

Ref: SEL/2021-22/33
September 07, 2021

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 32nd Annual General Meeting ("AGM") and Annual Report
for Financial year 2020-2021 of Sadbhav Engineering Limited**

Dear Sir/Madam,

The AGM of the Company will be held on Wednesday, 29th September, 2021, at 3.30 p.m. through Video Conferencing("VC")/ Other Audio Visual Means ("OAVM") in accordance with the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") circulars.

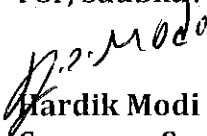
Pursuant to Regulation 30 and Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report including Notice of AGM of the Company for the financial year 2020-2021.

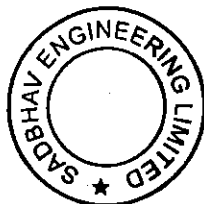
In compliance with relevant circulars issued by MCA and SEBI, the Notice convening the AGM and the Annual Report of the Company for the financial year 2020-2021 are being sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The Notice of AGM along with the Annual Report for the financial year 2020-2021 is also being made available on the website of the Company at: www.sadbhaveng.com.

You are requested to take the above on your record.

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


Hardik Modi
Company Secretary
Encl: As above



Sadbhav Engineering Limited

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

Widening The Roads to Success



32nd Annual Report
2020-21

Sadbhav Engineering Limited





Transport



Mining



Irrigation

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Late Shri Vishnubhai M. Patel

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

Build a bridge that
connects aspirations to fulfilment.

Create a road that
takes one from hardships to prosperity.

Construct a canal that
nourish the deprived lands to burgeon.

Instil Sadbhav in people such that
they transmute today for tomorrow.



Widening the Roads to Success



Roads and infrastructure development is pivotal to the economic growth of the nation. It is key determinant for success of the country as it provides vital connectivity as well as supplies of essential resources for the key business sectors to perform and contribute towards country's GDP growth. The road to success is full of challenges and opportunities. More the bandwidth we provide by creating extra lanes or conduits for bridging the resource gap, more is the capability the nation develops to reach new crescendo and fulfill aspirations of its citizens.

COVID pandemic had severely affected Indian population resulting in loss of lives, loss of earning and put the economic activities to standstill for some time during 2020-21 and had also impacted the business operations globally. Government's infrastructure building initiatives came to the rescue during its proactive interventions for creating green corridors, to replenish essential supplies like oxygen and medicines in record time to the distant parts of

the country. In addition, government's economic stimulus package helped Indian economy to bounce back.

According to the IMF World Economic Outlook (April-2021), India's GDP growth rate in 2021 is projected at 12.55%. India is in 5th position out of 193 economies. India is among six economies that will experience a double-digit growth rate in 2021. As per the industry estimates, India is poised to become the third largest construction market globally by 2025. Under NIP, India has an investment budget of \$1.4 Tn on infrastructure, out of which 19% on roads & highways and 16% on urban infrastructure. In addition, Government of India has also planned 100 smart cities, 11 industrial corridors 14 ports, 6 CEZs to propel the growth. At Sadbhav Engineering Limited, we believe in creating tomorrow's infrastructure today and hence Sadbhav is resolute in materialising the national plans and vision so that Country peeps among top economies of the world.

Even though the pandemic had severely impacted all the industrial sectors and their business during the year, Sadbhav was successful in mitigating the impact on its sales order book and has got sales orders worth Rs. 9,327.96 Crore with Order Book to Sales Ratio of 5.75 X FY21 as on March 31, 2021. As on 31st March, 2021 the market cap stands at Rs. 1068.89 Crores.

Sadbhav Engineering Limited has been the preferred organisation for clients like NHAI, MSRDC, NHAI, Delhi Metro Rail Corporation Limited, KSHIP, Northern Coalfields Limited, GHCL Limited, Govt. of Odisha, Coal India Limited, GIDC, NVDA, UCIL etc. At Sadbhav, we are steadfast in our commitment to widen the roads to success for the nation in all our endeavours.

Projects Completed till Date



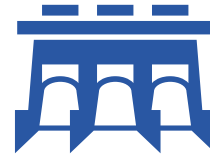
TRANSPORT

Roads & Highways
Over 9621 Lane kms



MINING

Over 571 mn
cubic mt



IRRIGATION

Canal Work
Over 819 kms

Excelleration - Excellence in Creating Accelerated Tracks to Success

The key success factor for economic growth of any country lies in the efforts and investment made by the country in its infrastructure. Indian economy has emerged as the fastest growing economy and country's push for robust infrastructure building has ensued into the success. At Sadbhav, we are proud of our contributions in this achievement of our nation. We call it an excelleration, an excellence in creating accelerated tracks to success for the nation. This is the direct upshot of proactiveness and pragmatism of our people, processes and paths we have chosen.

Even though COVID had severely impacted people of the nation, Transportation Sector managed its pace due to special focus and efforts of the government. The production of commercial vehicles had increased to 6,24,939 in FY'21 in the country, necessitating the need for world class highways. During FY'21, 13,298 KM of highways were constructed. Furthermore, the government aims to construct 65,000 KMs of national highways at a cost of Rs. 5.35 lakh crores by 2022. The government also aims to construct 23 new national highways by 2025. Under the union budget 2021-22, Govt. of India has allocated Rs. 1,08,230 crores to the Ministry

of Road Transports and Highways.

In its endeavour of excellence in creating accelerated tracks to success for the nation, Sadbhav has built Roads and Highways over 9,621 Lane Kms. Transportation division contributed 76.11% to the company's order book which is 5 % higher than the previous year. Transport division contributed 90% of Company's revenue. Further, Transport Division has bagged orders worth Rs. 7099.55 crores as on 31st March'21.

Sadbhav has successfully achieved PCOD for HAM Projects namely, Rudrapur Highway, Bhavnagar Highway and Udaipur Highway. Eligible Projects for pending mobilization advances are Ahmedabad - Dholera Greenfield Alignment - Package I, Ahmedabad - Dholera Greenfield Alignment - Package II and Surat Metro Project. The work is also in progress at fast pace for Kim-Ankleshwar, Waranaga-Mahagaon, BRT Tiger Reserve, Jodhpur Ring Road, Lucknow Ring Road and HAM Assets include Bengaluru, Una, Vidarbha, Nainital, Jodhpur, Kim and Gadag.

While, each destination we traverse takes our company - Sadbhav close to our aims, we are resolute to create excellence in all our endeavours in times to come.



Creating Supply Arteries to Nourish Agriculture Sector

Irrigation canals and infrastructure are like arteries in a human body. They nourish the agriculture sector for essential supply of water and help country to become self-sufficient in agriculture production. The share of agriculture in gross domestic product (GDP) has reached almost 20 per cent for the first time in the last 17 years, making it the sole bright spot in GDP performance during 2020-21, according to the Economic Survey 2020-2021.

In Union Budget 2020-21, Government allocated Rs. 1.60 lakh crore for agriculture, irrigation & allied activities. During the reporting year, central assistance given under PMKSY for Accelerated Irrigation Benefit Programme was Rs. 1510.14 crores, for Har Khet ko Pani Rs. 976.53 crores, for Per Drop More Drop programme, Rs. 2562.18 crores and for Watershed Development Rs. 990.23 crores.

Focus of Government of India on irrigation infrastructure development is expected to further catapult economic growth. Major agriculture reforms are also expected to create sustainable impact on the growth, development and prosperity of farmers at large. Sadbhav has completed canal work over 819 kms as on March 31, 2021.

The Company is focusing on execution of projects on fast track. This will not only help Sadbhav to generate value and enhance profitability but would also help farmers in remote regions to take more crop due to irrigation support. At Sadbhav, we are striving to create more arteries to nourish the agriculture sector and contribute to national goal of creating Atmanirbhar Bharat.



Mining Essential Ingredients for Success

Sustainable Economic Growth of the nation can be achieved when the country develops self-reliance in accessing the essential ingredients of growth and its trade and industries can develop complete value chain. Minerals are the essential ingredients that nourish the economic development.

In FY21, production of key minerals increased YoY—Zinc Conc. (18%; 1,648.00 thousand tonnes), Lead Conc. (15%; 405.47 thousand tonnes), Sillimanite (32%; 17.52 thousand tonnes) and Garnet (abrasive) (107%; 1.14 thousand tonnes). In April 2021, exports of mica, coal & other ores and minerals including processed minerals stood at US\$ 384.61 million, compared with US\$ 112.72 million in April 2020. In view of extraordinary situation due to COVID-19, Ministry of Mines also recommended to State Governments to annualize the upfront payment

needed for execution of lease. Regarding the annualization of the payment of stamp duty, State Governments have been asked to consider the request.

To facilitate processes that help ease of doing business and to boost investments in the country, Ministry of Mines, Govt. of India has issued guidelines for auction of mineral blocks with pre-embedded clearances for mining projects. All these interventions are expected to create positive impacts to bounce back and mitigate post-COVID impacts.

Sadbhav has mined over 571 mn cubic mt as on March 31, 2021. The Company bagged orders worth Rs. 1916.74 crores during the reporting year. While, COVID impacted the business operations marginally, Sadbhav expects that the mining operations will be fulcrum and execution of orders will be back to normal in new financial year. At Sadbhav, we are determined to bounce back and mine essential ingredients for success.





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

Smt. Purvi S. Parikh

Member

(upto 05.05.2021)

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

Business Advisory Committee

Shri Ghanshyam H. Amin

Chairman

Shri Ashwin C. Shah

Member

Shri Girish Patel

Member

Shri Shashin 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

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

1st Floor, "Sadbhav",

Nr. Havmor Restaurant,

B/H. Navrangpura

Bus Stand, Navrangpura,

Ahmedabad - 380009.

MUMBAI OFFICE

602/702, "C" Wing,

Godrej Coliseum,

Nr. Lokmanya,

Behind Everard Nagar,

Sion (East), Mumbai - 400022.

CIN: L45400GJ1988PLC011322

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.

(Formerly Intime Spectrum

Registry Limited)

C-101, 1st floor, 247 Park,

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

Vikhroli, Mumbai - 400083.





“ Own up. Think.
Dream. Plan.
Pursue.
The Success
is Yours. ”

Message From Vice Chairman

Dear Stakeholders,

Success is breaking barriers, overcoming limitations and realising the aspirations one has prophesied. When the road to success is narrow with many challenges and transit is slow, we at Sadbhav Engineering Limited, see it as an opportunity to widen the road to success through our competence, hard work and experience. Creating more lanes to success means generating more opportunities for us and the nation leading towards sustainable future.

Genesis of our vision is entrenched upon our philosophy to integrate innovations in infrastructure that we build to create tomorrow's infrastructure today. We staunchly believe that the strategies that focus more on targeting "excellence" are likely to be more productive, sustainable and successful.

Sadbhav is a leading company today in Engineering, Procurement and Construction (EPC) projects undertaking infrastructure building endeavours in Transport, Mining & Irrigation sectors across 12 states. Being responsible corporate citizens and industry stalwarts, we have aligned our corporate objectives in line with the national vision and sustainable development goals.

During the year, pandemic gripped our country as well as the world severely and resulted in loss of lives and severely impacted the economic well-being of the people. I am confident that, the country will soon be free from the impact of covid, will vaccinate all the citizens and will take quantum leap in upper growth orbits.

Economic activities in FY'21 experienced major setback due to lock downs and social distancing



protocols as a result of pandemic. India's Gross Domestic Product (GDP) contracted 7.3% in 2020-21, marginally better than the 8% contraction in the economy projected earlier. GDP growth in 2019-20, prior to the COVID-19 pandemic, was 4%. However, country bounced back very fast shredding fears of possible third wave of pandemic. The data suggests a higher likelihood of broad-based demand revival and achieving double-digit growth in FY-22 looks extremely possible. The government has also been steady on the reforms front including sectors such as agriculture, infrastructure, mining, manufacturing and power, which augurs well for the economy in the long term.

Infrastructure Development Sector is like a skeleton or a backbone for the national economy. Hence, it requires focussed strategic interventions. The pressing need for efficient mobility and enhancing driving experiences on passenger and freight corridors require accelerated project executions and extraordinary commitment, to meet future infrastructure needs. This represents an important inflection point in our corporate strategies and will drive us through business sustainability roadmap envisioned by us at Sadbhav Engineering Limited.

Union Budget 21-22 focussed heavily on investment in infrastructure to bring the Indian economy out of the recession. High-quality public infrastructure supports economic growth, generates jobs, and improves the well-being of the citizens. The budget proposes investment in national highway projects, road transport and power distribution, among others. The budget allocation towards infrastructure is around Rs. 1.77 lakh crore of the additional economic stimulus for 2021-22, which is 0.8% of GDP. This extra spending will be divided amongst projects to build highways and roads, to provide safe drinking water under the Jal Jeevan Mission, to build a new development finance institution called National Bank for

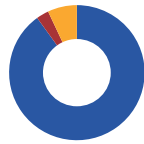


Financing Infrastructure and Development (NaBFID), and also to offer credit to MSMEs. More specifically, a comparison of the budgetary allocation to the Ministry of Highways and Road Transport in 2020-21 (Rs. 91,823 crore) and 2021-22 (Rs. 118,101 crore) indicates an impressive growth rate of 28.6%. At Sadbhav Engineering Limited, we have aligned all our plans and resources to harness these opportunities.

Your Company is a responsible corporate citizen and adheres to all the laws, regulations and parameters of the assigned projects firmly and strives to create a good environment following good labour and governance practices. We keep on engaging with all our stakeholders through various mechanisms and try to surpass their expectations.

The Annual performance reflects the prudence and pragmatic approach adopted by Sadbhav management in minimising the adverse impacts of the pandemic on company's overall

Total Order Book



As on March 2021
(₹ 9327.96 crores)

76%

Transportation

3%

Irrigation

21%

Mining



As on March 2020
(₹ 8371.90 crores)

72%

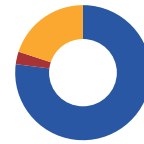
Transportation

4%

Irrigation

24%

Mining



As on March 2019
(₹ 11,981 crores)

78%

Transportation

4%

Irrigation

18%

Mining

performance. Your Company has been appreciated by its clients for timely execution of projects meeting specified parameters and benchmarks of excellence created in all its endeavours. During the year, your Company has generated net worth of Rs. 2145.37 crores. Your Company's order book as on March 31, 2021 was Rs.9,327.96 crores with Order Book to Sales Ratio as of 5.75 X FY21. Your company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new technologies, and belief in doing right by all the stakeholder communities we work with.

As on March 31, 2021, your Company has completed 46 projects in Transportation sector in which 3 Projects are Metro Projects and 43 are Highways. 43 Highways include 11 EPC, 11 BOT, 20 Item rate projects and 1 annuity project. Your Company has constructed roads and highways of vver 9,621 lane kms till now.

Irrigation segment has a balance order book of Rs.311.67 crores as on 31st March, 2021. The projects under canal construction work reached over 819 kilometers for main canal and distributory network over 1873.54 kilometers (considering ongoing and completed projects). Your Company is mining precious minerals and specializes in the mining of Uranium ore and Coal. Sadbhav has mined 571 mn cubic ft till now and balance work order for mining segment stands at Rs. 1916.74 Crores. Your Company's gross block of fixed assets stand at Rs. 651.93 Crores as on March 31, 2021.

Your Company believes that enterprises can build sustainable, inclusive, and greater futures for their stakeholders by creating value through innovations, excellence and perseverance. Your Company was one of the early innovators in adopting state-of-the-art technologies like SAP S4-HANA to manage the resources across the country in real time. Your Company strongly believes that we are because of our people and treat skilled and experienced human resources

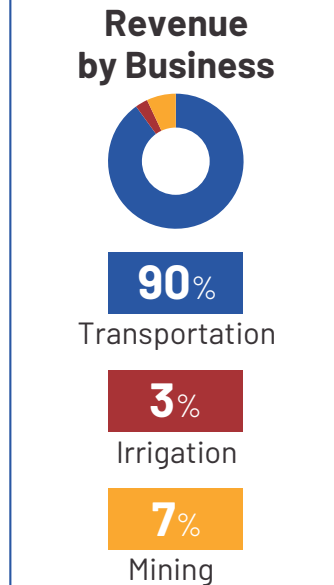


2020-2021 Key Figures

Revenue
₹ 1623.62 crores

Net Profit
₹ 41.04 crores

Net Worth
₹ 2145.37 crores



Order Book by Business

Transport Sector
₹ 7099.55 crores

Irrigation
₹ 311.67 crores

Mining
₹ 1916.74 crores

as our assets. Your Company has implemented SAP-Success Factor, an innovative platform to manage human resources. A special attention is being given to their training and development. Your Company is conscious about creating conducive environment that gives ample opportunities of growth to the right talent. It was the vision and the leadership of our late founder and the values he imbibed in people, that made Sadbhav as leader in building infrastructure for Roads, Irrigation and mining.

Guided by our corporate strategy, ethos, empowered leadership and talent, we will deliver more complex and challenging projects, push the envelope with better business practices and talent management, and make real progress in building a brighter tomorrow. Sadbhav is dedicated to being a responsive and good corporate citizen. We are cognizant of our roles and responsibilities in creating value for the government in terms of direct and indirect taxes, direct and indirect employment and occupation opportunities as well as need-based

interventions for the surrounding communities to achieve inclusive growth.

On behalf of Sadbhav Engineering Limited Management, I express gratitude for the staunch support and trust of all the employees and shareholders and assure you that Sadbhav will keep on widening the roads to success in times to come.

Regards,

Shashin V. Patel
Vice Chairman



Financial Highlights

Turnover (₹ in crores)		Profit After Tax (₹ in crores)		Net Worth (₹ in crores)	
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
2016-17	₹ 3320.31	2016-17	₹ 187.85	2016-17	₹ 1660.89

(₹ in crores)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover	1623.62	2251.66	3549.23	3505.06	3320.31
Total Income	1717.11	2367.51	3584.90	3520.81	3407.84
Earning Before Depreciation, Interest and Tax (EBDIT)	304.85	395.31	427.91	415.14	355.61
Exceptional Items	-19.59	17.01	0.76	0.00	0.00
Depreciation	94.21	108.45	95.76	97.90	100.04
Interest	189.51	194.12	174.92	190.80	153.44
Profit After Tax	41.04	85.16	186.85	220.66	187.85
Equity Dividend %	0.00	0.00	100%	100%	75%
Dividend Payout	0.00	0.00	19.66	15.49	14.45
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	2128.22	2086.83	2016.51	1849.63	1643.74
Net Worth	2145.37	2103.98	2033.67	1866.79	1660.89
Gross Fixed Assets	651.93	725.13	800.99	730.55	675.85
Net Fixed Assets	283.43	401.41	497.17	502.77	522.88
Total Assets	4580.9	4635.83	4597.72	4370.64	4020.31
Total Debt (Loan Fund)	1318.36	1254.31	1612.70	1499.29	1780.17
Earning Per Share (In Rs.)	2.39	4.96	10.89	12.86	10.95
Book Value Per Share (In Rs.)	125.04	122.63	118.53	108.81	96.81
Weighted No. of Shares	171570800	171570800	171570800	171570800	171566644

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 Second Annual General Meeting of the shareholders of Sadbhav Engineering Limited will be held on Wednesday, September 29, 2021 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, 2021, 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, 2021.
- To appoint a Director in place of Mr. Nitin R. Patel (DIN: 00466330) 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 2021-22, amounting to Rs. 1,50,000/- (Rupees One Lakh Fifty 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 appoint Mrs. Anjali Nirav Choksi as a Non-Executive Independent Director of the Company for the period of Five Years:

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 Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Anjali Nirav Choksi (DIN: 08074336), who was appointed as an Additional Non-Executive Independent Director ("Woman Director") of the Company w.e.f. August 10, 2021 pursuant to the Provision of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and holds office up to the date of this Annual General Meeting and who is eligible for appointment and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and Listing Regulations and in respect of her evaluation of performance, the Nomination and Remuneration Committee has recommended her appointment to the Board and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years i.e. from August 10, 2021 to August 09, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution."

Registered Office:

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

Place : Ahmedabad
Date : August 14, 2021

By Order of the Board of Directors
For Sadbhav Engineering Limited

Hardik Modi
Company Secretary
Membership No. F9193

NOTES:

1. In view of the ongoing 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 and General Circular no. 10/2021 dated June 23, 2021 (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 and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 (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 32nd 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 32nd 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 32nd AGM along with the Annual Report 2020-21 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 2020-21 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 and Circular no. 02/2021 dated January 13, 2021 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 Thursday, September 23, 2021 to Wednesday, September 29, 2021 (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, 2014 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
31-03-2014	26-09-2014	01-11-2021
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 and January 13, 2021, 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 INSTRUCTIONS 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 users 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>
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 re-directed 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 abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43
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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• 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.
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 (210903023) 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:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please 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:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.

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 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 Sunday, September 26, 2021 @9.00 a.m. and ends on Tuesday, September 28, 2021 @ 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. Wednesday, September 22, 2021, 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 Wednesday, September 22, 2021.

- 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 32nd AGM of the Company to be held on Wednesday, September 29, 2021 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. Nitin R. Patel	Mrs. Anjali N. Choksi
DIN	00466330	08074336
Date of Birth	August 04, 1968	May 30, 1981
Age	53 Years	40 Years
Date of Appointment	August 01, 1999	August 10, 2021
Functional Expertise	Finance, accounts, audit, taxation, project bidding, execution and cost analysis.	Practicing Chartered Accountant in Accounting to Auditing, Income Tax compliances, ROC compliances, GST compliances, Project financing, Bank Audit, Concurrent Audit, Stock Audit, Specialized Services like Insolvency Professional, Valuation of all the three Assets-Land & Building, Plant & Machinery and Financial Assets and Forensic Audit.
Qualifications	B. Com. A.C.A	PHD – Doctor Philosophy (Commerce), CA, M.com
Experience	More than 22 Years	More than 15 Years
Terms and conditions of Appointment	Three years from July 01, 2020	Five years from August 10, 2021
Details of remuneration paid/ last drawn	Rs. 84.00 Lakhs (2020-2021)	Not applicable
Designation	Whole-time Director	Additional Non-Executive Independent Director
Disclosure of relationships between directors inter-se and with Manager and KMP of the Company	None	None
Name of listed entities in which person holds Directorship and membership of the Committee of the Board	1. Sadbhav Engineering Limited 2. Sadbhav Infrastructure Project Limited	NIL
Directorship in other Companies	1. Sadbhav Infrastructure Project Limited 2. Maharashtra Border Check Post Network Limited 3. Sadbhav Nainital Highway Private Limited 4. Ennar Infra Solution-LLP 5. Sadbhav Hybrid Annuity Projects Limited 6. Sadbhav Jodhpur Ring Road Private Limited	NIL
Chairman/ Member of Committee in other Companies	1. Sadbhav Infrastructure Project Limited 2. Maharashtra Border Check Post Network Limited	NIL
No. of Equity Shares held in the Company	101	NIL
No. of Meetings of the Board attended during the year	5	Not Applicable
Justification for appointment of Independent Director	Not Applicable	Based on her education qualifications and experience.
Names of companies along with listed entities in which person has resigned in the past three years.	1. Nagpur - Seoni Express Way Limited 2. Bijapur - Hungund Tollway Private Limited 3. Mysore - Bellary Highway Private Limited 4. Dhule Palesner Tollway Limited 5. Sadbhav Vidarbha Highway Private Limited	NIL

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. 101163), to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2022.

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 2021-22 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

Regulation 16(1) (b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulating the conditions for the appointment of Independent Directors by a listed Company. The Board of Directors on recommendation of Nomination and Remuneration Committee of the Company and subject to approval of Shareholders, has appointed Mrs. Anjali Nirav Choksi as a Non Executive Independent Director ("Woman Director") to hold office for 5 (five) consecutive years for a term up to the conclusion of 37th Annual General Meeting of the Company stipulating conditions for the appointment of Independent Director by a Listed Company.

The Company has received a declaration from Mrs. Anjali Nirav Choksi to the effect that she meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, she is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director.

In the opinion of the Board, they fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company.

A copy of the draft letter for appointment of the Independent Directors setting out the terms and conditions are available for inspection by the Members at the Corporate Office of the Company between 11:30 a.m. to 02:00 p.m. (except on Saturdays and Sundays). Brief profile of Directors are as follows.

Mrs. Anjali Nirav Choksi is DR CA IP RV, aged 40 years, is a Non-Executive Independent Director of the Company. She is PHD (Derivatives) and Practicing Chartered Accountant with more than 15 years of experience in the field of practice- Accounting to Auditing, Income Tax compliances, ROC compliances, GST compliances, Project financing, Bank Audit, Concurrent Audit, Stock Audit, Specialized Services like Insolvency Professional, Registered Valuer for Valuation of Financial Assets. She is a keynote speaker at various forums and also an author with contributions of more than 25 papers in journals and conferences. She has appropriate skills, experience and knowledge in administration and Management.

The details and brief resume of Mrs. Anjali Nirav Choksi have been given as part of the Notice.

Except Mrs. Anjali Nirav Choksi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends an Ordinary Resolution as set out at Item No. 4 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 14, 2021

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 Second Annual Report together with the audited financial statement for the financial year ended on March 31, 2021.

Financial Results

The Company's financial performance for the Year ended on March 31, 2021 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Current Year 2020-2021	Previous Year 2019-2020	Current Year 2020-2021	Previous Year 2019-2020
Total Income	1717.10	2273.88	2597.28	3862.15
Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense	304.85	395.31	952.13	1517.31
Less : Finance Cost	189.51	194.12	1003.45	1410.83
Depreciation and amortization Expense	94.21	108.45	211.01	401.18
Profit /(Loss) before Exceptional Item and Tax	21.13	92.74	(262.33)	(294.70)
Exceptional Item (Net of expenses)	-	17.01	23.46	1501.01
Profit /(Loss) Before Tax	1.55	109.75	(238.87)	1206.34
Less : Tax Expenses	-	36.22	(9.28)	52.35
Less:-Deferred tax liability /(asset)(Including MAT Credit) and short (Excess) provision for taxation for earlier years	(39.49)	(11.62)	7.86	47.71
Profit /(Loss) for the period from continuing Operations	41.04	85.15	(237.45)	1106.25
Add:- Share of Loss Transferred to Minority Interest	-	-	(82.54)	313.42
Net Profit for the period after tax	41.04	85.15	(154.91)	792.83
Balance brought forward from last year	1244.98	1148.01	327.99	-
Loss of Subsidiary for earlier year transferred (net)				
Other Comprehensive Income (OCI)	0.35	3.34	0.38	3.37
Amount available for Appropriations	1286.02	1233.16	173.08	358.51
Appropriations				
Dividend & Tax paid thereon	0.00	18.18	-	30.90
Adjustment on account of acquisition of non controlling interest	0.00	0.00	-	(0.60)
Equity Transactions / Share Issue Expenses	0.00	0.00	0.83	0.22
Loss of Subsidiary for previous year	0.00	0.00	0.04	0.00
Transfer to Debenture Redemption Reserves	0.00	(30.00)	-	-
Closing Balance in Retain earnings	1286.02	1244.98	172.21	327.99

Dividend:

Your Directors do not recommended any dividend for the financial year ended on 31st March, 2021.

Dividend Distribution Policy

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. 1717.11 Crores against Rs. 2273.88 Crores for the previous year. Profit before Finance Cost, Depreciation & amortization Expense and Tax Expense for the current year is Rs. 304.85 Crores (Rs. 395.31 Crores in previous year). Net Profit after tax amounted to Rs. 41.03 Crores (Rs. 85.15 Crores in previous year) thereby resulting decrease of 48.18%.

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. 2597.28 Crores, Rs. 952.13 Crores and (Rs. 237.45) Crores respectively.

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of Rs. 0.27 lakhs to the Investor Education and Protection fund established by the Central Government during the financial year 2020-21, in compliance with Section 124 of the Companies Act, 2013. The said amount represents unclaimed dividend amount for the financial year 2012-2013 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 2012-2013.

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.

Impact of Covid-19

As per the directions of the Ministry of Road Transport & Highways (MoRTH)/ National Highway Authority of India (NHAI), in order to follow MHA guidelines about commercial and private establishment in the wake of COVID-19 epidemic in the country, operations at all toll plaza of the Project SPVs of the Company have not operational in its 100% capacity and further other operations in the ongoing projects also affected due to migration of labour, non-availability or shortage of raw-material and machinery.

The said prevailing condition may be treated as Force Majeure of Concession Agreement and Project SPVs are entitled for relief as per terms of the Concession Agreement.

Further, due to lock down announced by various State Government, under construction sites of the Project SPVs are also hampered.

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

Our Subsidiary Company i.e. Sadbhav Infrastructure Project Limited is in a process of merger with its Holding Company i.e. Sadbhav Engineering Limited vide resolution passed by Board Members on 19th October, 2019 subject to approval of Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench. The NCLT has vide order dated 1st December, 2020 directed to convene Meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors on 29th January, 2021 for approval of Scheme of Amalgamation. Further it is to be informed that as per Scrutinizers Report received from CS Ashish Shah, the Scheme has been approved by the Stakeholders with requisite majority.

Further, Company is in a process of taking Directions from NCLT for completing the Merger processes.

Operations

Ongoing Works

The following major works are under execution and the same are progressing satisfactorily.

