

Ref: SEL/2023-24/195

Date: 09/02/2024

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

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

Equity Scrip Code:532710

Equity Scrip Name: SADBHAV

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Sadbhav Engineering Limited ('the Company') held on 09th February, 2024.

With reference to above, we hereby inform that meeting of Board of Directors of the Company held today (i.e. 09th February, 2024), in which Board of Directors of the company has considered following business:

2. Approved and adopted the standalone and consolidated Unaudited Financial Results of the Company for the Quarter and Nine months ended on 31st December, 2023.

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

- a. Standalone and Consolidated Unaudited Financial Results of the Company for Quarter and Nine months ended on 31st December, 2023.
- b. Standalone Limited Review Report with modified opinion and Consolidated Limited Review Report with Disclaimer Opinion for Unaudited Financial Results of the Company for the Quarter and Nine months ended on 31st December, 2023.

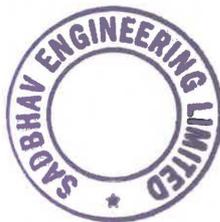
The meeting of Board of Directors commenced at 04:00 p.m. and concluded at 06:45 p.m.

You are requested to take the same on record.

Thanking You,
Yours Faithfully,

For Sadbhav Engineering Limited

Shashin V. Patel
Managing Director
DIN: 00048328



Sadbhav Engineering Limited

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

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SADBHAV ENGINEERING LIMITED
CIN NO.: L45400GJ1988PLC011322

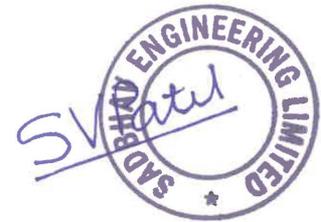
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

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

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,2023 (Unaudited)	September 30,2023 (Unaudited)	December 31,2022 (Unaudited)	December 31,2023 (Unaudited)	December 31,2022 (Unaudited)	March 31,2023 (Audited)
	Income						
1	Revenue from operations	11,470.16	21,883.60	20,991.17	73,837.15	69,461.80	88,917.28
2	Other income	1,265.94	2,537.51	1,537.93	5,525.59	5,579.17	16,498.71
3	Total Income (1+2)	12,736.10	24,421.11	22,529.10	79,362.74	75,040.97	1,05,415.99
4	Expenses						
	Cost of Material Consumed	93.47	485.78	1,838.82	1,000.51	9,561.83	12,293.84
	Construction Expenses	11,139.42	14,579.86	18,031.35	53,615.34	44,249.09	63,595.46
	Employee benefits expense	824.04	665.92	696.36	2,098.49	2,886.26	3,687.39
	Finance costs	4,549.07	4,200.55	4,314.62	12,931.67	12,284.73	16,491.77
	Depreciation and amortization expense	608.43	695.26	1,051.77	2,064.79	3,509.56	4,446.99
	Other expenses (Refer note no. 6)	1,918.35	4,355.19	1,206.87	14,183.49	9,334.87	36,796.23
	Total Expenses	19,132.78	24,982.56	27,139.79	85,894.29	81,826.34	1,37,311.68
5	(Loss) before exceptional Items and tax (3-4)	(6,396.68)	(561.45)	(4,610.69)	(6,531.55)	(6,785.37)	(31,895.69)
6	Exceptional Items (Refer Note no. 3)	206.75	505.37	-	919.16	(1,205.94)	(2,490.66)
7	(Loss) before tax (5+6)	(6,189.93)	(56.08)	(4,610.69)	(5,612.39)	(7,991.31)	(34,386.35)
8	Tax Expense (incl. short/excess provision of earlier year(s))	(171.62)	62.89	(288.80)	306.58	(288.80)	157.32
	Deferred Tax	162.01	202.78	5.20	477.73	37.27	104.71
9	(Loss) for the period from continuing operations (7-8)	(6,180.32)	(321.75)	(4,327.09)	(6,396.70)	(7,739.78)	(34,648.38)
10	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss (Net of tax)	-	(4.71)	-	(4.71)	3.63	27.71
11	Total Comprehensive Income for the period / year (9+10)	(6,180.32)	(326.46)	(4,327.09)	(6,401.41)	(7,736.15)	(34,620.67)
12	Paid up Equity share Capital (face value of Re. 1/- each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
13	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	-	-	106516.11
14	Basic & Diluted EPS (Rs.) (Face value of Re. 1/- each) (*not annualized)	-3.6*	-0.19*	-2.52*	-3.73*	-4.51*	-20.19



SIGNED FOR IDENTIFICATION BY

Kentel

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

Sadbhav Engineering Limited

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Notes :

- 1 The financial results for the quarter and nine month ended December 31, 2023 were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at their respective meetings held on February 09, 2024. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Statutory Auditors of the Company have carried out Limited Review of the above results.
- 2 The segment reporting is in accordance with its internal financial reports derived from SAP system which is reviewed by Chief Operating Decision Maker (CODM), CFO. Consequently, the Company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 3 Exceptional items includes
 - a. Profit of Rs. 206.75 lakhs and Rs. 919.16 lakhs on sale of assets for quarter and nine month ended December 31, 2023 respectively.
 - b. During year ended March 31, 2023 :
 - (i) Profit of Rs. 493.10 lakhs on sale of assets.
 - (ii) Loss of Rs.1512.00 lakhs being loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL), a step down subsidiary.
 - (iii) Loss of Rs. 1471.76 lakhs being loss on account of provision made on loan given to Rohtak Hissar Tollway Private Ltd, a step down subsidiary.
- 4 The management has evaluated the balances in all accounts of the creditors and determined to write back the outstanding amount payables after settlement of the dues and consequently amount of Rs. 2386.02 lakhs is written back and included in Other Income in the results for the nine month ended on December 31, 2023.

