weighted Average number of Equity Shares	17,15,70,800	17,15,70,800
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	17,15,70,800	17,15,70,800
Weighted Average number of Dilutive Equity Shares	17,15,70,800	17,15,70,800

Basic and Diluted Earning / (Loss) per share

Net Profit / (Loss) Profit after Tax	(72,370.18)	(15,490.76)
Weighted Average number of Equity Shares	#REF!	#REF!
Basic and Diluted Earning / (Loss) per share(Rs.)	(42.18)	(9.03)

49 Employee Benefits

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:

49.1 Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	March 31, 2022	March 31, 2021
Contribution to Provident Funds	520.14	883.05
Contribution to ESIC	28.87	35.43
Other funds	0.60	1.80
Total	549.61	920.28

49.2 Information about the characteristics of its defined benefit plans - Gratuity benefit plan.

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

49.3 The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustees' duty to look after assets on behalf of employees who are entitled to benefit from those assets at some future date. Investment of assets of fund is key responsibility of the trustees. The trustees must review investment performance regularly.

49.4 Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

49.5 Reconciliation of defined benefit obligations

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligations as at beginning of the year	1,209.04	1,119.85
Current service cost	211.99	236.95
Interest cost	49.52	46.36
Actuarial Loss/(Gain) due to change in financial assumptions	(114.31)	(2.80)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	(152.11)	(45.46)
Benefits Paid	(143.52)	(145.86)
	1,060.61	1,209.04
Defined benefit obligation pertaining to asset held for sale (refer note 57)	(55.80)	(48.90)
Defined benefit obligations as at end of the year	1,004.81	1,160.14

49.6 Reconciliation of Plan Asset

Particulars	As at March 31, 2022	As at March 31, 2021
Plan Asset as at beginning of the year	1,060.84	1,126.64
Expenses deducted from the fund	-	-
Interest Income	67.66	70.63
Return on plan assets excluding amounts included in interest income	(0.61)	(10.27)
Contributions by employer	-	-
Benefits paid	(142.42)	(126.16)
Plan Asset as at end of the year	985.47	1,060.84

49.7 Reconciliation of the Effect of Asset ceiling

Particulars	As at March 31, 2022	As at March 31, 2021
Asset ceiling as at beginning of the year	-	-
Interest on opening value of asset ceiling	-	-
Loss/ (Gain) on asset due to surplus/deficit	-	-
Asset ceiling as at end of the year	-	-

49.8 Net amount Charged to Statement of Profit and Loss for the period

Particulars	2021-22	2020-21
Current service cost	188.69	218.15
Past Service cost and Loss/(gain) on curtailments and Settlement	-	-
Net Interest cost	5.16	(5.46)
Net amount recognized	193.85	212.69

Other Comprehensive income for the period

Particulars	2021-22	2020-21
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(25.41)	2.20
Due to change in demographic assumption	-	-
Due to experience adjustments	(241.01)	(50.46)
Return on plan assets excluding amounts included in interest income	(0.29)	10.27
Amounts recognized in Other Comprehensive Income	(266.71)	(37.99)

49.9 Break up of Plan Assets

Particulars	2021-22	2020-21
Insurance Policy	100%	100%

49.10 Actuarial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	6.70%	6.25% to 6.50 %
Salary Growth Rate	4% to 6%	4% to 6%
Withdrawal Rate	15% to 25% at younger ages reducing to 3% to 5% at older ages	15% to 25% at younger ages reducing to 3% to 5% at older ages

49.11 Sensitivity Analysis of parent company for Actuarial Assumption

As at 31.03.2022	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(16.97)	-2.39%	17.84	2.51%
Salary Growth Rate	0.50%	0.50%	16.86	2.37%	(16.26)	-2.29%
Withdrawal Rate	0.50%	0.50%	2.47	0.35%	(3.09)	-0.43%

As at 31.03.2021	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount Rate	0.50%	0.50%	(22.90)	-2.70%	24.11	2.84%
Salary Growth Rate	0.50%	0.50%	23.02	2.71%	(22.28)	-2.62%
Withdrawal Rate	0.50%	0.50%	(0.90)	-0.11%	(0.01)	0.00%

Sensitivity Analysis of subsidiary & step down subsidiary company for Actuarial Assumption				
As at 31.03.2022	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase %	Decrease %	Increase in Assumptions Rs. in Lakhs	Decrease in Assumptions Rs. in Lakhs
Discount Rate	0.50%	0.50%	(12.50)	13.30
Salary Growth Rate	0.50%	0.50%	12.90	(12.10)
Withdrawal Rate	0.00%	0.00%	-	-
Attrition Rate	10.00%	10.00%	2.60	(6.70)

As at 31.03.2021	Change in Assumptions		Impact on Defined Benefit Obligation	
	Increase %	Decrease %	Increase in Assumptions Rs. in Lakhs	Decrease in Assumptions Rs. in Lakhs
Discount Rate	0.50%	0.50%	(10.80)	11.60
Salary Growth Rate	0.50%	0.50%	11.00	(10.40)
Withdrawal Rate	0.50%	0.50%	(1.00)	1.10

Limitation of method used for sensitivity analysis :

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

49.12 Details of Asset- Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

49.13 Expected contribution to the plan for the next annual reporting period

Particulars	2021-22	2020-21
Expected contribution to the plan	96.06	158.63
Total	96.06	158.63