(Rs. in crores)

Sector	No. of projects	Work order	Work done	Work on hand
Transportation	24	15106.19	8006.64	7099.55
Irrigation	11	1867.29	1555.62	311.67
Mining Operation	9	2818.89	902.15	1916.74
Total	44	19792.37	10464.41	9327.96

The Company's order book (pending execution) shows work on hand amounting to Rs. 9327.96 crores as on the March 31, 2021

BOT Projects under Implementation

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2021 Cost incurred (including price escalation and excluding GST) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Sadbhav Rudrapur Highway Pvt. Ltd. (SRHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9) from km 0.000 (km190.000 of NH-24) to km 42.791 (design chainage 43.446) [Package-I] in the State of Uttar Pradesh under NHDP-III on Hybrid Annuity Mode.	738.00	611.35	-	100
Sadbhav Nainital Highway Pvt. Ltd.(SNHPL)	Four Laning of Rampur-Kathgodam section of NH-87 (New NH No. 9, 109) from km 42.791 (design chainage 43.446) to km 88.000 (design chainage 93.226) [Package-II] in the State of Uttarakhand under NHDP-III on Hybrid Annuity Mode.	560.10*	340.70	-	100
Sadbhav UNA Highway Pvt. Ltd. (SUHPL)	Four Laning of Una to Kodinar of NH-8E from Km. 180.478 to Km. 221.610 (Design Chainage from Km. 181.450 to Km. 222.400) (Package-V) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase IV.	623.00	439.13	-	100
Sadbhav Bhavnagar Highway Pvt. Ltd. (SBHPL)	Four Laning of Bhavnagar-Talaja Section of NH-8E from km. 7.090 to km. 53.585 (Design Ch from km. 6.945 to km. 54.990) (Package-I) in the State of Gujarat on Hybrid Annuity Mode under NHDP Phase-IV.	819.00	748.33	-	100
Sadbhav Bangalore Highway Pvt. Ltd. (SBHPL)	Two/Four Laning of BRT Tiger Reserve Boundary to Bangalore Section of NH-209 (Existing Chainage from 287.520 to 461.550) in the State of Karnataka to be executed on BOT (Hybrid Annuity) basis under NHDP Phase-IV.	1008.00	965.27	-	100
Sadbhav Udaipur Highway Pvt. Ltd. (SUHPL)	Six lane of Greenfield proposed Udaipur Bypass [Connection between NH-76 at existing Km 118+500 at Debrri to NH-8 Km 287+400 at Kaya Village (Udaipur bypass length 23.883)] on Hybrid Annuity Mode, Package-IV under NHDP phase V in the State of Rajasthan.	891.00	840.45	-	100
Sadbhav Vidarbha Highway Pvt. Ltd. (SVHPL)	Four laning of Waranga to Mahagaon section of NH-361 from km 253.000 to km 320.580 (Package-I) (Design Length 66.880 Km) in the state of Maharashtra under NHDP Phase-IV on Hybrid Annuity Mode.	1071.00	832.38	-	100
Sadbhav Jodhpur Ring Road Pvt. Ltd. (SJRPL)	Four Laning of Dangiywas (km 96.595 of NH-112) to Jajiwai (km 283.500 of NH-65 Nagaur Road) section Package-I (Design length 74.619 km) of Jodhpur Ring Road (In Principally declared NH) in the State of Rajasthan under NHDP Phase-VII.	1106.00	353.47	-	100
Sadbhav Kim Expressway Pvt. Ltd. (SKEPL)	Construction of Eight lane Vadodara Kim Expressway from Km 254.430 to Km 279.000 (Kim to Ankleshwar Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase- VI (Phase IA- Package V) on Hybrid Annuity Mode.	1404.00	245.36	-	100
Sadbhav Gadag Highway Pvt. Ltd. (SGHPL)	Construction of Two Laning with paved shoulder of Gadag to Honnali (Km 105.500 to Km 205.290 of SH 57 and Km 215.335 to Km 253.713 of SH 26), 138.2 km in the State of Karnataka under KSHIP3-ADB 11-CW-ITB-Package 3 on Hybrid Annuity Mode.	995.00	44.08	100	-

*Revise bid cost after de-scope of the work.

In case of three subsidiaries viz., Sadbhav Tumkur Highway Private Limited, Sadbhav Bhimasar Bhuj Highway Private Limited and Sadbhav Vizag Expressway Private Limited, concession agreements with NHAI ceased to exist anymore and is treated as terminated with mutual consent

BOT Projects Partial Implementation:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Status as on March 31, 2021 Cost incurred (Including Mobilisation and Material Advances) (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22(Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. The project is in joint venture between Company & its associates, SREI Infrastructure Finance Limited and SREI Sahaj e-village Limited	1426.37	1675.01	^0.37	99.63

SEL: Sadbhav Engineering Limited
SIPL: Sadbhav Infrastructure Project Limited
Revenue Generating BOT Project:

Name of the Company	Details of Project	Cost of the Project (₹ in crores)	Toll Revenue of the F.Y. 2020-21 (₹ in crores)	% Shareholding (Ownership)	
				SEL	SIPL
Ahmedabad Ring Road Infrastructure Ltd. (ARRIL)	Improvement & Widening to Four Laning of the then 2 Lane Sardar Patel Ring Road Around Ahmedabad City on BOT basis.	500.80	105.05	-	100
Maharashtra Border Check Post Network Ltd. (MBCPL)	Modernization and computerization of integrated border check posts at 22 (Twenty Two) locations in the State of Maharashtra on Build Operate and Transfer (BOT) Basis. Toll collection has been started in 13 out of 22 Check Posts.	1426.37	190.84	^0.37	99.63
Rohtak-Panipat Tollway Pvt. Ltd. (RPTPL)	Four laning of Rohtak to Panipat Section of NH-71A from k.m. 0.000 km 63.30 of NH-10 to km 80.858 km 83.50 of NH-1 in the state of Haryana (80.85 Kms) on BOT basis under NHDP phase-III	1240.10	58.58	-	100
Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL)	The project consists of "4 - Laning of Rohtak to Hissar Section of NH-10 from Km 87.000 to km 170.000 including connecting link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (Toll) project on DBFOT pattern under NHDP Phase III in the state of Haryana (Length 98.810 Km).	1270.96	49.11	-	100

^ Held by third party by virtue of agreement to be transferred to SIPL.

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 2020-2021, the Company has raised an amount of Rs. 100 crores by way of issue of Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures on a Private Placement Basis.

After the Financial year 2020-2021 and up to the approval of Director's Report, the Company has raised an amount of Rs. 25 crores on April 05, 2021 and Rs. 30 crores on July 01, 2021 by way of issue of Secured, Unrated, Unlisted, Redeemable, Non-convertible Debentures on a Private Placement Basis.

During the year 2020-2021 and up to the approval of Director's Report, the Company has redeemed Rs. 5.00 crores Non-Convertible Debentures (NCDs) on 18-09-2020, Rs. 48.80 crores Non-Convertible Debentures (NCDs) on 29-04-2021, Rs. 16.40 crores Non-Convertible Debentures (NCDs) on 31-05-2021 and Rs. 1.20 crores Non-Convertible Debentures (NCDs) on 31-05-2021.

The aggregate Non-Convertible Debentures Outstanding amounts to Rs. 245.00 crores as on 31st March, 2021.

Credit Rating

- a) CARE has assigned CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications) (Triple B Plus / A Three Plus) to Short Term Facilities / Commercial Papers and CARE BBB+ (Under Credit watch with Negative Implications) (Triple B Plus) to additional Long- term facilities and Non- Convertible Debentures of the Company.
- b) India Rating has assigned IND A-/Stable/IND A2+ [Single A Minus; Outlook: Stable] [single A Two Plus] to Fund based & Non Fund based working capital Facilities and IND A-/Stable [Single A Minus; Outlook: Stable] to Long Term / 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.

For Ahmedabad Ring Road Infrastructure Limited (ARRIL), regulatory approvals have been applied for and will be closed when the change in ownership approval is received.

The Company has raised its stake in Sadbhav Infrastructure Project Limited ("Subsidiary Company") from 24,55,16,990 equity shares (69.70%) to 24,57,21,252 equity shares (69.76%).

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 2020-2021.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

Mr. Nitin R. 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.

Appointment of Directors

The Board, on recommendation of Nomination & Remuneration Committee and subject to approval of members in ensuing Annual General Meeting, appointed/reappointed the following:

1. Pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Anjali Nirav Choksi (DIN No. 08074336) was appointed as 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 and she shall hold office upto the date of ensuing Annual General Meeting. The Board recommend her appointment in the ensuing Annual General Meeting.

Change in Directors and KMPs

During the year 2020-21 and upto the approval of Director's Report following changes made in Director and KMPs.

1. Mr. Shashin V. Patel (DIN: 00048328), Chairman and Managing Director, had tendered resignation from the position of the Chairman and Managing Director of the Company with effect from April 25, 2020 however, he will continue to be the Director of the Company. Mr. Vasistha C. Patel (DIN: 00048324), has tendered resignation from the post of Wholetime Director & Director (i.e. Non – Independent Director) of the Company with effect from April 24, 2020. Mr. Vikram R. Patel (DIN: 00048318), has tendered resignation from the post of Wholetime Director & Director (i.e. Non – Independent Director) of the Company with effect from April 24, 2020. Mr. Vipul H. Patel (DIN: 06634262), has tendered resignation from the post of Wholetime Director & Director (i.e. Non – Independent Director) of the Company with effect from April 24, 2020. The Board of Directors has appointed Mr. Shashin V. Patel (DIN: 00048328), as a Vice Chairman Non-Executive Director of the Company with effect from April 25, 2020. The Board of Directors has appointed Mr. Vasistha C. Patel as a Chief Executive Officer (CEO) in the category of Senior Management Personnel/ Key Managerial Personnel with effect from April 25, 2020.
2. Mr. Atul N. Ruparel, Independent Director has resigned w.e.f. May 25, 2020 and Mrs. Purvi S. Parikh, Independent Director has resigned from w.e.f. May 05, 2021. Mr. Tushar D. Shah, Company Secretary and Compliance Officer of the Company had tendered his resignation w.e.f. March 01, 2021. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by them towards the growth and development of the company during their tenure as an Independent Director and KMP.
3. Appointment of Mr. Hardik Modi as a Company Secretary and Compliance Officer w.e.f. March 04, 2021.

Evaluation of Board Performance

In compliance to the provisions of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015 the annual performance evaluation of Board and its Committee was carried out during the year under review. 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.

The Board at meeting held on September 02, 2020 was reconstituted Stakeholder Relationship Committee by inducting Dr. Tarang M. Desai, Independent Director as new Member of the Committee.

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.

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.

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 2020-21. 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.

Reclassification of Shareholders from Promoter Group to Public Category

Company has received approval letters from BSE Limited and National Stock Exchange of India Limited on dated July 15, 2021 and July 14, 2021 respectively for re-classification of Mr. Girishbhai N. Patel and Mr. Vipul H. Patel from the 'Promoter and Promoter Group' category to the 'Public' category of the Shareholders of the Company, in accordance with Regulation 31A of the Listing Regulations.

Meetings of Board

During the year, Six (6) Board Meetings were held on April 25, 2020, July 09, 2020, September 02, 2020, November 13, 2020, February 12, 2021 and March 04, 2021. 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, 2021, 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, 2021 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 and Joint Statutory Auditors

M/s. Dhirubhai Shah & Co LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298), was appointed as the statutory auditors of the Company to hold office for a period of four consecutive years from the conclusion of the 29th AGM of the Company held on September 27, 2018, till the conclusion of the 33rd AGM to be held in the year 2022.

M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration Number: 106041W/W100136), as a joint 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.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended on March 31, 2021.

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 2020-21. 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 does not contain any qualification. There were no reservations or adverse remarks made by the Auditors in their report. Secretarial Audit Report contains following observations and Board of Directors of the Company submitted responses for the same as follows.

1. Information with respect to payment of interest/repayment of principle amount on loans from Banks/Financial Institutions, including default made if any is not available and accordingly we are not able to comment on Compliance of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019. Response: 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.
2. 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. However, Company has not made prior intimation in respect of debentures amounting to Rs 10.00 Lakhs redeemed on 18th September, 2020. Response: Considering the transaction happens instantaneously, the prior intimation could not be made. Company will take due care in future.
3. 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, 2020 and on 31st March, 2021 respectively with Ministry of Corporate Affairs and to that extent not complied with the provisions of the Act. Response: As per information and records available with the Company, no MSME party had informed about their MSME registration details on or before 31st March, 2021.
4. Company on 24th September, 2020 had filed with Stock Exchange Credit Rating Revision letter as required under Regulation 30 and Regulation 51(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the reason for the same as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was not made.: Response: In subsequent disclosure in relation to ratings, the reasoning has been provided which was left out in the instant case. Company has and will take due care in future.
5. Company had allotted 2400 Non- Convertible Debentures of Rs 1,00,000/- each on 17th March, 2021 to Centrum Credit Opportunities Trust. As required under Section 42(4) of the Companies Act, 2013, Company was required to file Form PAS-3 with the office of Registrar of Companies before utilization of funds. However, Company has utilized the funds before filing of the form PAS-3 and accordingly not complied with the said provisions of the Companies Act.: Response: Due to technical problem at website of MCA, Company could not able to upload form on the same day of utilization.

6. In terms of SEBI Circular No SEBI/HO/MIRSD/CR ADT/CIR/P/2020/207, Company has not maintained Recovery Expense Fund (REF) with respect to its Listed Debt Securities with the Stock Exchange. Response: Due to second phase of COVID-19, in the month of March and April, 2021, Banks were working with limited staffs and providing limited services, even though application for creating Bank Guarantee was submitted in Banks, Bank did not provided the same within stipulated time period..

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 2021-2022 will on a remuneration of Rs. 1,50,000/-p.a. The Cost Audit Report for the year 2020-2021 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 32nd 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.

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 are given in the notes no. 51 to the Standalone Financial Statements.

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. 49 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, 2021 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, 2021, 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

As per Regulation 34(2)(f) of the Listing Regulations, 2015, 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 falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2021, 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 14, 2021

Shashin V. Patel
Vice- Chairman, Non-Executive 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, 2021

[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.

Due to current COVID pandemic situation, 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, 2021 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, 2021 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) Regulations, 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, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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, 2009; 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, 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. However, Company has not made prior intimation in respect of debentures amounting to Rs 5.00 Crores redeemed on 18th September, 2020
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, 2020 and on 31st March, 2021 respectively with Ministry of Corporate Affairs and to that extent not complied with the provisions of the Act.
3. Company on 24th September, 2020 had filed with Stock Exchange Credit Rating Revision letter as required under Regulation 30 and Regulation 51(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the reason for the same as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was not made.
4. Company had allotted 2400 Non- Convertible Debentures of Rs 1,00,000/- each on 17th March, 2021 to Centrum Credit Opportunities Trust. As required under Section 42(4) of the Companies Act, 2013, Company was required to file Form PAS-3 with the office of Registrar of Companies before utilization of funds. However, Company has utilized the funds before filing of the form PAS-3 and accordingly not complied with the said provisions of the Companies Act.

- Information with respect to payment of interest/repayment of principle amount on loans from Banks/Financial Institutions, including default made if any, is not available and accordingly we are not able to comment on Compliance of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.
- In terms of SEBI Circular No SEBI/HO/MIRSD/CR ADT/CIR/P/2020/207, Company has not maintained Recovery Expense Fund (REF) with respect to its Listed Debt Securities with the Stock Exchange.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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: F002587B000429970

Place : Ahmedabad

Date : 30th June, 2021

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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
- 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.
- 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: F002587B000429970

Place : Ahmedabad

Date : 30th June, 2021

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. 18940 Lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) Rs. 378.90 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. 378.90 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. 378.90 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:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project (in Rs. Lakhs).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.		
				State.	District.		Name.	CSR registration number.	
1	Food Supply	eradicating extreme hunger and poverty	Yes	Gujarat	Limdi	1.90	Direct	N.A.	N.A.
2	Slum Area Development	Development of Roads in Village	Yes	Rajasthan	Rajasthan	344.00	Direct	N.A.	N.A.
3	Food Supply	eradicating extreme hunger and poverty	Yes	Gujarat	Bhavnagar	5.00	Direct	N.A.	N.A.
4	Food Supply	eradicating extreme hunger and poverty	Yes	Gujarat	Ahmedabad	28.00	Direct	N.A.	N.A.
	TOTAL					378.90			

(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. 378.90 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)	378.90
(ii)	Total amount spent for the Financial Year	378.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

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	2019-20	-	-	-	-	-	Nil
2	2018-19	-	-	-	-	-	Nil
3	2017-18	-	-	-	-	-	Nil
	TOTAL	-	-	-	-	-	Nil

(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.

(a) Date of creation or acquisition of the capital asset(s) -

(b) Amount of CSR spent for creation or acquisition of capital asset -

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. -

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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
Chairman of CSR Committee & 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	62 Yrs.	Senior Vice President	04-12-2012	Rs.102.82/-	40 years	Sarvah Infra Pvt. Ltd.	-

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

Notes :

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

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

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 2020-21;

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 (Resigned for the post of Chairman & Managing Director w.e.f 25-04-2020)	Director	20.00*	2.41	8:1
Vasistha C. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020) and appointed as Chief Executive Officer (CEO) w.e.f. 25-04-2020)	Executive Director	90.00	2.41	37:1
Vikram R. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020)	Executive Director	6.00	2.41	2:1
Nitin R. Patel	Executive Director	84.22	2.41	35:1
Vipul H. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020)	Executive Director	6.00	2.41	2:1
Sandip V. Patel [^]	Independent Director	0.90	2.41	0.37:1
Atul N. Ruparel [^]	Independent Director	-	2.41	-

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
Arun S. Patel [^]	Independent Director	0.90	2.41	0.37:1
Purvi S. Parikh [^]	Independent Director	0.90	2.41	0.37:1
Dr. Tarang M. Desai [^]	Independent Director	0.45	2.41	0.19:1

*Note: upto April 25, 2020.

(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 2020-21;

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Shashin V. Patel Resigned for the post of Chairman & Managing Director w.e.f 25-04-2020, he will continue to be Director in the company.	Director	-	Profit before Tax decreased by 98.59% and profit after Tax decreased by 51.80% in financial year 2020-2021
Vasistha C. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020 and appointed as Chief Executive Officer (CEO) w.e.f. 25-04-2020)	Chief Executive Officer	-	
Vikram R. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020)	Executive Director	-	
Nitin R. Patel	Executive Director & Chief Financial Officer	-	
Vipul H. Patel (Resigned for the post of whole-time Director w.e.f. 24-04-2020)	Executive Director	-	
Sandip V. Patel [^]	Independent Director	(25%)	
Atul N. Ruparel [^]	Independent Director	-	
Arun S. Patel [^]	Independent Director	(25%)	
Purvi S. Parikh [^]	Independent Director	(25%)	
Dr. Tarang M. Desai [^]	Independent Director	-	
Tushar D. Shah (Resigned w.e.f. 01-03-2021)	Company Secretary	10.72%	
Hardik J. Modi (Appointed w.e.f. 04-03-2021)	Company Secretary	-	

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

(iii) The percentage increase in the median remuneration of employees in the financial year 2020-21;

The median remuneration of employee in the financial year 2020-21 was Rs. 2.41 Lakhs (2.42 Lakhs in FY 2019-20). So, there was 0.41% decrease in median remuneration of employee.

(iv) There were 2691 employees on the rolls of company as on March 31, 2021

(v) Average percentile increased in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 7.5% whereas the increased in the managerial remuneration for the same financial year was NIL.

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

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	Amount Paid / Received in advance
1	Sadbhav Infrastructure Project Limited	Subsidiary	Sub contracting Expenditure	2020-21	6240.62	N.A	Nil
2	Sadbhav Infrastructure Project Limited	Subsidiary	Sub contracting Income & Sale of Material	2020-21	2298.66	N.A	Nil
3	Sadbhav Bangalore Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	1369.03	N.A	Nil
4	Sadbhav Bhavnagar Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	8909.56	N.A	Nil
5	Sadbhav Nainital Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	(3.47)	N.A	Nil
6	Sadbhav Rudrapur Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	1069.28	N.A	Nil
7	Sadbhav Udaipur Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	7603.35	N.A	Nil
8	Sadbhav Una Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	3826.65	N.A	Nil
9	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	12121.65	N.A	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	Amount Paid / Received in advance
9	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	12121.65	N.A	Nil
10	Sadbhav Jodhpur Ring Road Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	13710.56	N.A	Nil
11	Sadbhav Kim Expressway Private Limited	Step Down Subsidiary	Sub contracting Income	2020-21	16136.70	N.A	Nil
12	Sadbhav Gadag Highway Private Limited	Subsidiary	Sub contracting Income	2020-21	4220.68	N.A	Nil
13	Sadbhav Infrastructure Project Limited	Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
14	Rohtak Hisar Tollway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
15	Ahmedabad Ring Road Infrastructure Project Limited	Step Down Subsidiary	Rent Income	2020-21	18.00	N.A	Nil
16	Maharashtra Border Check Post Network Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
17	Rohtak Panipat Tollway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
18	Sadbhav Una Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
19	Sadbhav Bhavnagar Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
20	Sadbhav Rudrapur Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
21	Sadbhav Nainital Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
22	Sadbhav Bangalore Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
23	Sadbhav Udaipur Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	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	Amount Paid / Received in advance
24	Sadbhav Vidarbha Highway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
25	Sadbhav Jodhpur Ring Road Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
26	Sadbhav Kim Expressway Private Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
27	Sadbhav Hybrid Annuity Projects Limited	Step Down Subsidiary	Rent Income	2020-21	9.00	N.A	Nil
28	Corsan-Corviam Construction SA-SEL – 43 (1043)	Joint Venture	Rent Income	2020-21	0.60	N.A.	Nil

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

For, Sadbhav Engineering Limited

Shashin V. Patel
 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, 2020 to 31st March, 2021

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. Our project portfolio for the Infrastructure Development Business consists of 44 Projects.

9. Total number of locations where business activity is undertaken by the Company:

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

10. 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. 1623.62 Crore
- 3. Total Profit after taxes (INR) : Rs. 41.03 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 : Eradicating extreme hunger and poverty, Development of Roads in Village

Section C: Other Details

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

Yes, the Company has 19 subsidiary companies (including step-down subsidiaries) as on March 31, 2021

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. There are 19 subsidiaries 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. The policy has been signed by CEO								
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	Not Applicable								
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)									

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 2020-21.

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	5
2.	Fix Term (Contractual)	1766
3.	Regular	900
4.	Superannuation	24
	Total	2691

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)	1766
	Total	1766

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 7

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	67%
B.	Permanent women employees	100%
C.	Casual / Temporary / Contractual employee	33%
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.

For details of projects undertaken during the FY 2020-21, 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 2020-21.

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. All India Management Association
- v. Gujarat Chamber of Commerce & Industry
- vi. 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 Polices, 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 2020-21, 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.3.79 crores to Conservation of Natural Resources, Health Development and public welfare 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 2020-21.

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

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all faces of its functioning and its interactions with shareholders, employees, government, regulatory bodies and community at large. The Company recognized good corporate governance practices as a key driver to sustainable growth and long term value creation and thus encourages timely and accurate dissemination of information to all their stakeholders.

The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at a true Corporate Governance. In so far as compliance with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

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, 2021, the Board comprised of 6 Directors which include One Executive Director, One Non-Executive Director & Non-Independent Directors and Four Non-Executive Directors & 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 other Directorship held in other public Company* (Reg. 17A of SEBI LODR)	No. of Independent Directorship in listed entities * (Reg. 17A(1) of SEBI LODR)	#No. of committee membership of other companies	#No. of committee chairmanship of other companies	List of Directorship held in Other Listed Companies and Category of Directorship
Mr. Shashin V. Patel DIN:00048328	Promoter Non-Executive Director & vice Chairman	Non-Executive Director	2	0	0	0	1. Sadbhav Infrastructure Project Limited (Non- Executive Director)
Mr. Nitin R. Patel DIN:00466330	Professional - Whole time Director	Executive Director	3	0	3	1	1. Sadbhav Infrastructure Project Limited (Executive Director)

Mr. Sandip V. Patel DIN:00449028	Director	Independent, Non-Executive Director	2	2	2	2	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)
Mr. Arun S. Patel DIN:06365699	Director	Independent, Non-Executive Director	4	2	3	2	1. Sadbhav Infrastructure Project Limited (Independent, Non-Executive Director)
Dr. Tarang M. Desai DIN:00005100	Director	Independent, Non-Executive Director	2	2	4	0	1. Ganesh Housing Corporation Limited (Independent, Non-Executive Director)
Mrs. Purvi S. Parikh** DIN:07071155	Director	Independent, Non-Executive Director	6	1	6	0	NIL

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

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

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 2020-21, 6 (Six) Board Meetings were held on April 25, 2020, July 09, 2020, September 02, 2020, November 13, 2020, February 12, 2021 and March 04, 2021.

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. Vasistha C. Patel*	√	√	√	√	√	√	√
4	Mr. Vikram R. Patel*	√	√	√	√	√	√	√
5	Mr. Vipul H. Patel*	√	√	√	√	√	x	√
6	Mr. Sandip V. Patel	√	√	√	√	√	√	√
7	Mr. Arun S. Patel	√	√	√	√	√	x	√
8	Mr. Atul N. Ruparel**	√	√	√	√	√	x	√
9	Dr. Tarang M. Desai	x	x	√	√	√	√	x
10	Mrs. Purvi S. Parikh***	√	√	√	√	√	√	√

Note: * Resigned w.e.f. April 24, 2020

** Resigned w.e.f. May 25, 2020

*** Resigned w.e.f. May 05, 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 Attended	Attendance at the last AGM
Mr. Shashin V. Patel	5	Yes
Mr. Vasistha C. Patel *	0	No
Mr. Nitin R. Patel	5	Yes
Mr. Vikram R. Patel *	0	No
Mr. Vipul H. Patel *	0	No
Mr. Sandip V. Patel	6	Yes
Mr. Arun S. Patel	6	Yes
Mr. Atul N. Ruparel **	0	No
Dr. Tarang M. Desai	3	No
Mrs. Purvi S. Parikh ***	6	No

Note: * Resigned w.e.f. April 24, 2020.

** Resigned w.e.f. May 25, 2020.

*** Resigned w.e.f. May 05, 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 March 4, 2021 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 March 4, 2021. 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, intergrity, 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.

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

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

During the year Mr. Atul N. Ruparel, Independent Director resigned from the Company w.e.f. May 25, 2020, 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 Tuesday, September 29, 2020 (through VC / OAVM).

The Composition of Audit Committee, details of number of meetings held during the year 2020-21 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				Committee Meeting attended
		09.07.2020	02.09.2020	13.11.2020	12.02.2021	
Mr. Sandip V. Patel	Chairman	Yes	Yes	Yes	Yes	4
Mr. Nitin R. Patel	Member	Yes	Yes	Yes	Yes	4
Mr. Atul N. Ruparel *	Member	N.A.	N.A.	N.A.	N.A.	0
Mr. Arun S. Patel	Member	Yes	Yes	Yes	Yes	4
Dr. Tarang M. Desai **	Member	Yes	N.A.	N.A.	N.A.	1
Mrs. Purvi S. Parikh ***	Member	N.A.	N.A.	Yes	Yes	2

Note: *Resigned w.e.f. May 25, 2020.

** Appointed w.e.f. June 02, 2020 Upto September 02, 2020.

***Appointed w.e.f. September 02, 2020 upto 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 / 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;

7. 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".

Due to resignation of Mr. Atul N. Ruparel, Mr. Arun S. Patel, appointed as Chairman of the Committee w.e.f. June 2, 2020 and Mr. Arun S. Patel as Chairman of the Committee was present at the Annual General Meeting of the Company held on Tuesday, September 29, 2020 (through VC / OAVM).

The Composition of Nomination and Remuneration Committee, details of number of meetings held during the year 2020-21 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance			Committee Meeting attended
		09.07.2020	02.09.2020	04.03.2021	
Mr. Atul N. Ruparel *	Chairman	N.A.	N.A.	N.A.	0
Mr. Arun S. Patel **	Chairman	Yes	Yes	Yes	3
Mr. Sandip V. Patel	Member	Yes	Yes	Yes	3
Dr. Tarang M. Desai **	Member	Yes	No	Yes	2

Note: * Resigned w.e.f. May 25, 2020.

** Appointed w.e.f. June 02, 2020

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 2020-21 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, 2021	No. of outstanding Stock options
Mr. Shashin V. Patel #	20.00	-	-	5572199	-
Mr. Vikram R. Patel *	6.00	-	-	4638750	-
Mr. Vasistha C. Patel *	6.00	-	-	3426535	-
Mr. Nitin R. Patel	84.22	-	3 years from July 1, 2020	101	-
Mr. Vipul H. Patel *	6.00	-	-	0	-
Mr. Sandip V. Patel	-	0.90	-	10000	-
Mr. Atul N. Ruparel **	-	-	-	10000	-
Mr. Arun S. Patel	-	0.90	-	-	-
Mrs. Purvi S. Parikh***	-	0.90	-	-	-
Dr. Tarang M. Desai	-	0.45	-	-	-

Note: * Resigned w.e.f. April 24, 2020

** Resigned w.e.f. May 25, 2020

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

upto April 25, 2020

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 2020-21 and Attendance of each member at the meeting are mentioned below:

Name of Director	Category	Date of Committee Meeting and Attendance				Committee Meeting attended
		09.07.2020	02.09.2020	21.10.2020	12.02.2021	
Mr. Arun S. Patel	Chairman	Yes	Yes	Yes	Yes	4
Mr. Sandip V. Patel	Member	Yes	Yes	Yes	Yes	4
Mr. Nitin R. Patel	Member	Yes	Yes	Yes	Yes	4
Dr. Tarang M. Desai*	Member	N.A.	N.A.	Yes	Yes	2

Note: * Appointed w.e.f. September 02, 2020.

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, 2021.

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, One meeting was held for the said Committee on March 30, 2021.

The Composition of Risk Management Committee was as under:

1. Mr. Shashin V. Patel - Chairman
2. Mr. Nitin R. Patel - Member
3. Mr. Sandip V. Patel - Member

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 (w.e.f. September 02, 2020) 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.

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 (w.e.f. April 25, 2020) and Mr. Arun S. Patel as members of the Committee. During the year 2020-21, Two meetings of Committee were held on July 09, 2020 and March 30, 2021.

General Body Meetings

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

Financial Year	Date	Time	Venue
2017-18	September 27, 2018	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2018-19	September 25, 2019	12.00 Noon	Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006
2019-20	September 29, 2020	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 27, 2018	There was no special resolution passed in the 29 th Annual General Meeting.
September 25, 2019	<ul style="list-style-type: none"> Reappointment of Mr. Vipul H. Patel as a Wholotome 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 basis.

Hon'ble National Company Law Tribunal Convened Meeting:

Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") has passed order dated 1st December, 2020 for convey three separate meetings of the Equity Shareholders, Unsecured Creditors and Secured Creditors ("Meetings") of the Company which were held Friday, 29th January, 2021 at 11:00 a.m. IST, 12.00 Noon IST and 01:00 p.m. IST respectively, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited ("SIPL") with Sadbhav Engineering Limited ("SEL") and their respective Shareholders and Creditors ("Scheme").

The Company has sought the approval of Shareholders and Creditors for the following special resolution(s):

Particulars of Resolution	Equity Shareholders		Secured Creditors		Unsecured Creditors	
	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against	Number of Values for which votes casted & % of votes cast in favour	Number of Values which votes casted & % of votes cast in against	Number of Values for which votes casted & % of votes cast in favour	Number of Values which votes casted & % of votes cast in against
Approval of the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors	50509659 (100.00%)	0 (0.00%)	2641531572 (100.00%)	0 (0.00%)	2204892917 (93.12%)	162927067 (6.88%)

Mr. Ashish Shah, Practicing Company Secretary, was appointed as scrutinizer and has conducted the NCLT meeting of Shareholders and Creditors for the aforesaid resolution.

