

No. CTL/DEB/19-20/Noting Certificate/6051

November 14, 2019

To Whomsoever It May Concern,

## **CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

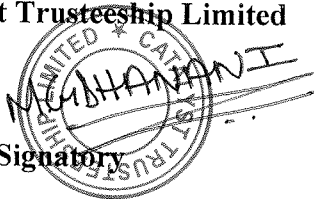
We, Catalyst Trusteeship Limited ("**Debenture Trustee**") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("**Regulations**"), provided to us by **Sadbhav Infrastructure Projects Limited** ("**the Company**") for the Half year ended September 30, 2019.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

Authorised Signatory

*Encl: Results submitted by company*



Date: 13/11/2019

To,  
Compliance Officer  
CATALYST TRUSTEESHIP LIMITED  
Office No. 83 – 87, 8th floor,  
'Mittal Tower', 'B' Wing,  
Nariman Point, Mumbai – 400021

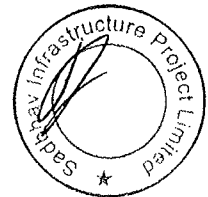
Dear Sirs,

**Sub.: Half yearly Compliance Report of Non-Convertible Debentures ("NCD") aggregating to Rs. 170 Crores for the half year ended on 30<sup>th</sup> September, 2019.**

With reference to the captioned please refer the compliance report mentioned below.

In terms of the provisions of Regulation 52(4), please find details as mentioned below:

- a) Un-audited financial results for the half year ended as on September 30, 2019- Attached as Annexure-1
- b) Credit rating and change in credit rating (if any): CARE A (CE) [Single A (Credit Enhancement) - Annexure-2
- c) Asset cover available, in case of non-convertible debt securities: 3.52
- d) Debt-equity ratio: 1.37
- e) Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not; details are as below: N.A
- f) Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount: N.A
- g) Debt service coverage ratio: 0.51
- h) Interest service coverage ratio: 0.98
- i) Debenture redemption reserve: Rs. 544.21 Million
- j) Net worth: Rs. 14283.70 Million
- k) Net profit after tax: Rs. 37.11 Million
- l) Earnings per share: 0.11



**Sadbhav Infrastructure Project Limited**

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

T : +91 79 26463384 F : +91 79 26400210 E : [investor@sadbhavinfra.co.in](mailto:investor@sadbhavinfra.co.in) Web: [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) CIN: L45202GJ2007PLC049808

- m) Copy of the statement, If any filed with the stock Exchange, as per Regulation 52(7) indicating material deviation, if any, in the use of proceeds of issue of NCDs from the object stated in the offer document. – N.A

In terms of the provisions of Regulation 56, please find details as mentioned below:

- a) A copy of the annual report at the same time as it is issued along with a copy of certificate from the Statutory Auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised: **Annexure-3**

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the Statutory Auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved: **N.A.**

- b) A copy of all notices, resolutions and circulars relating to –
- i) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities: **N.A.**
  - ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings: **N.A.**
- c) Intimations regarding:
- i) any revision in the rating: CARE A (CE) [Single A (Credit Enhancement)]
  - ii) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities: **N.A.**
  - iii) failure to create charge on the assets: **N.A.**
- d) a half yearly certificate regarding maintenance of hundred percent Asset cover in respect of listed non-convertible debt securities, by either a practicing company secretary or a practicing chartered accountant, along with the half yearly financial results: **Will be provided later on.**

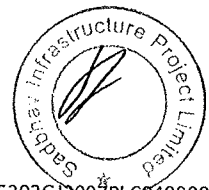
In terms of the provisions of Regulation 58, please find details as mentioned below:

- a) Hard copies of full annual reports to those holders of non-convertible debt securities, who request for the same: **On request it will be provided.**
- b) Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52, to holders of non-convertible debt securities: **Yes**
- c) Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting: **N.A.**

## **Sadbhav Infrastructure Project Limited**

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- d) Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution: N.A.

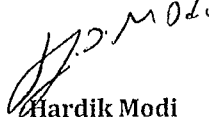
In terms of Additional Information, please find details as mentioned below:

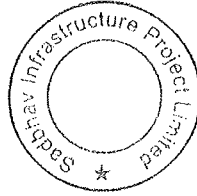
- a) A Certificate confirming that the properties secured for the Debentures are adequately insured (wherever applicable) and policies are in the joint names of the Trustees: N.A.

You are requested to take the same on record.

Thanking you,

For, Sadbhav Infrastructure Project Limited

  
Hardik Modi  
Company Secretary  
Membership No. F9193  
Encl: a.a



**Sadbhav Infrastructure Project Limited**

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

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Date: 13<sup>th</sup> November, 2019

To,  
Compliance Officer  
CATALYST TRUSTEESHIP LIMITED  
Office No. 83 – 87, 8th floor,  
'Mittal Tower', 'B' Wing,  
Nariman Point, Mumbai – 400021

Dear Sirs,

**Sub.: Half yearly Compliance Report of Non-Convertible Debentures ("NCD") aggregating to Rs. 160 Crores for the half year ended on 30<sup>th</sup> September, 2019.**

With reference to the captioned please refer the compliance report mentioned below.