49.14 Maturity Profile of the Defined Benefit Obligation of Holding Company

As at March 31, 2022	Rs. in Lakhs	%
2023	141.32	12.40%
2024	93.78	9.10%
2025	77.62	7.50%
2026	90.91	8.80%
2027	82.85	8.10%
2028 - 2032	298.01	29.00%

As at March 31, 2021	Rs. in Lakhs	%
2022	112.98	9.00%
2023	107.80	8.60%
2024	108.12	8.60%
2025	100.10	7.90%
2026	104.10	8.30%
2027 - 2031	385.81	30.60%

49.15 Maturity Profile of the Defined Benefit Obligation of Subsidiary and step-down subsidiaries

As at March 31, 2022	Rs. in Lakhs
2023	24.70
2024	10.10
2025	7.50
2026	9.10
2027	40.80
2028 - 2032	47.80

As at March 31, 2021	Rs. in Lakhs
2022	49.00
2023	30.00
2024	32.90
2025	28.60
2026	28.50
2027 - 2031	165.50

50 Revenue from contract with customers

50.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of service rendered

Revenue from construction services
Revenue from operation and maintenances and project management services

Total revenue from contracts with customers

Place of service rendered

India

Total revenue from contracts with customers

Timing of revenue recognition

Services transferred over time

Total revenue from contracts with customers

	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Revenue from construction services	1,50,752.22	1,89,294.39
Revenue from operation and maintenances and project management services	38,952.50	34,154.08
Total revenue from contracts with customers	1,89,704.72	2,23,448.47
Place of service rendered		
India	1,89,704.72	2,23,448.47
Total revenue from contracts with customers	1,89,704.72	2,23,448.47
Timing of revenue recognition		
Services transferred over time	1,89,704.72	2,23,448.47
Total revenue from contracts with customers	1,89,704.72	2,23,448.47

50.2 Contract balances

Contract assets (Unbilled revenue)
Contract liabilities including advances from customers

	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Contract assets (Unbilled revenue)	74,947.36	1,35,509.87
Contract liabilities including advances from customers	30,602.63	35,259.18

Contract assets are initially recognised for revenue earned from the construction services render to the customer. Upon completion of work, the contract assets are classified as trade receivable.

50.3 Performance obligation

Information about the company's performance obligations are summarised below:

a Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

b Toll and Checkpost operation services

The performance obligation is satisfied over time as each toll road-user simultaneously receives and consumes the benefits provided by the Group. Given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Group recognises toll revenue when it collects the tolls.

c Operation and maintenances and project management

There are contract with step down subsidiaries entities by sadbhav infrastructure projects limited, a subsidiary company for operation & maintenances and project management services. The performance obligation is satisfied over-time and payment is generally due on completion of services i.e. monthly basis.

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

	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Within one year	2,12,968.60	2,40,766.10
More than one year	1,46,329.40	3,62,543.40

50.4 Reconciliation of the amount of revenue recorded in consolidated statement of Profit and loss is not required as there are no adjustments to the contracted price.

51 List of Related Parties

(a) Related Party with whom Control Exists

Joint Ventures:

SEL-GKC JV,
Sadbhav-Annapurna,
Sadbhav-Vishnushiva,
Sadbhav Engineering Ltd Vaishnovi Construction,

Corsan Corviam Construction SA – Sadbhav,
SEL-PIPL, PBA-Sadbhav,
SEL-SPSCPL Joint Venture

(b) Key Management Personnel (KMP):

Shri Shashinbhai V. Patel, Non-Executive Vice Chairman
Shri Nitin R. Patel, Executive Director and Chief Financial Officer;
Shri Tarang M. Desai, Non-Executive – Independent Director;
Shri Atul Ruparel, (Non Executive- Independent Director upto May 25, 2020)
Shri Niketan Patel, (w.e.f. June 11, 2020)
Shri Rajkumar Dhoot, Director (upto July 05, 2021)
Shri Girish Patel, Director
Shri Varun Mehta, Chief Financial Officer (upto October 16, 2020)
Shri Foram Parikh, Company Secretary (upto August 31, 2021)

Shri Arun S. Patel, Non-Executive – Independent Director;
Shri Sandip V Patel, Non-Executive – Independent Director;
Shri Vasistha C. Patel, Chief Executive Officer
Shri Ravi Kapoor, Director
Shri Mahendrasinh Chavda (w.e.f Decemeber 18, 2020)
Shri Vikas Birla, Director (upto September 09, 2021)
Shri Kalpesh Shah, Director
Shri Jatin Thakkar, Director (w.e.f September 08, 2021)
Shri Shailesh Koshti, Company Secretary (upto January 09, 2022)

(b) **Key Management Personnel (KMP):**

Shri Rahul Sheth , Company Secretary

Shri Manish Pandya, Manager

Smt. Anjali Nirav Choksi- Independent Director; (w.e.f. August 10, 2021)

Smt. Purvi S Parikh, Non Executive - Independent Director upto May 05, 2021

Smt. Daksha N. Shah, Independent Director of Sadbhav Infrastructure Project Ltd. (a Subsidiary Company)

Shri Hardik Modi, Company Secretary and Compliance Officer (w.e.f. March 04, 2021)

Shri Tushar D Shah, (Company Secretary and Compliance Officer upto March 01, 2021)