All of the aforesaid resolution were passed by the shareholders and creditors with requisite majority.

Postal Ballot:

In the year F.Y. 2020-21, No Special Resolution was passed by the Company through Postal Ballot. The Company has sought the approval of shareholders through postal ballot for the following ordinary resolution(s):

Particulars of Resolution	No. of shares & % of votes cast in favour	No. of shares & % of votes cast against
Re-classification of Mr. Vipul H. Patel, Mr. Girishbhai N. Patel, Mrs. Rajshree Primtam Patel, Mrs. Truptiben Nileshbhai Patel from "Promoter and Promoter Group" category to "Public" category.	49470211 (99.99%)	7302 (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.

All of the aforesaid resolution were passed by the shareholders with requisite majority.

After the Financial Year 2020-21 and upto the approval of Director's Report: One Special Resolution was passed by the Company through Postal Ballot as on the date of this report:

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.

All of the aforesaid resolutions were passed by the shareholders with requisite majority.

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, 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

By e-mail: whistleBlower@sadbhav.co.in

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 into 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. 49). 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. 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.

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

M. 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. 2020-21: Not Applicable

N. 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. 34.1 to the Standalone Financial Statements and Note No. 44.1 to the Consolidated Financial Statements.

O. 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, 2021 is given in the Directors' report.

P. 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 Practices:

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 Practices:

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 2020-21, Company has published its quarterly results as under:

Quarter	News Papers
Q1	Economic Times (English) & Financial Express (Gujarati)
Q2	Economic Times (English) & Jay Hind (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 2020-21, 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 : Wednesday, September 29, 2021 at 03.30 p.m.
Venue : The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA 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 and General Circular no. 10/2021 dated June 23, 2021 (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 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively "SEBI Circulars") and as such there is no requirement to have a venue for the AGM.

2. Financial calendar : April 01, 2020 to March 31, 2021.

3. Book Closure date : Thursday, September 23, 2021 to Wednesday, September 29, 2021 (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.

INE226H07072 - NCDs of ₹ 10 Lakh each
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 2020-21 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 2021-22 have been paid to the BSE and NSE.

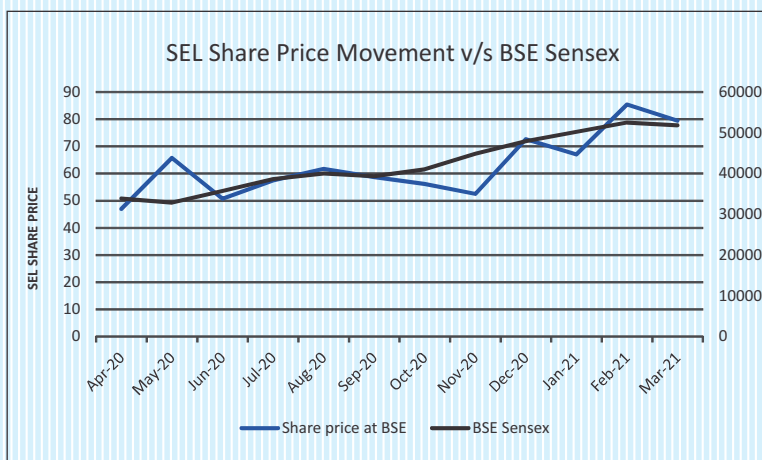
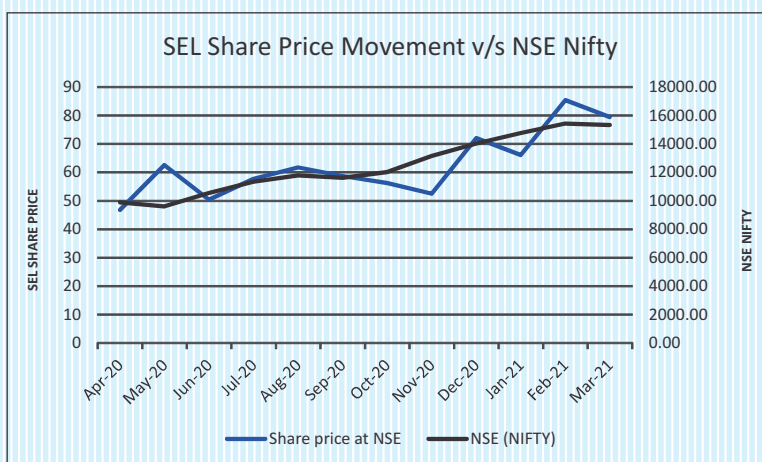
7. Credit Rating :

- CARE has assigned CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications) (Triple B Plus / A Three Plus) to Short Term Facilities / Commercial Papers and CARE BBB+ (Under Credit watch with Negative Implications) (Triple B Plus) to additional Long- term facilities and Non- Convertible Debentures of the Company.
- India Rating has assigned IND A-/Stable/IND A2+ [Single A Minus; Outlook: Stable] [single A Two Plus] to Fund based & Non Fund based working capital Facilities and IND A-/Stable [Single A Minus; Outlook: Stable] to Long Term / 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-20	46.9	23.4	33887.25	27500.79	46.8	23.25	9889.05	8055.8
May-20	65.75	36.2	32845.48	29968.45	62.55	36.3	9598.85	8806.75
Jun-20	50.7	37.2	35706.55	32348.1	50.4	38	10553.15	9544.35
Jul-20	57.4	42.75	38617.03	34927.2	57.7	42.75	11341.4	10299.6
Aug-20	61.75	40.75	40010.17	36911.23	61.75	41.25	11794.25	10882.25
Sep-20	58.7	47.45	39359.51	36495.98	58.7	47.5	11618.1	10790.2
Oct-20	56.2	47.5	41048.05	38410.2	56.25	40.3	12025.45	11347.05
Nov-20	52.5	37	44825.37	39334.92	52.5	45.15	13145.85	11557.4
Dec-20	72.6	52.15	47896.97	44118.1	72	52	14024.85	12962.8
Jan-21	67	52.6	50184.01	46160.46	66.1	52.2	14753.55	13596.75
Feb-21	85.35	56.8	52516.76	46433.65	85.4	56.8	15431.75	13661.75
Mar-21	79.4	59.75	51821.84	48236.35	79.4	59.5	15336.3	14264.4



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, 2021**

a. Distribution of shareholding as on March 31, 2021

No. of shares	No. of shareholders	% to total	No. of shares held	% to total
1-500	41327	85.67	5198758	3.03
501-1000	3549	7.36	2895590	1.69
1001-2000	1686	3.50	2602140	1.52
2001-3000	537	1.11	1390834	0.81
3001-4000	266	0.55	961945	0.56
4001-5000	211	0.44	1005034	0.59
5001-10000	331	0.69	2407510	1.40
10001 to 999999999	333	0.69	155108989	90.41
Total	48240	100.00	171570800	100.00

b. Categories of shareholders as on March 31, 2021

Category	No. of shares	% to total
Promoters	80194394	46.74
Mutual Fund	34476110	20.09
Banks, Financial institutions, Insurance companies, Government companies	5950486	3.47
Other private corporate bodies	11763762	6.86
Indian Public	28823789	16.80
NRI / OCB	1672548	0.97
Foreign Portfolio Investor (Corporate)	7281445	4.24
Independent Directors and Relatives of Directors	10840	0.01
Any others	1397426	0.81
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 2012-2013 to Investor Education and Protection Fund**

During the year under review, the Company has credited Rs. 27,652.20 amount being unclaimed dividend for the year 2012-2013 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 2020-2021, company has transferred 375 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, 2021.

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

The details of foreign exchange exposures as on 31st March, 2021 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 : Mr. Hardik Modi, 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, 2021.

For Sadbhav Engineering Limited

Shashin V. Patel
Vice Chairman-Non Executive Director

Place: Ahmedabad
Date: August 14, 2021

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, 2021 and that to the best of our knowledge and belief, we state that:

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

Date: August 14, 2021
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, 2021 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, 2020 to 31st March, 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

Ravi Kapoor & Associates

Date: 26th August, 2021
Place: Ahmedabad

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
COP No.: 2407
UDIN: F002587C000838884

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 2020-21.

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

After the severe impact on economy last year, the global economy is set to expand 5.6 percent in 2021—its highest in 80 years. The global economy has started growing exceptionally but recovery is imbalanced. While economies of developed nations or larger economies are regaining momentum, many of the world’s poorest countries are being left behind, and still struggling to minimise the human as well as economic losses due to pandemic. The risk of third wave of COVID is also threatening the world and hampering the progress attributed mainly due to further vaccination delays, mounting debt levels, or rising inflationary pressures. By 2022, global output will remain about 2 percent below pre-pandemic estimates, and per capita income losses incurred last year will not be fully unwound in about two-thirds of EMDEs. The legacies of the pandemic exacerbate the challenges facing policy makers as they balance the need to support the recovery while safeguarding price stability and fiscal sustainability.

2. PANAROMA OF INDIAN ECONOMIC SITUATIONS

During, 2020-21, India bravely fought the global pandemic and charted its own unique trajectory showing remarkable resilience, be it fighting the virus or ensuring economic recovery. This resilience is driven by the strength of our system, vision and proactive policies of government and brave fight given by the Corona warriors. While the Country’s GDP contracted to 7.3% during 2020-21, the recovery of Indian economy has placed the country back into the league of the fastest growing economies. India’s real GDP to record a 11.0% growth in FY2021-22 and nominal GDP to grow by 15.4% and India expected to have a Current Account Surplus of 2% of GDP in FY21, a historic high after 17 years. Government of India has allowed 100% Foreign Direct Investment (FDI) in the mining sector and exploration of metal and non-metal ores under the automatic route, which will propel growth in the sector. Power and cement industries also aiding growth in the metals and mining sector. Given the strong growth expectations from residential and commercial building industry, demand for iron and steel is set to grow.

From April 2000 to March 2020, FDI inflows in the metallurgical industry stood at US\$ 14,742.25 million, followed by the mining (US\$ 2,899.84 million), diamond & gold ornaments (US\$ 1,190.83 million) and coal production (US\$ 27.73 million) industries.

As Government of India has allowed FDI under the automatic route subject to applicable laws and regulations, the infrastructure industries in India saw a foreign direct investment equity inflow of approximately 7.9 billion U.S. dollars in FY 2021. This was a strong increase compared to the previous years and reflects the trust of foreign investors in the economic outlook of India.

3. OUTLOOK OF OPPORTUNITIES AND STRENGTHS

Roads and Highways

India has the second-largest road network in the world, spanning a total of 5.89 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India’s total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country. With an average speed of 29.81 km per day, the construction of national highways during 2020-2021 has been the highest

ever in the last five years despite the Covid-19 crisis and months of lockdown. Highway construction in India increased at 17.00% CAGR between FY16-FY21. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY21. In 2021-22, the government has fixed a target to construct 12,000 kilometres of National Highways. The total length of national highways is currently around 1,34,400 kilometres and the aim is to add another 60,000 kilometres in five years' time.

The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25. The Road Transport Ministry, in its Annual Report (2020-21), has informed that 2020-21 was a year for consolidating the gains that accrued from major policy decisions taken in the previous five years, a time for monitoring of ongoing projects, tackling road-blocks and adding to the already impressive pace of work achieved last year. Also, 22 new express highways are on the anvil, including the Chennai-Bangalore one, that will help reduce overall logistics costs.

While, the Boarder Road Organisation has played an important role in building the strategic highway assets connecting to boarders, private sector also gave lion's share in achieving the ambitious growth plans of the government of India. Sadbhav Engineering Limited has got an order book of Rs.7,099.55 Crores for Transportation Sector Assets' development as on 31-03-2021.

Irrigation

To supplement states' efforts and to encourage sustainable development and efficient management of water resources, the Central Government provides technical and financial assistance to State Governments through various schemes and programmes. PMKSY 2021 has been designed to empower the farmers who are deprived of essential resources like irrigation facility. Under this scheme, Co-operative Societies, Self-Help Groups, Corporates, Agro Companies will also be considered as beneficiaries. Government of India has allocated the fund of Rs.50000 Crores under PMKSY. This will give opportunity for government to cover more land under irrigation and provide access of irrigation resources and aids more efficiently to farmers through various stakeholder engagement mechanisms. During the year 2020-21, annual allotment of Rs. 4000 crore made to State Governments under 'Per Drop More Crop' component of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY- PDMC).

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) has been extended for completing the grounded projects. The Mission focuses on the development of basic urban infrastructure in the Mission cities in the sectors of water supply, sewerage & septage management, storm water drainage, green spaces & parks and non-motorized urban transport. Under the Repair, Renovation and Restoration (RRR) of Water Bodies scheme, since 12th plan onwards, 2228 schemes are ongoing. Further, 1549 water bodies have been reported to be completed upto March, 2021. Target irrigation potential restoration of these schemes is 1.89 L Ha and out of this, 1.31 L Ha is reported to be restored till March, 2021.

As agriculture and irrigation remains the top priority growth sector for the nation, Sadbhav Engineering Limited, foresees opportunities of growth through its knowledge and competence in creating irrigation infrastructure. In its pursuit to contribute towards national growth, SEL has secured orders worth 311.67 Crores as o 31st March'2021.

Mining

During last six 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.

India has a vast mineral potential and as of FY21, the number of reporting mines in India were estimated at 1,229, of which mines for metallic minerals were estimated at 545 and non-metallic minerals at 684. The total value of minerals including non-metallic and metallic minerals mined in the country during FY20-21 was Rs. 73890 Crores. In the Union Budget 2021, the government reduced the customs duty of 7.5% on semis, flat and long products of non-alloy, alloy and stainless steels to provide relief to MSMEs. GVA from Mining Quarrying was estimated at USD39.72 Billion in FY'21.

Sadbhav Engineering Limited has balance work orders of Rs.1,916.74 Crores that includes activities ranging from removal of overburden by hiring HEMM (Heavy Earth Moving Machinery) to the excavation and transportation and up to the extraction of ores like Coal, lignite and uranium.

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 polices 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.

As on March 31, 2021 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 54 to the consolidated financial statements.

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 effectivly 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

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, 2021 the Company has a reportable business segment of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 54 to the consolidated financial statements.

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. 1623.62 crores as against Rs. 2251.66 crores in the previous year, thereby registering an decrease of 27.89 %.

(b) Expense Analysis:

Manufacturing and Construction expenses

Material consumed for the year ended March 31, 2021 amounted to Rs. 342.70 crores, construction expenses decreased from Rs. 1356.65.11 crores incurred during 2019-20 to Rs. 893.47 crores in the year 2020-2021.

Depreciation, Interest and Finance cost

Depreciation during 2020-21 amounted to Rs.94.21 crores as against Rs.108.45 crores recorded in 2019-20. Finance cost decreased from Rs.194.11 crores in 2019-20 to Rs. 189.51 crores in 2020-21.

(c) Profit Analysis:

Profit Before Tax during 2020-21 stood at Rs. 21.14 crores as against Rs. 92.73 crores recorded during 2019-20. Profit after tax for 2020-21 stood at Rs. 41.04 crores as compared to Rs.85.15crores during 2019-20.

(d) Net Worth:

The company also saw a rise in the Net worth from Rs. 2103.98 crores in 2019-20 to Rs. 2145.37 crores in 2020-21.

Key Financial Ratios: Stand Alone Basis

FINANCIAL RATIOS	FY 2021	FY 2020
Debtors Turnover	0.93	1.29
Inventory Turnover	11.67	15.29
Interest Coverage Ratio	1.61	2.04
Current Ratio	1.54	1.33
Debt Equity Ratio	0.50	0.50
Operating Profit Margin	1.30%	4.12%
Net Profit Margin	2.53%	3.93%
Return on Networth	1.91%	4.21%

Consolidated Financial

On consolidated basis, the Total revenue stood at Rs. 2597.28 crores during the financial year under review as compared to Rs. 3862.16 crores in the previous year, Loss before tax was Rs. 238.87 crores as compare to profit of Rs. 1206.31 crores in the previous year and Loss after tax was Rs.237.45 crores as compare to Profit of Rs. 1106.25 crores in the previous financial year. Net worth of the Company stand to Rs. 1445.29 crores as of 31st March, 2021 as compared to Rs. 1600.69 crores as on 31st March, 2020.

8. DEVELOPMENT OF HUMAN RESOURCE

Employees are one of the most important stakeholders for Sadbhav Engineering Limited. Sadbhav considers its Human Capital as its core strength in achieving the sustainable growth path charted by our strategic apex. Sadbhav is among a very few companies having implemented SAP S4 HANA, world renowned system to manage payroll & HR activities. We have systems in place for identifying the right talent, training them, performance management, monitoring, appraisals, rewards and recognitions for our employees. Our policy entails all our employees to the benefits like Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance etc. We frequently organise medical check-up camps and safety training, mock drills across all project sites as per our health and safety policy. A dedicated Human Resource team at Sadbhav Engineering Limited, keep on engaging with employees at sites and address their concerns. We put major thrust on ergonomics for their comfort while they perform their duties and invest in latest technologies and amenities as well as safety gadgets. We continuously upgrade employees' skills and knowledge to keep them updated on the best practices from across the world. Our growth strategy and value driven approach and congenial environment has led us build an excellent team. We are 2691 people strong organization as on March 31, 2021.

Independent Auditor's Report

To,
The Members of
Sadbhav Engineering Limited

Report on the Audit of the Standalone Financial Statements

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 2021, 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, 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 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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 opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to:

- a) Note 51 to the accompanying standalone financial results, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company. Our report is not modified in respect of this matter.
- b) Note 53 to the accompanying standalone financial results which describes the management's assessment of the carrying value of loans given amounting to Rs. 11,387 Lakhs to two step-down subsidiaries engaged in infrastructure project whose net worth is fully eroded due to accumulated losses and the current liabilities of have exceeded its current assets as at March 31st, 2021. As explained in the note, the management has concluded that no impairment/adjustment to the carrying value of the loans given is necessary as at March 31st, 2021 for the reasons stated in the said note.
- c) Note 54 to the accompanying standalone financial results as regards management's evaluation on realisability of balances outstanding under the head Trade Receivables and Security & Other Deposits included under the head Other Non-Current Financial Assets pertaining to completed projects amounting to Rs. 35,412.65 Lakhs, which are considered as good and recoverable, for the reasons stated in the said note.

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 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. 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</p> <p>The management of the company has applied significant judgement in 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 towards complete satisfaction of performance obligation. Revenue recognition necessarily involve technical estimates of the stage of completion, and costs to complete of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, considering the stage of completion method.</p> <p>In view of the involvement of significant estimates by the management, the matter has been determined as Key Audit Matter. Refer Note No. 3.2 to the standalone financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained the understanding of the procedure and process involved in ascertaining the stage of progress and completion of the projects. We have also verified the costs incurred on the project/works up to the reporting date for the revenues accounted in respect of works on sampling basis. • Reviewed the documents relating to works executed till the reporting date in respect of which revenue is recognized on test basis. • Performed analytical procedures for reasonableness of revenues recognized. We have also verified the reasonableness of the estimation of remaining costs to be incurred to complete the project / work and profit / loss estimated in the project / work. • Also verified that the disclosure is made in accordance with Ind AS 115 “Revenue from Contracts with Customers”.
<p>B. Uncertain Tax Positions</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>Refer Note no. 40 to the Standalone Financial Statements.</p>	<p>Our audit procedures included:</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 Matter Description	Response to Key Audit Matter
<p>C. Recognition of Deferred Tax Asset</p> <p>As at March 31st, 2021, the Company has recognized deferred tax assets of Rs. 13,379.14 Lakhs on deductible temporary differences and MAT Credit entitlement. Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions. In view of the Covid-19 pandemic, the Company has reassessed its future projections for recoverability of deferred tax assets as at March 31st, 2021 while assessing the adequacy of taxable income of future years.</p> <p>This involves significant judgement and estimates by the management and hence the same has been considered as key audit matter. Refer Note no. 37 to the Standalone Financial Statements.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process and tested the controls over recording of deferred tax and review of deferred tax at each reporting date; • Tested the computation of the amounts recognized as deferred tax assets; • Evaluated management's assumptions, including considerations given to impact of Covid-19, used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans; • Assessed the disclosures on deferred tax included in Note 37 to the financial statements.

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 the Companies (Auditors' Report) Order, 2016 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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 and the statement of cash flow dealt with by this Report are in agreement with the books of account;

- d. 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, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. 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 B"; and
- g. In our opinion and based on the consideration of reports of, the managerial remuneration for the year ended March 31st, 2021 has been paid / provided by the Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. 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 40 to the Standalone Financial Statements
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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: 21128531AAAAIO3960

K. C. Patel

Partner
Membership No: 030083
ICAI UDIN: 21030083AAAADR9225

Place: Ahmedabad
Date: June 30, 2021

Place: Ahmedabad
Date: June 30, 2021

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets 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 sale deed/ transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company.
- (ii) The inventory has been physically verified at the year end. In our opinion, this frequency of verification is reasonable. As explained to us by the management, no material discrepancies were noticed on such verification.
- (iii) As informed to us, the Company has granted unsecured loans to one of its subsidiary companies and two stepdown subsidiary companies which is covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a. In our opinion, the terms and conditions of the grant of such loans are not prejudicial to the company's interest. However, attention is invited to clause (b) of 'Emphasis of Matter' paragraph our Main Audit Report.
 - b. The terms of arrangements do not stipulate any repayment schedule of principal and interest. The loans are repayable on demand except interest free term loan of Rs. 7795.63 Lakhs given to one of the subsidiary companies which is repayable after eleven years from the date of agreement dated 22nd October, 2014.
 - c. Since the cited loans are repayable on demand, hence, reporting under this clause in respect of overdue balance is not applicable.
- (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 and investments made.
- (v) The Company has not accepted any deposits from the public.
- (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) The Company has not been regular during the year in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax deducted / collected at source, employees' state insurance, Goods and Service Tax (GST) applicable to the Company.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, income tax deducted / collected at source, Employees' State Insurance, were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax, Service Tax and Value Added Tax (VAT) as at March 31st, 2021 have not been deposited by the Company on account of any disputes.

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where Dispute is pending	Amount (Rs.in Lakhs)
01.	The Finance Act, 1994	Service Tax	2007-08 and 2008-09	CESTAT, Ahmedabad	545.05
02.	The Finance Act, 1994	Service Tax	2005-06	Supreme Court of India	67.29
03.	The Income Tax Act, 1961	Income Tax	2005-06 to 2007-08	High Court of Gujarat	189.19
04.	The Income Tax Act, 1961	Income Tax	2008-09	Income Tax Appellate Tribunal, Ahmedabad	308.29
05.	The Income Tax Act, 1961	Income Tax	2007-08 to 2011-12	Income Tax Appellate Tribunal, Ahmedabad	1953.30
06.	The Income Tax Act, 1961	Income Tax	2011-12	Income Tax Appellate Tribunal, Ahmedabad	244.64
07.	The Income Tax Act, 1961	Income Tax	2012-13	Income Tax Appellate Tribunal, Ahmedabad	269.36
08.	The Income Tax Act, 1961	Income Tax	2013-14	Income Tax Appellate Tribunal, Ahmedabad	836.74
09.	The Income Tax Act, 1961	Income Tax	2013-14	Income Tax Appellate Tribunal, Ahmedabad	1048.50
10.	Jharkhand Value Added Tax Act, 2005	VAT	2010-11	Commissioner Appeal (Commercial Tax), Jharkhand	77.40
11.	Gujarat Value Added Tax Act, 2003	VAT	2018-19	Gujarat Value Added Tax Tribunal	321.96

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans to bank and debenture holders. As stated in Note 21 to the standalone financial statements, there were delays in repayment of some of the loans owing to technical reasons, which were condoned by the respective lenders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer. The monies raised by way of issue of debentures and term loans during the year were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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) According to the information and explanations give to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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: 21128531AAAAIO3960

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 21030083AAAADR9225

Place: Ahmedabad
Date: June 30, 2021

Place: Ahmedabad
Date: June 30, 2021

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Co management 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 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 2021, 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

Samip K. Shah

Partner
Membership No: 128531
ICAI UDIN: 21128531AAAAIO3960

Place: Ahmedabad
Date: June 30, 2021

For, Manubhai & Shah LLP

Chartered Accountants
FRN:106041W/W100136

K. C. Patel

Partner
Membership No: 030083
ICAI UDIN: 21030083AAAAADR9225

Place: Ahmedabad
Date: June 30, 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	4	27918.39	39591.62
(b) Capital Work in Progress	4	376.91	376.91
(c) Right to Use Assets	4	1235.98	3271.49
(d) Intangible Assets	4	48.13	172.25
(e) Financial Assets			
(i) Investments	5	56674.72	55800.80
(ii) Trade Receivables	6	26766.09	18967.25
(iii) Loans	7	4800.60	4324.87
(iv) Other Financial Assets	8	10554.18	1857.66
(f) Deferred Tax Assets (Net)	9	13379.14	11100.43
(g) Other Non Current Assets	10	0.95	2639.81
		141755.09	138103.09
(2) Current Assets			
(a) Inventories	11	13911.08	14724.75
(b) Financial Assets			
(i) Trade Receivables	12	41499.91	25269.71
(ii) Cash and cash Equivalents	13	810.14	2130.53
(iii) Bank balances other than (ii) above	14	146.59	10183.78
(iv) Loans	15	58933.61	43422.72
(v) Other Current Financial Assets	16	169569.12	191581.00
(c) Current Tax Assets	17	13229.04	11247.33
(d) Other Current Assets	18	18235.67	26920.28
		316335.06	325480.10
Total Assets		458090.15	463583.19
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	19	1715.71	1715.71
(b) Other Equity	20	212821.66	208682.77
		214537.37	210398.48
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	37943.25	38883.16
(ii) Other Financial Liabilities	22	0.00	1597.21
		37943.25	40480.37
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	67444.04	67635.66
(ii) Lease Liability		1399.65	3461.82
(iii) Trade Payables	24		
a. Dues of micro and small enterprises		750.94	0.00
b. Dues other than micro and small enterprises		50161.38	55292.34
(iii) Other Financial Liabilities	25	51448.96	38498.93
(b) Other Current Liabilities	26	34096.25	47475.89
(c) Provisions	27	308.31	339.70
		205609.53	212704.34
Total Equity & Liabilities		458090.15	463583.19

Basis of preparation, measurement and significant accounting policies

1 to 3

Notes to standalone financial statements

4 to 63

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

As per our Audit Report of even date

For and on behalf of Board,

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

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

Shashin V. Patel
Vice Chairman & Non Executive Director
DIN : 00048328

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

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad • Date: June 30, 2021

K. C. Patel
Partner
Membership No. : 030083
Place: Ahmedabad • Date: June 30, 2021

Vasistha C. Patel
Chief Executive Officer(CEO)

Hardik Modi
Company Secretary
Membership No.: F9193

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs.in Lakhs)

PARTICULARS	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue :			
I Revenue from Operations	28	162362.45	225166.02
II Other Income	29	9348.14	11584.73
III Total Revenue (I+II)		171710.59	236750.75
IV Expenses :			
Cost of Material Consumed	30	34269.89	37837.17
Construction Expenses	31	89347.60	135665.26
Employee Benefits Expense	32	12190.97	14715.31
Finance Cost	33	18951.08	19411.74
Depreciation and Amortization Expense		9420.67	10844.88
Other Expenses	34	5416.60	9002.89
Total Expenses		169596.81	227477.25
V Profit Before Exceptional Items and Tax (III-IV)		2113.78	9273.50
VI Exceptional Item	35	(1958.72)	1701.44
VII Profit Before Tax (V+VI)		155.06	10974.94
VIII Tax Expense	37		
(1) Current Tax		0.00	3621.74
(2) Deferred Tax		(2278.71)	(1162.30)
(3) Short/(Excess) Provision for taxation for earlier years		(1669.91)	0.00
IX Profit for the year (VII-VIII)		4103.68	8515.50
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		35.19	334.49
Net Comprehensive Income to be reclassified to profit or loss in subsequent periods:		35.19	334.49
Total Comprehensive Income for the year		4138.87	8849.99
XI Earning per Equity Share (in Rupees)	38		
Profit attributable to equity shareholders		4138.87	8849.99
Weighted Average number of equity shares outstanding during the year			
Nominal value of equity share		1.00	1.00
Basic and Diluted Earning per Share (EPS)		2.39	4.96

Basis of preparation, measurement and significant accounting policies

1 to 3

Notes to standalone financial statements

4 to 63

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

As per our Audit Report of even date

For and on behalf of Board

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

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

Shashin V. Patel
Vice Chairman & Non Executive Director
DIN : 00048328

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

Samip K. Shah
Partner
Membership No.: 128531
Place: Ahmedabad
Date: June 30, 2021

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: June 30, 2021

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, 2021

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, 2021	1715.71	0	1715.71
As on March 31, 2020	1715.71	0	1715.71

B Other Equity

(Rs.in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earning		
As at April 01, 2019	345.00	62,994.55	4,950.00	18,640.18	1,14,801.36	(79.88)	2,01,651.21
Total Comprehensive Income for the year	-	-	-	-	8,515.54		8,515.54
Other Comprehensive Income (OCI)						334.49	334.49
Dividends (including tax on dividend)	-	-	-	-	(1,818.47)		(1,818.47)
Transfer from debenture redemption reserve	-	-	(3,000.00)		3,000.00		-
As at March 31, 2020	345.00	62,994.55	1,950.00	18,640.18	1,24,498.43	254.61	2,08,682.77
As at April 01, 2020	345.00	62,994.55	1,950.00	18,640.18	1,24,498.43	254.61	2,08,682.77
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	62,994.55	1,950.00	18,640.18	1,28,602.13	289.80	2,12,821.66

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: June 30, 2021

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: June 30, 2021

For and on behalf of Board

Shashin V. Patel
Vice Chairman & Non Executive 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, 2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	155.06	10974.94
Adjustments For :		
Interest Income	(7232.98)	(10331.56)
Interest Expenses	18951.08	19411.74
Depreciation & Amortisation	9420.67	10844.88
Profit on sale of Property, Plant & Equipments	0.00	219.75
Loss on sale of Property, Plant & Equipments	0.00	(300.69)
Assets Written off/Expected Credit Loss	267.73	311.28
Actuarial Gain/Loss	35.19	334.49
Exceptional Items (Net)	1958.72	(1701.44)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	23555.47	29763.39
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	(7798.84)	(10318.26)
(Increase)/Decrease of Trade Receivables	(16497.83)	(18831.61)
(Increase)/Decrease of Other Current Assets	8684.61	2982.41
(Increase)/Decrease of Other Current Financial Assets	22011.92	(6231.08)
(Increase)/Decrease of Other Non Current Assets	2664.33	(2228.98)
(Increase)/Decrease of Other Non Current Financial Assets	(8696.52)	463.78
(Increase)/Decrease of Inventories	813.67	3192.46
(Increase)/Decrease of Other Bank Balances	10888.52	(7087.15)
Increase/(Decrease) of Other Long Term Financial Liabilities	(1597.21)	1044.28
Increase/(Decrease) of Trade Payables	(4380.02)	11765.95
Increase/(Decrease) of Other Current Liabilities	(13379.64)	13105.27
Increase/(Decrease) of Other Current Financial Liabilities	3816.21	1845.07
Increase/(Decrease) of Short Term Provision	(31.39)	67.31
	(3502.19)	(10230.55)
Cash generated from Operations	20053.28	19532.84
Tax Paid	(311.80)	(5187.58)
Net Cash From Operating Activities	19741.48	14345.26
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Property, Plant & Equipments and Intangible Assets	105.76	(981.64)
Sales of Property, Plant & Equipments	2248.35	1395.75
Investments in Subsidiary Companies (Net)	(98.49)	(180.00)
Proceeds from the sale of Investments in Subsidiary Company	0.00	7552.62
Proceeds from sale of Non Current Investments	(775.43)	0.00
Other Non Current Investments	(98.49)	(534.87)
Loan to/recd back from Subsidiary Companies	(15986.62)	24724.66
Interest Received	7232.98	(7371.94)
Net Cash From/(used) Investing Activities	(7371.94)	42308.08
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings (Net)	8193.91	(29474.70)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(2440.70)	(12074.23)
Net Increase in Working Capital Loan	2249.08	7038.66
Payment of Lease Liability	(1889.81)	(2183.83)
Interest Paid	(18951.08)	(18950.18)
Dividend Paid	0.00	(1715.71)
Dividend Tax Paid	0.00	(102.76)
	(12838.60)	(57462.75)
Net Cash From/(used) Financing Activities	(12838.60)	(57462.75)

STATEMENT OF CASHFLOW FOR THE YEAR ENDED ON MARCH 31, 2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(469.06)	(809.41)
Opening Balance Of Cash & Cash Equivalents	988.20	1797.60
Closing Balance Of Cash & Cash Equivalents	519.14	988.20
Components Of Cash & Cash Equivalents		
Cash On Hand	18.90	22.78
Balance In Current Account With Banks	500.24	965.42
Balance In Fixed Deposits (Refer Note 2 below)		

Movement of Borrowings

(Rs. in Lakhs)

Particulars	Non Current	Current	Total
As At March 31, 2019	63,951.38	94,393.06	1,58,344.44
Cash Flow (Net)	-25,068.22	-9,442.05	-34,510.27
As At March 31, 2020	38,883.16	84,951.01	1,23,834.17
Cash Flow (Net)	-939.91	8,942.20	8,002.29
As At March 31, 2021	37,943.25	93,893.21	1,31,836.46

Notes:

- All figures in bracket are cash outflow.
- Fixed Deposits are pledged with central and various state govt/undertakings and local bodies, hence not considered in Components of Cash & Cash equivalents
- 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
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: June 30, 2021

K. C. Patel
Partner
Membership No.: 030083
Place: Ahmedabad
Date: June 30, 2021

For and on behalf of Board

Shashin V. Patel
Vice Chairman & Non Executive 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

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

The financial statements of the company have been prepared to comply with the Indian Accounting Standards (Ind AS) including rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

2.2 Basis of measurement

The 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 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 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.