In terms of the provisions of Regulation 52(4), please find details as mentioned below:

- Un-audited financial results for the half year ended as on September 30, 2019- Attached as Annexure-1
- Credit rating and change in credit rating (if any): CARE A (CE) [Single A (Credit Enhancement) - Annexure-2
- Asset cover available, in case of non-convertible debt securities: 3.52
- Debt-equity ratio: 1.37
- Previous due date for the payment of interest / ~~dividend for non-convertible redeemable preference shares /~~ repayment of principal of ~~non-convertible preference shares /~~ non-convertible debt securities and whether the same has been paid or not; details are as below:

Series/ Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
II	Interest	18/04/2019	146,76,164/-	18/04/2019
II	Principal	18/04/2019	48,00,00,000/-	18/04/2019

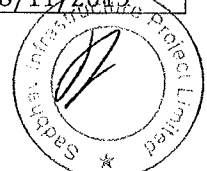
- Next due date for the payment of interest / ~~dividend of non-convertible preference shares /~~ principal along with the amount of interest / ~~dividend of non-convertible preference shares~~ payable and the redemption amount:

Series/ Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
II	Principal	18/11/2019	64,00,00,000	18/11/2019
II	Interest	18/11/2019	1,46,76,164	18/11/2019
III	Premium	18/11/2019	12,55,61,600	18/11/2019

## Sadbhav Infrastructure Project Limited

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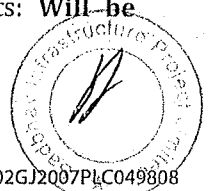
- g) Debt service coverage ratio: 0.51
- h) Interest service coverage ratio: 0.98
- i) Debenture redemption reserve: Rs. 544.21 Million
- j) Net worth: Rs. 14283.70 Million
- k) Net profit after tax: Rs. 37.11 Million
- l) Earnings per share: 0.11
- m) Copy of the statement, if any filed with the stock Exchange, as per Regulation 52(7) indicating material deviation, if any, in the use of proceeds of issue of NCDs from the object stated in the offer document. – N.A

In terms of the provisions of Regulation 56, please find details as mentioned below:

- a) A copy of the annual report at the same time as it is issued along with a copy of certificate from the Statutory Auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised: **Annexure-3**

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the Statutory Auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved: **N.A.**

- b) A copy of all notices, resolutions and circulars relating to –
  - i) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities: **N.A.**
  - ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings: **N.A.**
- c) Intimations regarding:
  - i) any revision in the rating: CARE A (CE) [Single A (Credit Enhancement)]
  - ii) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities: **N.A.**
  - iii) failure to create charge on the assets: **N.A.**
- d) a half yearly certificate regarding maintenance of hundred percent Asset cover in respect of listed non-convertible debt securities, by either a practicing company secretary or a practicing chartered accountant, along with the half yearly financial results: **Will be provided later on.**



In terms of the provisions of Regulation 58, please find details as mentioned below:

- a) Hard copies of full annual reports to those holders of non-convertible debt securities, who request for the same: **On request it will be provided.**
- b) Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52, to holders of non-convertible debt securities: **Yes**
- c) Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting: **N.A.**
- d) Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution: **N.A.**

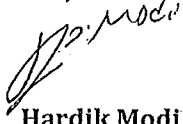
In terms of Additional Information, please find details as mentioned below:

- a) A Certificate confirming that the properties secured for the Debentures are adequately insured (wherever applicable) and policies are in the joint names of the Trustees: **N.A.**

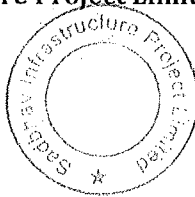
You are requested to take the same on record.

Thanking you,

**For, Sadbhav Infrastructure Project Limited**



**Hardik Modi**  
**Company Secretary**  
**Membership No. F9193**  
**Encl: a.a**



CARE/ARO/RL/2018-19/2724

Mr Nitin R. Patel  
Director  
Sadbhav Infrastructure Project Ltd.  
"Sadbhav House",  
Opp. Law Garden Police Chowki,  
Ellisbridge,  
Ahmedabad – 380006

February 14, 2019

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debentures (NCDs) issue

On the basis of recent developments including operational and financial performance of Sadbhav Infrastructure Private Ltd for FY18 (audited) and H1FY19 (unaudited), our Rating Committee has reviewed the following ratings::

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debenture	170.00 (Rupees One Hundred and Seventy Crore only)	CARE A (SO); Stable [Single A (Structured Obligation); Outlook: Stable]	Revised from CARE A Plus (SO); Stable [Single A Plus (Structured Obligation); Outlook: Stable]

- The NCDs are repayable as mentioned in Annexure I.
- The above rating is based on the credit enhancement in the form of irrevocable and unconditional corporate guarantee extended by Sadbhav Engineering Limited (SEL; rated 'CARE A; Stable/CARE A1').
- The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which shall be sent to you separately.