Shri. Varun M. Mehta, Chief Financial Officer (up to 16-10-2020) of Sadbhav Infrastructure Project Ltd. (a Subsidiary Company)

Shri. Pradip Agarwal, Chief Financial Officer (w.e.f. 10-11-2020) of Sadbhav Infrastructure Project Ltd. (a Subsidiary Company)

Shri Jayesh Bhavsar, Company Secretary (w.e.f. March 01, 2022)

Shri Hitesh Chelani, Chief Financial Officer

Smt. Radhika Raninga, Company Secretary

Smt. Dhrupa Thakkar (upto August 31, 2021)

(c) **Entities in which KMP / relatives of KMP can exercise significant influence**

Sadbhav Finstock Pvt. Ltd. *

Ennar Infra Solutions LLP

Sadbhav Realty Pvt. Ltd. *

Sadbhav Quarry Works Pvt. Ltd.

* No transactions during the year

(Rs. in Lakhs)

Transactions	Joint Venture	Key Management Personnel (KMP)	Relative of KMP and Enterprises over which KMP/ Relatives of KMP having significant influence	TOTAL
Transactions with Related Parties				
Sub contracting Income	1,059.05			1,059.05
	(2,184.44)			(2,184.44)
Providing of services	0.60			0.60
	(0.60)			(0.60)
Sub contracting Expenditure			19.63	19.63
			(31.77)	(31.77)
Remuneration Expenses		433.06		433.06
		(406.05)		(406.05)
Services Received			6.00	6.00
			(4.50)	(4.50)
Director Sitting Fees		14.50		14.50
		(9.75)		(9.75)
Unsecured Loan Given			2,832.98	2,832.98
				-
Expenses incurred on behalf and recovered			0.08	0.08
				-
Unsecured Loan Received		16,939.55		16,939.55
		(436.79)		(436.79)
Unsecured Loan Repaid		5,700.10		5,700.10
				-
Unsecured Loan received back			1,500.75	1,500.75
				-
Mobilization/Material/Machinery Advance Received	218.20			218.20
	-			-
Mobilization/Material/Machinery Advance Repaid	148.00			148.00
	(0.11)			(0.11)
Security Deposit/Retention Money Deducted by Clients	171.38			171.38
	(418.14)			(418.14)
Security Deposit/Retention Money Released by Clients	522.30			522.30
	(675.05)			(675.05)
Security Deposit/Retention Money Deducted from Sub-contractors			0.49	0.49
			(0.79)	(0.79)
Security Deposit/Retention Money Paid from Sub-contractors			1.28	1.28
				-
Outstanding Balance				
Trade receivable	2,443.29			2,443.29
	(3,731.50)			(3,731.50)
Trade Payable		44.64	4.32	48.96
		-	(38.34)	(38.34)
Unsecured Loan Given			1,025.72	1,025.72
			(2,526.39)	(2,526.39)
Mobilization/Material/Machinery Advance Received	70.19			70.19
	-			-
Security Deposit/Retention Money Deducted by Clients	9,414.21			9,414.21
	(9,765.13)			(9,765.13)
Security Deposit/Retention Money Deducted from Sub-contractors				-
			(0.79)	(0.79)
Unsecured Loan Received		11,676.24		11,676.24
		(436.79)		(436.79)

NOTES:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Remuneration expenses includes Rs. 84.00 lakhs (Rs 84.00 lakhs) paid to Nitin R. Patel, Executive Director & CFO of the company , Rs. 18.95 lakhs (Rs. 1.10 lakhs) paid to Hardik Modi, Company Secretary and Compliance Officer.