Some of the vendors have initiated legal proceeding against the Company for recovery of their dues. The Management contends that in these cases the amount payable in respect of goods and service availed from such vendors is adequately provided in the books of accounts. However the vendors have claimed additional amount on account of interest etc. which is contested by the Company and according to the management such claims are not tenable and does not require provision in books of accounts. Having regard to this the management believes that carrying amount of trade payables is fairly valued.

- 5 The Company has outstanding loan and other receivable aggregating to of Rs. 14879.12 lakhs given to Rohtak Panipat Tollway Private Limited (RPTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of RPTPL has fully eroded. RPTPL has issued the termination notice on July 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement.

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

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

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and pendency of the matter before Honourable Delhi high Court, the management has assessed that there is no impairment in the value of loan given to RPTPL and consequently no provision/adjustment to the carrying value of loan and other receivable as at December 31, 2023 is considered necessary.

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

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

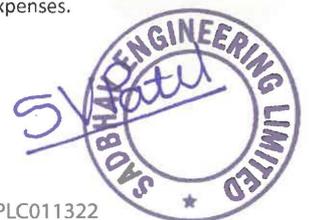
In terms of harmonious substitution, all the balances outstanding, pertaining to SNHL in books of the Company have been adjusted and net amount of Rs. 4328.10 Lakhs has been transferred to statement of profit and loss and included in other expenses.



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

c. Sadbhav Kim Expressway Limited, (SKEL) one of the stepdown subsidiary of the group is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI). The project work has been delayed on account of various reasons attributable to Authority (NHAI) and nationwide lockdown due to Covid-19. SKEL has requested the NHAI & Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the SKEL.

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

The SKEL has entered into definitive agreement on October 17, 2023 for substitution of the concessionaire with the new SPV to be nominated by new concessionaire and also executed Endorsement Agreement dated January 23, 2024 for harmonious substitution of SKEL in favour of new concessionaire for implementation of the project.

In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SKEL are transferred to the new concessionaire. Consequently, all the balances related to project outstanding in the books of SKEL as at December 31, 2023 are adjusted towards the consideration receivable from the new concessionaire.

Consequently, provision for impairment in value of contract assets of Rs. 1276.97 lakhs are made and included in other expenses.

d. Other expenses for the nine months ended December 31, 2023 includes Rs.3064.70 lakhs being amount written off in respects of contract assets.

7 a. Company reviews balances outstanding in the accounts of trade receivable, advance to vendors and loans given and identifies those debts that have been outstanding for an extended period and are unlikely to be received. The Company applies the prudence concept and have written off/provided for the doubtful trade receivable and advance to vendor and loans given as expenses amounting to Rs. 26337.58 lakhs during the year ended March 31, 2023.

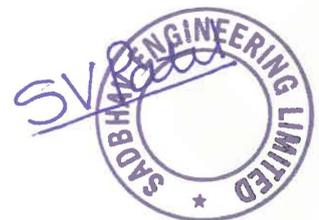
b. The contract assets as on December 31, 2023 includes amount of Rs. 35021.63 lakhs in respect of which claims before the regulators have been preferred and based on legal opinion obtained, management believes that the amount is realisable.

8 The Management acknowledges that there are difficulties in meeting payment obligations to suppliers and statutory dues in the normal course of business. There are also delays/defaults in repayment of dues to lenders. The consortium of lenders of the company, except one lender, had signed an Inter Creditor Agreement on December 26, 2022, due to defaults in the repayment of dues, leading to the company's account being classified as Non-Performing Assets by majority of lenders. These factors raise concern about the company's ability to continue as going concern.

In this regard, due to delays in the completion of EPC works under execution essentially on account of shortage of working capital, the Company has taken proactive steps to rearrange the EPC contracts. The management has also submitted Restructuring Plan to the consortium of lenders and management is in discussion with the consortium of lenders to finalize the Restructuring Plan. The ingredients of Restructuring Plan include monetization of HAM and other Assets, infusion of funds from the promoters, cash flows from Gadag Project, receipt of claim amounts from projects under arbitration and dispute settlement, receivables, and refinance / stake sale of operational projects as well as of restructuring of lender dues.

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

In view of the this in the opinion of the Management the going concern assumption adopted in the preparation of financial results



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- 9 The Company has investment in equity shares of Sadbhav Infrastructure Project Limited (SIPL) and loan given to SIPL, the amount of which is Rs. 80456.54 lakhs as on December 31, 2023. As per the consolidated financial statements of the Sadbhav Infrastructure Project Limited (SIPL) and its subsidiaries, there is negative net worth of the Group of SIPL and its subsidiaries.

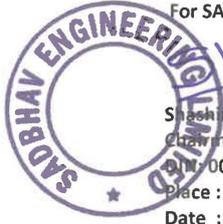
The management has carried out impairment assesment of these assets as on December 31, 2023 considering the projected cash flow from revenue of operating SPV's, sale of HAM assets and realization of GST claims. Based on the assessment it is concluded that no impairment is required to the carrying value of investment in equity shares and loan to SIPL as on December 31,2023.

- 10 Deferred tax asset include Rs. 6537.25 lakhs being amount of unused tax credit recognized in earlier years. Based on the projection of future profitability, management believes that the Company will have regular taxable income against which the unused tax credit will be adjusted.
- 11 During the nine months ended December 31, 2023 revenue from operations includes sale of material of Rs. 1221.49 lakhs (December 31,2022 : Rs 2342.82 lakhs) and Rs. 17960.59 lakhs (December 31,2022 : Rs Nil) being amount of compensation on forgoing an EPC contract and Cost of material sold of Rs. 605.23 lakhs (December 31,2022 : Rs 2016.90 lakhs) is included in cost of material consumed.