*R. M.*

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

CARE Ratings Limited  
(Formerly known as Credit Analysis & Research Limited)



5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

*Ravina Deopura*

[Ravina Deopura]  
Deputy Manager  
[ravina.deopura@careratings.com](mailto:ravina.deopura@careratings.com)

*M. D. Desai*

[Maulesh Desai]  
Associate Director  
[maulesh.desai@careratings.com](mailto:maulesh.desai@careratings.com)

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Page 2 of 3

## Sadbhav Infrastructure Project Limited

July 10, 2019

### Rating

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Non-Convertible Debentures*	794.00 (reduced from 892.00)	<b>CARE A (CE)</b> <b>[Single A (Credit Enhancement); (Under Credit Watch with Developing Implications)]</b>	Placed on credit watch with developing implications
<b>Total Facilities</b>	<b>794.00</b> <b>(Rupees Seven Hundred Ninety Four Crore Only)</b>		

Details of instruments in Annexure - 1

\*backed by unconditional and irrevocable corporate guarantee of Sadbhav Engineering Limited [SEL; rated CARE A / CARE A1 (Credit watch with Developing Implications)]

### Detailed Rationale & Key Rating Drivers

The rating assigned to the non-convertible debentures (NCD) issue of Sadbhav Infrastructure Project Limited (SIPL) takes into account the unconditional and irrevocable corporate guarantee extended by Sadbhav Engineering Limited [SEL; rated CARE A / CARE A1 (Credit watch with Developing Implications)].

The ratings assigned to the bank facilities of SEL have been placed on 'Credit Watch with developing implications' in view of impending impact of proposed divestment of SIPL's entire stake in its nine operational road special purpose vehicles (SPVs) to InvIT portfolio of IndInfravit Trust (IndInfravit). Post the transaction, SIPL shall continue to be the O&M contractor for these assets, along with having 10% stake in IndInfravit and right of first offer (ROFO) option for its future operational assets. Successful completion of the afore-mentioned transaction is expected to result in rationalization of both SEL's and SIPL's (henceforth referred to as Sadbhav group<sup>2</sup>) debt levels along with significant reduction in reliance on internal accruals and debt for funding equity commitment in its under-construction road SPVs, which is likely to improve its debt coverage indicators and financial flexibility. Transfer of these assets to IndInfravit and proposed holding of listed InvIT units by SIPL is also expected to provide annual dividend income and project management fees (which are linked with toll collection of SPVs) along with ROFO option of monetizing future operational projects through transfer of these assets to InvIT portfolio on the back of reputed and resourceful investors of IndInfravit. Further additional cash flows, such as upside from car revenues in one of the SPVs, extension of concession period, if any, for another SPV and receipt of payments and claims from authority for the transaction assets, are expected to be received in addition to purchase consideration amounting of Rs.2,546 crore.

As such, CARE Ratings would await further developments to unfold so as to enable it to assess the exact impact of the above stake sale transaction on the future funding requirement and debt levels of Sadbhav group in light of high working capital intensity of SEL before arriving at a view on its credit rating. Further, the company needs to comply with the conditions precedent (CP) including but not limited to obtaining no objection certificate (NOC) from authorities and lenders, which would further determine the quantum and timing of the cash flows from the stake sale.

The ratings continue to derive strength from established track record of SEL in road construction segment along with its healthy and diversified order book. The ratings also take cognizance of receipt of large arbitration award in three special purpose vehicles (SPVs) of Sadbhav group, which once realized is expected to provide further cash flow cushion to the Sadbhav group.

The ratings however, continue to be constrained by various issues related to land acquisition (although extension of time (EoT) have been granted by NHAI), clearances and delay in de-scoping of un-available land leading to delay in execution of some of the projects (though approvals have been received in some of the projects subsequently) and higher working capital intensity of SEL on a sustained basis despite recovery of old debtors. Further, the ratings are, also constrained on account of stretched current asset days of SEL leading to high working capital borrowing, higher debt repayment obligations in the medium term, Sadbhav group's exposure to inherent risks associated with BOT projects and inherent challenges faced by the construction sector, including the current challenging fund raising scenario for the sector.