52 Contingent Liabilities and commitments

A Contingent Liabilities - In respect of Parent Company	March 31, 2022	March 31, 2021
	(Rs. in Lakhs)	(Rs. in Lakhs)
a Income tax matters in dispute	15113.97	4850.02
b Service tax matters in dispute	612.34	612.34
c Value added tax matters in dispute	414.36	414.36
d Customs duty matters in dispute	237.89	237.89
e Goods and Service tax	609.03	0
f Claims against the company not acknowledged as debt		
(i) Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (March 31, 2020: Rs. 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (March 31, 2020: Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.020 Lakhs (March 31, 2020: Rs. 21.20 Lakhs). The matter is pending before the high Court, Nagpur		
(ii) A case before Workmen Compensation Commissioner, Udaipur was filed for compensation of Rs. 11.69 Lakhs (P.Y. : Rs. 11.69 Lakhs) under Employees Compensation Act, 1923. The matter is currently pending.		
(iii) A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (March 31, 2020 : Rs. 3.63 Lakhs). the company has filled appeal before the High court of Gujarat. The matter is currently pending.		
(iv) Company has moved to Nagpur High Court for release of penalty amount Rs. 113.45 Lakhs (P.Y. : Rs. 113.45 Lakhs) against the services provided at Junad Mines of WCL. The case is pending.		
(v) Retention of 226 workers at UCIL Site. SEL have received 3 legal notices from Ministry of Labour and Employment, out of which one Notice is from deputy labour commissioner and two Notices are from Asst. labour commissioner regarding Non implementation of award by tribunal cum labour court Dhanbad. The Labour Court, dhanbad has given the order in favour of the workers. The company has filled the appeal in Jharkhand High court at Ranchi. The Matter is pending.		
(vi) The Directorate of Revenue Intelligence, Lucknow issued a show cause notice to SEL on dated 22/11/2017, seeking reasons for not demanding Rs. 187.89 Lakhs with respect to the customs duty on importing Electronic Sensor paver Finisher, which was valued at Rs. 726.77 Lakhs by SEL. The DRI contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 12 / 2012, pertaining to exemption from payment of custom duty. Company has filed an appeal before the Commissioner of Customs Customs Commninsinerate - II against the above aforesaid showcause notice and Commissioner had passed order and confirmed the demand and also impose penalty of Rs. 50.00 lakhs. Company has filed appeal before Customs, Excise & Service Tax Appellate Tribunal, Chennai. The matter is pending.		
(vii) Siddharth Infraprojects Private Limited (the "Claimant") has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of Rs. 8160.00 Lakhs (P.Y. : Rs. 8160.00 Lakhs) on account of, inter alia: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilized tools, plants and machineries. SEL has been submitted its statement of defense before the Arbitral Tribunal. The aggregate amount involved is Rs. 8160 Lakhs (P.Y. : Rs. 8160.00 Lakhs). The matter is currently pending.		
g Guarantees		
Company has given corporate guarantee to banks for Rs. 134033.09 Lakhs (P.Y. Rs. 128360.27 Lakhs) against the finance facility given by the banks to stepdown subsidiary companies		
B Contingent Liabilities - In respect of Subsidiary and Stepdown Subsidiary Companies	March 31, 2022	March 31, 2021
	(Rs. in Lakhs)	(Rs. in Lakhs)
Income tax demand (refer note (i) below)	137.30	137.30
Claim filed by National Highway Authorities of India (NHAI) (refer note (ii) below)	2,034.50	2,034.50
	2,171.80	2,171.80
(i) The income tax demand is pertaining to Rohtak Panipat Tollway Private Limited ('RPTPL') on account of disallowance in computation of income claimed by the step down subsidiary under the Income tax Act, 1961. The step down subsidiary is contesting the demand and management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.		
(ii) NHAI has lodged claim against Rohtak Panipat Tollway Private Limited ('RPTPL') for non-achievement of minimum Finished Road Level (FRL) of Rs. 2034.50 lakhs including interest in arbitration. During the year, two arbitrators has declared award in favour of NHAI which has been dissented by one arbitrator. Since the award was not unanimous, the matter has been referred to Hon'ble High Court of Delhi by the RPTPL under Section 34 of Arbitration and Conciliation Act, 1996. Currently, the matter is pending with Hon'ble High Court of Delhi.		

C Capital & other Commitments

The followings are the estimated amount of contractual commitments of the Group:-

Particulars	March 31, 2022	March 31, 2021
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	6263.12	46518.20
(ii) Capital Commitments	125421.52	211353.12
(iii) EPC Sub-contract & Operation & Maintenance commitments	41746.00	4806.40
(iv) Other Commitments	5381.62	5138.91

The BOT/HAM projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the step down subsidiary companies from the lender, the Group has executed agreements with respective lenders whereby the Group has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary and step down subsidiary companies, details of which are as follows:

Name of subsidiary & step down Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	As at March 31, 2022	As at March 31, 2021
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%*	30.00%	30.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	30.11%	30.11%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Una Highway Limited	51.00%	30.00%	51.00%	51.00%
Sadbhav Udaipur Highway Limited	51.00%	30.00%	51.00%	31.66%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Bhavnagar Highway Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Limited	51.00%	26.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	51.00%
Sadbhav Kim Expressway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Gadag Highway Private Limited	100.00%	51.00%	99.88%	99.88%
Sadbhav Naimital Highway Limited	51.00%	26.00%	51.00%	51.00%

* In case of ARRL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

53 Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount at the beginning of the year	19,986.80	19,060.00
Add: Additional provision made during the year	3,057.30	1,993.10
Add: increase during the Year in the discounted amount due to passage of time	295.60	1,635.60
Less: Amounts used (i.e. incurred and charged against the provision) during the year	(2,830.90)	(2,701.90)
Less: Unused amounts reversed during the year	(17,156.30)	-
Less: Pertaining to sold subsidiaries	-	-
Sub total	3,352.70	19,986.80
Less: Pertaining to entity held for sale	-	(2,830.90)
Carrying amount at the end of the year	3,352.70	17,156.10
Current	3,352.70	-
Non-Current	-	17,156.10
Total	-	17,156.10
Year of expected cash outflow	2024-2026	2022-2026

54 Segment Information:

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

55 There was no impairment Loss on fixed assets on the basis of review carried out by the management in accordance with Ind AS -36 - "Impairment of Assets"

56 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/s 186(4) OF THE COMPANIS ACT. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans taken by subsidiary and step down subsidiaries:-

(Rs. In Lakhs)

Sr. No.	Name of Company	As at March 31, 2022	As at March 31, 2021
1	Ahmedabad Ring Road Infrastructure Co.Ltd.	3470.57	750.00
2	Sadbhav Infrastructure Project Ltd.	48499.23	40000.00
3	Sadbhav Udaipur Highway Limited	41943.79	42932.47
4	Sadbhav Naimital Highway Limited	12885.30	15546.00
5	Sadbhav Rudrapur Highway Limited	27234.20	29131.80
	Total	134033.09	128360.27

Sadbhav Engineering Limited

Notes forming Part of the consolidated financial statements

57 Asset held for Sale

(a) Description

Sadbhav Infrastructure Projects Limited, a Subsidiary company has entered into definitive share purchase agreement ('the agreement') dated July 1, 2019 with IndInfraVIT Trust for sale of its entire equity shareholding of Ahmedabad Ring Road Infrastructure Limited (ARRIL) with effect from April 1, 2019. This sale is subject to the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals which is in process as at reporting date and accordingly, all assets and liabilities pertaining to this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".