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

- 12 During the quarter ended September 30, 2023 the Geology and Mining Department, Government of Gujarat has raised demand of Rs. 18615.51 lakhs, including the penalty of Rs. 5413.02 lakhs in respect of royalty on minerals alleging unauthorized use of minerals by the company in the earlier years on the ground of non submission of required documents to the authority. Against this demand Company has deposited Rs. 264.05 lakhs and file appeal objecting the levy of royalty and is in the process of submitting the documents to the authority. The management believes that demand is not sustainable hence no provision is required in respect thereof.
- 13 Company has received Notice on January 30, 2024 from the Mamlatdar Alien Recovery Branch, Ahmedabad, Gujarat dated January 19, 2024 in the matter of pending / disputed payment of royalty / penalty on royalty for quarry lease no. 842, 843 and 844 situated at Tumkur in respect of State Highway (SH-3 & SH 33) from Malavalli to Pavagada project of the Company. Company has filed revision applications with the office of Joint Director, Department of Mining and Geology, Mysore pursuant to the Rule 53 of The Karnataka Minor Mineral Concession Rules, 1994 and amendments thereon from time to time. The same is under the consideration with the respective authorities. The management believes that demand is not sustainable hence no provision is required in respect thereof.
- 14 As on December 31, 2023 , the outstanding balance of unlisted non-convertible debentures of the company is aggregating to Rs. 6685.00 lakhs said debentures are not listed. Hence the disclosure required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is not required.

For SADBHAV ENGINEERING LIMITED



V Patel

Shashin V. Patel
Chairman and Managing Director
CIN : 00048328
Place : Ahmedabad
Date : February 09, 2024

SIGNED FOR IDENTIFICATION BY



MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

Sadbhav Engineering Limited

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

**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

- 1) We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Sadbhav Engineering Limited** (the "Company") for the quarter and nine months ended on December 31, 2023 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- 2) This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- 4) We draw attention to Note 5 to the accompanying unaudited standalone financial results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited a step-down subsidiary of the Company. The said step-down subsidiary has issued notice of termination of concession agreement to National Highways Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note considering the expected payment arising out of aforesaid termination and other claims filed with NHAI, which are under arbitration, management has concluded that no impairment / adjustment to the carrying value of the loan and other receivable is necessary as at December 30, 2023.

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

However, we have not been able to corroborate the management's contention of realizing the carrying value of loan and other receivables aggregating to Rs. 14,879.12 Lakhs as on the reporting date, related to the said step-down subsidiary.

Accordingly, we are unable to comment on appropriateness of the carrying value of such loan and other receivable, and their consequential impact on the financial results and financial position of the Company for the quarter and nine months ended December 31, 2023.

Our Audit Opinion on financial statements for the financial year ended on March 31, 2023 and conclusion on financial results for the quarter and half year ended on September 30, 2023 were also qualified in respect of this matter.

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

6) Material uncertainty related to going concern

We draw attention to Note no. 8 to the accompanying standalone financial results, which indicates that, there are defaults in repayment of due to lenders and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, consortium of the lenders of the Company have executed Inter-Creditor Agreement on December 26, 2022 and accounts, of the Company, by the majority of the lenders have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

For, Manubhai & Shah LLP
Chartered Accountants

ICAI Firm Registration Number:106041W/W100136

K. C. Patel

K. C. Patel
Partner

Membership No: 030083
UDIN: 24030083BKBEKN9020



Place: Ahmedabad
Date: February 09, 2024

SADBHAV ENGINEERING LIMITED
CIN NO.: L45400GJ1988PLC011322

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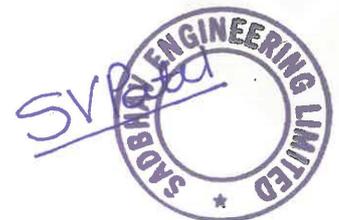
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

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

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,2023 (Unaudited)	September 30,2023 (Unaudited)	December 31,2022 (Unaudited)	December 31,2023 (Unaudited)	December 31,2022 (Unaudited)	March 31,2023 (Audited)
1	Revenue From operations	30,073.53	43,835.42	43,246.04	1,45,025.18	1,35,126.57	1,77,693.69
2	Other income	1,497.08	5,442.55	8,113.29	11,874.27	24,503.72	39,955.57
3	Total Income (1+2)	31,570.60	49,277.97	51,359.33	1,56,899.46	1,59,630.29	2,17,649.26
4	Expenses						
	Cost of Material Consumed	93.47	485.79	1,838.83	1,000.51	14,393.34	12,293.84
	Construction Expenses	18,709.48	25,849.43	28,254.22	88,570.22	71,560.56	1,07,584.97
	Employee benefits expense	1,604.14	1,350.32	1,473.56	4,300.79	5,048.36	6,585.59
	Finance costs	14,007.86	15,128.09	25,781.03	43,413.55	73,963.33	66,106.38
	Depreciation and amortization expense	3,174.93	3,181.96	2,530.27	9,634.69	9,714.86	13,096.79
	Other expenses (Refer Note No. 10)	4,075.34	5,492.15	8,559.92	19,611.69	17,754.24	46,432.50
	Total Expenses	41,665.22	51,487.74	68,437.83	1,66,531.46	1,92,434.69	2,52,100.07
5	(Loss) before exceptional Items and tax (3-4)	(10,094.62)	(2,209.77)	(17,078.50)	(9,632.00)	(32,804.40)	(34,450.81)
6	Exceptional Items (Refer Note No. 4)	(8,458.15)	(27,947.59)	(526.10)	(39,454.60)	(45,417.22)	(36,883.14)
7	(Loss) before tax for the period / year (5-6)	(18,552.77)	(30,157.36)	(17,604.60)	(49,086.60)	(78,221.62)	(71,333.95)
8	Tax Expense	578.28	228.59	1,268.50	1,614.40	1,268.50	2,048.60
	Deferred Tax	(1,101.29)	(1,104.82)	(816.00)	(2,065.77)	(343.93)	(1,811.89)
	Adjustment for short or excess provision of the previous year	222.10	-	(732.80)	528.68	(1,304.10)	(1,631.68)
9	(Loss) for the period / year (7-8)	(18,251.86)	(29,281.13)	(17,324.30)	(49,163.91)	(77,842.09)	(69,938.98)
10	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss (Net of tax)	-	(4.71)	-	(4.71)	15.23	38.41
11	Total Comprehensive Income for the period / year (9+10)	(18,251.86)	(29,285.84)	(17,324.30)	(49,168.62)	(77,826.86)	(69,900.57)
12	(Loss) for the period/year attributable to:						
	Owners of the Company	(14,699.04)	(21,014.37)	(13,210.12)	(36,737.31)	(56,379.17)	(58,909.84)
	Non-controlling Interest	(3,552.82)	(8,266.76)	(4,114.18)	(12,426.60)	(21,447.69)	(11,029.14)
13	Other Comprehensive Income for the period / year attributable to:						
	Owners of the Company	-	(4.71)	-	(4.71)	15.23	32.81
	Non-controlling Interest	-	-	-	-	-	5.60
14	Total Comprehensive Income for the period / year attributable to:						
	Owners of the Company	(14,699.04)	(21,019.08)	(13,210.12)	(36,742.02)	(56,363.94)	(58,877.06)
	Non-controlling Interest	(3,552.82)	(8,266.76)	(4,114.18)	(12,426.60)	(21,447.69)	(11,023.51)
	Total Income (Including other comprehensive Income)	(18,251.86)	(29,285.84)	(17,324.30)	(49,168.62)	(77,811.63)	(69,900.57)
15	Paid up Equity share Capital (face value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
16	Other Equity excluding Revaluation Reserves as at 31st March 2023.	-	-	-	-	-	15,806.51
17	Basic & Diluted EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (*not annualized)	-8.57*	-12.25*	-7.7*	-21.41*	-32.86*	-34.34