SEL's ability to rationalize its working capital borrowings through realization of its stretched current assets and completion of ongoing HAM projects apart from rationalization of Sadbhav group's debt level from stake sale proceeds shall be key rating sensitivities.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

<sup>2</sup> Combining SEL (standalone) and Sadbhav Infrastructure Project Limited (SIPL; standalone) financials

## Detailed description of the key rating drivers of guarantor - SEL

### Key Rating Strengths:

#### ***Proposed stake sale in its SPVs with an aim to rationalise its debt levels and reduce reliance on debt for equity commitments towards under-construction road SPVs***

As per announcement on stock exchange dated July 1, 2019, SEL along with SIPL have executed Share Purchase Agreements with IndInfravit Trust for selling their entire equity stake in their nine operational BOT SPVs (seven toll and two annuity based projects) for a consideration of around Rs.2,546 crore, out of which partial consideration would be received by SIPL in the form of listed and marketable units equivalent to 10% stake in IndInfravit having estimated value of Rs.646 crore and the balance amount of Rs.1,900 crore in cash. As articulated by the management, the funds raised through stake sale are primarily expected to be utilised towards rationalisation of current debt levels, both for SEL and SIPL, along with significant reduction in reliance on debt for meeting future equity commitments in their under-construction road SPVs. Transfer of these assets to IndInfravit and proposed holding of some InvIT units by SIPL is also expected to provide annual dividend income to it along with ROFO option of monetizing future operational projects. SIPL shall continue to carry out routine and major maintenance for these projects post stake sale which is likely to maintain its revenue visibility. Approximate value of these contracts is Rs.4,000 crore over the balance concession period. Successful completion of stake sale along with rationalization of Sadbhav group's debt level from stake sale proceeds, resulting in improvement in debt coverage indicators and leverage shall be key rating sensitivities.

***Established track record in the Indian road construction sector:*** SEL has a sound track record of over two decades in the Indian road construction sector. SEL has successfully completed construction of more than 8,400 lane km of road projects since its establishment with majority of the BOT projects completed in a timely manner.

***Healthy and diversified order book:*** SEL had a healthy and diversified order book of Rs.11,981 crore (3.29 times of its contract receipts for FY19 [refers to the period April 1 to March 31]) as on March 31, 2019. The order book is diversified across four broad segments: EPC of third party road projects, EPC of own BOT/HAM road projects, mining and irrigation. The order book of the company is also geographically diversified with presence across various states of the country. Further, relatively less risky HAM projects constitute around 49% of its order book. The contribution of road & highway segment in the total order book of the company which is its core strength has gradually increased to 78% as on March 31, 2019 as compared to 45% as on March 31, 2015.

***Improved cash surplus of operational SPVs of SIPL during FY18 and FY19 resulting in higher up-streaming of funds:*** During the past two years, SIPL has successfully refinanced debt in nine of its operational SPVs. The same has led to substantial reduction in interest rate and staggered installment repayments utilizing its tail period thereby resulting in self-sustainable operations of these SPVs. Post refinancing, the average cost of debt in nine of its operational SPVs has reduced to around 9.27% per annum from 11.18% earlier. Furthermore, there has been notable growth in toll collection of SPVs portfolio during FY18 and FY19 due to growth in traffic in some of the stretches nearer to Golden Quadrilateral (GQ) and Haryana apart from hike in service fees by 18% with effect from April 2018 in Maharashtra Border Check Post Network Ltd. (MBCNL; rated CARE A; Stable). The same has been reflected from steady increase in cash surplus (post debt servicing and stipulated reserve requirement) from operational SPVs during FY18 and FY19. Surplus cash generated in operational SPVs has been partly up streamed to meet funding requirement of Sadbhav group.

Sadbhav group's overall gearing has continued to remain stable at 0.82 times as on March 31, 2019. Sadbhav group's overall interest coverage ratio has improved from 2.20 times for the year ended March 31, 2018 to 2.55 times for the year ended March 31, 2019.

#### ***Various initiatives undertaken by the Government of India (GOI) to improve the prospects of the road construction sector:***

GOI through National Highways Authority of India (NHAI; rated 'CARE AAA; Stable') has taken various steps to improve the prospects of the road sector. These include premium rescheduling for stressed projects, bidding of tenders only after 80% land has been acquired for the project, release of 75% of arbitration award against submission of bank guarantee and 100% exit for developers after two years of project completion and NHAI funding for projects that are stuck at advanced stages of completion. Furthermore, NHAI has made some favourable changes in the clauses of model concession agreement and introduced HAM based BOT projects to reduce the equity commitment of the developers. After witnessing steady increase in pace of award during last three years, pace of award has declined in FY19 due to moderation in the bidding appetite due to challenging fund raising scenario. EPC is, thus, envisaged to be the preferred mode of award till improvement in fund raising environment and bidding appetite of the developers.

### Key Rating Weaknesses:

***Delay in rationalization of debt levels primarily due to various execution hurdles and higher working capital intensity on a sustained basis despite realization of significant portion of old debtors:*** Eight ongoing HAM projects of Sadbhav Group

constituted Rs.2,327 crore in SEL's total order book as on March 31, 2019. Out of these eight, six projects with EPC value of ~Rs.981 crore were earlier scheduled to be completed by September 2019. However, as articulated by the management, four of these projects are expected to be commissioned in FY20. Certain delays in execution of some of the ongoing HAM projects is due to hindrances in land acquisition, utility shifting, delay in other clearances, etc. Consequently, these SPVs have received Extension of Time (EOT)/ de-scoping/de-linking of these projects. NHAI has approved de-scoping in one of its projects and the independent engineer has recommended for provisional commercial operations date (COD) while de-linking for unavailable land in one of the projects is expected to resolve the execution hurdles to an extent.