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

3. Significant Accounting Policies

3.1 Property, Plant and Equipment

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.

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. 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.

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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 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.

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).

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.

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

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

3.5 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 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.

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

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

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

ii. Subsequent measurement of financial liabilities

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

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

• Financial liabilities at fair value through profit or loss

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

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

• Financial liabilities at 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.

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

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

- **Financial assets – investments in subsidiaries**

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount based on value in use.

To arrive at the value in use of the investment, the Company has used expected future cash flows of projects in subsidiaries which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present.

Value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in statement of profit and loss.

- **Non-financial assets - Tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present.

value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Fair Value 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 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

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Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.9 Income tax

Income tax expense comprises current tax, deferred tax and MAT Credit.

Current Tax

Current tax is recognized in profit or loss.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognized in profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to statement of profit and loss as current Tax. The company recognizes MAT Credit available as an 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.

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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.

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 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 and 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.

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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.

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.

Significant Accounting Policies & Notes on Accounts

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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.

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.

Significant Accounting Policies & Notes on Accounts

Forming part of the Financial Statement

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 issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes forming Part of the financial statements

Note No. 4

Property, Plant and Equipments

(A) Owned Assets

(Rs. in Lakhs)

Particulars	Property, Plant and Equipments								Intangible Assets		Total
	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	Total Tangible Assets	Capital Work in Progress	Computer Software	
Cost											
As at 01/04/2019	1109.24	7920.17	1679.00	487.62	61585.05	592.70	5414.46	78788.23	326.09	984.36	80098.68
Addition	0.00	0.00	0.10	14.28	724.98	56.80	0.00	796.16	50.82	6.27	853.25
Disposal	0.00	3806.59	32.14	242.24	4302.12	6.64	0.00	8389.73	0.00	228.25	8617.98
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	-8.41	0.00	187.62	179.21	0.00	0.00	179.21
As at 31/03/2020	1109.24	4113.58	1646.96	259.66	57999.51	642.86	5602.08	71373.88	376.91	762.37	72513.16
Addition	0.00	0.00	0.00	7.03	95.89	0.00	0.00	102.92	0.00	2.84	105.76
Disposal	0.00	0.00	0.00	0.00	1049.05	12.83	4657.41	6481.81	0.00	0.00	6481.81
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	0.21	0.00	(944.67)	-944.45	0.00	0.00	(944.45)
As at 31/03/2021	1109.24	4113.58	1646.96	266.69	57046.56	630.03	0.00	64050.53	376.91	765.21	65192.65
Accumulated Depreciation											
As at 01/04/2019	0.00	3871.76	672.68	268.13	23658.02	277.55	1073.82	29821.96	0.00	559.24	30381.20
Addition	0.00	204.44	175.94	75.12	7851.31	106.27	277.27	8690.34	0.00	241.90	8932.25
Disposal	0.00	3668.39	24.01	218.19	2814.81	4.65	0.00	6730.05	0.00	211.02	6941.07
As at 31/03/2020	0.00	407.81	824.61	125.06	28694.52	379.17	1351.10	31782.25	0.00	590.13	32372.38
Charge for the Year	0.00	85.24	174.36	54.30	6937.64	76.63	240.93	7569.10	0.00	126.95	7696.05
Disposal	0.00	0.00	0.00	0.00	852.46	12.19	1592.02	3219.19	0.00	0.00	3219.19
As at 31/03/2021	0.00	493.04	998.97	179.36	34779.70	443.61	0.00	36132.16	0.00	717.08	36849.24
Net Book Value											
As at 31/03/2019	1109.24	4048.41	1006.32	219.50	37927.03	315.14	4340.63	48966.27	326.09	425.12	49717.47
As at 31/03/2020	1109.24	3705.77	822.35	134.60	29304.99	263.69	4250.98	39591.62	376.91	172.26	40140.78
As at 31/03/2021	1109.24	3620.53	647.99	87.33	22266.86	186.42	0.00	27918.39	376.91	48.13	28343.43

- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 "First time adoption Indian Accounting Standard". Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year company has added Rs. Nil (Rs. 179.21 Lakhs) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is Rs. Nil (Rs. 1043.46 Lakhs).
- The Company has applied the different estimated useful lives as specified in Schedule II 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. This changes result in a higher depreciation of Rs. 932.71 lakhs (Rs. 1022.29 lakhs) charged to profit and loss account.
- Refer Note No 45 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. 414.48 Lakhs (Rs. 376.91 lakhs).

Notes forming Part of the financial statements

(B) Right to Use Assets (Leased Assets)

PARTICULARS	Plant & Equipment
Movement During The Year	
Balance as at 1st April 2020	5184.12
Addition	0
Disposals	310.88
Balance as at 31st March 2021	4873.24
Accumulated Depreciation	
Balance as at 1st April 2020	0
Addition	3637.26
Disposals	0
Balance as at 31st March 2021	3637.26
Net Block as at 31st March,2021	1235.98

- (a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. Effective April 1, 2019, the Compaoy has adopted Ind AS 116 "Leases", applied to all lease contracts existing on Aprii I, 2019' using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, previous period information has not been restated. This has resulted in recognising a right-of-use asset of Rs. 1235.98 Lakhs and a corresponding lease liability of Rs. 1399.65 Lakhs.
- (b) The total cash outflow for leases is Rs. 1889.79 Lakhs (Rs. 2183.85 Lakhs) for the year ended 31st March, 2021. Interest on lease liabilities is Rs. 265.44 Lakhs (Rs. 461.55 Lakhs) for the year.
- (c) The Company's leases mainly comprise of Plant and equipment.

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
5. Investments		
5.1 Investments in Equity Instruments of Subsidiary Companies		
(A) Quoted		
(i) SADBHAV Infrastructure Project Ltd. 24,57,21,252(24,48,02,602) Fully Paid up Equity Shares of Rs. 10/-each	49255.72	49157.23
Out of 24,57,21,252 (24,48,02,602) shares held in Sadbhav Infrastructure Project Ltd., 19,61,88,285 (20,30,10,190) Shares have been pledged with different Bank & Financial Institution as under		
	FY20-21 (No. of Shares Pledged)	FY19-20 (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
AXIS Finance Ltd.	-	66,86,667
CLIX Finance India Pvt. Ltd.	-	1,35,238
RBL Bank Ltd.	3,20,00,000	3,20,00,000
Total No. of shares pledged	19,61,88,285	20,30,10,190
(ii) Notional Investment in Shares of SADBHAV Infrastructure Project Ltd	3513.19	3513.19
	52768.91	52670.42
(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. 50000 (50000) Fully paid up Equity Shares of Rs.10/-each	5.00	5.00
	5.01	5.01

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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) 9.5% Nil (20) Bonds of Yes Bank of ₹ 10,00,000/- each-Quoted	0.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited-Unquoted	0.00	27.57
(c) 12.5% 10 (10) Debentures of Srei Equipment Finance Ltd of ₹ 10,00,000/- each - Quoted	100.00	100.00
(d) 9.25% 20000 (20000) Debentures of Srei Equipment Finance Ltd of ₹ 1,000/- each - Quoted	200.00	200.00
	300.00	527.57
5.4 Investment in Sub Debt		
Investment In Sub Debt-Maharashtra Border Checkpost Network Ltd	1992.61	1992.61
Investment In Sub Debt -Sadbhav Gadag Highway Private Ltd	1537.87	534.87
	3530.48	2527.48
5.5 Other Investments		
National Saving Certificate	14.78	14.78
	14.78	14.78
Total	56674.72	55800.80
(i) Aggregate Value of Unquoted Investment Rs. 3905.81 Lakhs (Rs. 3130.38 Lakhs)		
(ii) Refer Note No.48 for Related party transactions and outstanding balances		
6. Trade Receivables		
Trade Receivables considered good – Secured	0.00	0.00
Unsecured, considered good	27033.82	18967.25
Less: Allowance for expected credit loss	267.73	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 credit impairment	0.00	0.00
Total	26766.09	18967.25
The movement in change in allowance for expected credit loss and credit impaired		
Balance as at beginning of the year	0.00	0.00
Change in allowance for expected credit loss and credit impairment	267.73	0.00
Trade receivables written off during the year	0.00	0.00
Balance as at the end of the year	267.73	0.00
Management is of the opinion that amount recoverable is not less than the amount stated, hence no impairment is required. Refer Note no 54		
7. Loans		
Unsecured, considered good		
Loan to related parties		
Loan to Subsidiary Companies-Interest free	4800.60	4324.87
Total	4800.60	4324.87

Notes forming Part of the financial statements

		(Rs. in Lakhs)	
PARTICULARS	As at March 31, 2021	As at March 31, 2020	
8. Other Financial Assets			
(a) Receivable under derivative contract	9.82	0.00	
(b) Security & Other Deposits (Refer Note No. 54)	8646.56	1591.22	
(c) Bank Deposits with more than 12 months Maturity*	1897.80	266.44	
Total	10554.18	1857.66	
* Fixed Deposits include Rs.1897.80 lakhs Lakhs (Rs. 266.44 lakhs) pledged with central and various State Govt/Undertakings and local bodies.			
9. Deferred Tax Assets			
Deferrd tax Assets (Net) Refer Note No. 37.4	13379.14	11100.43	
Total	13379.14	11100.43	
10. Other Non Current Assets			
Capital Advance			
Advances to Suppliers for Fixed Assets	0.95	2639.81	
Total	0.95	2639.81	
11. Inventories			
(a) Construction Materials	11789.29	12046.39	
(b) Stores & Spares	2121.79	2678.36	
Total	13911.08	14724.75	
12. Trade Receivables			
Trade Receivables considered good – Secured (Unsecured, considered good)	0.00	0.00	
(a) Receivable from related parties	30166.89	16409.21	
(b) Receivable from Others	11332.92	8860.50	
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	41499.81	25269.71	
13. Cash and Cash Equivalents			
13.1 Balance with Banks			
(a) In Current Accounts	500.24	965.42	
(b) In Fixed Deposit Accounts* (Maturity up to 3 months)	291.00	1142.33	
	791.24	2107.75	
13.2 Cash On Hand	18.90	22.78	
Total	810.14	2130.53	
* Fixed Deposits include Rs.291.00 lakhs Lakhs (Rs. 1142.33 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	2.24	3.10	
(b) Maturity more than 3 months but upto 12 months*	144.35	10180.68	
	146.59	10183.78	
* Fixed Deposits include Rs.144.35 lakhs Lakhs (Rs. 10180.68 lakhs) pledged with central and various State Govt/Undertakings and local bodies.			

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
15. Loans		
Unsecured, considered good		
Loans to Subsidiary Companies	54796.32	42719.51
Loan to others	4137.29	703.21
Total	58933.61	43422.72

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)

(a) Loans given to Subsidiaries having no repayment schedule,

Name of Subsidiaries	2020-21		2019-20	
	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
Sadbhav Infrastructure Project Limited	49,484.66	41,973.64	89,545.96	34,980.26
Mysore Bellary Highway (P) Ltd.	NIL	NIL	6875.02	NIL
Rohtak Panipat Tollway Pvt. Ltd. (Refer Note No. 53)	9295.24	9244.99	3718.67	3718.67
Rohtak Hissar Tollway Pvt. Ltd. (Refer Note No. 53)	1471.76	1332.19	1300.00	1212.48
Ahmedabad Ring Road Infrastructure Ltd.	NIL	NIL	470.00	470.00
Sadbhav Bhavnagar Highway Pvt. Ltd.	520.63	520.63	1037.00	758.89
Sadbhav Rudrapur Highway Pvt. Ltd.	1567.88	1567.88	1422.72	1422.72
Sadbhav Una Highway Pvt. Ltd.	156.98	156.98	376.50	156.49

(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.48 for Related party transactions and outstanding balances.

16. Other Current Financial Assets		
(i) Interest accrued on loans to subsidiaries	5530.96	8279.54
(ii) Unbilled Revenue	133922.17	149071.74
(iii) Security & Other Deposits	27153.64	33667.86
(v) Recoverable in Cash		
(i) Due from subsidiaries	2413.03	220.83
(ii) Due from others	549.32	341.03
Total	169569.12	191581.00
17. Current Tax Assets (Net)		
Advance Income Tax	34882.90	34571.31
Less : Provision for Income Tax	21653.86	23323.98
Total	13229.04	11247.33
18. Other Current Assets		
18.1 Advances other than capital advances		
(a) Advances for goods and Services	10771.32	19542.22
(b) Advances to Others	191.59	307.28
Total	10962.91	19849.50

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
18.2 Others		
(a) Balance with Statutory Authorities	5289.64	5827.82
(b) Prepaid Expenses	1772.12	940.47
(c) Group Gratuity Plan Assets (Net of Liabilities)	211.00	302.49
	7272.76	7070.78
Total	18235.67	26920.28

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 with voting rights	1715.71	1715.71
(c) Reconciliation of Nos. of Equity Shares with voting rights: Outstanding at the beginning of the Year (Nos.)	171570800	171570800
Outstanding at the end of the Year (Nos.)	171570800	171570800
(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 31.03.2021		As at 31.03.2020	
	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	28.60%
ICICI Prudential Life Insurance Co Ltd.	0		9391321	5.47%
HDFC Small Cap Fund	15856599	9.24%	15856599	9.24%

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.

(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.

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(c) Debenture Redemption Reserve		
As per Last Balance Sheet	1950.00	4950.00
Addition/Deduction during the year	-	(3000.00)
Closing Balance	1950.00	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."

(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

The general reserve is a free reserve which is used on time to time to transfer profits from retained earnings for appropriation purposes.

(e) Other Comprehensive Income		
As per Last Balance Sheet	254.61	(79.88)
Addition During the Year	35.19	334.49
Closing Balance	289.80	254.61
(f) Retained Earnings		
As per last Balance Sheet	124498.43	114801.36
Net Profit for the year	4103.70	8515.54
Appropriations:-		
Transfer to/(from) Debenture Redemption Reserves	0.00	(3,000.00)
Dividend Paid	0.00	1715.71
Tax on Dividend Paid	0.00	102.76
Closing Balance	128602.13	124498.43

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	212821.66	208682.77
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21. Non Current Borrowings

(a) Bonds/Debentures		
(Secured)		
Secured redeemable non-convertible debentures		
(a) ICICI Prudential Asset Management 1500 debentures of Rs. 10 Lakhs each	7860.00	10000.00
(b) Centrum Credit Opportunities Trust 10000 debentures of Rs. 1 lakh each	10000.00	0.00
Total	17860.00	10000.00

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 representing 16.71% of total paid up share capital of Sadbhav Infrastructure Project Limited (SIPL) 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 mortgage over certain identified immovable properties of the Company and promoters.

Pledge over 49 % of shares of Sadbhav Gadag Highway Private Limited held by the Company. (pending to be created)

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Terms of Repayment:		
NCDs of ICICI Prudential asset management, having yearly coupon rate of 10.75% are repayable in yearly equated 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:		
(a) Foreign Currency Term Loan (including ECB)	0.00	840.72
(b) Rupee Term Loan	12616.84	16689.33
	12616.84	17530.05
Detail of Security		
a) In case of equipment finance term loan Hypothecation of specific machineries and equipments purchased.		
b) First Charge and Subservient charge on movable fixed asset of the company.		
c) Pledge of 10,53,15,340 Fully Paid up unencumbered, freely transferable equity shares of SIPL held by the Company.		
d) Extension of charge on First Pari-passu Charge by way of Hypothecation on Stocks/ Book Debts/ Work in Progress at Various sites.		
e) Mortgage of some of the immovable properties of the Company as a collateral security.		
(ii) From Financial Institutions	7466.41	11353.11
Total	37943.25	38883.16
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		
In some of the terms loans from lenders there were some delays in repayment of installments due to technical reasons. The delay has been subsequently condoned by the respective lenders.		
22. Other Financial Liabilities		
(i) Security & Other Deposits from Sub-contractors	0.00	1597.21
	0.00	1597.21
23. Short-Term Borrowings		
23.1 Loans repayable on demand		
Secured		
Working capital facilities from banks	60947.41	63269.07
Short Term Loans From Financial Institutions	1947.13	0.00
Overdrawn bank balance due to issuance of cheques	2623.61	0.00
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.		
Unsecured		
From Banks	980.00	4060.00
	66498.15	67329.07

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
23.2 Loan from Related Parties - Unsecured		
From a Director	436.79	0.00
From a company in which some of the directors are directors	509.10	306.59
	945.89	306.59
Total	67444.04	67635.66
(a) Refer to Note No.48 for Related party transactions and outstanding balances		
24. Trade Payables		
Total outstanding dues of micro and small enterprises *	750.94	0.00
Total outstanding dues other than micro and small enterprises	50161.38	55292.34
Total	50912.32	55292.34
Refer Note No.48 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	750.94	0.00
B Interest due thereon	0.00	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		
25. Other Financial Liabilities		
(a) Current Maturities of Long term debts		
Non Convertible Debentures	6640.00	5000.00
Foreign Currency Term Loan	306.56	840.72
Loan from Banks	15138.60	7127.60
Loan from Financial Institutions	4364.01	4347.03
	26449.17	17315.35
(b) Interest Accrued but not due on Loans	3202.45	2089.05
(c) Unclaimed Dividend	2.24	3.10
(d) Payable under Derivative Contract	0.00	436.98
(e) Security & Other Deposits	21795.10	18654.45
Total	51448.96	38498.93
26. Other Current Liabilities		
(a) Creditors for Capital Goods	332.89	277.61
(b) Statutory Dues	1573.11	2883.64
(c) Advances Received from Customers	28862.42	41125.38
(d) Other Payables	3304.04	3168.78
(e) Other Liabilities	23.79	20.48
Total	34096.25	47475.89

Notes forming Part of the financial statements

(Rs. in Lakhs)		
PARTICULARS	As at March 31, 2021	As at March 31, 2020
27. Short-Term Provisions		
(a) Provision for Employee Benefits	308.31	339.70
Total	308.31	339.70

(Rs. in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
28. Revenue from Operations		
Contracts Receipt	161916.76	224106.41
Other Operating Income*	445.69	1059.61
Total	162362.45	225166.02
* Other Operating Income includes:		
Sale of Electricity	353.51	460.36
Other Construction Income	11.41	15.50
Sale of Scrap	80.77	583.75
Total	445.69	1059.61

Refer to Note No.48 for Related party transactions and outstanding balances

29. Other Income		
(a) Net Gain or (Loss) on financial assets measured at FVTPL		
Gain on Derivative Contracts	340.35	0.00
(b) Interest on financial assets measured at amortised cost		
(i) Interest from Subsidiaries and step-down subsidiaries	6584.01	9790.86
(ii) Interest on Fixed Deposits	441.97	265.76
(iii) Interest on Bonds & Debentures	35.48	63.15
(c) Other Interest	172.30	211.79
(d) Profit on Sale of Assets	0.00	219.75
(e) Dividend Income	0.00	729.64
(f) Gain on foreign currency translation	0.00	54.92
(g) Miscellaneous Income	1774.03	248.86
Total	9348.14	11584.73

Refer to Note No.48 for Related party transactions and outstanding balances

30. Cost of Material Consumed		
Opening Stock	12046.39	14239.65
Add Purchase	34012.80	35643.91
	46059.19	49883.56
Less Closing Stock of Material	11789.29	12046.39
Total	34269.89	37837.17

The amount of purchases is derived from the amount of stocks and consumptions.

31. Construction Expenses		
Labour Expenses	58301.35	101934.51
Power & Fuel	17463.92	17351.57
Stores Consumed	1621.87	1797.16
Repairs & Maintenances-Construction Machineries	1463.44	2454.34
Transportation Expenses	3385.91	6511.86
Machinery Rent	5442.93	3292.00
Land & Godown Rent	494.15	537.41
Site Establishment Expenses	437.54	876.95
Mess Expenses	736.49	909.46
Total	89347.60	135665.26

As per the format of the Statement of Profit and Loss prescribed in Schedule III division II, there is no separateline item for "Construction Expenses". However, considering the industry practice in the sector in which Company operates and significance of the Construction Expenses, for better understanding by the users of financial statements, the Company has disclosed "Construction Expenses" by way of a separate line item on the face of the Statement of Profit and Loss.

Notes forming Part of the financial statements

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
32. Employee Benefits Expense		
Salary & Wages	11206.84	12846.36
Contribution to PF and Other Funds	714.08	737.03
Group Gratuity Fund Expenses	7.93	236.78
Directors' Remuneration	122.00	654.00
Staff Welfare Expenses	140.12	241.14
Total	12190.97	14715.31
Refer to Note No.48 for Related party transactions and outstanding balances		
33. Finance Cost		
(a) Interest Expenses		
On Borrowings*	14472.02	15405.82
On Taxes	399.21	92.98
(b) Other Borrowing Costs	4079.85	3912.94
Total	18951.08	19411.74
* Interest Expenses on borrowings includes:		
i On NCDs	1704.32	2958.41
ii On Term Loan	5181.68	5684.64
iii On Working capital facility	7586.01	6762.76
Total	14472.02	15405.82
34. Other Expenses		
Rent	36.06	50.69
Rates & Taxes	748.38	1267.78
Insurance	720.51	960.85
Legal & Consultation Fees & Expenses	1862.03	3302.03
Corporate Social Responsibility activities	379.56	20.50
Donation	10.66	59.74
Expected Credit Loss Expenses	267.73	0.00
Auditors Remuneration	60.00	31.50
Loss on Sales of Assets	0.00	300.69
Miscellaneous Expenses	1331.67	3009.11
Total	5416.60	9002.89
34.1 Payment to Auditors		
(i) For Audit	45.00	29.50
(ii) For Certification Works	15.00	2.00
Total	60.00	31.50
34.2 Details of Corporate social responsibility expenditure		
A Gross amount required to be spent by the Company	379.00	433.00
B Amount spent during the year		
(i) Construction/acqisition of any assets	0.00	0.00
(ii) For purpose other than (i) above	379.00	20.50
35. Exceptional Item		
Exceptional items is on account of net profit/(loss) on sale of assets	(1958.72)	-
Exceptional items is on account of profit on sale of equity shares*	-	1701.44
Total	(1958.72)	1701.44

* Exceptional item in previous year is amount of profit of Rs. 1701.44 Lakhs on sale of shares of Mysore Bellary Highway Private Limited (MBHPL) - earstwhile subsidiary company, pursuant to definitive share purchase agreement dated July 01, 2019 between Sadbhav Infrastructure Project Limited - a subsidiary company with Indinfravit Trust, whereby the entire equity shareholding in seven stepdown subsidiary companies and MBHPL were transferred with effect from 14th February, 2020.

Notes forming Part of the financial statements

36. 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	2020-21	2019-20
Contribution to Provident Funds	711.35	735.46
Contribution to ESIC	2.73	1.57
Total (Ref. Note No. 32)	714.08	737.03

36.1 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	58 years

36.2 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.

36.3 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.

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.

Notes forming Part of the financial statements

36.4 Reconciliation of defined benefit obligations (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligations as at beginning of the year	823.15	1,163.46
Current service cost	150.95	165.39
Interest cost	46.36	74.12
Actuarial Loss/(Gain) due to change in financial assumptions		(50.62)
Actuarial Loss/(Gain) due to change in demographic assumptions		(0.13)
Actuarial Loss/(Gain) due to experience	(45.46)	(249.72)
Past Service Cost	-	-
Benefits Paid	(126.16)	(279.35)
Defined benefit obligations as at end of the year	848.84	823.15

36.5 Reconciliation of Plan Asset (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Plan Asset as at beginning of the year	1,125.64	999.08
Expenses deducted from the fund	0	
Interest Income	70.63	72.12
Return on plan assets excluding amounts included in interest income	(10.27)	34.01
Contributions by employer	0	136.47
Benefits paid	(126.16)	(116.04)
Plan Asset as at end of the year	1,059.84	1,125.64

36.6 Reconciliation of the Effect of Asset ceiling (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

36.7 Net amount Charged to Statement of Profit and Loss for the period

Particulars	2020-21	2019-20
Current service cost	150.95	165.39
Past Service Cost and Loss/(gain) on curtailments and settlement	-	-
Net Interest cost	(24.26)	2.00
Net amount recognized	126.69	167.39

36.8 Other Comprehensive income for the period

Particulars	2020-21	2019-20
Components of actuarial (gain)/losses on obligations:		
Due to Change in financial assumptions	-	(50.62)
Due to change in demographic assumption	-	(0.13)
Due to experience adjustments	(45.46)	(249.72)
Return on plan assets excluding amounts included in interest income	10.27	(34.01)
Amounts recognized in Other Comprehensive Income	(35.19)	(334.48)

36.9 Break up of Plan Assets

Particulars	2020-21	2019-20
Insurance Policy	100%	100%

36.10 Actuarial Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25%	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	6.25% p.a	7.05% p.a

Notes forming Part of the financial statements

36.11 Sensitivity Analysis for Actuarial Assumption

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%

As at 31.03.2020	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%	(20.33)	-2.47%	21.37	2.60%
Salary Growth Rate	0.50%	0.50%	21.10	2.56%	(20.11)	-2.44%
Withdrawal Rate	0.50%	0.50%	(4.13)	-0.50%	3.73	0.45%

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.

36.12 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.

36.13 Expected contribution to the plan for the next annual reporting period

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Expected contribution to the plan	158.55	162.63
Total	158.55	162.63

36.14 Maturity Profile of the Defined Benefit Obligation

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%

As at March 31, 2020	Rs. in Lakhs	%
2021	162.63	13.70%
2022	89.00	7.50%
2023	84.63	7.10%
2024	102.95	8.70%
2025	94.68	8.00%
2026-2030	363.80	30.70%

Notes forming Part of the financial statements

37. Income Tax expense

37.1 Income tax expense in the statement of profit and loss comprises of: (Rs. in Lakhs)

Particulars	2020-21	2019-20
Current income tax	-	3,621.74
Adjustments in respect of current tax of earlier years	(1669.91)	-
Total current income tax	(1669.91)	3,621.74
Deferred tax		
Relating to origination and reversal of temporary difference	(2278.71)	(1,162.30)
Total Deferred tax	(2278.71)	(1,162.30)
Income tax expense	(3948.62)	2,459.44

37.2 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	2020-21	2019-20
Accounting profit before tax	155.06	10,974.94
Statutory Income Tax rate	34.944%	34.608%
Expected Income Tax Expenses	54.18	3,798.21
Deferred tax Adjustment	(2278.71)	(1,162.30)
Adjustments in respect of current tax of earlier years	(1669.91)	-
Effect of non deductible items		11,230.30
Effect of deductible items	(54.18)	(11406.77)
Income tax expenses considered in accounts	(3948.62)	2459.44

37.3 There is changes in the applicable tax rates compared to previous accounting period.

37.4 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deferred tax liability				
Derivative deals - Option and Currency Swap	3.43	(152.70)	156.13	(19.79)
Provision for Gratuity	73.73	105.70	(31.97)	163.14
Total Deferred tax liability	77.16	(47.00)	124.16	143.35
Deferred tax asset				
Property, Plant and Equipment	2,040.66	(490.18)	2,530.84	1,455.43
Investment in SIPL - Sub Debt	1,046.58	1,212.81	(166.23)	(149.78)
Leave	38.26		38.26	
Total Deferred tax asset	3,125.50	722.63	2,402.87	1,305.65
Net Deferred Tax Liability / (Assets) before MAT Credit	(3,048.34)	(769.63)	(2,278.71)	(1,162.30)
MAT Credit Entitlement	10,330.80	10,330.80	-	-
Net Deferred Tax Liability / (Assets) Recognized	(13,379.14)	(11,100.43)		
Deferred Tax Expenses / (Income) Recognized	-	-	(2,278.71)	(1,162.30)

Notes forming Part of the financial statements

38. Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year: (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	4103.68	8515.50
Weighted Average number of Equity Shares	171570800	171570800
Basic EPS (Rs.)	2.39	4.96
Diluted EPS		
Net Profit after Tax and before Other Comprehensive income	4,103.68	8,515.50
Weighted Average number of Diluted Equity Shares	171570800	171570800
Diluted EPS (Rs.)	2.39	4.96

39. Revenue from contract with customers

39.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (Rs. in Lakhs)

	March 31, 2021	March 31, 2020
Type of service rendered		
Revenue from construction services	162362.45	225166.02
	162362.45	225166.02
Place of service rendered		
India	162362.45	225166.02
Total revenue from contracts with customers	162362.45	225166.02
Timing of revenue recognition		
Services transferred over time	162362.45	225166.02
Total revenue from contracts with customers	162362.45	225166.02

39.2 Contract balances

Contract assets	133922.17	149071.74
Contract liabilities	28862.42	41125.38

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.