SIGNED FOR IDENTIFICATION BY

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Sadbhav Engineering Limited

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

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Notes :

- The unaudited consolidated financial results for the quarter and nine months ended December 31, 2023 of Sadbhav Engineering Limited ('the Company' or 'holding company') and its subsidiaries (holding company and subsidiaries together referred to as 'Group') for the quarter and nine months ended December 31, 2023 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on February 09, 2024. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the same.
- The revenue from operations includes revenue from construction contracts of Rs. 6842.70 lakhs, Rs. 9659.80 lakhs, Rs. 10275.24 lakhs for quarter ended December 31, 2023, September 30, 2023 and December 31, 2022 respectively, Rs. 9681.60 lakhs and Rs. 41232.61 lakhs for the nine months ended December 31, 2023 and December 31, 2022 and Rs. 49279.20 lakhs for the year ended March 31, 2023 related to intangible assets under development and development of Hybrid Annuity assets as per concession arrangements which are recognised in accordance with the requirements of Appendix-D of Ind AS 115 "Revenue from Contracts with Customers."
- The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of the Maharashtra Boarder Check Post Network Limited, a step down subsidiary company which has been certified by the Management, whose unaudited interim financial results/information reflect, total revenue of Rs. 8251.30 lakhs and Rs. 24549.60 lakhs, total net profit after tax of Rs. 308.40 lakhs and Rs. 1615.20 lakhs and total comprehensive income of Rs. 308.40 lakhs and Rs. 1615.20 lakhs for the quarter and nine months ended on December 31, 2023 respectively.

4 Exceptional items include:

(Rs. in Lakhs)

Particulars	Quarter ended Dec 31 30, 2023	Quarter ended Sept 30, 2023	Quarter ended June 30, 2023	Year ended March 31, 2023
Loss on account of harmonious substitution of Concession of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL)				8,093.32
Loss account of sale of units of IndInfravit Trust held by Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company.				474.50
Provision for impairment of investment in shares of Sadbhav Jodhpur Ringroad Private Limited by SIPL				1,165.00
Provision for impairment of investment in shares of Sadbhav Bangalore Highway Private Limited by SIPL.				3,090.30
Loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL).			599.60	22,584.56
(Profit) on sale of shares of Sadbhav PIMA Private Limited (including reversal of provision for impairment of Rs. 5 lakhs)				(109.90)
(Profit) on account of sale of assets.	(206.75)	(505.51)	(207.04)	(493.10)
Loss on Sale of Stake in Sadbhav Bhavnagar Highway Limited (Refer Note 4.1)		527.10	1,246.30	978.80
Loss on Sale of Stake in Sadbhav Una Highway Limited (Refer Note 4.1)			1,410.00	
Loss on account of Substitution of concession agreement of Sadbhav Nainital Highway Limited (Refer Note No 4.5)		5,484.00		-
Loss on substitution of concession of Sadbhav Vidarbha Highway Limited (Including provision of Impairment of Rs. 2579.90 lakhs) (Refer Note 4.3)		9,721.00		
Loss on Settlement of dues from Indinfravit Trust (Refer Note 4.4)		8,394.00		
Provision for Impairment of Contract Assets		4,322.00		
Provision for impairment in carrying value of shares of Sadbhav Hybrid Annuity Projects Limited		5.00		
Amount received on sale of carved out assets by Maharashtra Boarder Checkpost Network Limited (Refer Note 4.2 below)				(372.10)
Loss on account of provision made on loan given to the step down subsidiary.				1,471.76
Loss on substitution of concession of Sadbhav Kim Expressway Private Limited (incl Provision of Impairment of Rs. 8211.20 lakhs) (Refer Note 10 (b))	8,664.90			
	8,458.15	27,947.59	3,048.86	36,883.14