SEL could realize old debtors of around Rs.550 crore during FY19 from completed projects in the EPC road, BOT and irrigation segment. Nevertheless, working capital intensity continued to remain high marked by collection period of 166 days during FY19. This was mainly on account of debtors pertaining to escalation portion and change of scope in some of its ongoing HAM projects apart from GST receivables as well as due to relatively higher time required for term debt disbursement in its HAM SPVs owing to challenging fund raising environment prevailing in the construction sector. Its working capital utilization was at ~89% for the trailing twelve months ended May, 2019. However, SEL has reduced its reliance on outside consortium borrowing during FY19 through raising long-term funds and have plans for enhancing working capital limits.

**Exposure of the group to inherent risks associated with BOT projects along with subdued performance of two of its SPVs, however, expected to reduce subsequent to sale of stake in operational SPVs:** As on March 31, 2019, Sadbhav group had total investment (including loans and advances) of Rs.3,341 crore. Subsequent to stake sale, exposure in BOT projects is expected to be reduced significantly to around 60% based on the combined net-worth as of March 31, 2019 as against 112% as on March 31, 2019. The under construction HAM projects of the group have equity commitments of around Rs.841 crore spread over FY20 – FY22. The equity commitments for these HAM projects and shortfall in two operational SPVs (not getting transferred) are expected to be fulfilled through the funds raised from the proposed stake sale transaction and up-streaming of cash flows from MBCNL as against earlier expectation of debt sources and internal accruals. SIPL has already infused Rs.533 crore as on June 30, 2019 in eight ongoing projects. With the ROFO agreement, there is an enhanced financial flexibility for meeting the future equity requirement.

**Challenging environment for the construction industry:** The construction sector is facing hurdles in fund raising due to delay in enhancement of working capital limits (including non-fund based limits), delay in financial closure and equity raising plans on account of challenging business environment for the sector and weakened financial health of the banking sector. Appointed date of some of the HAM projects of SIPL has also been delayed due to challenging scenario. The inherent risk involved in the construction industry including aggressive bidding, traffic risk, interest rate risk, volatile commodity prices and delay in project progress due to resistance towards land acquisition and regulatory clearances have collectively affected the credit profile of the developers in the past.

#### **Liquidity Analysis:**

**Higher repayment obligations and working capital utilization; albeit expected to improve post stake sale in road SPVs:** Stretched current assets (primarily due to higher collection period) and repayment obligations have resulted in moderation in liquidity indicators of Sadbhav group marked by higher reliance on working capital borrowing and moderate debt coverage indicators during FY19. In light of higher redemption obligations of the group as compared to envisaged future cash accruals, the combined debt coverage indicators are expected to remain low.

However, financial flexibility of the group is derived from the fact that both SEL and SIPL are listed on the stock exchanges. SEL on consolidated basis had cash and cash equivalents (including reserves created in SPVs and margin money) of Rs.256 crore as on March 31, 2019. Further, SIPL is expected to receive cash of around Rs.1,900 crore from the proposed stake sale transaction which, as articulated by the management, would primarily be used to rationalise the debt at Sadbhav group level along with for meeting future equity commitments in its under-construction HAM SPVs. SIPL would receive the balance portion of sale consideration in the form of units of IndInfravit equivalent to 10% stake (having estimated value of around Rs.650 crore) which shall also provide financial flexibility to SIPL since the same are listed on stock exchange.

#### **Analytical approach: Combined**

CARE has taken a combined view of SEL (standalone) and SIPL (standalone) for analytical purpose. This is because majority of the long-term debt raised in SIPL is backed by unconditional and irrevocable corporate guarantee of SEL. Further, SEL and SIPL have operational and financial linkages for funding investment in new projects, bridging of shortfall in select SPVs as well as up-streaming of cash flow of SPVs.

#### **Applicable Criteria**

**Criteria on Assigning Outlook to Credit Ratings**

**CARE's Policy on Default Recognition**

**Rating Methodology - Infrastructure Sector Ratings (ISR)**

**Rating Methodology: Factoring Linkages in Ratings**
**Financial Ratios - Non-Financial Sector**
**Criteria of Rating Credit Enhanced Debt**
**About the Company - SIPL**

SEL had floated a 100% subsidiary, SIPL, in January 2007, as a holding company for its BOT projects. During FY11, SEL diluted 22.22% of its stake through issue of fresh equity of Rs.300 crore and compulsory convertible cumulative preference shares (CCCPs) of Rs.100 crore to private equity (PE) investors. Proceeds of PE were utilized by SIPL for fulfilling its equity commitment in BOT projects. During September 2015, SIPL raised Rs.425 crore through Initial Public Offer (IPO) of its equity shares.