(b) Assets and liabilities classified as held for sale

The following assets and liabilities are classified as held for sale as on March 31, 2022 & March 31, 2021:

	As at March 31, 2022	As at March 31, 2021
	(Rs in Lakhs)	(Rs in Lakhs)
Non-current assets		
1 Property, plant and equipments	560.30	224.40
2 Goodwill		6,577.70
3 Other intangible assets	1,27,937.70	23,244.70
4 Intangible Asset under Development	9,697.80	
5 Financial assets		
(i) Other financial assets		10.20
6 Other non-current assets	24.10	47.60
Total (A)	1,38,219.90	30,104.60
Current assets		
1 Financial assets		
(i) Investments	-	150.20
(ii) Trade receivables	23.50	88.20
(iii) Cash and cash equivalents	1,625.90	400.10
(iv) Other financial assets	2.00	
2 Other current assets	1,492.40	1,040.50
Total (B)	3,143.80	1,679.00
Total assets classified as held for sale (A+B)	1,41,363.70	31,783.57
Non-current liabilities		
1 Financial liabilities		
(i) Borrowings	1,36,219.90	2,810.40
2 Provisions	202.20	42.60
3 Deferred tax liabilities (net)	-	1,789.30
Total (A)	1,36,422.10	4,642.30
Current liabilities		
1 Financial liabilities		
(i) Borrowings	7,883.60	-
(ii) Trade payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,265.20	573.30
(iii) Other financial liabilities	930.20	8,708.70
2 Other current liabilities	603.70	57.60
3 Provisions	39.70	2,839.30
4 Current tax liabilities (net)	-	-
Total (B)	10,722.50	12,178.90
Total liabilities classified as held for sale (A+B)	1,47,144.60	16,821.30

58 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As On March 31, 2022	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit / (loss)	Amount in Lakhs	As % of consolidated OCI	Amount in Lakhs	As % of consolidated TCI	Amount in Lakhs
Parent Company								
SEL	145.87%	1,42,852.53	98.34%	(71,631.72)	76.72%	168.41	98.41%	(71,463.31)
Subsidiary Companies								
Indian								
SIPL	14.96%	14,650.00	2.28%	(1,658.86)	23.28%	51.1	2.21%	(1,607.76)
GADAG	10.08%	9,872.99	-1.26%	920.40	-	-	-1.27%	920.40
Adjustment due to consolidation	-97.50%	(95,478.85)	0.00%	-	-	-	-	-
Net assets / Profit (Loss) attributable to the owners of the Company	73.42%	71,896.67	99.36%	(72,370.18)	100.00%	219.51	99.35%	(72,150.67)
Minority Interest in Subsidiaries	26.58%	26,031.60	0.64%	(469.14)	0.00%	-	0.65%	(469.14)
Consolidated net assets / Profit (Loss)	100.00%	97,928.27	100.00%	(72,839.32)	100.00%	219.51	100.00%	(72,619.81)

As On March 31, 2021	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit / (loss)	Amount in Lakhs	As % of consolidated OCI	Amount in Lakhs	As % of consolidated TCI	Amount in Lakhs
Parent Company								
SEL	120.23%	2,14,537.37	-17.28%	4,103.67	92.63%	35.19	-17.46%	4,138.86
Subsidiary Companies								
Indian								
SIPL	10.47%	18,685.67	82.44%	(19,575.84)	7.37%	2.80	82.56%	(19,573.04)
GADAG	0.85%	1,523.47	0.08%	(18.60)	-	-	0.08%	(18.60)
MBHPL	-	-	0.00%	-	-	-	0.00%	-
Adjustment due to consolidation	-50.56%	(90,217.58)	0.00%	0.01	-	-	0.00%	0.01
Net assets / Profit (Loss) attributable to the owners of the Company	80.99%	1,44,528.93	65.24%	(15,490.76)	100.00%	37.99	65.18%	(15,452.77)
Minority Interest in Subsidiaries	19.01%	33,913.19	34.76%	(8,254.07)	0.00%	-	34.82%	(8,254.07)
Consolidated net assets / Profit (Loss)	100.00%	1,78,442.12	100.00%	(23,744.83)	100.00%	37.99	100.00%	(23,706.84)

59 Financial Instruments Risk management objectives and Policies

The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, trade receivables, other receivables including those under service concession, loans and cash and bank balances, which has been directly derived from its operations.

The Group's business activities are exposed to variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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

Market risk

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

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

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the Rs. appreciates / depreciates against all currencies by 2%

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

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

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

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

Interest rate risk

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

The Interest risk arises to the group mainly from non - current borrowings with variable rates. The Group maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The group measures risk through sensitivity analysis.