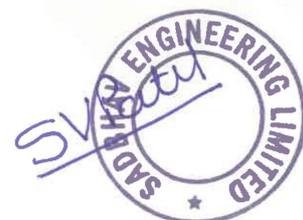


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- 4.1 Pursuant to sell of entire share holding in Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) to Kalthia Engineering and Construction Limited at aggregate consideration of Rs. 17500 lakhs in terms of Memorandum of Understanding (MOU) and Share Purchase Agreement (SPA), the Company had made provision for impairment amounting to Rs. 978.80 lakhs in carrying value of investment during previous year ended March 31, 2023. Further all the balances outstanding relating to SBHL and SUHL in the books of the Company, have been written off / written back and net amount of Rs. 3183.30 lakhs is disclosed as exceptional item in these financial results.
- 4.2 SIPL, a subsidiary and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of the SIPL, out of which 49% shares have been acquired by ARTL. During the year ended March 31, 2022, SIPL has received consideration of Rs. 35750 lakhs and it has recognised loss of Rs. 7851.90 lakhs in relation of transfer of 49% stake. During the previous year March 31, 2023, SIPL has received amount of Rs. 372.10 lakhs towards sale of carved out assets, which has been disclosed as exceptional item. The balance 51% shares will be transferred against consideration to be received.
- 4.3 Pursuant to the definitive agreement, dated August 16, 2023 entered into between the Company, one of the step down subsidiaries of the Group namely Sadbhav Vidarbha Highway Limited (SVHL or concessionaire), Sadbhav Infrastructure Project Limited (SIPL), Gawar Construction Limited (GCL) and Gawar Waranga Highways Private Limited (Nominated SPV or new concessionaire), for substitution of concession of SVHL with the nominated SPV by GCL and execution of Endorsement Agreement between SVHL, Nominated SPV and senior lenders dated October 6, 2023 with the approval of National Highways Authority of India (NHAI) for implementation of the project by new concessionaire in substitution of SVHL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of SVHL are transferred to the new concessionaire. Consequently, balances written off/written back in the books of SIPL and SVHL are disclosed as exceptional items in these financial results.
- 4.4 During the quarter ended on September 30, 2023 the Sadbhav Infrastructure Project Limited (SIPL) had signed Memorandum of Understanding (MOU) with Indinfravit Trust for settlement of pending obligation under routine road and major maintenance agreements in respect of SPVs sold to it. In terms of this MOU all the balances and part of the investment in units of the Trust have been adjusted and the net balances is disclosed as an exceptional item in financial results for the quarter ended September 30, 2023.
- 4.5 SIPL has investments of Rs. 100.00 lakhs and subordinate debts of Rs. 7842.10 lakhs and other receivables of Rs. 3669.70 lakhs in one of its subsidiary namely Sadbhav Nainital Highway Limited (SNHL or concessionaire), which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI). NHAI at the request of the SNHL vide its letter dated April 17, 2023, has approved harmonious substitution of concessionaire. Thereafter the SNHL executed Endorsement Agreement dated July 14, 2023 with the approval of NHAI for harmonious substitution of the SNHL as concessionaire in favour of new concessionaire for implementation of the project and also entered into Definitive Agreement on August 01, 2023. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of SNHL are transferred to the new concessionaire for substitution of the SNHL in consideration of Rs. 9000.0 lakhs. During the nine months ended December 31, 2023, the company has received Rs. 5674.80 lakhs towards Subordinate Debt. Accordingly the SNHL has written off / written back the balance in its books of accounts in respect of SNHL and shown as an exceptional item. Considering above, financial statement of SNHL is prepared on non Going Concern Basis.
- 5 One of the step down subsidiary of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the RPTPL has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis. The management of RPTPL has lodged a total claim amounting to Rs. 193792.00 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid 19. The Arbitral proceedings for the same are currently ongoing. The Arbitration matter of Competing Road was referred to Arbitration. In the said matter, the majority award was passed on May 30, 2023 in favour of NHAI setting aside claims of Company and Minority Award dated 05.06.2023 in favour of Company amounting to Rs. 85098.00 lakhs. The Company has challenged the Majority Award dated 30.05.2023 and filed a petition under Section 34 of Arbitration & Conciliation Act 1996 before the Hon'ble Delhi High Court to set aside the Majority Award dated 30.05.2023. The dispute of Claim for Additional Cost on account of ban of quarrying of stone and loss of Toll collection due to delayed issuance of Provisional Certificate was referred to Arbitration. A unanimous Award dated 06.10.2017 by Arbitral Tribunal was awarded in favour of Company amounting to Rs. 8902.00 lakhs (amount inclusive of costs & interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. As per Delhi High Court Judgment dated 16.02.2023, the amount of award payable by NHAI to RPTPL as on 15.10.2023 works out to Rs. 1211.90 lakhs. NHAI has challenged the said award under Section 37 before Division Bench of Delhi High Court which is sub-judice. NHAI had claimed on RPTPL on account of negative FRL which was referred to Arbitration. The Majority Award on 31.10.2020 by Tribunal was in favour of NHAI amounting to Rs. 2034.00 lakhs. The interest on delayed payment is awarded at 7.4% simple interest, as on 15/10/2023 works out to Rs. 2479.00 lakhs. The dissenting note by the Minority of the Tribunal had stated to reject the claim of NHAI. The Company has challenged the said Majority Award under Section 34 before the Delhi High Court, which is sub-judice.
- During the quarter ended on March 31, 2023, RPTPL has reversed interest of Rs. 10269.40 lakhs provided during the earlier period considering the fact that the project of RPTPL has been terminated and lenders have classified loans as Non Performing Assets.
- During the period ended December 31, 2023, RPTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RPTPL have classified borrowing as Non Performing Asset and financial statements of RPTPL are prepared on non going concern basis, for which the statutory auditors of stepdown subsidiary company have expressed qualified conclusion on financial results in this regards.