On July 1, 2019, SIPL has announced that they have executed Share Purchase Agreements with IndInfravit Trust (IndInfravit) for selling their entire equity stake in their nine operational BOT SPVs (seven toll and two annuity based projects). The transaction has been executed considering enterprise value of Rs.6,610 crore. Total sale consideration for the transaction is Rs.2,550 crore, out of which partial consideration would be received by SIPL in the form of units equivalent to 10% stake in IndInfravit having estimated value of Rs.650 crore and the balance amount of Rs.1,900 crore in cash.

(Rs. Crore)

<b>Brief Financials – SIPL (Standalone)</b>	<b>FY18 (A)</b>	<b>FY19 (*)</b>
Total Operating Income	384	356
PBILDT	268	271
PAT	68	57
Overall Gearing	0.95	1.08
Interest Coverage (times)	1.64	1.55

A: Audited\* - as per results published on stock exchange

**About the Guarantor - SEL**

Incorporated in 1988, SEL has evolved as one of the prominent developers and EPC contractors in India. SEL had floated a wholly-owned subsidiary – SIPL as a holding company of BOT projects in 2007. Sadbhav Group has a portfolio of 25 BOT projects (eleven operational, one partly operational and thirteen under construction HAM projects). SEL operates majorly across four distinct business areas in the infrastructure sector viz. EPC of its own BOT road projects, cash contract-based road and metro rail EPC projects, irrigation and mining. During FY19, these segments contributed 23%, 69%, 4% and 4%, respectively, in SEL's contract receipts booked on a standalone basis.

<b>Brief Financials – SEL (Standalone) - (Rs. crore)</b>	<b>FY18 (A)</b>	<b>FY19 (*)</b>
Total operating income (TOI)	3,534	3,650
PBILDT	445	528
PAT	221	187
Overall gearing (times)	0.80	0.73
Interest coverage (times)	2.33	3.02

A: Audited; \* - As per results published on stock exchange

<b>Brief Financials – Sadbhav Group# - (Rs. crore)</b>	<b>FY18</b>	<b>FY19</b>
TOI	3,862	3,945
PBILDT	657	739
PAT	288	243
Overall gearing (times)	0.83	0.83
Interest coverage (times)	2.20	2.55

# combining SEL (standalone) and Sadbhav Infrastructure Project Limited (SIPL; standalone) financials

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure – 2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE764L07173	April 23, 2018	10.20%	April 23, 2023	170.00	CARE A (CE) (Under Credit watch with Developing Implications)
Debentures-Non Convertible Debentures	INE764L07181	June 06, 2018	10.20%	June 06, 2023	190.00	CARE A (CE) (Under Credit watch with Developing Implications)
Debentures-Non Convertible Debentures	INE764L07058	December 16, 2014	12.14%	Nov 18, 2019	64.00	CARE A (CE) (Under Credit watch with Developing Implications)
Debentures-Non Convertible Debentures	INE764L07074, INE764L07082	January 09, 2015	11.75%	April 13, 2020	120.00	CARE A (CE) (Under Credit watch with Developing Implications)
Debentures-Non Convertible Debentures	INE764L07108, INE764L07116, INE764L07124, INE764L07132, INE764L07140, INE764L07157, INE764L07165	September 21, 2016	10.30%	April 26, 2022	250.00	CARE A (CE) (Under Credit watch with Developing Implications)

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds	LT	-	-	-	1)Withdrawn (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)	1)CARE A+ (SO) (14-Oct-16)
2.	Debentures-Non Convertible Debentures	LT	64.00	CARE A (CE) (Under Credit watch with Developing Implications)	-	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)	1)CARE A+ (SO) (14-Oct-16)
3.	Debentures-Non Convertible Debentures	LT	120.00	CARE A (CE) (Under Credit watch with Developing Implications)	-	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)	1)CARE A+ (SO) (14-Oct-16)
4.	Debentures-Non Convertible Debentures	LT	250.00	CARE A (CE) (Under Credit watch with	-	1)CARE A (SO); Stable (20-Feb-19)	1)CARE A+ (SO); Stable (08-Jan-18)	1)CARE A+ (SO) (14-Oct-16)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
				Developing Implications)		2)CARE A+ (SO); Stable (18-Sep-18)		
5.	Fund-based/Non-fund-based-LT/ST	LT/ST	400.00	CARE A- / CARE A2+ (Under Credit watch with Developing Implications)	1)CARE A-; Stable / CARE A2+ (04-Apr-19)	-	1)CARE A-; Stable / CARE A2+ (28-Nov-17)	-
6.	Debentures-Non Convertible Debentures	LT	170.00	CARE A (CE) (Under Credit watch with Developing Implications)	-	1)CARE A (SO); Stable (20-Mar-19) 2)CARE A+ (SO); Stable (18-Sep-18) 3)Provisional CARE A+ (SO); Stable (16-Apr-18)	-	-
7.	Debentures-Non Convertible Debentures	LT	190.00	CARE A (CE) (Under Credit watch with Developing Implications)	-	1)CARE A (SO); Stable (20-Mar-19) 2)CARE A+ (SO); Stable (18-Sep-18) 3)Provisional CARE A+ (SO); Stable (16-Apr-18)	-	-

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.



