

Ref: SIPL/2025-26/052

Date: 21st July, 2025

To,

Kind Attn.: Danial Dsouza

Listing Compliance Department

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,

Bandra-Kurla Complex, Bandra (E),

Mumbai - 400 051

Equity Scrip Name: SADBHIN

Sub: SADBHIN-Clarification w.r.t financial results for the year ended on 31.03.2025.

Ref: Your Email dated 17th July, 2025 seeking clarification

Dear Sir/Madam,

With respect to your above referred mail seeking clarification upon submitted financial results for the period ended on 31.03.2025, in that regard we would like to provide our query wise clarification as under:

Query:

1. clarification regarding Not ascertainable written in SOI against the Adjusted Figures after adjusting for qualifications

Response:

Please note that in the SOI, the adjusted figures after adjusting qualifications are depicted as not ascertainable as in the opinion of the board of directors and management of the company, the amounts and figures specified in the audit qualification are pertaining to the claims which carry amount which are to be received or expected to be received by the company from NHAI. Detailed note in this regard has already been provided in the submitted financial results which have been reproduced hereunder for your reference:

- 1) "The Company has investments of INR 217.74 million and subordinate debts of INR 4,688.73 million and trade & other Receivables of INR 87.91 millions as at March 31, 2025

in one of the subsidiary namely Rohtak Panipat Tollway Private Limited (RPTPL) which is engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of this subsidiary company has fully eroded.

From December 25, 2020, the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws. Accordingly, the Company was not able to collect toll user fees from December 25, 2020. The Company had sent various communications to authorities for such forceful suspension of toll including revenue loss claim. Accordingly, the Company had issued notice of termination of Concession Agreement to NHAI on July 27, 2021 under Force Majeure Event of Concession Agreement. The Termination Payment and other payments due from NHAI were pending for the long time. The company had attempted conciliation of the issues of the Project for amicable settlement. Due to non-progress of the same, the Company vide letter dated 27.03.2023 had notified the Conciliation Committee and NHAI regarding the failure of the Conciliation Proceedings. The said matters were referred to Arbitration by the Company. The Company has lodged a total claim amounting to INR 19,379.20 Million 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 Covid19. The Arbitral proceedings for the same are completed and the Arbitral Award is declared on 23.01.2025 unanimously, except for Counter Claim of NHAI regarding Premium that one Ld. Arbitrator has rejected it completely. As on the date of the said Majority award, the net awarded amount after deducting all dues of NHAI including Premium works out to INR 10,805.45 millions (principal of INR 7,796.31 millions and interest of INR 3,009.14 millions).

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 INR 8509.80 Million. 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 same is sub-judice before the Hon'ble High Court.

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 INR 890.20 Million (amount inclusive of costs & interest pendente lite). This Award was challenged by NHAI under Section 34 before the Delhi High Court. The Delhi High Court in its Judgment dated 16.02.2023, wherein one claim is set aside (loss of Toll collection) and one claim was upheld (Additional cost on account of ban of quarry of stone) along with pendente lite interest and delayed interests, etc. As per Delhi High court in the judgement dated 16.02.2023, the value of award payable by NHAI

to RPTPL as on 15.10.2023 works out to INR 1,211.90 millions. NHAI had challenged the said award under Section 37 before Division Bench of Delhi High Court. The said matter is now withdrawn by NHAI.

NHAI had lodged claim on RPTPL on account of negative Finished Road Level (FRL) which was referred to Arbitration. The Majority Award on 31.10.2020 by Tribunal for amount of INR 203.40 Million was in favour of NHAI. The interest on delayed payment is awarded at 7.4% simple interest, as on 15.10.2023 works out to INR 247.90 Million and further interest thereon. The dissenting note by the Minority of the Tribunal had stated to reject the claim of NHAI. The Company had challenged the said Majority Award under Section 34 before the Delhi High Court. The said matter is now withdrawn by RPTPL on account of ongoing Vivad se Vishwas II scheme.

The Arbitration Award dated 06.10.2017 and Arbitration Award dated 31.10.2020 has been settled through Settlement Agreement dated 20.03.2025 under Vivad se Vishwas II Scheme of Govt. of India for the net settlement amount of about INR. 650 millions.

RPTPL has received intimation letter dated April 08, 2024 from National Asset Reconstruction Company Limited (NARCL) intimating that the deed of assignment dated March 22, 2024 under the provisions of Section 5 of the SARFASI Act, the consortium of lenders except one Lender have assigned/ transferred the outstanding debt /financial assets alongwith underline securities interest, pledged of shares, guarantees, receivables etc charge for such financial assistance granted to RPTPL in favour of NARCL and NARCL acting in its capacity as trustee of NARCL Trust.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, the management has assessed that there is no impairment in the carrying value of investments made by the Company in the RPTPL and consequently no provision/adjustment to the carrying value of Investments and subordinate debts, loans and advances and trade and other receivables as at March 31, 2025 is considered necessary.

- 2) With regards to SRHL, subsequent to discussions and deliberation with Authority, the Company has also invoked through Conciliation Committees of Independent Experts (CCI Es) to resolve the said issues. After the recommendation of CCIE committed and deliberate discussion with the SRHL, **the NHAI has descope the balance EPC work** and consider the completion of project with descoping.

In view of the pending final approval from NHAI and the uncertainty surrounding the successful execution of the proposed harmonious substitution, including fulfillment of the stipulated conditions precedent, no adjustments have been made to the carrying value of the Company's investments (including subordinate debts and receivables) in SRHL in the audited standalone financial results for the year ended March 31, 2025.





In order to resolve the Project related issue, the Concessionaire proposed to harmoniously substitute the Concessionaire with a new SPV to be incorporated by M/s RKCIPARCPL (JV) in the interest of Project. During the quarter and year ended March 31, 2024, the NHAI vide its letter dated January 16, 2024, conveyed its "InPrinciple" approval for substitution of SRHL with a new special purpose vehicle to be incorporated by the Nominated Company subject to certain conditions through harmonious substitution and subject to final approval from the Authority ("Authority InPrinciple Approval"). The Authority has issued an in-principal approval for such Harmonious Substitution with the terms and conditions stated therein.

On the basis of above reason and management contention regarding recoverability of amount from NHAI, the appropriate comments were made in the financial statements of the company for the financial year ended on 31.03.2025."

You are requested to take this clarification on record.

Thanking You,
For SADBHAV Infrastructure Project Limited

Shashin Patel
Executive Chairman
DIN: 00048328