- 6 One of the stepdown subsidiary of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the Company has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RHTPL has lodged total claim amounting to INR 192871.00 lakhs relating to termination payment, Force Majeure Costs due to Force Majeure event of Farmer's Agitation, COVID-19, & Demonetization, and NPV of extension entitled due to Force Majeure event of Farmers agitation and Covid-19. NHAI has lodged its Counter Claims amounting to Rs. 36658.00 lakhs. RHTPL has submitted its reply on such counter claims. The Arbitral Proceedings for the same are currently ongoing.

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

During the quarter ended December 31, 2023, RHTPL has not accounted for interest on Rupee Term Loan from banks and financial institutions as well as loan from group Company since the lenders of RHTPL has classified borrowing as NPA and financial statements are prepared on non going concern basis, for which the statutory auditors of stepdown subsidiary

- 7 The management of the Holding Company has evaluated the balances in all accounts of the creditors in their books and determined to write back the outstanding amount payables after settlement of the dues and consequently amount of Rs. 2002.18 lakhs is written back and included in other income in the results for nine months ended on December 31, 2023.

Some of the vendors of the holding Company have initiated legal proceeding against the holding Company for recovery of their dues. The Management contended that in these cases the amount payable in respect of goods and services availed from such vendors is adequately provided in the books of accounts. However the vendors have claimed additional amount on account of interest etc. which is contested by the holding Company and according to the management such claims are not tenable and does not require provision in books of accounts. Having regard to this the management believes that carrying amount of trade payables is fairly valued.

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

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 30, 2023 (Unaudited)	December 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	Revenue from operations	11,470.16	21,883.60	20,991.17	73,837.15	69,461.80	88,917.28
2	Net (loss) before tax	(6,189.93)	(56.08)	(4,610.69)	(5,612.39)	(7,991.31)	(34,386.35)
3	Net (loss) after tax	(6,180.32)	(321.75)	(4,327.09)	(6,396.70)	(7,739.78)	(34,648.38)
4	Total comprehensive income for the Period/Year	(6,180.32)	(326.46)	(4,327.09)	(6,401.41)	(7,736.15)	(34,620.67)

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

- 10 a. Holding Company has entered in Tripartite settlement agreement with National Highways Authorities of India (NHAI) and Gawar Construction Limited (GCL) on 18th April, 2023 in respect of an EPC project of Construction of NH-24 Extension 4-lane bypass starting from Behta Road and terminating at Sitapur road in the State of Uttar Pradesh for subletting the said project to GCL for balance work. In terms of this settlement, all the balances outstanding, pertaining to this project in books of the Holding Company have been adjusted and net balance of Rs. 3074.84 Lakhs has been transferred to statement of profit and loss and included in other expenses in the results for the quarter ended June 30, 2023.



b. In case of Sadbhav Kim Expressway Private Limited, (SKEPL) one of the stepdown subsidiary of the Group the project work has been delayed on account of various reasons attributable to Authority (NHAI) and nationwide lockdown due to Covid-19. SKEPL has requested NHAI & its Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S Gawar Construction Limited (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the SKEPL.

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

SKEPL has entered into Definitive Agreement on October 17, 2023 for substitution of SKEPL with the new SPV to be nominated by new concessionaire and also executed Endorsement Agreement dated January 23, 2024 for harmonious substitution of SKEPL in favour of new concessionaire for implementation of the project.

In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SKEPL will be transferred to the new concessionaire. Consequently, all the balances related to project outstanding in the books of SKEPL as at December 31, 2023 are adjusted towards the consideration receivable from the new concessionaire.

Consequently, the net balance of Rs. 453.70 lakhs and Provision for impairment of investment in shares of SKEPL of Rs. 8211.20 lakhs by SIPL are disclosed as exceptional item and amount of Rs. 1276.97 lakhs is included in other expenses.

d. Other expenses for the nine months ended December 31, 2023 includes Rs.3064.70 lakhs being amount written off in respects of contract assets.

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

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

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

- 12 In case of Sadbhav Rudrapur Highway Limited (SRHL), one of stepdown subsidiary of the group ,there is delay in approval of Estimates for Shifting of Utilities, delay in approval of the GAD of ROB from Railway Department and non-availability of land for Construction of ROB, delay in approval of Change of Scope Works, delay due to Force Majeure Event of COVID-19, etc.

SRHL has requested NHAI & its Lenders to allow harmonious substitution in terms of the NHAI Policy circular through a nominated company namely — M/S RKCIPL-ARCPL (JV) (Nominated Company) and the Lenders' Representative gave its consent for allowing harmonious substitution of the company.

Subsequent to the quarter ended December 31, 2023, NHAI vide its letter dt January 16, 2024, conveyed its "InPrinciple" approval for substitution of SRHL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions through harmonious substitution and subject to final approval from the NHAI . Since the conditions precedent to the harmonious substitution are under compliances, no adjustment to the carrying value of assets and liabilities related to this project have been made in these financial results.

- 13 The holding Company reviews balances outstanding in the accounts of trade receivable, advance to vendor and loans given and identifies those debts that have been outstanding for an extended period and are unlikely to be received. The holding Company applies the prudence concept and have written off/provided for the doubtful trade receivable and advance to vendor and loans given as expenses amounting to Rs. 26337.58 lakhs during the year ended March 31, 2023.

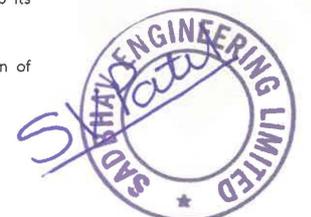
b. The contract assets as on December 31, 2023 includes amount of Rs. 35021.63 lakhs in respect of which claims before the regulators have been preferred and based on legal opinion obtained, management believes that the amount is realisable.