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

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

	Effect on profit before tax	
	March 31, 2022	March 31, 2021
Increase in 25 basis point	(813.11)	(1263.65)
Decrease in 25 basis point	813.11	1263.65

The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Group may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

The Parent Company's exposure to Foreign Currency Risk is as follows:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
ECB Loans	USD	-	-
	Equivalent INR	-	-
Buyer's Credit	EURO		10.90
	Equivalent INR		934.67
FCTL Loans	EURO		3.58
	Equivalent INR		306.56

Foreign currency sensitivity

As per the Group's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2022 and March 31, 2021 and hence sensitivity analysis of change in USD rate has not been presented.

Price risk

The Group has securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all investment decisions. Such Financial Assets are not impaired as on the reporting date.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily receivables from authorities and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments. The management of the group believes that the credit risk related to receivable from authorities are negligible as the same is receivable from the government authorities.

The subsidiaries and step down subsidiaries has significant credit exposure related to receivable from authorities which are as mentioned below:

1. National Highway Authority of India - Rs. 367319.40 lakhs (P.Y. : Rs. 349367.90 lakhs).
2. State Government Authorities - Rs. 5789.20 Lakhs (P.Y.: 1171.90 Lakhs).

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as well as temporary investment in mutual fund as of March 31, 2022 is Rs. 16745.40 lakhs and March 31, 2021 is Rs.11287.50 lakhs.

Liquidity risk

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

The Group regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any Short term cash generated, over and above its working capital management and other operational requirement, is retained as cash and cash equivalents (to the extent required) and any excess is invested in short term mutual fund to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2022						
Non-current borrowings#	4,87,876.02		49,968.84	38,937.27	1,89,196.71	2,09,773.20
Loans Repayable on Demand	3,00,189.87	3,00,189.87				
Trade Payables	1,01,814.66		1,01,814.66			
Other financial liabilities *	1,45,648.71		1,42,134.71		3,514.00	
Total	10,35,529.26	3,00,189.87	2,93,918.21	38,937.27	1,92,710.71	2,09,773.20
As at March 31, 2021						
Non-current borrowings#	6,47,842.92		98,177.97	53,995.87	1,72,027.08	3,23,642.00
Other Long Term Payable						
Loans Repayable on Demand	1,32,680.84	1,32,680.84				
Trade Payables	1,23,754.92		1,23,754.92			
Other financial liabilities *	4,55,600.39		79,333.59	2,634.00	11,459.00	3,62,173.80
Total	13,59,879.07	1,32,680.84	3,01,266.48	56,629.87	1,83,486.08	6,85,815.80

Current maturities of Non-current borrowings is included and transaction cost paid to lender on upfront basis excluded from above Non Current borrowing

* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis and Security Deposit and Retention Money is excluded from above other financial liabilities

60 Capital Management

For the purpose of the Group's capital management, Capital consist of share capital, Securities Premium, Other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

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

61 Disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to toll collection rights (intangible assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date (in years)
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	5.76 years
2	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	11.51 years
3	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	(Refer note (iii) below)
4	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	(Refer note (iii) below)

Notes:

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:-

- (i) Authorities:-
- Rights to use the Specified assets
 - Obligations to provide or rights to expect provision of services
 - Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.
- (iii) In case Rohtak Hissar Tollway Private Limited (RHTPL) and Rohtak Panipat Tollway Private Limited (RPTPL), the respective subsidiaries has submitted the termination notice with NHAI on August 27, 2021 and July 27, 2021 respectively.

(B) Disclosures with regard to Annuity project / Hybrid annuity model ('HAM') project

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements":

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of commercial operation	Scheduled construction completion date under the concession agreement	Revised construction completion date based on extension claimed/ received (refer note (v))
1	Sadbhav Una Highway Limited*	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019	December 31, 2023
2	Sadbhav Bhavnagar Highway Limited*	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019	December 31, 2022
3	Sadbhav Bangalore Highway Private Limited*	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019	(Refer note 68)
4	Sadbhav Rudrapur Highway Limited*	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019	January 11, 2023
5	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020	(Refer note 67)
6	Sadbhav Nainital Highway Limited*	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019	September 30, 2022
7	Sadbhav Udaipur Highway Limited*	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019	August 21, 2022
8	Sadbhav Vidarbha Highway Limited	May 21, 2018	November 15, 2035	15 years from COD	May 15, 2021	March 31, 2023
9	Sadbhav Kim Highway Limited	November 01, 2019	October 27, 2036	15 years from COD	October 31, 2021	September 30, 2023
10	Sadbhav Gadag Highway Private Limited**	March 12, 2020	March 12, 2022	7 years from COD	June 10, 2022	March 31, 2023

* During the year, three of its stepdown subsidiaries namely Sadbhav Bangalore Highway Private Limited (SBGHPL), Sadbhav Una Highway Limited (SUHL) and Sadbhav Nainital Highway Limited (SNHL) have received the Provisional Completion Certificate (PCOD) and the Settlement Agreement has been executed with NHAI by respective stepdown subsidiaries and in the previous year 2020-21, three of its stepdown subsidiaries namely Sadbhav Udaipur Highway Limited (SUDHL), Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Rudrapur Highway Limited (SRHL) has received the Provisional Completion Certificate (PCOD) and the Settlement Agreement has been executed with NHAI by respective stepdown subsidiaries.

** The subsidiary company have received extension in SCOD upto June 10,2022 vide 3rd Supplementary Agreement dated March 26,2021.