39.3 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.

39.4 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

40. Contingent Liabilities and commitments

A Contingent Liabilities	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Income tax matters in dispute	4850.02	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) 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) An employee has filed case before Labour court at Balaghat for compensation of Rs. 13.20 Lakhs (March 31, 2019: Rs. 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.		
(v) 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.		
(vi) 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.		
(vii) 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 Comminnsinerate - 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.		
(viii) 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.		
(f) Guarantees: Company has given corporate guarantee to banks for Rs. 43375 Lakhs (March 31, 2020: Rs. 43265 Lakhs) against the finance facility 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, 2021	As at March 31, 2020
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	9822.00	10825.00
(ii) Other Commitment	5138.91	1554.65

41. Dividend

(Rs. in Lakhs)

Particulars	Rs. Per Share	As at March 31, 2021	As at March 31, 2020
Dividend Proposed and not recognized at the end of reporting period	Nil (Rs.1)	0.00	0.00
Dividend (Including tax on Dividend) paid during the reporting period	1.00	0.00	1818.47

42. Financial Instruments

42.1 Disclosure of Financial Instruments by Category

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	-	-	1,69,569.12	1,69,569.12	1,69,569.12
Total Financial Asset		9.82	55.54	3,16,925.40	3,16,990.76	3,16,990.76
Financial liability						
Long Term Borrowings	21			37,943.25	37,943.25	37,943.25
Other Long term Financial Liabilities	22			-	-	-
Short Term Borrowings	23			67,444.04	67,444.04	67,444.04
Trade Payables	24			50,912.32	50,912.32	50,912.32
Other Current Financial Liabilities	25			51,448.96	51,448.96	51,448.96
Total Financial Liabilities		-	-	2,07,748.57	2,07,748.57	2,07,748.57

Notes forming Part of the financial statements

As at March 31, 2020

(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	-	-	527.57	527.57	527.57
Investments in Subdebt	5	-	-	2,527.48	2,527.48	2,527.48
Investments in NSC	5	-	-	14.78	14.78	14.78
Trade Receivables	6 & 12	-	-	44,236.96	44,236.96	44,236.96
Long term Loans and Advances	7	-	-	4,324.87	4,324.87	4,324.87
Other Long term Financial Assets	8	-	-	1,857.66	1,857.66	1,857.66
Cash and Cash Equivalents	13	-	-	2,130.53	2,130.53	2,130.53
Bank Balances other than Cash and Cash equivalents	14	-	-	10,183.78	10,183.78	10,183.78
Loan to Related Parties - Current	15	-	-	42,719.51	42,719.51	42,719.51
Other current financial assets	16	-	-	1,91,581.00	1,91,581.00	1,91,581.00
Total Financial Asset	-	-	55.54	3,00,104.14	3,00,159.68	3,00,159.68
Financial liability						
Long Term Borrowings	21	-	-	38,883.16	38,883.16	38,883.16
Other Long term Financial Liabilities	22	-	-	1,597.21	1,597.21	1,597.21
Short Term Borrowings	23	-	-	67,635.66	67,635.66	67,635.66
Trade Payables	24	-	-	55,292.34	55,292.34	55,292.34
Other Current Financial Liabilities	25	-	-	38,498.93	38,498.93	38,498.93
Payable under Derivative Contract	25	-	-	436.98	436.98	436.98
Total Financial Liabilities	-	-	-	2,02,344.28	2,02,344.28	2,02,344.28

42.2 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.

42.3 Refer Note 46 for information on financial asset pledged as security

43. Fair Value Measurement of Financial Assets and Liabilities

43.1 Fair value hierarchy

As at March 31, 2021	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL - Recurring FVM					
Receivables under Derivative Contracts	9	-	9.82	-	9.82
Total of Financial Assets		-	9.82	-	9.82
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, 2020					
Financial liabilities measured at FVTPL - Recurring FVM					
Payable under Derivative Contract	25	-	436.98	-	436.98
Total of Financial Liabilities		-	436.98	-	436.98
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

43.2 There are no transfer between level 1 and level 2 during the year.

43.3 The company policy is to recognize transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

43.4 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, currency volatility and interest rate curves. The derivative instrument fair value using marked-to-market valuation as at March 31, 2021

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.

44. Financial Risk Management

44.1 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.

44.2 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, 2021 and March 31, 2020.

44.2.1 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, 2021	March 31, 2020
ECB Loans	USD	-	22.22
	Equivalent INR	-	1,681.44
Buyer's Credit	EURO	10.90	47.05
	Equivalent INR	934.67	3,894.33
GCTL Loans	EURO	3.58	10.75
	Equivalent INR	306.56	889.78

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, 2021 and March 31, 2020 is considered as Nil.

44.2.2 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, 2021	March 31, 2020
Variable rate borrowings in INR		
ECB Loans	-	1681.44
Buyer's Credit	934.67	3894.33
FCTL	306.56	889.78
Short Term loan from banks	66,498.15	67,715.98
	67,739.38	74,181.53

Sensitivity analysis

(Rs. in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss before tax	
	March 31, 2021	March 31, 2020
Interest rate increase by 100 basis point	(677.39)	(741.82)
Interest rate decrease by 100 basis point	677.39	741.82

The effect of interest rate changes on future cash flows is excluded from this analysis.

44.3 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, 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	67,444.04	67,444.04	-	-	-
Trade Payables	50,912.32	50,912.32	-	-	-
Other Short Term Payables	24,999.79	24,999.79	-	-	-
As at March 31, 2020					
	Total	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non Convertible Debentures	10,000.00	5,000.00	5,000.00	-	-
Foreign Currency Term Loan	1,681.43	840.72	840.70	-	-
Long Term Rupee Loan from Banks & Fin. Inst.	39,517.06	11,474.63	14,592.70	13,449.74	-
Other Long term Payables	1,597.21	-	1,597.21	0	-
Short Term Borrowings	67,635.66	67,635.66	-	-	-
Trade Payables	55,292.34	55,292.34	-	-	-
Other Short Term Payables	2,529.13	2,529.13	-	-	-

44.4 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, 2021 Rs. 68265.90 Lakhs (as on March 31, 2020 Rs. 44236.96 Lakhs).

45. 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, 2021	March 31, 2020
Equity	1,715.71	1,751.71
Other Equity	2,12,821.66	2,08,682.77
Total	2,14,537.37	2,10,398.48

The company does not have any externally imposed capital requirement.

Notes forming Part of the financial statements

46. Asset pledged as security

Carrying Value of Assets pledged as security

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Non Financial Asset		
Tangible asset-Property, Plants & Equipments	17,447.02	38,074.16
Financial Asset		
Trade Receivables	68,256.90	44,236.96
Inventory	13,911.08	14,724.75

47. 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, 2021	As at March 31, 2020
Sadbhav Infrastructure Project Ltd.	Subsidiary	Ahmedabad	69.76%	69.50%
Sadbhav Gadag Highway Pvt Ltd	Subsidiary	Ahmedabad	100.00%	100.00%
Ahmedabad Ring Road Infrastructure Ltd.	Step down Subsidiary	Ahmedabad	-	-
Maharashtra Border Check Post Pvt Ltd.	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Hissar Tollway (P) Ltd..	Step down Subsidiary	Ahmedabad	-	-
Rohtak-Panipat Tollway (P) Ltd..	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bangalore Highway Pvt. Ltd..	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Bhavnagar Highway Pvt. Ltd.	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Jodhpur ring road private limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Nainital Highway Pvt. Ltd..	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Rudrapur Highway Pvt. Ltd..	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Tumkur highway private limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Udaipur highway private limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Una Highway Pvt. Ltd..	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vidarbha Highway Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Vizag Port Road Private Limited	Step down Subsidiary	Ahmedabad	-	-
Sadbhav Kim Expressway Private Limited	Step down Subsidiary	Ahmedabad	-	-
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		
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%

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, 2021	As at March 31, 2020
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%
Sadbhav-SPSCPL JV	Joint Venture	Ahmedabad	74.00%	0.00%

47.1 Sadbhav Infrastructure Project Ltd.. is the holding company of all the step down subsidiary companies.

47.2 Investments in Subsidiaries, Associates and Joint Ventures are accounted at Cost.

48. 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 whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

49. List of Related Parties

(a) Related Party with whom Control Exists

Subsidiary

Sadbhav Infrastructure Project Limited

Sadbhav Gadag Highway Private Limited

Mysore-Bellary Highway Private Limited - Transferred to IndInfravit Trust with effect from 14th February, 2020

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 Private Limited,

Sadbhav Rudrapur Highway Private Limited,

Sadbhav Bhavnagar Highway Private Limited,

Sadbhav Una Highway Private Limited,

Sadbhav Hybrid Annuity Project Limited.

*Nagpur-Seoni Express Way Limited,

*Aurnagabad-Jalna Toll Way Limited,

*Bijapur-Hungund Tollway Private Limited,

Sadbhav Bangalore Highway Private Limited,

Sadbhav Vidarbha Highway Private Limited,

Sadbhav Udaipur highway Private Limited,

Sadbhav Jodhpur Ring Road Private Limited,

Sadbhav Tumkur Highway Private Limited,

Sadbhav Bhimasar Bhuj Highway Private Limited,

Sadbhav Vizag Port Highway Private Limited,

Sadbhav Kim Express Way Private Limited,

*Hyderabad-Yadgiri Tollway Private Limited,

*Shreenathji-Udaipur Tollway Private Limited,

*Bhilwara-Rajsamand Tollway Private Limited,

*Dhule Palesner Tollway Ltd.

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

Notes forming Part of the financial statements

(b) **Related Party with whom transaction during the year**

Key Management Personnel (KMP):

Shri Shashinbhai V. Patel (Change of designation from Chairman & Managing Director to Non-Executive Vice Chairman w.e.f. 25-04-2020);

Shri Nitin R. Patel, Executive Director and Chief Financial 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 4, 2021;

Shri Vikram R. Patel, Executive Director up to 24-04-2020;

Shri Vasistha C. Patel, Executive Director up to 24-04-2020.;

Shri Vipul H. Patel, Executive Director up to 24-04-2020.;

Shri Tushar D. Shah, Company Secretary and Compliance Officer up to 01-03-2021;

Shri Atul Ruparel, Non-Executive – Independent Director up to 25-05-2020;

Smt. Purvi S Parikh, Non-Executive – Independent Director up to 05-05-2021;

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.

(Rs. in Lakhs)

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	2020-21	70,928.28	2,184.44	-	-	73,112.72
	2019-20	(99,166.61)	(2,711.76)	-	-	(1,01,878.37)
Providing of services	2020-21	144.00	0.60	-	-	144.60
	2019-20	(231.75)	(0.60)	-	-	(232.35)
Sub contracting Expenditure	2020-21	6,240.62	-	-	31.77	6,272.39
	2019-20	(5,048.65)	-	-	(964.26)	(6,012.91)
Purchase of Material	2020-21	-	-	-	-	-
	2019-20	-	-	-	(318.57)	(318.57)
Sale of Material	2020-21	334.37	-	-	-	334.37
	2019-20	-	-	-	(19.45)	(19.45)
Remuneration Expenses	2020-21	-	-	226.05	-	226.05
	2019-20	-	-	(672.49)	-	(672.49)
Service Received	2020-21	-	-	-	4.50	4.50
	2019-20	-	-	-	(6.00)	(6.00)
Investment In Sub Debt	2020-21	1,003.00	-	-	-	1,003.00
	2019-20	(534.87)	-	-	-	(534.87)
Director Sitting Fees	2020-21	-	-	3.15	-	3.15
	2019-20	-	-	4.50	-	4.50
Interest Expenses	2020-21	1,732.97	-	-	-	1,732.97
	2019-20	-	-	-	(13.29)	(13.29)
Interest Income	2020-21	6,544.23	-	-	-	6,544.23
	2019-20	(9,790.86)	-	-	-	(9,790.86)
Expenses incurred on behalf and recovered	2019-20	-	-	-	-	-
	2018-19	(20.19)	-	-	-	(20.19)
Unsecured Loan given	2020-21	28,651.58	-	-	2,832.98	31,484.56
	2019-20	(49,563.35)	-	-	-	(49,563.35)
Unsecured Loan received back	2020-21	25,452.36	-	-	-	25,452.36
	2019-20	(46,540.51)	-	-	-	(46,540.51)

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
Unsecured Loan Received	2020-21	-	-	436.79	-	436.79
	2019-20	-	-	-	(2,313.50)	(2,313.50)
Unsecured Loan Repaid	2020-21	-	-	-	-	-
	2019-20	-	-	-	(2,150.00)	(2,150.00)
Advance Paid Against Asset Purchase	2020-21	-	-	-	-	-
	2019-20	-	-	-	(2,336.50)	(2,336.50)
Advance Received Back Against Asset Purchase	2020-21	-	-	-	-	-
	2019-20	-	-	-	(2,336.50)	(2,336.50)
Mobilization/ Material/ Machinery Advance Received	2020-21	8,392.86	-	-	-	8,392.86
	2019-20	(10,081.48)	(11.95)	-	-	(10,093.43)
Mobilization/ Material/ Machinery Advance Repaid	2020-21	3,487.36	0.11	-	-	3,487.47
	2019-20	(2,209.75)	(168.21)	-	-	(2,377.96)
Security Deposit/Retention Deducted by Clients	2020-21	3,515.49	418.14	-	-	3,933.63
	2019-20	(6,450.77)	(2,665.51)	-	-	(9,116.28)
Security Deposit/Retention Released by Clients	2020-21	2,030.30	675.05	-	-	2,705.35
	2019-20	(5,548.66)	(1,459.93)	-	-	(7,008.59)
Security Deposit/Retention Deducted from Sub-contractors	2020-21	-	-	-	0.79	0.79
	2019-20	(200.25)	-	-	(59.02)	(259.27)
Security Deposit/Retention Paid from Sub-contractors	2020-21	-	-	-	-	-
	2019-20	(311.50)	-	-	(120.37)	(431.87)
Dividend Received	2020-21	-	-	-	-	-
	2019-20	(729.64)	-	-	-	(729.64)
Dividend Paid	2020-21	-	-	-	-	-
	2019-20	-	-	(142.82)	(655.81)	(798.63)
Outstanding Balance at year end:						
Trade Receivable	March 31, 2021	44,784.14	3,731.50	-	-	48,515.64
	March 31, 2020	(29,744.44)	(2,006.50)	-	-	(31,750.94)
Trade Payable	March 31, 2021	-	-	-	38.34	38.34
	March 31, 2020	-	-	(54.65)	(783.44)	(838.09)
Unsecured Loan given	March 31, 2021	64,618.78	-	-	2,526.39	67,145.17
	March 31, 2020	(55,323.92)	-	-	-	(55,323.92)
Mobilization/ Material/ Machinery Advance Received	March 31, 2021	30,007.81	-	-	-	30,007.81
	March 31, 2020	(12,553.03)	(0.11)	-	-	(12,553.14)
Security Deposit/Retention Deducted by Clients	March 31, 2021	8,986.03	9,765.13	-	-	18,751.16
	March 31, 2020	(7,500.84)	(10,017.95)	-	-	(17,518.79)

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 Deducted from Sub-contractors	March 31, 2021	-	-	-	0.79	0.79
	March 31, 2020	-	-	-	(169.65)	(169.65)
Unsecured Loan received	March 31, 2021	-	-	436.79	-	436.79
	March 31, 2020	-	-	-	(306.59)	(306.59)
Investment In Sub Debt	March 31, 2021	3530.48	-	-	-	3,530.48
	March 31, 2020	(2,527.48)	-	-	-	(2,527.48)

NOTE:

- 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. 18.49 lakhs) paid to Tushar D. Shah, Company Secretary and Compliance Officer up to 01-03-2021 of the company and Rs.1.10 lakhs paid to Hardik Modi, Company Secretary and Compliance Officer of the company.
- 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, 2020 : 11%)
The company has not provided any commitment to the related party As at March 31, 2021 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. 60

50. Dividend in Foreign Currency

Details of amount remitted during the year in foreign currency on account of dividends

(Rs. in Lakhs)

Category of Shareholders	Number of Shares	Number of Shareholders	Amount Remitted during the year	Year to which dividend relates
Foreign Institutional Investor	-	-	-	2020-21
	2,26,44,277	89	226.44	2019-20
Non Resident Indians	-	-	-	2020-21
	1,50,721	428	1.51	2019-20
Total	-	-	-	2020-21
	2,27,94,998	517	227.95	2019-20

- The Company has made assessment of possible impact of COVID-19 on business / operations of the group and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at date of approval of these results has used corroborative information. As on current date, the Company has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Notes forming Part of the financial statements

52. 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 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 on January 29, 2021. Requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval.
53. The net worth of Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hissar Tollway Private Limited (RHTPL) step down subsidiaries have fully eroded as per their latest financial statement. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of Rs. 1,81,730 Lakhs lodged in terms of conditions of concession agreements which is backed by legal opinion on tenability of the claim, debt refinancing, internal plan of revival to meet its dues and obligations and the strategic nature of these loans / investments, basis which the management believes that the networth of these entities would become positive in due course. Considering the same, no provision / adjustment to the carrying value of loans of Rs. 11,387 Lakhs given by SEL to these entities as at March 31, 2021 is considered necessary at this stage. Reference has been invited to Note No. 15.
54. Realisability of Non- Current Trade Receivables amounting to Rs. 26766.09 Lakhs along with other incidental balances amounting to Rs. 8646.56 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.
55. 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.
56. The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of decided cases, the Company has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However an amount of total income tax of Rs. 18491.61 Lakhs on claim of deductionu/s 80IA for the AY 2015-16 to AY 2018-19 & AY 2020-21 as years for which assessment is not completed.
57. The Company has decided not to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
58. Pursuant to the Hon'ble Supreme Court's Order vide dated 23rd March, 2021, interest on interest during the tenure of moratorium period in year 2020 has been waived for all borrowers and accordingly Hon'ble SC had instructed all the Banks to give the credit / adjustment for interest on interest amount levied by it on its borrowers.

The Company has followed up with its Bankers in the subject matter. However, the Bankers are awaiting further clarity from RBI / their top management in the cited aspect. Hence, pending outcome of the credit / adjustment by way of a refund of interest on interest amount; the Company has decided to account the captioned interest on interest component on actual basis.

59. Debt Equity, Debt Service & Interest Service Coverage Ratio are as under

Sr. No.	Ratio	As at March 31, 2021	As at March 31, 2020
1	Debt Equity Ratio	0.30	0.27
2	Debt Service Coverage Ratio (DSCR)	0.84	0.96
3	Interest Service Coverage Ratio (ISCR)	1.71	2.12

Basis of calculation of ratios:

ISCR=Earning before interest, depreciation and tax / Interest expenses.

DSCR=Earning before interest, depreciation and tax / (Interest + Principal Repayment of long term debt during the period (excluding prepayment of long term debt from proceeds received from Sadbhav Infrastructure Project Limited, subsidiary of the Company, against funds received from Stake sale of operational -8- projects).

Debt Equity Ratio=Loan Fund / Share Capital & Reserves (excluding revaluation reserve)

Notes forming Part of the financial statements

60. Details Of Loan Given, Investment Made & Guarantee Given Covered U/S 186(4) Of The Companies Act. 2013

Loans given and investment made are given under respective heads.

Corporate Guarantee given by the Company in respect of loans as at March 31, 2021:-

(Rs. in Lakhs)

Sr. No.	Name of Company	As at March 31, 2021	As at March 31, 2020
1	Ahmedabad Ring Road Infrastructure Co. Ltd.	750.00	1020.00
2	Sadbhav Infrastructure Project Ltd.	40000.00	39620.00
3	Sadbhav Nainital Highway Pvt Ltd.	2625.00	2625.00
	Total	43375.00	43265.00

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: June 30, 2021

K. C. Patel

Partner

Membership No.: 030083

Place: Ahmedabad

Date: June 30, 2021

For and on behalf of Board

Shashin V. Patel

Vice Chairman & Non Executive 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

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

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, 2021, 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, 2021, 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 Opinion

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 audit opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern in case of two step down subsidiary companies

The auditors of two of the step-down subsidiaries namely Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL) have highlighted material uncertainty related to going concern in their respective audit reports as under:

- (i) Net worth of RPTPL has been fully eroded and it has incurred a net loss during the current and previous years and current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note no. 68 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on RPTPL's ability to continue as a going concern.

- (ii) RHTPL is having accumulated losses as on reporting date resulting in erosion of its net worth. Further, its current financial liabilities exceeds the current financial assets. These events or conditions along with other matters described in Note no. 69 to the consolidated financial statements indicate that a material uncertainty exists that may cast significant doubt on RHTPL's ability to continue as a going concern.

The opinion of auditors of RPTPL and RHTPL is not modified in respect of these matters.

Emphasis of Matter

We draw attention to:

- a. **Note 63** to the accompanying consolidated financial statements in relation to parent company as regards management's evaluation on realisability of balances outstanding under the head Trade Receivables and Security & Other Deposits included under the head Other Non-Current Financial Assets pertaining to completed projects amounting to Rs. 28,319.65 Lakhs, which are considered as good and recoverable, for the reasons stated in the said note.

- b. **Note 64** to the accompanying consolidated financial statements which describes the management's assessment of the carrying value of Toll Collection Right of two operating step down subsidiaries of the group engaged in infrastructure project considering the claim of Rs. 1,81,730 Lakhs lodged on National Highway Authority of India, the settlement of which is pending as at balance sheet date. For the reason stated in the said note, the Management has concluded that no impairment/adjustment is necessary to the carrying value of the said Toll Collection Rights of both the step-down subsidiaries as at March 31, 2021.

- c. **Note 66** to the accompanying consolidated financial statements in respect of accounting of Intangible Asset / Intangible Assets under Development of Rs. 22,288.40 Lakhs under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these consolidated financial statements.
- d. **Note 74** to the accompanying consolidated financial statements, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Group.

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	Response to Key Audit Matter
<p>A. Revenue recognition and measurement of Contract assets in respect of unbilled amounts</p> <p>The management has applied significant judgement in 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 towards complete satisfaction of performance obligation. Revenue recognition necessarily involve technical estimates of the stage of completion, and costs to complete of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Obtained the understanding of the procedure and process involved in ascertaining the stage of progress and completion of the projects. We have also verified the costs incurred on the project/works up to the reporting date for the revenues accounted in respect of works on sampling basis.• Reviewed the documents relating to works executed till the reporting date in respect of which revenue is recognized on test basis.• Performed analytical procedures for reasonableness of revenues recognized. We have also verified the reasonableness of the estimation of remaining costs to be incurred to complete the project / work and profit

<p>margin, considering the stage of completion method.</p> <p>In view of the involvement of significant estimates by the management, the matter has been determined as Key Audit Matter. Refer Note No. 3.2 to the consolidated financial statements.</p>	<p>/ loss estimated in the project / work.</p> <ul style="list-style-type: none"> Also verified that the disclosure is made in accordance with Ind AS 115 "Revenue from Contracts with Customers".
<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 Group 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 Group 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. 53 to the consolidated financial statements.</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 Group'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. <p>Also assessed the adequacy of the Group's disclosures in respect of tax and uncertain tax positions.</p>
<p>C. Recognition of Deferred Tax Asset</p> <p>As at March 31st, 2021, the Group has recognized deferred tax assets of Rs. 13,379.14 Lakhs on deductible temporary differences and MAT Credit</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> Obtained an understanding of the process and tested the controls over recording of deferred tax and review of

<p>entitlement. Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions. In view of the Covid-19 pandemic, the Group has reassessed its future projections for recoverability of deferred tax assets as at March 31st, 2021 while assessing the adequacy of taxable income of future years.</p> <p>This involves significant judgement and estimates by the management and hence the same has been considered as key audit matter.</p> <p>Refer Note no. 45 to the consolidated financial statements.</p>	<p>deferred tax at each reporting date;</p> <ul style="list-style-type: none"> • Tested the computation of the amounts recognized as deferred tax assets; • Evaluated management’s assumptions, including considerations given to impact of Covid-19, used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans; <p>Assessed the disclosures on deferred tax included in Note to the consolidated financial statements.</p>
<p>D. Impairment of BOT asset (Intangible)</p> <p>The Group operates toll asset which is constructed on Build Operate and Transfer (BOT) basis. The carrying value of the user fee rights (‘UFR’) as at March 31, 2021 is Rs. 1,42,514 Lakhs.</p> <p>The management has performed an impairment assessment by comparing the carrying value of UFR with its recoverable amount due to existence of impairment indicators including impact of COVID-19.</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 as</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 UFR. • 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, including the impact of COVID-19. • Performed sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model.

<p>well as the impact of the economic uncertainties arising from COVID-19 on 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 UFR involves significant judgement.</p> <p>Accordingly, the impairment of UFR accounted 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 of the consolidated financial statements</p>	<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 Arrangement (</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>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 services against fixed annuity receivable from</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:<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.

<p>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 of the consolidated financial statements</p>	<ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Below are our audit procedures in respect of revenue from hybrid annuity assets: <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. <p>Assessed the relevant disclosures made by the Group relating to the revenue.</p>
<p>F. Provision toward periodical major maintenance obligations</p> <p>As at March 31, 2021, the Group has recognised provision of Rs. 19,986.80 Lakhs (including Rs. 2,830.90 Lakhs pertaining to a subsidiary classified as held for sale) towards its periodical major maintenance obligation, required to ensure maintenance of the project highways as per the requirement of concession agreement.</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

<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. 54 of the consolidated financial statements</p>	<p>cost of resurface used in determining the provisions.</p> <ul style="list-style-type: none">• 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 toward various claims</p> <p>As at March 31, 2021, the Group has recognised Rs. 12,653.10 Lakhs of receivables from authorities towards various claims.</p> <p>The receivables comprise of receivables towards arbitration claim, toll suspension and toll exemption claim. 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 of 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 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 is 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, 2021 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 Seven step-down subsidiary companies, whose financial statements reflect total assets of Rs 7,20,494.40 Lakhs as at March 31, 2021, total revenues of Rs 69,916.10 Lakhs, total net (loss) / profit after tax of Rs (25,615.40) Lakhs, total comprehensive income / (loss) of Rs (25,614.30) Lakhs and net cash flow Rs.2654.79 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 Eleven step-down subsidiary companies, which have been audited by one of the joint auditors and whose financial statements reflect total assets of Rs 4,92, 750.90 Lakhs as at March 31, 2021, total revenues of Rs 1,01, 711.10 Lakhs, total net (loss)/ profit after tax of Rs (2233 .00) Lakhs, total comprehensive income / (loss) of Rs (2232.40) Lakhs and net cash flow Rs.2035 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 report 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 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) 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, 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) 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) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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, its and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;
- (g) 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, 2021 has been paid / provided by the Holding Company and its subsidiaries step-down subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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 report 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 its consolidated financial position of the Group – Refer Note 53 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, 2021; and
- 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, 2021.

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:21128531AAAAIQ8263
Place: Ahmedabad
Date: June 30, 2021

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 21030083AAAADT6288
Place: Ahmedabad
Date: June 30, 2021

**Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of
Sadbhav Engineering Limited**

**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, 2021, 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

In our opinion, the Holding Company its subsidiaries and its step-down subsidiaries companies, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2021, 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.