- 14 The Management of the group acknowledges that there are difficulties in meeting payment obligations to suppliers and statutory dues in the normal course of business. There are also delays/defaults in repayment of dues to lenders. The consortium of lenders of the Holding Company, except one lender, have signed an Inter Creditor Agreement on December 26, 2022, due to defaults in the repayment of dues, leading to the company's account being classified as Non-Performing Assets by majority of lenders. These factors raise concern about the group's ability to continue as going concern.

In this regard, due to delays in the completion of EPC works under execution essentially on account of shortage of working capital, the Company has taken proactive steps to rearrange the EPC contracts. The management has also submitted Resolution Plan to the consortium of lenders and management is in discussion with the consortium of lenders to finalize the Resolution Plan. The ingredients of Resolution Plan include monetization of HAM and other Assets, infusion of funds from the promoters, cash flows from Gadag Project, receipt of claim amounts from projects under arbitration and dispute settlement, receivables, and refinance / stake sale of operational projects as well as of restructuring of lender dues.

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

In view of the this in the opinion of the management the going concern assumption adopted in the preparation of consolidated financial results for the quarter and nine months ended December 31, 2023 is appropriate.



Sadbhav Engineering Limited

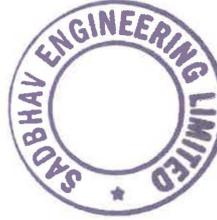
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- 15 During the nine months period ended December 31, 2023 revenue from operations includes sale of material of Rs. 1221.49 lakhs (December 31,2022 : Rs 2342.82 lakhs) and Rs. 17960.59 lakhs (December 31,2022 : Rs Nil) being amount of compensation on forgoing an EPC contract and Cost of material sold of Rs. 605.23 lakhs (December 31,2022 : Rs 2016.90 lakhs) is included in cost of material consumed.

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

- 16 Deferred tax asset include Rs. 6537.25 lakhs being amount of unused tax credit recognized in earlier years. Based on the projection of future profitability, management believes that the Company will have regular taxable income against which the unused tax credit will be adjusted.
- 17 During the quarter ended September 30, 2023 the Geology and Mining Department, Government of Gujarat has raised demand of Rs. 18615.51 lakhs, including the penalty of Rs. 5413.02 lakhs in respect of royalty on minerals alleging unauthorized use of minerals by the holding company in the earlier years on the ground of non submission of required documents to the authority. Against this demand, Holding Company has deposited Rs. 264.05 lakhs and file appeal objecting the levy of royalty and is in the process of submitting the documents to the authority. The management believes that demand is not sustainable hence no provision is required in respect thereof.
- 18 Company has received Notice on January 30, 2024 from the Mamlatdar Alien Recovery Branch, Ahmedabad, Gujarat dated January 19, 2024 in the matter of pending / disputed payment of royalty / penalty on royalty for quarry lease no. 842, 843 and 844 situated at Tumkur in respect of State Highway (SH-3 & SH 33) from Malavalli to Pavagada project of the Company. Company has filed revision applications with the office of Joint Director, Department of Mining and Geology, Mysore pursuant to the Rule 53 of The Karnataka Minor Mineral Concession Rules, 1994 and amendments thereon from time to time. The same is under the consideration with the respective authorities. The management believes that demand is not sustainable hence no provision is required in respect thereof.



For SADBHAV ENGINEERING LIMITED

Shashin V. Patel
Chairman and Managing Director
PIN: 00048328
Place : Ahmedabad
Date : February 09, 2024

SV Patel

SIGNED FOR IDENTIFICATION BY

K. K. K. K.

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

Manubhai & Shah LLP

Chartered Accountants

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

**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Sadbhav Engineering Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months ended on December 31, 2023 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

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

Holding Company:
Sadbhav Engineering Limited

List of Subsidiaries:

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

List of step-down subsidiaries:

1. Ahmedabad Ring Road Infrastructure Ltd (ARRIL)
2. Maharashtra Border Check Post Network Ltd (MBCPNL)
3. Rohtak Panipat Tollway Private Ltd (RPTPL)
4. Rohtak Hissar Tollway Private Ltd (RHTPL)
5. Sadbhav Rudrapur Highway Limited (SRHPL)
6. Sadbhav Nainital Highway Limited (SNHL)
7. Sadbhav Bangalore Highway Private Limited (SBGHPL)
8. Sadbhav Vidarbha Highway Limited (SVHL)
9. Sadbhav Udaipur Highway Limited (SUDHL)
10. Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)
11. Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited) (SMIPL)
12. Sadbhav Kim Expressway Private Limited (SKEPL)
13. Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited) (SISPL)
14. Sadbhav Hybrid Annuity Project Limited (SHAPL)

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4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We are also responsible for performing procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Because of the matters described in the paragraph 5 below, we were not able to obtain sufficient evidence to provide a basis for conclusion on the Statement and hence we do not express a conclusion on the Statement.

Basis for Disclaimer of Conclusion

5. Accompanying consolidated financial results includes unaudited interim consolidated financial results and other unaudited consolidated financial information of Sadbhav Infrastructure Project Limited, a subsidiary Company, whose unaudited consolidated interim financial results / information reflect, total revenue of Rs. 21030.10 lakhs and Rs. 68186.00 lakhs, total net (Loss) after tax of Rs. (12281.90) lakhs and Rs. (43974.90) lakhs and total comprehensive income of Rs. (12281.90) lakhs and Rs. (43974.90) lakhs for the quarter and nine months ended on December 31, 2023 respectively.

Auditors of the said subsidiary Company have issued disclaimer of opinion on its consolidated financial results for the following reasons:

- (i) As detailed in Note No 3 to the accompanying consolidated financial results that includes unaudited interim financial results and other unaudited financial information of the Maharashtra Boarder Check Post Network Limited, a step-down subsidiary Company which have not been reviewed, whose unaudited interim financial results / information reflect, total revenue of Rs. 8251.30 lakhs and Rs. 24549.60 lakhs, total net profit after tax of Rs. 308.40 lakhs and 1615.20 lakhs and total comprehensive income of Rs. 308.40 lakhs and 1615.20 lakhs for the quarter and nine months ended on December 31, 2023 respectively.