Notes:

In HAM projects, revenue is received / receivable as under:

- (i) 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- (ii) The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- (iii) Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.
- (iv) In case of three subsidiaries viz., Sadbhav Bhimasar Bhuj Highway Private Limited, Sadbhav Tumkur Highway Private Limited and Sadbhav Vizag Expressway Private Limited, due to non availability of required 80% right of way (ROW) by NHAI within stipulated time period, the Concession Agreement executed with NHAI has been terminated with mutual consent via supplementary agreements.
- (v) The Group has availed the relief provided by its lenders by way of moratorium on principal and interest repayments. The Ministry of Road Transport and Highways, in consonance of the circular of Ministry of Finance under Atmanirbhar Bharat, has approved and extent the relief to the Contractor/Developers of the Road Sector. Accordingly, extension of time for meeting the work obligation under the contract will be given for a period of 3 months to 6 months depending upon the site condition. The Group is in the process to avail the extension of time due to Covid-19 pandemic and due to reasons not attributable to the Concessionaire.

62 Realiability of Non- Current Trade Receivables amounting to Rs. 13236.35 Lakhs along with other incidental balances amounting to Rs. 8312.27 lakhs pertaining to completed projects as at balance sheet date are subject to the proceedings convened with the parties, and in some of the cases the matters are subjudiced. The management is hopeful that in view of the steps being taken for recovery, the dues will be realised and hence the same are considered as good and recoverable. Reference has been invited to Note No. 9 and 12.

63 Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69391.73 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 Holding 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.

64 a. 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 step down subsidiary of the Company, 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 company in MBCPNL will be transferred to ARTL in terms of SPA subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents (“the Transaction”). Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as Assets Held for Sale in accordance with IND AS-105 - Non Current Assets Held for Sale and Discontinuing Operations.

b. Exceptional items during quarter and year ended March 31, 2021 is net of -

(i) gain of Rs. 4,305.10 Lakhs on account of amount received from subsidiaries transferred to Indinfravit towards the claim from the concerned authority.

(ii) loss of Rs. 1,958.72 Lakhs on account of the sale of assets.

65 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 amounting 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:

- 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

- Written back major maintenance provision amounting to Rs. 9,294.30 lakhs

66 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. 161253.30 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:

- 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.

67. Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), one of the down subsidiary which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, there is delay in physical work progress due to delay in handing over the land from Authority (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 has given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions. The SJRRPL is in the process of compliance of the conditions prescribed by NHAI for substitution. Pending the compliance of conditions for obtaining final approval of substitution, no adjustment to the carrying value of investments/assets of SJRRPL have been made in the financial statements.
68. Sadbhav Bangalore Highway Private Limited (SBHPL), one of the step down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with 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 lenders have also requested to NHAI to allow 180 days time for the substitution of the concessionaire. As on the date of approval of these financial statements, the period of 180 days is not over. In terms of concession agreement, in case of substitution of the concessionaire, the project of the SBHPL shall be transferred to nominated company selected by the lender. The management of SBHPL has carried out impairment assessment of investments of the SBHPL as at balance sheet date. Considering the pending procedure for substitution and based on the impairment assessment, no adjustment to the carrying value of assets of SBHPL have been made in the financial statements.
69. There is delay in physical progress of work as at March 31, 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), subsidiaries of the company on account of delay in handing over land from authority and various other reasons beyond the control of the said subsidiary. The respective subsidiary have sought for extension of Concession Period including Construction period and is confident that necessary approvals relating to extension of Concession Period including Construction period will be received.
70. The Group has taken office space on operating lease on short term basis. There are no sub-leases and the leases which are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There are neither any contingent rent nor any escalation clause in the lease arrangements. The Group has applied the 'short-term lease' recognition exemptions for above lease.
71. 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.
72. 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.
73. Company's operations were impacted due to inflationary pressure and resources constraint during F. Y. 2021 – 22. 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 three HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for next 12 months 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 date of balance sheet and there is no threat to going concern assumption adopted in preparation of financial statements.
74. All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.
75. Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

For and on behalf of Board,**Shashin V. Patel****Director****DIN : 00048328****Hardik Modi****Company Secretary****Membership No. F9193****For Dhirubhai Shah & Co LLP****Chartered Accountants**

Firm Regn. No. : 102511W/W100298

Samip K. Shah**Partner****Membership No. : 128531**

Place: Ahmedabad

Date : May 30, 2022

Nitin R. Patel**Executive Director &
Chief Financial Officer****DIN : 00466330****Vasistha C. Patel****Chief Executive Officer (CEO)**