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 Seven 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: 21128531AAAAIQ8263
Place: Ahmedabad
Date: June 30, 2021

K. C. Patel
Partner
Membership No: 030083
ICAI UDIN: 21030083AAAADT6288
Place: Ahmedabad
Date: June 30, 2021

SADBHAV ENGINEERING LIMITED
CIN :: L45400GJ1988PLC011322
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lakhs)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	5	28567.99	40265.72
(b) Right to Use Assets	5	1235.98	3271.49
(c) Capital Work-In-Progress	5	376.91	376.91
(d) Investment Property	6	94.10	83.80
(e) Goodwill	7	2653.00	2653.00
(f) Other Intangible Assets	7	390825.13	399840.75
(g) Intangible Assets under Development	7	9645.30	9552.80
(h) Financial Assets			
(i) Investments	8	72257.42	73030.89
(ii) Trade Receivables	9	19767.98	13192.49
(iii) Loans	10	40.07	44.50
(iii) Receivable Under Service Concession Arrangement	11	308307.60	271384.00
(iv) Other Financial Assets	12	12102.94	1654.34
(i) Deferred Tax Assets (Net)	13	13379.14	11318.63
(j) Other Non Current Assets	14	5969.15	11603.83
Total Non-current Assets		865222.71	838273.15
(2) Current Assets			
(a) Inventories	15	13911.08	14724.75
(b) Financial Assets			
(i) Investments	16	706.40	0.00
(ii) Trade Receivables	17	16417.48	12077.54
(iii) Cash and cash Equivalents	18	10746.54	9334.13
(iv) Bank balance other than (ii) above	19	499.79	11113.98
(v) Loans	20	5629.29	9505.41
(vi) Receivable Under Service Concession Arrangement	21	33916.90	28144.70
(vii) Other Current Financial Assets	22	171968.84	185017.31
(c) Current Tax Assets	23	14222.94	12360.13
(d) Other Current Assets	24	83404.46	74582.55
Total Current Assets		351423.72	356860.50
(3) Assets classified as held for sale	58	31783.60	33287.40
Total Assets		1248430.03	1228421.05
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity & Share Capital	25	1715.71	1715.71
(b) Other Equity	26	142813.22	158352.98
Equity attributable to owners of the company		144528.93	160068.69
Non Controlling Interest		33913.19	42266.45
		178442.12	202335.14
(2) Liabilities			
(i) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	536749.45	563278.96
(ii) Other Financial Liabilities	28	109916.90	113867.41
(b) Deferred Tax Liabilities (Net)	29	9393.20	7679.40
(c) Provisions	30	17423.60	13745.00
(d) Other Non-Current Liabilities	31	0.00	2902.50
Total Non-current Liabilities		673483.15	701473.27
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	32	75513.04	69421.36
(ii) Lease Liability		1399.65	3461.82
(iii) Trade Payables	33		
a. Dues to Micro and Small enterprises		830.04	0.00
b. Dues other than Micro and Small enterprises		88031.41	72925.30
(iii) Other Financial Liabilities	34	164404.58	84012.19
(b) Other Current Liabilities	35	47830.73	69089.17
(c) Provisions	36	645.21	596.30
(d) Current Tax Liabilities (net)	37	1028.80	826.20
Total Current Liabilities		379683.46	300332.34
(3) Liabilities relating to assets classified as held for sale	58	16821.30	24280.30
Total Equity & Liabilities		1248430.03	1228421.05

Summary of significant accounting policies

3

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

For and on behalf of Board,

Shashin V. Patel
Vice Chairman &
Non Executive
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 : June 30, 2021

K. C. Patel
Partner
Membership No. :: 030083
Place: Ahmedabad
Date : June 30, 2021

SADBHAV ENGINEERING LIMITED

CIN :: L45400GJ1988PLC011322

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2021

(Rs. in Lakhs)

P A R T I C U L A R S	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from Operations	38	224327.80	348705.08
II Other Income	39	35400.23	37510.46
III Total Revenue (I+II)		259728.03	386215.54
IV Expenses :			
Cost of Material Consumed	40	34269.90	37839.87
Construction, Toll Plaza & Road Maintenance Expenses	41	105099.18	159089.42
Employee Benefits Expense	42	15263.67	19671.81
Finance Cost	43	100345.04	141083.41
Depreciation and Amortization Expense	5 to 7	21101.47	40118.08
Other Expenses	44	9882.20	17883.25
Total Expenses		285961.46	415685.84
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		(26233.43)	(29470.30)
VI Exceptional Item (Net of Expenses)	67	2346.38	150101.34
VII Profit/(Loss) Before Tax (V+VI)		(23887.05)	120631.04
VIII Tax Expense			
(1) Current Tax		678.60	5985.64
(2) Deferred Tax		930.09	4771.10
(3) Short/(Excess) Provision for taxation for earlier years		(1750.91)	(750.30)
IX Profit/(Loss) for the year (VII-VIII)		(23744.83)	110624.60
Profit/(Loss) for the year attributable to:			
Owners of the Company		(15490.76)	79282.97
Non-controlling Interest		(8254.07)	31341.63
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 50)		37.99	336.69
Net Comprehensive Income Not to be reclassified to profit or loss in subsequent periods:		37.99	336.69
Other Comprehensive Income for the year attributable to			
Owners of the company		37.99	336.69
Non-controlling Interest		0.00	0.00
Total Comprehensive Income for the year		(23706.84)	110961.29
Total Comprehensive Income for the year attributable to:			
Owners of the company		(15452.77)	79619.66
Non-controlling Interest		(8254.07)	31341.63
XI Earning / (Loss) per Equity Share (in Rupees)			
(1) Basic		(9.03)	46.21
(2) Diluted		(9.03)	46.21

Summary of significant accounting policies

3

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

For and on behalf of Board,

Shashin V. Patel
Vice Chairman &
Non Executive 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 : June 30, 2021

K. C. Patel
Partner
Membership No. :: 030083
Place: Ahmedabad
Date : June 30, 2021

SADBHAV ENGINEERING LIMITED
CIN :: L45400GJ1988PLC011322
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2021

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax as per Profit and loss account	(23887.05)	110624.60
Adjustments For :		
Interest Income	(7858.87)	(13795.30)
Interest Expenses	100345.04	141083.41
Depreciation & Amortisation	21101.47	40118.08
Profit on sale of Property, Plant & Equipments	0.00	(219.75)
Loss on sale of Property, Plant & Equipments	0.00	300.69
Periodic Major Maintenance expenses	0.00	7535.80
Exceptional Item (note 66)	(2346.38)	(150101.34)
Income Tax Provision	0.00	5235.34
Other comprehensive income	0.00	336.69
Liabilities no longer required written back	0.00	(10455.80)
Deferred Tax Liabilities/(Assets)	0.00	4771.10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	87354.21	135433.52
Adjustment For :		
(Increase)/Decrease of Long Term Trade Receivables	(43499.09)	(65790.30)
(Increase)/Decrease of Trade Receivables	(10112.14)	(27634.32)
(Increase)/Decrease of Other Current Assets	(8821.91)	10197.30
(Increase)/Decrease of Other Current Financial Assets	13048.47	(16625.91)
(Increase)/Decrease of Other Non Current Assets	5634.68	(6666.94)
(Increase)/Decrease of Other Non Current Financial Assets	(10448.60)	816.19
(Increase)/Decrease of Inventories	813.67	3192.46
(Increase)/Decrease of Loan given	3880.55	(6698.36)
(Increase)/Decrease of Other Bank Balances	10614.19	(8535.02)
Increase/(Decrease) of Other Long Term Financial Liabilities	(3950.51)	5919.78
Increase/(Decrease) of Other Long Term Liabilities	(2902.50)	(18793.80)
Increase/(Decrease) of Trade Payables	15936.15	19420.70
Increase/(Decrease) of Other Current Liabilities	(21254.72)	(23677.39)
Increase/(Decrease) of Other Current Financial Liabilities	80392.39	49220.35
Increase/(Decrease) of Provision	3727.51	6601.17
Increase/(Decrease) in Deferred Tax (net)	(346.71)	7880.10
Cash generated from Operations	120065.64	64259.54
Income Tax Paid	(1660.21)	(4511.84)
Net Cash Flow From Operating Activities	118405.43	59747.70
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Property, Plant & Equipments and Intangible Assets	(703.76)	(1484.04)
Sales of Property, Plant & Equipments	2248.35	1395.75
Other Current Investments	(706.40)	565.35
Other Non Current Investments	773.47	0.00
Recd. against sales of shares	2346.38	37704.64
Proceed Repayment towards compound financial	0.00	79112.90
Interest Received	7858.87	13795.30
Net Cash Flow From Investing Activities	11816.91	131089.90
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share issue expenses	82.60	0.00
Proceeds/(Repayment) of Long Term Borrowings (Net)	(26529.51)	(42418.64)
Proceeds/(Repayment) of Short Term Borrowings (Net)	6091.68	(8305.55)
Lease Liability	(2062.17)	0.00
Interest Paid	(100345.04)	(141083.41)
Dividend Paid (including dividend distribution tax)	0.00	(2875.17)
Assets held for sale	(5955.20)	0.00
Change in Non controlling Interest	(99.19)	0.00
Loss/(profit) of subsidiary of Previous year (Net)	6.90	(194682.77)
Net Cash Flow (Used in) Financing Activities	(128809.93)	(194682.77)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1412.41	(3845.18)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	9334.13	13179.01
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	10746.54	9333.83
COMPONENTS OF CASH & CASH EQUIVALENTS (refer note 18)		
CASH ON HAND	204.70	112.18
BALANCE IN CURRENT ACCOUNT WITH BANKS	9348.14	5057.22
BALANCE IN FIXED DEPOSITS	1193.70	4164.43
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	10746.54	9333.83

Movement of Borrowings	(Rs. In Lakhs)		
Particulars	Non Current	Current	Total
As At March 31, 2019	968,265.80	142,505.80	1,110,771.60
Cash Flow (Net)	(404,986.84)	(32,449.19)	(437,436.03)
As At March 31, 2020	563,278.96	110,056.61	673,335.57
Cash Flow (Net)	(26,529.51)	62,133.80	35,604.29
As At March 31, 2021	536,749.45	172,190.41	708,939.86

Notes:

- All figures in bracket are outflow.
 - Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
 - The cash flow statement has been prepared under indirect method as per Indian Accounting Standard - 7 "Cash Flow Statement".
- The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Board,

Shashin V. Patel
Vice Chairman & Non Executive 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

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Chartered Accountants
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Samip K. Shah
Partner
Membership No. : 128531
Place: Ahmedabad
Date : June 30, 2021

K. C. Patel
Partner
Membership No. : 030083
Place: Ahmedabad
Date : June 30, 2021

Sadbhav Engineering Limited

CIN :: L45400GJ1988PLC011322

Consolidated Statement of Changes in Equity for the year ended March 31, 2021**A Equity Share Capital**

(Rs. in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the	Balance at the end of the reporting period
As on March 31, 2021	1715.71	0.00	1715.71
As on March 31, 2020	1715.71	0.00	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, 2019	33,104.47	57,134.05	11,712.20	23,424.68	(43,432.60)	(158.39)	13,342.51	95,126.92
Profit/(Loss) for the year					79,282.97		31,341.63	110,624.60
Remeasures gain on defined benefit plan						336.69		336.69
Total Comprehensive Income for the year					79,282.97	336.69	31,341.63	110,961.29
Dividends (including tax on dividend)					3,090.38			3,090.38
Transfer to/from debenture redemption reserve			7,543.30	(7,543.30)	(675.79)			(675.79)
Adjustment on acquisition of shares of Subsidiary					614.60		2,417.68	3,032.28
Share issue expenses					22.10			22.10
As at March 31, 2020	33,104.47	57,134.05	4,168.90	30,967.98	32,799.09	178.30	42,266.46	200,619.24
As at April 01, 2020	33,104.47	57,134.05	4,168.90	30,967.98	32,799.09	178.30	42,266.46	200,619.25
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)				0.00
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	176,726.41

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

For and on behalf of Board,

Shashin V. Patel
Vice Chairman & Non Executive 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 : June 30, 2021

K. C. Patel
Partner
Membership No. :: 030083
Place: Ahmedabad
Date : June 30, 2021

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, 2021. 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 June 30, 2021.

2 Basis of preparation:

2.1 The financial statements of the company have been prepared to comply with the Indian Accounting Standards (Ind AS) including rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

The consolidated financial statements have been prepared 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 ('INR') which is also the Group's functional currency and all values are rounded to the nearest Lakhs (INR 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.

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 2021. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

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 and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

Sadbhav Engineering Limited**Notes to consolidated Ind AS financial statements for the year ended March 31, 2021**

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, 2021	As at March 31, 2020
1	Sadbhav Infrastructure Projects Ltd (SIPL)	69.76%	69.50%
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, 2021	As at March 31, 2020
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Maharashtra Border Check Post Network Limited (MBCPNL)	99.63%*	99.63%*
3.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%
4.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%
5.	Sadbhav Bhavnagar Highway Private Limited (SBHPL)	100%	100%
6.	Sadbhav Rudrapur Highway Private Limited (SRHPL)	100%	100%
7.	Sadbhav Una Highway Private Limited (SUHPL)	100%	100%
8.	Sadbhav Nainital Highway Private Limited (SNHPL)	100%	100%
9.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
10.	Sadbhav Udaipur Highway Private Limited (SUDHPL)	100%	100%
11.	Sadbhav Vidarbha Highway Private Limited (SVHPL)	100%	100%
12.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	100%	100%
13.	Sadbhav Tumkur Highway Private Limited (STHPL) (note (ii) below)	100%	100%
14.	Sadbhav Vizag Port Road Private Limited (SVPRRPL) (note (ii) below)	100%	100%
15.	Sadbhav Kim Expressway Private Limited (SKEPL)	100%	100%
16.	Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) (note (ii) below)	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 previous 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, 2021	As at March 31, 2020
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%	NA

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.

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 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.

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/derecognised 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 life 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:

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.

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 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.

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.

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 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.

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

The Group recognizes an allowance for Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

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

ii. Subsequent measurement of financial liabilities

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the Consolidated statement of profit and Loss. The group has not designated any financial liability as at fair value through profit and loss.

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

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings.

- **Compound financial instruments**

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

- **Financial guarantee contracts**

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

iii. Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting of financial instruments

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

d) Derivative financial instruments

- e)** 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 deferral

Premium deferral (i.e. premium payable less paid after adjusting premium deferral) 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.

3.26 Changes accounting policies and disclosure

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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 4.2, 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 4.1 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.

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements
5 Property, Plant and Equipment, Right to use assets and Capital work in progress

(Rs. in Lakhs)

A	Property, Plant and Equipment								Capital Work In Progress
	Particulars	Land	Building	Furniture	Office Equipment	Plant and Machineries	Vehicles	Wind Mills	
Cost									
As at 01/04/2019	1585.54	8525.97	1755.00	999.42	62671.55	1019.20	5414.46	81971.14	326.09
Addition	0.00	0.00	10.60	107.98	766.58	97.50	0.00	982.66	50.82
Disposal	0.00	3806.59	32.14	242.24	4302.12	6.64	0.00	8389.73	0.00
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	(8.41)	0.00	187.62	179.21	0.00
Transfer related to carve out asset	476.30	0.00	0.00	0.00	0.00	0.00	0.00	476.30	0.00
Transfer to Asset held for sale (refer note 58)	0.00	0.00	11.50	45.50	745.70	105.00	0.00	907.70	0.00
Sale of Step down Subsidiaries (refer note 67)	0.00	73.70	12.30	177.90	216.10	261.50	0.00	741.50	0.00
As at 31/03/2020	1109.24	4645.68	1709.66	641.76	58165.81	743.56	5602.08	72617.78	376.91
Addition	0.00	0.00	0.00	84.43	157.19	49.20	0.00	290.82	0.00
Disposal	0.00	0.00	0.00	0.80	1049.05	12.83	4657.41	5720.09	0.00
Transfer related to carve out asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to Asset held for sale (refer note 58)	0.00	0.00	0.00	39.30	56.00	0.00	0.00	95.30	0.00
Sale of subsidiaries (refer note 67)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment of Foreign Exchange	0.00	0.00	0.00	0.00	0.21	0.00	(944.67)	(944.45)	0.00
As at 31/03/2021	1109.24	4645.68	1709.66	686.09	57218.16	779.93	0.00	66148.76	376.91
Accumulated Depreciation									
As at 01/04/2019	0.00	3986.86	722.98	541.23	24383.52	558.85	1073.82	31267.26	0.00
Addition on acquisition of subsidiary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition	0.00	228.44	183.24	202.22	7929.11	164.87	277.27	8985.14	0.00
Disposal	0.00	3668.39	24.01	218.19	2814.81	4.65	0.00	6730.05	0.00
Transfer to Asset held for sale (refer note 58)	0.00	0.00	8.90	33.00	582.70	79.90	0.00	704.50	0.00
Sale of subsidiaries (refer note 67)	0.00	21.50	8.80	104.80	114.00	217.00	0.00	466.10	0.00
As at 31/03/2020	0.00	525.41	864.51	387.46	28801.12	422.17	1351.10	32351.75	0.00
Charge for the Year	0.00	105.44	179.36	126.20	7001.34	106.83	240.93	7760.10	0.00
Disposal	0.00	0.00	0.00	0.30	852.46	12.19	1592.02	2456.97	0.00
Transfer to Asset held for sale (refer note 58)	0.00	0.00	0.30	16.50	51.10	6.20	0.00	74.10	0.00
Sale of subsidiaries (refer note 67)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31/03/2021	0.00	630.84	1043.57	496.86	34898.90	510.61	0.00	37580.78	0.00
Net Book Value									
As at 31/03/2020	1109.24	4120.28	845.15	254.30	29364.69	321.39	4250.98	40265.72	376.91
As at 31/03/2021	1109.24	4014.84	666.09	189.23	22319.26	269.32	0.00	28567.99	376.91

1. The Group had adopted an option under Para 46A of AS 11 under previous GAAP under which the Group has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard'. Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year Group has added Rs. Nil (P.Y. : Rs. 179.21 Lakhs) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is Rs. Nil (P.Y. : Rs. 1043.46 Lakhs).

2. The Group 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 Group 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 Group instead of useful life specified in the Schedule II. This changes result in a higher depreciation of Rs. 932.71 lakhs (P. Y. : Rs. 1022.29 lakhs) charged to profit and loss account.

3. Refer Note No 27 for information on property, plant and equipment pledged as security

4. There are no restriction on title of property, plant and equipments and intangible Assets

5. There is no contractual commitment on acquisition of property, plant and equipment and intangible assets

6. Capital Work in progress balance is relating to Office Building of Rs. 376.91 Lakhs (P.Y. :Rs. 376.91 lakhs).

B Right to Use Assets (Leased Assets) (Rs. in Lakhs)

Particulars	Amount
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
Accumulated Depreciation	
Balance as at 1st April 2020	1912.62
Addition	1724.64
Disposals	0.00
Balance as at 31st March 2021	3637.26
Net Block as at 31st March,2020	3271.49
Net Block as at 31st March,2021	1235.98

(a) The total cash outflow for leases is Rs. 1889.79 Lakhs (P.Y. :Rs. 2183.85 Lakhs) for the year ended 31st March, 2021. Interest on lease liabilities is Rs. 265.44 Lakhs (P.Y. :Rs. 461.55 Lakhs) for the year.

(b) The Group's leases mainly comprise of Plant and equipment.

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements
6 Investment Property

	(Rs. in Lakhs)
Particulars	Freehold land
At Cost	
As at April 1, 2019	219.20
Addition	0.00
Disposal / adjustment	0.00
Transfer related to carve out asset	135.40
As at March 31, 2020	83.80
Addition	10.30
Disposal / adjustment on account of	
Transferred to carve out asset receivable	0.00
As at March 31, 2021	94.10
Accumulated Depreciation	
As at April 1, 2019	0.00
Charge for the year	0.00
On disposal / adjustment	0.00
As at March 31, 2020	0.00
Charge for the year	0.00
On disposal / adjustment	0.00
As at March 31, 2021	0.00
Net Block	
As at March 31, 2020	83.80
As at March 31, 2021	94.10

Notes:

(i) There is 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 that 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.

7 Intangible asset and Intangible asset under development

(Rs. in Lakhs)

Particulars	Toll collection rights	User fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Cost						
As at April 1, 2019	863,858.70	151,467.70	1,008.65	1,016,335.05	20,437.40	9,295.70
Additions		135.30	6.27	141.57		392.50
Deletion / Adjustments			(228.25)	(228.25)		
Transfer to Asset held for sale (refer note 58)	(43,589.10)		(13.40)	(43,602.50)		
Sale of subsidiaries (refer note 67)	(529,867.80)		(5.80)	(529,873.60)	(17,784.40)	(135.40)
As at March 31, 2020	290,401.80	151,603.00	767.47	442,772.27	2,653.00	9,552.80
Additions		18.50	2.84	21.34		111.00
Deletion / Adjustments						(18.50)
As at March 31, 2021	290,401.80	151,621.50	770.31	442,793.61	2,653.00	9,645.30
Accumulated Amortisation						
As at April 1, 2019	103,373.60	11,002.50	582.34	114,958.44		
Charge for the year	25,327.10	3,650.74	242.00	29,219.84		
On disposal / adjustment			(211.02)	(211.02)		
Transfer to Asset held for sale (refer note 58)	(17,765.90)		(12.20)	(17,778.10)		
Sale of subsidiaries (refer note 67)	(83,251.50)		(6.00)	(83,257.50)		
As at March 31, 2020	27,683.30	14,653.24	595.12	42,931.66	0.00	0.00
Charge for the year	7,389.70	4,099.47	126.95	11,616.12		
Transfer to Asset held for sale (refer note 58)	(2,579.30)			(2,579.30)		
As at March 31, 2021	32,493.70	18,752.71	722.07	51,968.48	0.00	0.00
Net Block						
As at March 31, 2020	262,718.50	136,949.76	172.35	399,840.75	2,653.00	9,552.80
As at March 31, 2021	257,908.10	132,868.79	48.24	390,825.13	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. 62,485.30 lakhs (P.Y. :Rs. 62,485.30 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) The Group had adopted an option under Para 46A of AS 11 under previous GAAP which the group has elected to continue as per para D13AA of Ind AS 101 'First time adoption'. Accordingly, the exchange difference arising on reporting of long-term foreign currency monetary items, taken before transition period i.e. April 01, 2015, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.

(iii) Toll collection rights are pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note no 27)

(iv) Refer note 62 for additional disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ('SCA').

(v) The Group has determined that goodwill arising from the acquisition of subsidiaries, has indefinite useful life. As at March 31, 2021, 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, 2021, 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.

(vi) In terms of the Concession agreement, deposits for electricity supply is considered as a part of the project cost. Accordingly, the same had been capitalized under User Fee Rights.

(vii) Refer note 65 for cost capitalised pending approval from concessionaire authorities in case of MBCPNL.

SADBHAV ENGINEERING LIMITED**Notes forming Part of the consolidated financial statements**

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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) 9.5% 0 (P.Y. :20) Bonds of Yes Bank Limited of Rs.10,00,000/- each	0.00	200.00
(b) Bond of Sardar Sarovar Narmada Nigam Limited	0.00	27.57
(c) 12.5% 10 (P.Y. :10) Debentures of Srei Equipment Finance Ltd of Rs. 10,00,000/- each.	100.00	100.00
(d) 9.25% 20000 (P.Y. :20000) Debentures of Srei Equipment Finance Ltd of Rs. 1,000/- each.	200.00	200.00
	300.00	527.57
8.3 Other Investments		
Investment in NSC	14.78	14.78
	14.78	14.78
8.4 Investment in Unit of Business Trust - quoted		
62,041,118 fully paid up units of Rs. 115.87 each (P.Y. : 116.75 each) in IndInfra Trust (refer note 67) after adjusting redemption towards capital	71887.10	72433.00
	71887.10	72433.00
Total	72257.42	73030.89
Aggregate Value of Un-Quoted Investment Rs. 370.32 Lakhs (P.Y. :Rs. 597.89 Lakhs)		
Aggregate Value of quoted Investment Rs. 71887.10 Lakhs (P.Y. :Rs. 72433.00 Lakhs)		
Notes:		
(i) For Fair value disclosures of financial assets refer note 47		
9 Trade Receivables		
Trade Receivables considered good – Secured	0.00	0.00
Unsecured considered good	20035.71	13192.49
Less: Allowance for expected credit loss	267.73	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 credit impairment	0.00	0.00
	19767.98	13192.49
The movement in change in allowance for expected credit loss and credit impaired		
Balance as at beginning of the year	0.00	0.00
Change in allowance for expected credit loss and credit impairment	267.73	0.00
Trade receivables written off during the year	0.00	0.00
Balance as at the end of the year	267.73	0.00
Management is of the opinion that amount recoverable is not less than the amount stated, hence no impairment is required. Refer Note no 63		
(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 52		
(iii) Trade Receivables are non-interest bearing and are generally on terms of 30 to 90 days.		
10 Loans		
Unsecured, considered good		
Loans to employees	40.07	44.50
	40.07	44.50

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(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 Group 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	308307.60	271384.00
	308307.60	271384.00

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".

Refer note 62 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	0.00
(ii) Security & Other Deposits	8552.82	1.30
(iii) Bank Deposits with more than 12 months Maturity	2325.20	550.74
(iv) Interest receivable on Mobilization Advance	1215.10	607.00
(v) Unamortized Processing Fees	0.00	495.30
Total	12102.94	1654.34

13 Deferred Tax Assets (Net)

Deferred tax assets (Refer note 45)	13379.14	11318.63
Closing Balance of Deferred Tax Assets	13379.14	11318.63

14 Other Non Current Assets**14.1 Capital Advance**

Advances to Suppliers for Fixed Assets	17.05	2693.81
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14.2 Advance other than capital Assets

(a) Security & Other Deposits	0.00	1591.22
(b) Advances for Goods and Services	1732.60	0.00
(c) Tax Credit and Receivables	279.60	15.70
(d) Unamortised processing fees	1080.70	585.40
(e) Deferred GST (refer note below)	952.10	952.10
(f) Advance Income Tax (net of provision)	1907.10	1364.80
(g) Advance to Suppliers	0.00	4400.80
Total	5969.15	11603.83

The credit of Goods and Service tax (GST) of Rs. 952.1 Lakhs (P. Y. : Rs. 952.1 Lakhs) on works contract for construction of building and civil infrastructure have been accounted as Deferred GST credit which is subject to assessment made by the statutory authority.

15 Inventories

(a) Construction Materials	11789.29	12046.39
(b) Stores & Spares	2121.79	2678.36
Total	13911.08	14724.75

16 Current Investments

Unquoted		
(a) Investment in Units of Mutual Fund	706.40	0.00
Total	706.40	0.00

Notes:

- (i) For Fair value disclosures of financial assets refer note. 47

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(ii) Details of investments in unquoted units of mutual funds :	(Rs. in Lakhs other than figures in bracket)	
HDFC Mutual Fund-Ultra Short Term fund- Regular Growth	706.40	0.00
	(1,569,528.46)	(0.00)
The figures mentioned in bracket represent absolute number of investment units.		
17 Trade Receivables		
Trade Receivables considered good – Secured	0.00	0.00
<u>(Unsecured considered good)</u>		
(a) Debts outstanding for more than six months directors	0.00	0.00
(ii) Due from Others	0.00	0.00
(a) Other Debts		
(i) Receivable from Related Parties	0.00	0.00
(ii) Receivable from Others	16417.48	12077.54
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 credit impairment	0.00	0.00
Total	16417.48	12077.54
(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 52.		
(iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		
18 Cash and Cash Equivalents		
18.1 Balance with Banks		
(a) In Current Accounts (refer note (ii) below)	9348.14	5056.12
(b) In Fixed Deposit Accounts *	1193.70	4164.43
	10541.84	9220.55
18.2 Cash On Hand (refer note (iii) below)	204.70	112.18
18.3 In Current Account Earmarkes for Unpaid Share Application	0.00	1.40
Total	10746.54	9334.13
(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. 7163.30 lakh (P.Y. : Rs. 2946.90 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.291.00 lakhs (P.Y. : Rs.1142.33 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	2.24	3.10
(ii) Maturity more than 3 months but not more than 12 months *	497.55	11110.88
	499.79	11113.98
* Fixed Deposits include Rs.144.35 lakhs (P.Y. : Rs. 10180.68 lakhs) pledged with Central and various State Govt/Undertakings and local bodies.		
20 Loans		
<u>Unsecured, considered good</u>		

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Loans to related parties		
Loan to Subsidiary Companies	0.00	0.00
Inter-Corporate Loans	5623.99	9497.01
Loan to Employee	5.30	8.40
Total	5629.29	9505.41

(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) 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 62)	33916.90	28144.70
	33916.90	28144.70

(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 62 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

22 **Other Current Financial Assets**

(i) Unbilled Revenue	133922.17	135736.51
(ii) Interest Receivable	5615.50	4302.30
(iii) Grant Receivable from concessionaire authorities (refer note (i) below)	642.40	642.40
(iv) Receivable from concessionaire authorities toward claims/ utility shifting/ change in scope (refer note (iii) & (iv) below)	11600.70	12163.50
(v) Receivable from Toll Suspension (refer note (v) below)	410.10	410.10
(vi) Security & Other Deposits	18321.06	26361.17
(vii) Receivable Against Sale of Assets and Services	0.00	2223.30
(viii) Receivable toward carve out asset (refer note (ii) below)	611.70	2791.20
(ix) Recoverable in Cash	549.32	341.03
(x) Others	295.89	45.80
	171968.84	185017.31

(i) As per the Concession agreement between Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the step down subsidiary, and Ahmedabad Urban Development Authority (AUDA), ARRIL is entitled to receive grant of Rs. 3600.00 lakhs for meeting the part project cost subject to the conditions laid down in the Concession Agreement. Upto March 31, 2021, ARRIL has received grant of INR 2957.60 lakhs and Rs. 642.40 lakhs is receivable as at March 31, 2021 from AUDA. The conditions of the Concession Agreement related to grant have been met as at reporting date.

(ii) Pursuant to the definitive share purchase agreement (SPA) dated 1 July 2019 related to sale of equity share of subsidiaries and step down subsidiaries as mentioned in note 67 in detailed, 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.

(iii) In case of Rohtak Panipat Tollway Private Ltd (RPTPL), a step down subsidiary, pursuant to the favourable arbitration award, (NHAI) Authority has filled further appeal against the arbitration award in the Honourable High Court of Delhi (the court). The Court had ordered the authority, vide order date July 11, 2018 to deposit 50% of claim amount which authority had deposited in the court. The matter is current pending with Honourable High Court of Delhi and the company is in process of claiming balance 25% amount from authority as per Niti Aayog circular no. n-14070/14/2016-PPPAU. Pursuant to the above, the management is confident to realise the entire claim amount and does not expect any adjustment in these regards. The Company also has

PARTICULARS**As at March 31, 2021** **As at March 31, 2020**

payable of Rs. 5880.10 lakhs against this amount, which has been disclosed under " Other current financial liabilities".

- (iv) As per the concession agreement dated 7th September 2006, the Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the step down subsidiary, is entitled to receive amount of grant Rs. 642.40 lakhs from AUDA. The Company has requested AUDA to adjust of Rs.367.70 lakhs payable in respect of toll collected during construction period without approval from AUDA. The company is following up the matter with AUDA. Since the matter is in dispute the company has not adjusted the same and continue to disclose the same as receivable in the financial statement.
- (v) 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	35876.80	35684.11
Less: Provision for Income Tax	21653.86	23323.98
Advance Income Tax (Net)	14222.94	12360.13

24 Other Current Assets**24.1 Advances**

(a) Advances for goods and Services	10771.32	19542.22
(b) Advances to Others	191.59	307.28
	10962.91	19849.50

24.2 Others

(a) Advance Sales Tax, GST & Service Tax	5289.64	5827.82
(b) Advance to Vendors	29211.49	17657.60
(c) Prepaid Expenses	2353.32	1235.54
(d) Tax Credit Receivables	33975.40	29505.50
(e) Group Gratuity Fund	0.00	302.49
(f) Contract Assets	1587.70	158.20
(g) Others	24.00	45.90

72441.55 **54733.05****83404.46** **74582.55**

Note: The credit of Goods and Service tax (GST) of Rs. 952.1 lakhs (P.Y. : Rs. 952.1 lakhs) on works contract for construction of building and civil infrastructure have been accounted as Deferred GST credit which is subject to assessment made by the statutory authority.