These unaudited interim financial results and other unaudited financial information have been certified and furnished to us by the Management. According to the information and explanations given to us by the management, these financial results are material to the Group.



- (ii) As detailed in Note No 5 & Note No 6 to the accompanying consolidated financial results, with respect to Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), step-down subsidiaries of the Group in which interest on rupee term loan from banks and financial institutions as well as unsecured loans from Group companies have not been accounted considering the fact that both subsidiaries have issued termination notices and lenders of both subsidiaries have classified all the secured borrowings as non-performing assets. This has resulted in the understatement of finance cost and the related interest liability and corresponding understatement of losses, amount of which is unascertained. Further financial statement of RPTPL and RHTPL are prepared on non-going concern basis.

The auditors of RPTPL and RHTPL have expressed qualified opinion on the financial statements for the year ended on March 31, 2023 and qualified conclusion on the financial results for the quarters ended December 31, 2023 and September 30, 2023.

- (iii) As detailed in Note 11 to the accompanying consolidated financial results, with respect to Sadbhav Udaipur Highway Limited (SUDHL), a step-down subsidiary company of the Group in which case, National Highway Authority of India in the month of December 2023, at the request of the SUDHL has given in principal approval for harmonious substitution of SUDHL. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in these financial results of SUDHL. Owing to the uncertainty of outcome of substitution proceedings and lack of other alternate audit evidence, we are unable to comment about adjustments that may be required to the carrying value of assets and liabilities and their consequential impact on the financial results of the Group for the quarter and nine months ended on December 31, 2023.

We have expressed qualified report on the financial results for the quarter ended December 31, 2023.

- (iv) As detailed in Note 12 to the accompanying consolidated financial results, with respect to Sadbhav Rudrapur Highway Limited (SRHL), a step-down subsidiary company of the Group in which case, National Highway Authority of India in the month of December 2023, at the request of the SRHL has given in principal approval for harmonious substitution of SRHL. As mentioned in the said note, no adjustment to the carrying value of assets and liabilities have been made in the financial results of SRHL. Owing to the uncertainty of outcome of substitution proceedings and lack of other alternate audit evidence, we are unable to comment about adjustment that may be required to the carrying value of assets and liabilities and their consequential impact on the financial results of the Group for the quarter and nine months ended on December 31, 2023.

6. In view of the nature of the matters described in paragraph 5, Basis for Disclaimer of Conclusion above, in respect of which absence of sufficient evidence has resulted in limitation on work and the consequent adjustments not being determined and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, we are unable to state whether



the accompanying Statement has been prepared in accordance with the recognition and measurement principles laid down in the relevant Indian Accounting Standards and other accounting principles generally accepted in India, or that the Statement discloses the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement. Thus, we do not express a conclusion on the accompanying consolidated financial results.

7. Material Uncertainty related to Going concern:

As stated in note no. 14 to the consolidated financial results, there are defaults in repayment of due to the lenders by the Holding Company and it finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further, a consortium of the lenders of the Holding Company have executed Inter-Creditor Agreement on December 26, 2022 and accounts of the Holding Company by majority lenders have been classified as Non-Performing Assets.

These events or conditions along with other matters as set forth in the said note indicate that material uncertainty exists regarding the Group's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

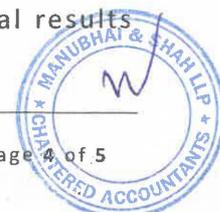
8. Emphasis of Matter in respect of step-down subsidiary Company:

The auditors of Sadbhav Infrastructure Project Limited (SIPL), a subsidiary Company, in their report dated November 7, 2023 on consolidated financial results of the said subsidiary have given the Emphasis of Matter paragraph as under:

As detailed in Note 10(a) to the accompanying consolidated financial results, regarding preparation of financial statements Sadbhav Nainital Highway Limited, one of the step-down subsidiaries of the Group on non-going concern basis for the reasons stated in the said note.

9. Other Matters:

- a. The consolidated financial results include unaudited financial results of 1 step-down subsidiary whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. 78.46 Lakhs and Rs 78.46 Lakhs, total net profit / (loss) after tax of Rs. 69.73 Lakhs and Rs (562.66) Lakhs, total comprehensive income of Rs. 69.73 Lakhs and Rs (562.66) Lakhs for the quarter and nine months ended on December 31, 2023 respectively. These unaudited financial results are not reviewed, and other unaudited information are approved and have been furnished to us by the Management of the Holding Company and our opinion on the Statement, in so far it relates to the amount and disclosures included in respect of this step - down subsidiary, is based on solely on such financial results. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter with respect to our reliance on the financial results certified by the Management of the Holding Company.



- b. We did not review the interim financial results and other financial information in respect of 1 subsidiary and 8 step-down subsidiaries, whose financial results / information reflects (before eliminating intercompany transactions) total revenue of Rs. 7,628.14 Lakhs and Rs. 24,266.80 Lakhs, total net (loss) after tax of Rs. (10,154.34) Lakhs and Rs. (44,595.84) Lakhs, total comprehensive income of Rs. (10,154.34) Lakhs and Rs. (44,595.84) Lakhs for the quarter and nine months ended on December 31, 2023 respectively as considered in the consolidated financial results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the Management of the Holding Company. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of such subsidiary and step-down subsidiary companies is based solely on the reports of other auditors and procedures performed by us as stated in paragraph 3 above.

For, Manubhai & Shah LLP
Chartered Accountants

ICAI Firm Registration Number: 106041W/W100136

K. C. Patel
Partner

Membership No: 030083
UDIN: 24030083BKBeko5545



Place: Ahmedabad

Date: February 09, 2024