## Contact us

### Media Contact

Mradul Mishra  
Contact no. - +91-22-6837 4424  
Email ID - mradul.mishra@careratings.com

### Analyst Contact

Mr. Naresh M. Golani  
Contact no. - 079-4026 5618  
Email ID – naresh.golani@careratings.com

### Business Development Contact

Mr. Deepak Prajapati  
Contact no. - 079 – 4026 5656  
Email ID – deepak.prajapati@careratings.com

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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**Annexure I**

**Details of rated instrument**

Amount of the facility	Rs.170 crore
Amount outstanding as on December 31, 2018	Rs.170 crore
Date of Allotment	April 23, 2018
Tenure	5 years
Coupon Rate	Zero Coupon
Redemption details	20% - April 23, 2021 20% - April 23, 2022 60% - April 23, 2023

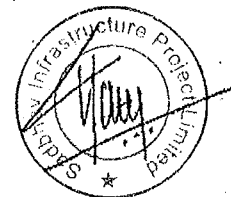
*Dr. M*

**CARE Ratings Limited**  
(Formerly known as Credit Analysis & Research Limited)

32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015  
Tel: +91-79-4026 5656 • Fax: +91-79-4026 5657 • Email: care@careratings.com • www.careratings.com • CIN-L67190MH1993PLC071691

SADBHAV INFRASTRUCTURE PROJECT LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019							
(INR in Million except as stated otherwise)							
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sept 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	Sept 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations	638.20	459.86	795.07	1,098.06	1,430.20	2,950.27
2	Other Income	175.32	250.81	148.20	426.13	301.39	729.89
3	Total Income (1 +2)	813.52	710.67	944.07	1,524.19	1,731.59	3,680.16
4	Expenses						
	a. Consumption of project materials	-	0.27	0.46	0.27	12.65	22.39
	b. Sub-contractor charges	223.51	142.96	143.51	366.47	259.21	641.17
	c. Employee benefits expenses	8.74	8.47	8.89	17.21	17.63	34.17
	d. Finance costs (Note 6)	558.91	512.84	442.06	1,071.75	879.60	1,748.51
	e. Depreciation and amortisation expenses	0.14	0.17	0.22	0.31	0.46	0.96
	f. Other expenses	17.06	15.47	15.42	32.53	47.19	144.46
	Total Expenditure	808.36	600.18	610.56	1,488.54	1,216.74	2,591.66
5	Profit before exceptional item and tax (3-4)	5.16	30.49	333.51	35.65	514.85	1,088.50
6	Exceptional Items (Note 12)	59.39	-	-	59.39	-	152.95
7	Profit / (Loss) before tax (5-6)	(54.23)	30.49	333.51	(23.74)	514.85	935.55
8	Tax expense						
	Current tax (Note 11)	4.78	9.49	76.53	14.27	120.63	330.64
	Deferred tax expense / (credit)	0.18	(18.89)	23.78	(18.71)	44.88	39.47
	Adjustment of tax relating to earlier period	(56.41)	-	-	(56.41)	-	-
9	Net Profit / (Loss) for the period / year (7-8)	(2.78)	39.89	233.20	37.11	349.35	565.44
10	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss	-	-	-	-	-	0.37
	Remeasurements gain of the defined benefit plans	-	-	-	-	-	-
	Income tax effect on above	-	-	-	-	-	-
11	Total Comprehensive Income for the period / year (net of tax) (9+10)	(2.78)	39.89	233.20	37.11	349.35	565.81
12	Paid up equity share capital (face value of INR 10/- each)	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25
13	Other equity excluding revaluation reserve	-	-	-	-	-	10,851.51
14	Basic and diluted earnings per share (EPS) (face value of INR 10/- each) (not annualised for the quarters)	(0.01)	0.11	0.66	0.11	0.99	1.61
	See accompanying notes to the standalone financial results						
15	Debt Redemption Reserve				544.21	795.74	676.24
16	Debt Equity Ratio(DER)				1.37	1.08	1.23
17	Debt Service Coverage Ratio (DSCR)				0.51	0.42	0.65
18	Interest Service Coverage Ratio				0.98	1.59	1.54
19	Asset Coverage Ratio				3.52	3.20	3.40
20	Details of Secured Non-Convertible Debenture as follows:						
Sr. No.	Particulars	Previous due dates		Next due dates			
		(1st April, 2019 to 30th Sept, 2019)		(1st October, 2019 to 31st March, 2020)			
		Principal	Interest	Principal	Interest		
1	INE764L07041	18/04/2019	18/04/2019	-	-		
2	INE764L07058	-	-	18/11/2019	18/11/2019		
3	INE764L07074	-	-	-	30/01/2020		
4	INE764L07082	-	-	-	27/02/2020		
5	INE764L07090	30/04/2019	30/04/2019	-	-		
6	INE764L07108	-	20/09/2019	-	-		
7	INE764L07116	-	20/09/2019	-	-		
8	INE764L07124	-	20/09/2019	-	-		
9	INE764L07132	-	-	-	-		
10	INE764L07140	-	-	-	-		
11	INE764L07157	-	-	-	-		
12	INE764L07165	-	-	-	-		
13	INE764L07173	-	-	-	-		
14	INE764L07181	-	-	-	-		