25 Equity & Share Capital

(a) Authorized Share Capital: 20,00,00,000 (P.Y. : 20,00,00,000) Equity Shares of Re.1/- each	2000.00	2000.00
(b) Issued, Subscribed and fully paid 171570800 (P.Y. :171533800) Equity Shares of Re.1/- each with voting	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	171570800
(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 31.03.2021		As at 31.03.2020	
	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	28.60%
ICICI Life Insurance Company Ltd			9391321	5.47%
HDFC Small Cap Fund	15856599	9.24%	15856599	9.24%

PARTICULARS	As at March 31, 2021	As at March 31, 2020
26 Other Equity		
(a) Capital reserve		
As per Last Balance Sheet	33104.47	33104.47
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
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	4168.90	11712.20
Addition: Transfer from surplus of statement of profit and loss	0.00	0.00
Deduction: Transfer to General Reserve	(325.40)	(7,543)
Closing Balance	3843.50	4168.90
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.		
(d) General Reserves		
As per Last Balance Sheet	30967.98	23424.68
Transfer from Debenture Redemption Reserve	325.40	7543.30
Closing Balance	31293.38	30967.98
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	178.30	-158.39
Addition/(deduction) During the Year	37.99	336.69
Closing Balance	216.29	178.30
(f) Retained Earnings		
As per Last Balance Sheet	32,799.09	(43,432.60)
Net Loss/(Profit) for the year	(15,490.76)	79,282.97
Appropriations:-		
Dividend Paid (including dividend distribution tax)	-	3,090.27
Adjustment on account of acquisition of non-controlling interest	-	(675.79)
Share Issue Expenses	82.71	22.10
Transfer of amount from non-controlling interest	-	614.70
Add: Loss of Subsidiary for previous year	4.12	-
Closing Balance	17221.53	32799.09

PARTICULARS	As at March	As at March
	31, 2021	31, 2020
Total	142813.22	158,352.98

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 1450 (P.Y. :1500) debentures of Rs. 10 lakhs each	7860.00	10000.00
(b) Centrum Credit Opportunities Trust 10000 debentures of Rs. 1 lakh each	10000.00	0.00
(c) NIL (P.Y.: 199) of Rs. 10 lakhs each	0.00	1990.00
(d) 1,500 (P.Y. : 1,597) debentures of Rs. 10 lakhs each	15000.00	15970.00
(e) 2,000 (P.Y. : 2,166) debentures of Rs. 10 lakhs each	20000.00	21660.00
	52860.00	49620.00
Less Current maturity	35000.00	2960.00
	17860.00	46660.00

Details of Security in respect of Bonds and debenture :

(a) ICICI Prudential Asset Management

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 representing 16.71% of total paid up share capital of Sadbhav Infrastructure Project Limited (SIPL) by SEL.
- Pledge of 24,40,667 shares of Ahmedabad Ring Road Infrastructure Limited held by SIPL.

NCDs of ICICI Prudential asset management, having yearly coupon rate of 10.75% are repayable in yearly equated installments till June 2023.

(b) Centrum Credit Opportunities Trust

NCDs of Centrum credit opportunities trust are secured against mortgage over certain identified immovable properties of the Company and promoters.

Pledge over 49 % of shares of Sadbhav Gadag Highway Private Limited held by the Company. (pending to be created)

NCDs of Centrum Credit Opportunities Trust, having yearly coupon rate of 11.50% are repayable in unequal quarterly installments till September 2024.

(c) 1,500 (March 31, 2020: 1,597) Redeemable , Non Convertible debentures (NCD) are secured by:

- Pledge of 24.53% shareholding of Maharashtra Border Check Post Network Limited representing 12,265 equity shares held by the Company and Pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 14,64,400 equity shares held by the Sadbhav Infrastructure Project Limited (SIPL) (iii) A first charge over the Designated A/c-Debenture Payments and all funds and monies lying therein present & future.

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series III	500	2.60%	Bullet Repayment	15-Apr-21
Series IV	500	2.60%	Bullet Repayment	15-04-2022**
Series C	250	0.00%	Bullet Repayment	25-06-2021**
Series D	250	0.00%	Bullet Repayment	27-06-2022**

The debenture holders at the end of year 3 shall have the right to seek prepayment / early redemption of Series III and Series IV debentures in full. Thereupon, the company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture trust deed.

PARTICULARS

As at March 31, 2021 **As at March 31, 2020**

* The debentures of Series C and Series D are to be repaid at premium as set forth at Part B of Schedule IV of the Debenture Trust Deed at the time of redemption.

** Subsequent to the year end, the SIPL has repaid its dues to debenture holders in full on May 5, 2021.

(d) 2,000 (P.Y. : 2,166) Redeemable, Non Convertible debentures (NCD) are secured by:

(i) The Corporate Guarantee by the Parent 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 SIPL and Pledge of 32% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 33,47,200 equity shares held by the SIPL.

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	892	0.00%	Bullet Repayment	23-04-2023**
Series II	1108	0.00%	Bullet Repayment	06-06-2022**

The debenture holders at the end of year 3 shall have the right to seek prepayment / early redemption of Series III and Series IV debentures in full. Thereupon, the company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture trust deed.

* The debentures of Series I and Series II are to be repaid at premium as set forth at Schedule V of the Debenture Trust Deed in the time of redemption.

** Subsequent to the year end, the SIPL has repaid its dues to debenture holders in full on May 5,2021

(b) Term Loans

Secured

(i) From Banks:-

(a) Foreign Currency Term Loan (ECB)	0.00	840.72
(b) Rupee Term Loan	499002.24	484673.13
	499002.24	485513.85
Less Current maturity	24113.80	13841.60
	474888.44	471672.25

Detail of Security*

(ii) From Financial Institutions

44001.01 44946.71

Term loans from Financial Institutions are secured by way of hypothecation of specific machineries and equipments purchased.

Total **536749.45** **563,278.96**

***Details of Security in respect of Term loans from Banks**

(a) Details of Security in respect of Term loan availed by the Parent Company

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.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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Pledge of 2,67,70,270 Fully Paid up unencumbered, freely transferable equity shares of the Company held by some of the promoters.

Personal Guarantee of one of the directors and chief executive officer.

(b) Details of Security in respect of Term loan availed by the Subsidiary and 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 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.
- 4 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- 5 a first charge on assignment by way of security in:
all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;

charge/ assignment on all the intangible assets of the respective subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;

all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by the Company and promoters holding in the respective subsidiary as stipulated in the Loan agreements.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

Details in respect of borrowings availed by step down subsidiaries

(i) MBCPNL

Term loan include loans amounting to Rs. 113,840.10 lakh as on March 31, 2021 (P.Y. : Rs. 111,159.00 lakh) 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 is repayable in 38 structured quarterly instalments on the last day of each quarter, up to September 2030.
- (b) Term loans carry interest of 10 to 11 per cent per annum.

(ii) RPTPL

Term loan include loans amounting to Rs. 86,300.90 lakh as on March 31, 2021 (P.Y.: Rs. 90,123.40 lakh) taken from a consortium consisting of a banks and finance companies.

Indian rupee term loans from banks & other party:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<p>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.</p> <p>Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60 to 12.95 per cent per annum as on March 31, 2021.</p>		
(iii) RHTPL		
<p>Term loan include loans amounting to Rs. 98,767.00 lakh as on March 31, 2021 (P.Y. : Rs. 93,078.80 lakhs) taken from a consortium consisting of banks.</p> <p>Indian rupee term loans from banks:</p> <p>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</p> <p>As at March 31, 2021, term loans carry interest rate of 11.80 % per annum except term loan from Bank of India which carries interest rate of 14.65% per annum.</p>		
(iv) SBHPL		
<p>Term loan include loans amounting to Rs. 32,884.70 lakh as on March 31, 2021 (P.Y. : Rs. 32,024.00 lakh) taken from consortium of banks.</p> <p>The Principal amounts of the Loan is repayable to the Lenders in 28 half yearly structured installments , commencing from the First Repayment date (December 01, 2020) on the first 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. Term loan carries average interest rate of 9.85% to 10.95% per annum as on March 31, 2021.</p>		
(v) SUHPL		
<p>Term loan include loans amounting to Rs. 20,287.60 lakh as on March 31, 2021 (P.Y.: Rs. 17,539.00 lakh taken from consortium of banks.</p> <p>The Company had requested for extension of Schedule Commercial Operation Date (SCOD) to the lender due to delay in completion of work for the reasons not attributed to the Company. Considering extension of time given by NHAI for milestone achievement, the lenders have granted extension of SCOD from August 08, 2019 to December 08, 2020 with matching deferment of repayment schedule. Accordingly the first repayment date of loan which was earlier April 30, 2020 has been deferred to August 31 ,2021 and the tenor of loan has been extended from 17 years to 18 years.</p> <p>The principal amounts of the Loan to each of the lenders is repayable in 28 structured Bi-annually instalments, commencing from August 31, 2021 and last date of instalment is November 30, 2034.</p> <p>The loans carry average interest rate of 9.25 % to 9.40% per annum as on March 31, 2021.</p>		
(vi) SRHPL		
<p>Term loan include loans amounting to Rs. 28,979.30 lakh as on March 31, 2021 (P.Y. : Rs. 22,028.10 lakh) taken from consortium of banks.</p> <p>The 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 Company. Considering extension of time given by NHAI for milestone achievement, the lenders have granted extension of SCOD with matching deferment of repayment schedule. Accordingly the first repayment date of loan which was earlier April 30, 2019 has been deferred to October 31 ,2019 and the tenor of loan has been extended from 17 years to 18 years.</p> <p>The principal amounts of the loan to each of the lenders is repayable in 28 structured Bi-annually instalments, commencing from the October 31, 2019 and last date of instalment is January 31, 2034.</p> <p>Term loans carry interest at bank base rate plus spread i.e. 10 per cent to 11.25 percent per annum as on March 31, 2021.</p>		
(vii) SNHPL		
<p>Term loan include loans amounting to Rs. 15,214.80 lakh as on March 31, 2021 (P.Y. : Rs. 14,537.20 lakh) taken from consortium of banks.</p>		

PARTICULARS

As at March 31, 2021 **As at March 31, 2020**

The 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 Company. Considering extension of time given by NHAI for milestone achievement, the lenders have granted extension of SCOD with matching deferment of repayment schedule. Accordingly the first repayment date of loan which was earlier April 30, 2019 has been deferred to 28 May ,2022 and the tenor of loan has been extended from 17 years to 18 years.

The principal amounts of the loan to each of the lenders is repayable in 28 structured Bi-annually instalments, commencing from the May 28,2022 and last date of instalment is November 28,2035.

Term loans carry interest at bank base rate plus spread i.e. 9.87 % per annum as on March 31, 2021.

(viii) SBGHPL

Term loan include loans amounting to Rs. 45,199.20 lakh as on March 31, 2021 (P.Y. : Rs. 42,971.00 lakh) taken from consortium of banks.

The 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 Company. Considering extension of time given by NHAI for milestone achievement, the lenders have granted extension of SCOD from August 20, 2020 to August 20, 2021 with matching deferment of repayment schedule. The Independent Engineer has recommended the Provisional Completion Certificate (PCOD) with effect from Decemeber 2020 and the first repayment date of loan which was earlier due on January 31, 2021 has been deferred accordingly.

The Principal amounts of the Loan is repayable to the Lenders in 28 half yearly structured installments , commencing from the First Repayment date 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 Company has the option to prepay the loan after the payment of Prepayment Premium.

Term loan carries average interest rate of 9% to 10 %p.a. as on March 31,2021.

(ix) SUDHPL

Term loan include loans amounting to Rs. 42,447.10 lakh as on March 31, 2021 (P.Y. : INR 38,215.40 lakh) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 28 unequal half yearly instalments commencing from April, 2021 .

Term loans carry an average interest rate of 9.85% to 11.00% per annum as on March 31, 2021.

(x) SVHPL

Term loan include loans amounting to Rs. 42,651.50 lakh as on March 31, 2021 (P.Y. : Rs. 36,651.80 lakh) taken from consortium of banks.

The 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 Company. Considering extension of time given by NHAI for milestone achievement, the lenders have granted extension of SCOD from November 16, 2020 to May 15, 2021 with matching deferment of repayment schedule. Accordingly the first repayment date of loan which was earlier December , 2020 has been deferred to July ,2021.

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 27 structured Bi-Annual instalments, commencing from July, 2021 and last date of Instalment is July, 2034.

The loans carry average interest rate of 9.25 per cent to 9.40 per cent per annum.

(xi) SHAPL

Term loan include loans amounting to Rs. NIL as on March 31, 2021 (P.Y. : Rs. 4,798.70 lakh). All principal amounts comprising the Facility shall be paid as a bullet repayment at the end of the Term of the Facility.

The company has repaid loan in the month of April 2021.

The loans carry average interest rate of 12.38% to 16.03% per annum compounded on monthly basis as on March 31, 2021.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Terms of Repayment of borrowings availed by entity held for sale as at March 31, 2021:		
(xii) <u>ARRIL</u>		
Term loan include loans amounting to Rs. 10,674.50 lakh as on March 31, 2021 (P.Y. : Rs. 13,385.60 lakh) 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 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 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.		
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 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.		
28 Other Financial Liabilities		
(i) Security & Other Deposits from Sub-contractors	0.00	1597.21
(ii) Interest accrued but not due on borrowings	0.00	9176.00
(iii) Premium Obligation under Concession Agreement	66747.10	65861.50
(iv) Deferred Premium Obligation (refer note (i) below)	32639.80	29288.80
(v) Interest accrued on premium obligation (refer note (i) below)	9569.20	7336.40
(vi) Interest accrued but not due on Mobilization Advance	960.80	607.50
Total	109916.90	113867.41
Note:		
(i) 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. According to the terms of the sanction letter, the 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. Accordingly, the deferred obligation has been classified as non current liabilities. As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the group is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to consolidated statement of profit & loss account for the year and obligation on the same has been recognised as liabilities.		
(ii) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 (P.Y. : Nil).		
29 Deferred Tax Assets (Net)		
Deferred Tax Assets (net) (refer note 45)	9393.20	7679.40
Total	9393.20	7679.40
30 Long-Term Provisions		

SADBHAV ENGINEERING LIMITED
Notes forming Part of the consolidated financial statements

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (refer note 50)	267.50	217.70
Periodic Major Maintenance (refer note 54)	17156.10	13527.30
Total	17423.60	13745.00
31 Other Non-Current Liabilities		
Contract liabilities	0.00	2902.50
Total	0.00	2902.50
32 Current Borrowings		
Loans repayable on demand		
<u>Secured*</u>		
Working capital facilities from banks	60947.41	63269.07
Working capital facilities from Financial Institution	3717.40	0.00
Short term loan from financial institutions	6807.83	0.00
Overdraft	2623.61	1992.29
Total	74096.25	65261.36
<u>Unsecured</u>		
From Banks	980.00	4060.00
From a Director	436.79	0.00
From a company in which some of the directors are directors	0.00	100.00
Total	1416.79	4160.00
Total	75513.04	69421.36
*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		
(c) Personal Guarantee of one of the directors and some of the promoters.		
(d) The bank overdrafts are secured by bank deposits. The bank overdraft carries interest of 11% p.a.		
(e) Working Capital Demand Loan facilities from financial institutions are backed by Corporate guarantee of the Company. The Working Capital Demand Loans are repayable within 90 days of borrowing and carry interest of 11% p.a.		
33 Trade Payables		
(a) To Micro and Small Enterprises *	830.04	0.00
(b) Outstanding due to related parties	3090.30	17632.46
(a) Others	84941.11	55292.74
Total	88861.45	72925.30
(a) Refer to Note No.52 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	830.04	0.00
B	Interest due thereon	0.00	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

(Rs. in Lakhs)

PARTICULARS

As at March 31, 2021 **As at March 31, 2020**

Micro, Small and Medium Enterprises on the basis of information available with the Group.

34 Other Financial Liabilities

(a) Current Maturities of Long term debts (refer note 27)		
Non Convertible Debentures	69406.10	7960.00
Foreign Currency Term Loan	306.56	840.72
Loan from Banks	15138.60	20969.20
Loan from Financial Institutions	4364.01	5896.23
Current maturities of premium obligation to NHAI (refer note 28)	7462.10	4969.10
	96677.37	40635.25
(b) Interest Accrued but not due on Loans	19176.25	5798.65
(c) Interest Accrued and due on Loans	15415.22	5866.26
(d) Interest accrued and due on NHAI premium obligation / Mobilization advance	4385.50	4299.60
(e) Unclaimed Dividend	3.64	4.50
(f) Security Deposit and Retention Money	21943.70	18654.45
(g) Employee Emoluments	477.10	295.50
(i) Others Payable	243.60	0.00
(j) Payable under Derivative Contract	0.00	436.98
(k) Payable towards capital expenditure	6082.20	5880.10
	Total	164404.58
		84012.19

Note :-There was no amount outstanding as on 31.03.2021, which is required to be transferred to Investor Education and Protection Fund (IEPF).

35 Other Current Liabilities

(a) Sundry Creditors for Capital Goods	332.89	277.61
(b) Statutory Dues	8910.83	5831.64
(c) Advances Received from Clients	33073.48	58377.17
(d) Miscellaneous Liabilities	23.79	20.48
(e) Contract liabilities	2185.70	1800.60
(f) Other Payable	3304.04	2781.87
	Total	47830.73
		69089.17

36 Short-Term Provisions

(a) Provision for Employee Benefits (refer note 50)	446.11	397.20
(b) Provision for incomplete Work	199.10	199.10
	Total	645.21
		596.30

37 Current Tax Liabilities (Net)

Provision for Income Tax (Net of Advance tax & TDS)	1028.80	826.20
	1028.80	826.20

(Rs. In Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
38 Revenue from Operations		
EPC & Other Contract Income (refer note 51)	189294.39	239530.67
Revenue from Toll Collection, User fees and Annuity Income (refer note (i) below)	34154.08	107279.90
Other Operating Income*	879.33	1894.51
Total	224327.80	348705.08
Note:		
* Other Operating Income includes:		
Sale of Electricity	353.51	460.36
Other Construction Income	11.41	54.00
Sale of Scrap	80.77	583.75
Advertisement Income	201.10	230.40
Advisory and Project Management Fees	232.54	566.00
	879.33	1894.51
(i) Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. However the AUDA has not prepared any policy or modalities by which the said company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the said company has recognised revenue of toll collection of Rs. 651.40 Lakhs for the year ended March 31, 2021 (P.Y. : Rs. 686.30 Lakhs) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during April 2017 to September 2017.		
39 Other Income		
(a) Net Gain or Loss on financial assets measured at FVTPL		
Income on change in fair valuation of financial instruments	340.35	0.00
Profit on sale of Investments/ units of Mutual Funds (Net)	23.50	763.50
(b) Interest Income on:		
Investments	764.30	0.00
Deposits with banks	207.10	227.70
Current Investments	441.97	265.76
Non -Current Investments	75.25	63.15
Income tax refund & MVAT Refund	106.40	103.60
Other	1524.10	1475.40
(c) Other Income		
Financial asset carried at amortised cost	30161.60	30374.73
Profit on Sale of Assets	0.00	219.75
Liabilities no longer required written back	84.30	2751.30
Insurance Claim Received	1.30	0.00
Dividend Income	29.70	729.64
Gain on foreign currency transaction	0.00	54.92
Others	28.30	211.79
(d) Miscellaneous Income	1612.06	269.21
Total	35400.23	37510.46
40 Cost of Material Consumed		
Opening Stock	12046.39	14239.65
Add Purchase	34012.80	35646.61
	46059.19	49886.26
Less Closing Stock of Material	11789.29	12046.39
Total	34269.90	37839.87
41 Construction , Toll Plaza & Road Maintenance Expenses		
Labour Expenses	56446.83	101934.51
Construction Expenses	11976.10	6614.11
Power & Fuel	18499.82	19180.77
Stores Consumed	1621.87	1797.16
Repairs & Maintenances-Construction Machineries	1463.44	2458.84
Transportation Expenses	3385.91	6511.86
Machinery Rent	5442.93	3292.00
Periodic Major Maintenance (refer note 54)	1993.10	7535.80
Operating and Maintenance Charges to Sub-Contractor	0.00	3334.85
Security Expenses	1351.80	1960.80
Land & Godown Rent	494.15	537.41
Site Establishment Expenses	437.54	876.95
Mess Expenses	736.49	909.46
Other Expenses	1249.20	2144.90
Total	105099.18	159089.42

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
As per the format of the Statement of Profit and Loss prescribed in Schedule III division II, there is no separate line item for "Construction, Toll plaza and Road Maintenance Expenses". However, considering the industry practice in the sector in which Company operates and significance of the Construction, Toll plaza and Road Maintenance Expenses, for better understanding by the users of financial statements, the Company has disclosed "Construction, Toll plaza and Road Maintenance Expenses" by way of a separate line item on the face of the Statement of Profit and Loss.		
42 Employee Benefits Expense		
Salary & Wages (refer note 50)	13725.34	16964.06
Contribution to PF and Other Funds (refer note 50)	920.28	1088.13
Group Gratuity Fund Expenses (refer note 50)	88.43	314.08
Directors' Remuneration (refer note 52)	122.00	654.00
Staff Welfare Expenses	407.62	651.54
Total	15263.67	19671.81
43 Finance Cost		
a Interest Expenses on Financial liabilities measured at Amortised Cost		
Long Term loans from Banks and others	65944.51	96491.10
Short Term loans from Banks and others	231.95	929.87
Senior Loan	0.00	123.90
Sub Ordinate Debt	0.00	3.50
Deferred premium obligation	2633.00	3644.80
Others	2139.90	2710.10
Prepayment Charges	0.00	314.90
Bank Charges and other finance cost	1673.40	2261.20
Amortisation of Processing Fees	406.00	689.30
Notional Interest		
b Unwinding of Discount on		
Provision of major maintenance	1635.60	1756.80
Premium Obligation	6729.60	10850.10
Non convertible debentures	0.00	1886.60
c Interest Expenses		
(i) On Borrowings	14472.02	15405.82
(ii) On Taxes	399.21	102.48
d Other Borrowing Costs	4079.85	3912.94
Total	100345.04	141083.41
44 Other Expenses		
Rent (Expense Related to Short term Leases)	59.96	93.34
Rates & Taxes	787.88	1724.58
Repairs & Maintenances to assets	122.40	249.00
Insurance Premium	1138.31	1460.55
Directors Sitting Fees	9.10	9.10
Traveling & Conveyance Expenses	28.70	97.90
Legal & Consultation Fees & Expenses	5216.83	8441.83
Corporate Social Responsibility Expenses	516.76	20.50
Donation	10.66	59.74
Cash Collection Charges	117.00	120.10
Auditors Remuneration	120.30	110.20
Loss on Sales of Assets	0.00	300.69
Miscellaneous Expenses	1754.30	5195.72
Total	9882.20	17883.25
44.1 Payment to Auditors		
(i) For Audit	97.40	103.60
(ii) For Tax Audit	1.20	1.20
(iii) For Certification Works	21.70	5.40
Total	120.30	110.20
44.2 Details of Corporate social responsibility expenditure		
A Gross amount required to be spent by the Company	458.50	654.10
B Amount spent during the year		
(i) Construction/acquisition of any assets	0.00	0.00
(ii) For purpose other than (i) above	516.76	20.50

45 Income Tax expense

The major component of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are as under

(a) Profit and Loss Section

Particulars	March 31, 2021	March 31, 2020
Current tax		
Current tax charges	678.60	5985.64
Total (A)	678.60	5985.64
Deferred tax		
Deferred tax charge	930.09	4771.10
Total deferred income tax expense	930.09	4,771.10
Adjustments in respect of current tax of earlier years	(1,750.91)	(750.30)
Total income tax expense recognised in the Statement of Profit and Loss	Total (D=A+B+C)	10006.44
	(142.22)	

(b) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020 :

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 58)	Closing balance as at March 31, 2021
	(A)	(B)	(C)	(E=A+B-C)
Deferred Tax Liability				
Impact on liability component of Compound instrum	(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
	11,318.62	2,060.51	-	13,379.24
Total	3,639.22	(930.09)	(1,276.70)	3,985.94

Particulars	Opening balance as at April 1, 2019	Deferred tax charges/(credit) recognised in P&L	Liabilities relating to assets classified as held for sale (refer note 58)	Closing balance as at March 31, 2020
	(A)	(B)	(C)	(E=A+B-C)
Deferred Tax Liability				
Impact on liability component of Compound instrum	(1,362.60)	473.20		(889.40)
Impact of fair valuation of financial instruments	(3,169.30)	(2,432.80)		(5,602.10)
Accelerated depreciation for tax purpose	23.10	(8.30)		14.80
Expenditure allowed on payment basis	(21,595.40)	1,575.20		(20,020.20)
Expenditure allowed over the period	(16,769.70)	20,379.50	5,460.50	9,070.30
Income tax allowable on actual receipt basis		(5,698.40)		(5,698.40)
Unused tax losses available for offsetting against future taxable income	35,885.80	(20,440.20)		15,445.60
	(6,988.10)	(6,151.80)	5,460.50	(7,679.40)
Deferred Tax Assets				
Tax credit entitlement under MAT	10,330.80	218.20		10,549.00
Investment in SIPL - Sub Debt	1,362.59	(149.78)		1,212.81
Provision for Gratuity	57.44	(163.14)		(105.70)
Leave				-
Derivative Deals- option & currency Swap	132.91	19.79		152.70
Property, Plant & Equipment	(1,945.81)	1,455.63		(490.18)
	9,937.93	1,380.70	-	11,318.62
Total	2,949.83	(4,771.10)	5,460.50	3,639.22

	As at	
(c) Reconciliation of Deferred tax	31.03.2021	31.03.2020
Deferred tax asset (net)	3,048.24	769.63
Deferred tax liability (net)	(9,393.20)	(7,679.40)
MAT	10,330.80	10,549.00
	3,985.84	3,639.23

- (d)** Certain step down subsidiary companies have carry forward business losses aggregating Rs 2,07,383.30 lakhs (P.Y. : Rs. 2,90,726.10 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 step down 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.44,310.30 Lakhs (P.Y. : Rs. 38166.70 Lakhs).
- (f)** Certain subsidiary and step down subsidiaries companies have assessed tax liability as per section 115BAA of the Income-tax Act, 1961. Accordingly, the group has recognised Provision of Income Tax for the year ended 31 March 2021 and measured its Deferred Tax Assets basis the rate prescribed in the said section.
- (g)** 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.

46 Disclosure of Financial Instruments by Category

Particulars	Note no.	March 31, 2021				March 31, 2020			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial asset									
Receivable under Service concession arrangements	11 & 21	-	-	342,224.50	-	-	-	299,528.70	-
Investments	8 & 16	71,887.10	55.54	314.78	-	72,433.00	55.54	542.35	-
Trade Receivables	9 & 17	-	-	36,185.46	-	-	-	25,270.03	-
Loans	10 & 20	-	-	5,669.36	-	-	-	9,549.91	-
Cash and cash equivalents	18	-	-	10,746.54	-	-	-	9,334.13	-
Other bank balances	19	-	-	499.79	-	-	-	11,113.98	-
Other financial assets	12 & 22	-	-	184,071.78	-	-	-	186,671.65	-
Total Financial Asset		71,887.10	55.54	579,712.21	-	72,433.00	55.54	542,010.75	-
Financial liability									
Non Current Borrowing	27	-	-	633,426.82	-	-	-	603,914.21	-
Current Borrowing	32	-	-	75,513.04	-	-	-	69,421.36	-
Trade Payables	33	-	-	88,861.45	-	-	-	72,925.30	-
Other Financial liabilities	28 & 34	-	-	274,321.48	-	-	-	197,879.60	-
Total Financial Liabilities		-	-	1,072,122.79	-	-	-	944,140.47	-

47 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, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investments in Mutual Fund	706.40	706.40	-	-
Investments in units of Indinfravit Trust	71,887.10	71,887.10	72,433.00	72,433.00
Total Financial Assets	72,433.00	72,433.00	9,896.40	9,896.40
Financial liability				
Redeemable, Non Convertible Debentures	52,860.00	53,067.70	49,620.00	47,115.30
Premium Obligation under Concession Agreement	74,209.20	76,043.70	65,861.50	63,281.90
Total Financial Liabilities	127,069.20	129,111.40	115,481.50	110,397.20

- (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.

48 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, 2021 and March 31, 2020

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	12	-	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

Assets measured at fair value	Note No.	March 31, 2020	
		Quoted Price in active market Level - 1	Significant observable Inputs Level - 2
Fair value through profit & loss			
Investments in units of Indinfravit Trust	8	72,433.00	-
Receivables under derivative contract	-	-	-
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	0.00	47,115.30
Premium Obligation under Concession Agreement	28	0.00	63,281.90

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.

49 Working of Earning Per Share

Reconciliation of Equity Shares outstanding at the end of year:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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	171,570,800	171,570,800
Number of Equity Shares at year end	171,570,800	171,570,800
Weighted Average number of Equity Shares	171,570,800	171,570,800
For Diluted EPS		
Weighted Average number of Equity Shares as per above working	171,570,800	171,570,800
Weighted Average number of Dilutive Equity Shares	171,570,800	171,570,800

Basic and Diluted Earning / (Loss) per share

Net Profit / (Loss) Profit after Tax	(15,490.76)	79,282.97
Weighted Average number of Equity Shares	171,570,800	171,570,800
Basic Earning / (Loss) per share(Rs.)	(9.03)	46.21

50 Employee Benefits Note

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

50.1 Defined Contribution Plans

Details of amount recognized as expenses during the year for the defined contribution plans.

Particulars	March 31, 2021	March 31, 2020
Contribution to Provident Funds	883.05	979.46
Contribution to ESIC	35.43	102.57
Other funds	1.80	6.10
Total (Ref. Note No. 36)	920.28	1,088.13

50.2 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. 10,00,000 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	58 years

50.3 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.

50.4 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.