As per our Audit Report of even date

For Manubhai & Shah LLP**Chartered Accountants**

Firm Regn. No. : 106041W/W100136

K. C. Patel**Partner****Membership No. : 030083**

Place: Ahmedabad

Date : May 30, 2022

Annexure

FORM AOC-1

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

(₹ In Lakhs)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	TOTAL	
Name of the Subsidiary Company	Sadbhav Infrastructure Project Ltd.	Sadbhav Gadag Highway Pvt. Ltd.	Ahmedabad Ring Road Infrastructure Limited*	Maharashtra Border Check Post Network Limited*	Rohtak-Hissar Tollway Private Limited*	Rohtak-Panipat Tollway Private Limited*	Sadbhav Rudrapur Highway Limited*	Sadbhav Nainital Highway Limited*	Sadbhav Bhavnagar Highway Limited*	Sadbhav Una Highway Limited*	Sadbhav Bangalore Highway Private Limited*	Sadbhav Vidarbha Highway Limited*	Sadbhav Udaipur Highway Limited*	Sadbhav Jodhpur Ringroad Private Limited*	Sadbhav PIMA Private Limited	Sadbhav Kim Expressway Private Limited*	Sadbhav Infra Solutions Private Limited	Sadbhav Maintenan Infrastructure Private Limited	Sadbhav Hybrid Annuity Projects Limited*	TOTAL	
Reporting period	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	INR
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	35222.52	3247.50	1046.00	5.00	1076.80	218.60	100.00	100.00	1966.00	1495.00	3090.30	2579.86	2696.60	1165.00	5.00	10115.70	5.00	5.00	5.00	5.00	64144.88
Reserves & Surplus	127946.39	6625.58	9099.88	(16855.59)	(29626.84)	(41006.63)	11500.87	10560.54	8899.53	7492.60	12307.58	12553.12	12617.13	15525.59	(15.66)	12752.90	(0.77)	(20.55)	(1293.30)	159062.36	
Total Assets	269022.75	21466.84	25597.30	141363.70	94251.09	135251.62	45593.19	37885.46	48112.30	38482.80	74806.12	71096.81	61799.09	30153.56	0.50	43207.00	2177.71	0.12	3577.80	1143845.76	
Total Liabilities (excluding Share Capital and Reserves & Surplus)	105853.84	11593.76	15451.42	158214.29	122801.13	176039.64	33992.32	27224.92	37246.77	29495.20	59408.24	55963.84	46485.37	13462.97	11.15	20338.40	2173.49	15.67	4866.10	920638.52	
Investments	219440.20	0.00	21.50	0.00	12.40	10.30	0.00	0.00	0.00	0.00	10.80	0.00	0.00	0.00	0.00	10.30	0.00	0.00	3500.00	223005.50	
Turnover	20421.00	12749.83	11534.36	28040.10	1.60	0.00	4035.86	5195.70	11122.69	8953.92	2111.26	5632.89	3565.57	0.00	0.00	6333.13	0.00	0.00	0.00	119697.93	
Profit/(Loss) Before Taxation	(8233.30)	1234.80	1001.34	447.80	(7561.54)	21619.35	1133.88	1272.57	79.49	788.56	244.96	63.02	(496.56)	(233.22)	(1.14)	1621.39	287.70	(0.64)	(637.59)	12630.89	
Exceptional Items	(14442.05)	0	242.00	952.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(13247.95)	
Provision for Taxation	(3510.83)	314.42	375.71	0.00	0.00	0.00	539.21	461.77	(29.17)	198.54	60.80	20.53	(126.57)	(55.91)	0.18	437.13	0.00	0.00	0.00	(1314.18)	
Profit/(Loss) After Taxation	(19164.52)	920.38	867.63	(504.30)	(7561.54)	21619.35	594.67	810.80	108.66	590.12	184.16	42.49	(369.99)	(177.31)	(1.32)	1184.26	287.70	(0.64)	(637.59)	(1206.99)	
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	
% of Shareholding**	69.76%	74.00%	100.00%	50.63%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	-

* Subsidiary of Sadbhav Infrastructure Project Limited which is a step-down subsidiary of the Sadbhav Engineering Limited

** % of Shareholding Representing aggregate of shares held by the company and/or its subsidiaries.

Figures in - (Minus) show negative figures.

For and on behalf of Board of Directors

Notes:

1. Name of Subsidiaries which are yet to commence operations
Nil

Shashin V. Patel
Director
DIN : 00048328

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN : 00466330

Date: 30-05-2022
Place: Ahmedabad

Vasistha C. Patel
Chief Executive Officer

Hardik Modi
Company Secretary

FORM AOC-1

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

Part "B": Associates and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/Joint Ventures	SEL-GKC JV Radhanpur - Manpura Project	SEL-GKC JV Vishakhapatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Managuru Project	SEL-GKC JV BSHP-II Project	SEL-GKC JV Govindpur Project	SEL-Annapurna JV Basantimata Project	SEL-Vishnushiva Maheshpur Project	SEL-Vishnushiva Jalipa / Kapurdi Project	SEL-Vaishnovi JV - Halon Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PIPL JV	SEL-SPSCPL JV
1	Latest audited Balance Sheet Date	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
2	Shares of Associates/Joint Ventures held by the company on the year end																
	No.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Amount of Investment in Associates/Joint Ventures (Rs. In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Extend of Holding %	52.00	50.00	60.00	52.00	40.00	51.00	50.00	50.00	80.00	75.00	98.00	72.00	40.00	40.00	51.00	74.00
3	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note	*Note
5	Networth attributable to Shareholding as per latest audited Balance Sheet	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Profit / (Loss) for the year (Rs. In Lakhs)																
	i. Considered in Consolidated (Rs. In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii. Not Considered in Consolidated (Rs. In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Notes:-

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

For and on behalf of Board of Directors

Shashin V. Patel
Director
DIN : 00048328

Nitin R. Patel
Executive Director & Chief Financial Officer
DIN : 00466330

Vasistha C. Patel
Chief Executive Officer

Hardik Modi
Company Secretary

Date: 30-05-2022
Place: Ahmedabad



Disclaimer

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





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An ISO 9001:2015 Organization