50.5 Reconciliation of defined benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligations as at beginning of the year	1,119.85	1,605.76
Current service cost	236.95	245.99
Interest cost	46.36	74.12
Actuarial Loss/(Gain) due to change in financial assumptions	(2.80)	(52.82)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	(0.13)
Actuarial Loss/(Gain) due to experience	(45.46)	(249.72)
Benefits Paid	(145.86)	(370.25)
Defined benefit obligation of subsidiaries sold during the year (refer note 67)	-	(133.10)
	1,209.04	1,119.85
Defined benefit obligation pertaining to asset held for sale (refer note 58)	(48.90)	(58.30)
Defined benefit obligations as at end of the year	1,160.14	1,061.55

50.6 Reconciliation of Plan Asset

Particulars	As at March 31, 2021	As at March 31, 2020
Plan Asset as at beginning of the year	1,126.64	1,061.68
Expenses deducted from the fund	-	-
Interest Income	70.63	77.12
Return on plan assets excluding amounts included in interest income	(10.27)	30.71
Contributions by employer	-	136.47
Benefits paid	(126.16)	(179.34)
Plan Asset as at end of the year	1,060.84	1,126.64

50.7 Reconciliation of the Effect of Asset ceiling

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

50.8 Net amount Charged to Statement of Profit and Loss for the period

Particulars	2020-21	2019-20
Current service cost	218.15	226.39
Past Service cost and Loss/(gain) on curtailments and Settlement	-	-
Net Interest cost	(5.46)	21.60
Net amount recognized	212.69	247.99

Other Comprehensive income for the period

Particulars	2020-21	2019-20
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2.20	(36.42)
Due to change in demographic assumption	-	(0.13)
Due to experience adjustments	(50.46)	(266.13)
Return on plan assets excluding amounts included in interest income	10.27	(34.01)
Amounts recognized in Other Comprehensive Income	(37.99)	(336.69)

50.9 Break up of Plan Assets

Particulars	2020-21	2019-20
Insurance Policy	100%	100%

50.10 Actuarial Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25% to 6.50 %	6.25% to 6.60 %
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

50.11 Sensitivity Analysis of parent company for Actuarial Assumption

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%

As at 31.03.2020	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%	(20.33)	-2.47%	21.37	2.60%
Salary Growth Rate	0.50%	0.50%	21.10	2.56%	(20.11)	-2.44%
Withdrawal Rate	0.50%	0.50%	(4.13)	-0.50%	3.73	0.45%

Sensitivity Analysis of subsidiary & step down subsidiary company for Actuarial Assumption

	Change in Assumptions	Impact on Defined Benefit Obligation
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As at 31.03.2021	Increase	Decrease	Increase in Assumptions	Decrease in Assumptions
	%	%	Rs. in Lakhs	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	10.00%	10.00%	(1.00)	1.10

As at 31.03.2020	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%	(9.60)	10.10
Salary Growth Rate	0.50%	0.50%	9.40	(8.80)
Withdrawal Rate	10.00%	10.00%	(1.00)	0.90

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.

50.12 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.

50.13 Expected contribution to the plan for the next annual reporting period

Particulars	2020-21	2019-20
Expected contribution to the plan	158.55	162.63
Total	158.55	162.63

50.14 Maturity Profile of the Defined Benefit Obligation of Holding Company

As at March 31, 2021	Rs. in Lakhs	%
2022	112.98	13.70%
2023	107.80	7.50%
2024	108.12	7.10%
2025	100.10	8.70%
2026	104.10	8.00%
2027 - 2031	385.81	30.70%

As at March 31, 2020	Rs. in Lakhs	%
2021	162.63	13.70%
2022	89.00	7.50%
2023	84.63	7.10%
2024	102.95	8.70%
2025	94.68	8.00%
2026 - 2030	363.80	30.70%

50.15 Maturity Profile of the Defined Benefit Obligation of Subsidiary and step-down subsidiaries

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

As at March 31, 2020	Rs. in Lakhs
2021	28.30
2022	25.40
2023	26.60
2024	29.00
2025	24.90
2026 - 2030	103.30

51 Revenue from contract with customers**51.1 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

	March 31, 2021	March 31, 2020
	(Rs. in Lakhs)	(Rs. in Lakhs)
Revenue from construction services	189,294.39	239,530.67
Revenue from operation and maintenances and project management services	34,154.08	107,279.90
Total revenue from contracts with customers	223,448.47	346,810.57

Place of service rendered

India

Total revenue from contracts with customers

India	223,448.47	346,810.57
Total revenue from contracts with customers	223,448.47	346,810.57

Timing of revenue recognition

Services transferred over time

Total revenue from contracts with customers

Services transferred over time	223,448.47	346,810.57
Total revenue from contracts with customers	223,448.47	346,810.57

51.2 Contract balances

Contract assets (Unbilled revenue)

Contract liabilities including advances from customers

	March 31, 2021	March 31, 2020
	(Rs. in Lakhs)	(Rs. in Lakhs)
Contract assets (Unbilled revenue)	133,922.17	135,736.51
Contract liabilities including advances from customers	35,259.18	60,177.77

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.

51.3 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, 2021	March 31, 2020
	(Rs. in Lakhs)	(Rs. in Lakhs)
Within one year	240,766.10	249,741.40
More than one year	362,543.40	456,913.90

51.4 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.

52 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 Shashin V. Patel (Change of designation from Chairman & Managing Director to Non-Executive Vice Chairman w.e.f. 25-04-2020);
Shri Nitin R. Patel, Executive Director and Chief Financial Officer;
Shri Arun S. Patel, Non-Executive – Independent Director;
Shri Sandip V Patel, Non-Executive – Independent Director;
Shri Tarang M. Desai, Non-Executive – Independent Director;
Shri Hardik J. Modi, Company Secretary and Compliance Officer (w.e.f. 04-03-2021) and also Company Secretary in SIPL;
Shri Vikram R. Patel, Executive Director (up to 24-04-2020);
Shri Vasistha C. Patel, Executive Director (up to 24-04-2020), Chief Executive Officer (w.e.f. 25-04-2020) and also Managing Director of SIPL;
Shri Vipul H. Patel, Executive Director (up to 24-04-2020);
Shri Tushar D. Shah, Company Secretary and Compliance Officer (up to 01-03-2021);
Shri Atul J. Ruparel, Non-Executive – Independent Director (up to 25-05-2020);
Smt. Purvi S. Parikh, Non-Executive – Independent Director (up to 05-05-2021).
Smt. Daksha N. Shah, Independent Director of Sadbhav Infrastructure Project Ltd. (a Subsidiary Company)
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)

(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	2,184.44			2,184.44
	(2,711.76)			(2,711.76)
Providing of services	0.60			0.60
	(0.60)			(0.60)
Sub contracting Expenditure			31.77	31.77
			(964.26)	(964.26)
Purchase of Material			-	-
			(318.57)	(318.57)
Sale of Material			-	-
			(19.45)	(19.45)
Remuneration Expenses		406.05		406.05
		(672.49)		(672.49)
Services Received			4.50	4.50
			(6.00)	(6.00)
Director Sitting Fees		9.75		9.75
		(4.50)		(4.50)
Interest Expenses			-	-
			(13.29)	(13.29)
Unsecured Loan Received		436.79		436.79
			(2,313.50)	(2,313.50)
Advance Paid Against Asset Purchase			-	-
			(2,336.50)	(2,336.50)
Advance Received Back Against Asset Purchase			-	-
			(2,336.50)	(2,336.50)
Mobilization/Material/Machinery Advance Received	-			-
	(11.95)			(11.95)
Mobilization/Material/Machinery Advance Repaid	0.11			0.11
	(168.21)			(168.21)
Security Deposit/Retention Money Deducted by Clients	418.14			418.14
	(2,665.51)			(2,665.51)
Security Deposit/Retention Money Released by Clients	675.05			675.05
	(1,459.93)			(1,459.93)
Security Deposit/Retention Money Deducted from Sub-contractors			0.79	0.79
			(59.02)	(59.02)
Security Deposit/Retention Money Paid from Sub-contractors			-	-
			(120.37)	(120.37)
Dividend Paid			-	-
		(141.53)	(655.81)	(797.34)

Outstanding Balance as at 31.03.2021				
Trade receivable		3,731.50		3,731.50
		(2,006.05)		(2,006.05)
Trade Payable			-	38.34
			(54.65)	(783.44)
Unsecured Loan Given			2,526.39	2,526.39
			-	-
Mobilization/Material/Machinery Advance Received		-		-
		(0.11)		(0.11)
Security Deposit/Retention Money Deducted by Clients		9,765.13		9,765.13
		(10,017.95)		(10,017.95)
Unsecured Loan Received			436.79	436.79
			-	(306.59)
				(306.59)

NOTE :

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Sub contracting income from Joint Venture includes Rs. 284.74 lakhs (270.97 lakhs) , Rs. 1779.08 lakhs (612.36 lakhs) , from SEL-PIPL JV, SEL-GKC JV.
- Remuneration expenses includes Rs. 84.00 lakhs (Rs 84.00 lakhs) paid to Nitin R. Patel, Executive Director & CFO of the company and Rs. 18.95 lakhs (Rs. 18.49 lakhs) paid to Tushar D. Shah Company Secretary of the company.

53 Contingent Liabilities and commitments

A Contingent Liabilities - In respect of Parent Company

	March 31, 2021	March 31, 2020
	(Rs. in Lakhs)	(Rs. in Lakhs)
a Income tax matters in dispute	4850.02	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 Claims against the company not acknowledged as debt		

- Sarda Energy and Minerals Ltd. (Formerly known as Raipur Alloys Limited) has filed a suit for recovery of Rs.46.42 Lakhs (P.Y. : Rs. 46.42 Lakhs) against the company and its directors and officers holding them jointly and severally liable. The Company purchased steel and TMT bar from Sarda Energy and Minerals Limited, for which the latter claimed Rs 46.42 Lakhs (P.Y. : Rs. 46.42 Lakhs) balance to be paid and filed Civil Suit at Civil Court, Nagpur. The company has challenged the jurisdiction of the court along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed the company to deposit 50% of the amount of the decree passed by the Civil Judge. The company has paid Rs. 21.020 Lakhs (P.Y. : Rs. 21.20 Lakhs). The matter is pending before the high Court, Nagpur.
- 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.
- A case before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay compensation of Rs. 3.63 Lakhs (P.Y. : Rs. 3.63 Lakhs). the company has filled appeal before the High court of Gujarat. The matter is currently pending.
- An employee has filed case before Labour court at Balaghat for compensation of Rs. 13.20 Lakhs (P.Y. : Rs. 13.20 Lakhs) under Workmen Compensation Act, 1923. The matter is currently pending.
- 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.
- 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.
- 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.
- 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.

f Guarantees:

Company has given corporate guarantee to banks for Rs. 43375 Lakhs (P.Y. : Rs. 43265 Lakhs) against the finance facility given by the banks to subsidiary company and step down subsidiaries.

B Contingent Liabilities - In respect of Subsidiary and Stepdown Subsidiary Companies

	March 31, 2021	March 31, 2020
	(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, 2021	March 31, 2020
(i) Sub Ordinate Debt/Equity Shares in Subsidiaries	9822.00	10825.00
(ii) Other Commitment	5138.91	1554.65

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 step down subsidiary company, details of which is 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, 2021	As at March 31, 2020
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 Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Udaipur Highway Private Limited	51.00%	51.00%	51.00%	31.66%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Bhavnagar Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Private Limited	51.00%	26.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	51.00%
Sadbhav Hybrid Annuity Projects Limited	-	-	51.00%	51.00%
Sadbhav Kim Expressway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Bhimasar Bhuj Highway Private Limited	-	-	-	51.00%
Sadbhav Gadag Highway Private Limited	100.00%	51.00%	99.88%	99.88%
Sadbhav Nainital Highway Private Limited	51.00%	26.00%	51.00%	51.00%

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

54 Disclosure related to Periodic Major Maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

Particulars	Amount (Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Carrying amount at the beginning of the year	19,060.00	42,628.10
Add: Additional provision made during the year	1,993.10	7,535.80
Add: increase during the Year in the discounted amount due to passage of time	1,635.60	1,756.80
Less: Amounts used (i.e. incurred and charged against the provision) during the year	(2,701.90)	(8,336.00)
Less: Unused amounts reversed during the year	-	(1,485.60)
Less: Pertaining to sold subsidiaries	-	(23,039.10)
Sub total	19,986.80	19,060.00
Less: Pertaining to entity held for sale	(2,830.90)	(5,532.90)
Carrying amount at the end of the year	Total 17,156.10	13,527.30
Current	-	-
Non-Current	17,156.10	13,527.30
Total	17,156.10	13,527.30
Year of expected cash outflow	2022-2026	

55 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 whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.

56 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"

57 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 Parent Company in respect of loans as at March 31, 2021:-

(Rs. In Lakhs)

Sr. No.	Name of Company	As at March 31, 2021	As at March 31, 2020
1	Ahmedabad Ring Road Infrastructure Co.Ltd.	750.00	1020.00
2	Sadbhav Infrastructure Project Ltd.	40000.00	39620.00
3	Sadbhav Nainital Highwat Pvt Ltd.	2625.00	2625.00
	Total	43375.00	43265.00

Sadbhav Engineering Limited
Notes forming Part of the consolidated financial statements

58 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, 2021 & March 31, 2020:

	As at March 31, 2021	As at March 31, 2020
	(Rs in Lakhs)	(Rs in Lakhs)
Non-current assets		
1	Property, plant and equipments	224.40
2	Goodwill	6,577.70
3	Other intangible assets	23,244.70
4	Financial assets	
	(i) Other financial assets	10.20
5	Other non-current assets	47.60
	Total (A)	30,104.60
Current assets		
1	Financial assets	
	(i) Investments	150.20
	(ii) Trade receivables	88.20
	(iii) Cash and cash equivalents	400.10
2	Other current assets	1,040.50
	Total (B)	1,679.00
	Total assets classified as held for sale (A+B)	31,783.60
Non-current liabilities		
1	Financial liabilities	
	(i) Borrowings	2,810.40
2	Provisions	42.60
3	Deferred tax liabilities (net)	1,789.30
	Total (A)	4,642.30
Current liabilities		
1	Financial liabilities	
	(i) Borrowings	-
	(ii) Trade payables	470.00
	- Total outstanding dues of micro enterprises and small enterprises	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	573.30
	(iii) Other financial liabilities	8,708.70
2	Other current liabilities	57.60
3	Provisions	2,839.30
4	Current tax liabilities (net)	-
	Total (B)	12,179.00
	Total liabilities classified as held for sale (A+B)	16,821.30

59 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, 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%	214,537.37	-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%	2.8	82.56%	(19,573.04)
GADAG	0.85%	1,523.47	0.08%	(18.60)	-	-	0.08%	(18.60)
Adjustment due to consolidation	-50.56%	(90,217.58)	0.00%	-	-	-	-	-
Net assets / Profit (Loss) attributable to the owners of the Company	80.99%	144,528.93	65.24%	(15,490.77)	100.00%	37.99	65.18%	(15,452.78)
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%	178,442.12	100.00%	(23,744.84)	100.00%	37.99	100.00%	(23,706.85)

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	103.99%	210,398.48	7.70%	8,515.50	0.99	334.49	7.98%	8,849.99
Subsidiary Companies								
Indian								
SIPL	23.03%	46,599.70	64.72%	71,594.57	0.01	2.20	64.52%	71,596.77
GADAG	0.27%	539.20	0.00%	(0.40)	-	-	0.00%	(0.40)
MBHPL			0.85%	937.10	-	-	0.84%	937.10
Adjustment due to consolidation	-48.17%	(97,468.69)	-1.59%	(1,763.80)	-	-	-1.59%	(1,763.80)
Net assets / Profit (Loss) attributable to the owners of the Company	79.11%	160,068.69	71.67%	79,282.97	100.00%	336.69	71.75%	79,619.66
Minority Interest in Subsidiaries	20.89%	42,266.45	28.33%	31,341.63	0.00%	-	28.25%	31,341.63
Consolidated net assets / Profit (Loss)	100.00%	202,335.14	100.00%	110,624.60	100.00%	336.69	100.00%	110,961.29

60 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.

(a) 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, 2021 and March 31, 2020.

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, 2021	March 31, 2020
Increase in 25 basis point	(1263.65)	(967.15)
Decrease in 25 basis point	1263.65	967.15

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, 2021	As at March 31, 2020
ECB Loans	USD	-	22.22
	Equivalent INR	-	1,681.44
Buyer's Credit	EURO	10.90	47.05
	Equivalent INR	934.67	3,894.33
FCTL Loans	EURO	3.58	10.75
	Equivalent INR	306.56	889.78

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, 2021 and March 31, 2020 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.

(b) 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. 349367.90 lakhs (P.Y. : Rs. 3,10,453.80 lakhs).
2. State Government Authorities - Rs. 1171.90 Lakhs (P.Y.: 2701.00 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, 2021 is Rs. 11287.50 lakhs and March 31, 2020 is Rs. 8413.50 lakhs.

(c) 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, 2021						
Non-current borrowings#	647,842.92		98,177.97	53,995.87	172,027.08	323,642.00
Loans Repayable on Demand	132,680.84	132,680.84				
Trade Payables	123,754.92		123,754.92			
Other financial liabilities *	455,600.39		79,333.59	2,634.00	11,459.00	362,173.80
Total	1,359,879.07	132,680.84	301,266.48	56,629.87	183,486.08	685,815.80
As at March 31, 2020						
Non-current borrowings#	623,232.08		43,152.02	55,141.57	187,037.78	337,900.72
Other Long Term Payable						
Loans Repayable on Demand	69,421.36	69,421.36				
Trade Payables	72,925.30		72,925.30			
Other financial liabilities *	147,020.76		31,523.36	6,967.40	15,071.51	93,458.49
Total	1,365,623.70	74,058.07	175,678.92	91,162.18	289,203.13	735,521.40

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

61 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.

62 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	6.76 years
2	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	12.51 years
3	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	13.74 years
4	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	15.06 years

Notes:

- (i) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:-
a. Rights to use the Specified assets
b. Obligations to provide or rights to expect provision of services
c. Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.

(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"

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 Private Limited	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019	December 31, 2021
2	Sadbhav Bhavnagar Highway Private Limited*	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019	February 28, 2022
3	Sadbhav Rudrapur Highway Private Limited*	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019	October 31, 2021
4	Sadbhav Nainital Highway Private Limited	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019	October 31, 2021
5	Sadbhav Bangalore Highway Private Limited	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019	December 31, 2021
6	Sadbhav Udaipur Highway Private Limited*	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019	September 30, 2021
7	Sadbhav Vidarbha Highway Private Limited	May 21, 2018	November 15, 2035	15 years from COD	May 15, 2021#	March 31, 2022
8	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020	March 31, 2022
9	Sadbhav Kim Highway Private Limited	November 01, 2019	October 27, 2036	15 years from COD	October 31, 2021	August 27, 2022
10	Sadbhav Gadag Highway Private Limited**	March 12, 2020	March 12, 2022	7 years from COD	June 10, 2022	June 10, 2022

* During the year, three of its subsidiaries namely Sadbhav Udaipur Highway Private Limited (SUDHPL), Sadbhav Bhavnagar Highway Private Limited (SBHPL) and Sadbhav Rudrapur Highway Private Limited (SRHPL) have received the Provisional Completion Certificate (PCOD) and the Settlement Agreement has been executed with NHAI by respective subsidiaries.

During the year, one of its subsidiary company namely Sadbhav Vidarbha Highway Private Limited (SVHPL) has received an extension for Scheduled Completion date up to 15.05.2021.

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.
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.
- (iii) 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.
- (iv) 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.

- 63** Realisability of Non- Current Trade Receivables amounting to Rs. 19,767.98 Lakhs and other incidental balances amounting to Rs. 8,551.67 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 subjudged. 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.
- 64** The Group has carrying value of intangible assets in the form of toll collection rights of Rs 2,57,908.10 Lakhs in its 2 step down subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of these step down subsidiary companies has fully eroded as per their latest financial statement. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of Rs 1,81,730 Lakhs lodged in terms of conditions of concession agreements which is backed by legal opinion on tenability of the claim, debt refinancing, internal plan of revival to meet its dues and obligations and the strategic nature of these investments, basis which the management believes that the networth of these entities would become positive in due course. Considering the same, no provision/adjustment to the carrying value of intangible assets as at March 31, 2021 is considered necessary at this stage.
- 65** In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary entity, has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st March, 2021, the company has achieved provisional certificate of completion for 22 check posts out of total 24 check posts (including additional 2 check post) as per Concession agreement. The collection of user fees have been started in 18 BCP as per directive of MSRDC.
- As at 31st March, 2021, the project implementation is in progress and there are costs variance in development of each BCP site. MBCPNL has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 50 below. The management has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. The management is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the MBCPNL under the terms of concession agreement.
- 66** Maharashtra Border Check Post Network Limited ('MBCPNL') one of the step-down subsidiary, has accepted and accounted certain project related cost variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project including 2 additional check post ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to March 31, 2021 is Rs. 22,288.40 Lakhs (P.Y. : Rs. 22,288.40 Lakhs). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
- 67** a. Exceptional items during the year ended March 31, 2021 is net of -
 (i) Gain of Rs. 4,305.10 Lakhs on account of amount received from infrvit subsidiaries towards the claim from the concerned authority.
 (ii) Loss of Rs. 1,958.72 Lakhs on account of the sale of assets.
- b. In previous year, pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019 between Sadbhav infrastructure Project Limited (SIPL) with IndInfravit Trust, the entire equity shareholding in seven of its subsidiary companies i.e. Bijapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udaipur Tollway Private Limited, Bhilwara Rajsamand Tollway Private Limited and Mysore Bellary Highway Private Limited (MBHPL), a subsidiary of the Company have been transferred to IndInfravit Trust with effect from 14th February, 2020. This has resulted into profit of Rs. 1,50,101.34 Lakhs which have been disclosed as exceptional item in the financial statements for the year ended March 31, 2020. In the current year Rs. 4,305.10 Lakhs has been disclosed as an exceptional item which has been received from the IndInfravit subsidiary towards the claim from the concerned authority.
- c. Further, the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in 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".
- 68** One of the step down subsidiary namely Rohtak Panipat Tollway Limited (RPTPL) has accumulated losses of Rs. 1,11,570.80 Lakhs (P.Y. : Rs. 90,850.80 Lakhs) as at the March 31, 2021, which have resulted in erosion of the RPTPL's net worth and current liability in excess of current assets of Rs. 31,511.60 Lakhs (P.Y. : Rs. 12,540.10 Lakhs). Further, during the year, from December 25, 2020, the toll collection has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws. Accordingly, the RPTPL is not able to collect toll user fees from December 25, 2020. The RPTPL has sent various communications to authorities for such forceful suspension of toll including revenue loss claim of Rs 3,585.00 Lakhs till March 31, 2021. However, it is yet to receive response from the authority in this regards. Currently the RPTPL is exploring various other legal options on above in terms of the concession agreement. There are three claims amounts to Rs. 1,77,490 Lakhs including interest pending between the RPTPL and NHAI under the 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 the company.
- 69** One of the step down subsidiary of the group, Rohtak Hissar Tollway Private Limited (RHTPL) has incurred loss of Rs. 13457.10 Lakhs during FY 2020-21 and continues to incur losses with accumulated losses of Rs. 51016.20 Lakhs as on March 31,2021 resulting in erosion of its Net worth. Further, the RHTPL's borrowings have been classified as non-performing assets by the banks due to defaults in payment of dues & Current financial Liabilities exceeds the Current financial Assets by Rs 10596.70 Lakhs. However, the management expects that the RHTPL's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the RHTPL. Further, the management has represented that there is an unconditional continuing support from the holding company and company will be able to discharge all its obligations in foreseeable future. Further, The RHTPL has entered into an "Intercreditor Agreement" dated February 25, 2021 amongst the banks, financial institutions and other Lenders for resolution Plan. During the year, from December 25, 2020, the toll collection has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws. Accordingly, the RHTPL is not able to collect toll user fees from December 25, 2020. The RHTPL has sent various communications to authorities for such forceful suspension of toll including revenue loss claim of Rs 4243.60 Lakhs till March 31, 2021. However, it is yet to receive response from the authority in this regards. Considering the management assessment of Future traffic projection, ongoing financial structuring discussions, and valuation report obtained from registered valuer, the management believes that the financial statements needs to continue to be prepared on a going concern assumption.

- 70** The Finance Act (2), 2009 has amended Section 80IA(4) of the Income Tax Act, 1961 by substituting an explanation to Section 80IA with retrospective effect from 01.04.2000. On the basis of decided cases, the Group has continued to claim deduction under section 80-IA(4) of the Act on eligible projects and consequently the Group considers it appropriate not to create a liability for provision of Income Tax. However an amount of total income tax of Rs. 18491.61 Lakhs on claim of deduction/s 80IA for the AY 2015-16 to AY 2018-19 & AY 2020-21 years for which assessment is not completed.
- 71** 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.
- 72** 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 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 on January 29, 2021. Requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval.
- 73** Pursuant to the Hon'ble Supreme Court's Order vide dated 23rd March, 2021, interest on interest during the tenure of moratorium period in year 2020 has been waived for all borrowers and accordingly Hon'ble Supreme Court had instructed all the Banks to give the credit / adjustment for interest on interest amount levied by it on its borrowers.
- The Group has followed up with its Bankers in the subject matter. However, the Bankers are awaiting further clarity from RBI / their top management in the cited aspect. Hence, pending outcome of the credit / adjustment by way of a refund of interest on interest amount; the Group has decided to account the said interest on interest component on credit/refund by banks.
- 74** The group has made assessment of possible impact of COVID-19 on business / operations of the group and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at date of approval of these financial statements has used corroborative information. As on current date, the group has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the group will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 75** 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.
- 76** All amounts in the financial statements are presented in Rupees Lakhs except per share data and as otherwise stated.
- 77** Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

For and on behalf of Board,

Shashin V. Patel
Vice Chairman &
Non Executive 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

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 : June 30, 2021

K. C. Patel
Partner
Membership No. :: 030083
Place: Ahmedabad
Date : June 30, 2021

(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*	Rohitak-Hissar Tollway Private Limited*	Rohitak-Panipat Tollway Private Limited*	Sadbhav Rudrapur Highway Private Limited*	Sadbhav Nainital Highway Private Limited*	Sadbhav Bhavnagar Highway Private Limited*	Sadbhav Una Highway Private Limited*	Sadbhav Bangalore Highway Private Limited*	Sadbhav Vidarbha Highway Private Limited*	Sadbhav Udaipur Highway Private Limited*	Sadbhav Jodhpur Ringroad Private Limited*	Sadbhav Tumkur Highway Private Limited*	Sadbhav Kim Expressway Private Limited*	Sadbhav Bhimasar Bhuj Highway Private Limited*	Sadbhav Vizag Port Road Private Limited*	Sadbhav Hybrid Annuity Projects Limited*	TOTAL	
Reporting period	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	TOTAL	
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	
Share Capital	35222.50	5.00	1046.00	5.00	1076.80	218.60	100.00	100.00	400.00	400.00	3090.30	2264.90	2696.60	1165.00	5.00	10115.70	5.00	5.00	5.00	57,926.40	
Reserves & Surplus	-16527.60	1518.50	8228.30	29786.30	-22082.30	-62630.70	10906.20	7514.70	6281.30	3990.60	-10723.20	9493.60	8987.10	5002.90	-14.30	2144.70	-6.50	-19.90	-2182.30	1,113.80	
Total Assets	974314.90	15403.50	26185.70	146643.90	94523.10	173539.40	52079.50	34378.20	48481.90	35035.00	71275.30	70281.50	60166.20	30375.00	30.20	41012.00	28.00	0.10	4093.40	1,877,846.80	
Total Liabilities (excluding Share Capital and Reserves & Surplus)	955615.10	13880.00	16911.40	116852.60	115528.60	235951.50	41073.30	26763.50	41800.60	30644.40	57461.80	58523.00	48482.50	24207.10	39.50	28751.60	29.50	15.00	6270.70	1,818,801.70	
Investments	71887.10	0.00	171.70	0.00	12.40	10.30	0.00	0.00	0.00	0.00	10.80	0.00	706.50	0.00	0.00	10.30	0.00	0.00	3500.00	76,309.10	
Turnover	160944.70	4687.90	10705.60	19231.90	4911.20	5858.20	2539.00	210.00	10465.50	4021.80	1521.30	12341.20	8035.10	15793.90	0.00	18582.30	0.00	0.00	0.00	279,849.60	
Profit/(Loss) Before Taxation	28328.60	-18.60	4817.40	-3705.50	-13457.30	-20627.30	1728.00	721.60	468.60	-18.80	1142.40	117.20	707.60	1452.20	-0.50	773.50	-0.70	-0.30	-1017.10	1,411.00	
Exceptional Items	4350.51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,350.51	
Provision for Taxation	3806.40	0	1285.50	0.00	0.00	0.00	595.00	184.60	74.30	-82.30	295.40	20.90	179.20	374.10	0.00	194.70	0.00	0.00	0.00	6,927.80	
Profit/(Loss) After Taxation	-27830.00	-18.60	3531.90	-3705.50	-13457.30	-20627.30	1133.00	537.00	394.30	63.50	847.00	96.30	528.40	1078.10	-0.50	578.80	-0.70	-0.30	-1017.10	-57,869.00	
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%	100.00%	100.00%	99.63%	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

Shashin V. Patel
Vice Chairman-Non Executive Director
DIN : 00048328

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

Hardik Modi
Company Secretary

Vasistha C. Patel
Chief Executive Officer

Date: 30-06-2021
Place: Ahmedabad

Notes:

i. Name of Subsidiaries which are yet to commence operations

ii. SADBHAV TUMKUR HIGHWAY PRIVATE LIMITED

iii. SADBHAV BHIMASAR BHUJ HIGHWAY PRIVATE LIMITED

iv. SADBHAV VIZAG PORT ROAD PRIVATE LIMITED

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

Sr. No.	Name of Associates/Joint Ventures	₹ in Lakhs															
		SEL-GKC JV Radhanpur-Mangura Project	SEL-GKC JV Mhalakpatnam Project	SEL-GKC JV Omkareshwar Project-1	SEL-GKC JV Karimnagar Project	SEL-GKC JV Omkareshwar Project-2	SEL-GKC JV Manguru Project	SEL-GKC JV BSHP-II Project	SEL-GKC JV Govindpur Project	SEL-Annapurna JV Basantmata Project	SEL-Vishmushiva Malnesapur Project	SEL-Vishmushiva Jalpa / Kapardi Project	SEL-Vishmushiva JV - Haloni Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC43 Project	Corsan Corviam Const S.A.-SEL JV DMRC-CC47 Project	SEL-PIPL JV	SELSPCPL JV
1.	Latest audited Balance Sheet Date	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
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	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
Vice Chairman-Non Executive Director
DIN : 00048328

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

Vasistha C. Patel
Chief Executive Officer

Hardik Modi
Company Secretary

Date: 30-06-2021
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