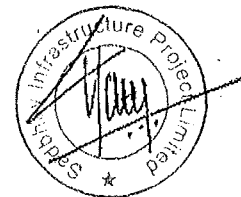
**Sadbhav Infrastructure Project Ltd.**

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Particulars	As at Sept 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
(a) Property, plant and equipments	1.37	1.60
(b) Investment property	2.88	2.88
(c) Financial assets		
(i) Investments (note 5)	14,032.53	26,214.72
(ii) Other financial assets	110.26	123.78
(d) Other non current assets	55.69	18.78
<b>Total Non-current Assets (A)</b>	<b>14,202.73</b>	<b>26,361.76</b>
<b>Current Assets</b>		
(a) Financial assets		
(i) Trade receivables	1,965.73	1,467.66
(ii) Cash and cash equivalents	7.05	4.44
(iii) Bank Balances other than (ii) above	13.53	-
(iv) Loans	5,481.83	5,292.78
(v) Other financial assets	1,192.63	930.39
(b) Other current assets	91.53	119.43
<b>Total Current Assets (B)</b>	<b>8,752.30</b>	<b>7,814.70</b>
<b>Assets classified as held for sale (note 4)</b>		
<b>Total (C)</b>	<b>13,449.50</b>	<b>-</b>
<b>Total Assets (A+B+C)</b>	<b>36,404.53</b>	<b>34,176.46</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	3,522.25	3,522.25
(b) Other Equity	10,761.45	10,851.51
<b>Total Equity (A)</b>	<b>14,283.70</b>	<b>14,373.75</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	5,776.29	7,689.63
(ii) Other financial liabilities	922.25	1,084.50
(b) Provisions	3.47	2.52
(c) Deferred tax liabilities (net)	93.75	112.47
<b>Total Non-current Liabilities (B)</b>	<b>6,795.76</b>	<b>8,889.12</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	9,267.37	7,042.98
(ii) Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	679.71	751.51
(iii) Other financial liabilities	4,840.96	2,585.24
(b) Other current liabilities	442.29	388.73
(c) Current tax liabilities (net)	93.26	144.04
(d) Provisions	1.48	1.09
<b>Total Current Liabilities (C)</b>	<b>15,325.07</b>	<b>10,913.59</b>
<b>Total Liabilities (D=B+C)</b>	<b>22,120.83</b>	<b>19,802.71</b>
<b>Total Equity and Liabilities (E=A+D)</b>	<b>36,404.53</b>	<b>34,176.46</b>
See accompanying notes to the standalone financial results		



**Sadbhav Infrastructure Project Ltd.**

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**Notes :**

1. Sadbhav Infrastructure Project Limited ('the Company') is engaged in development, construction as well as operation and maintenance of infrastructure projects. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs), in terms of the concession agreements.
2. The aforesaid unaudited standalone financial results for the quarter and half year ended September 30, 2019 have been reviewed and recommended by the audit committee at their meeting held on November 12, 2019 and approved by the Board of Directors at their meeting on November 13, 2019. 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.
3. The Company has single reportable segment (operating segment) i.e. Build Operate and Transfer (BOT) / Annuity Projects and its related activities in accordance with Indian Accounting Standard - 108 "Segment Reporting".
4. The Company has entered into definitive share purchase agreement ('the agreement') dated July 1, 2019 with Indinfravit Trust for sale with effect from April 01, 2019 of its entire equity shareholding in eight of its subsidiary companies i.e. Ahmedabad Ring Road Infrastructure Limited, Bilapur Hungud 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 Parent company i.e. Sadbhav Engineering Limited (SEL) which will be transferred to the company before completion of sale), for an approximate consideration of INR 25,500 million including from sale of shares of MBHPL, which is higher than the carrying value of investments. This sale is subject to regulatory approvals, lender's consent, other customary approvals and upon satisfaction of conditions precedent as mentioned in the agreement. During the quarter, the company has received approvals from certain regulatory authorities. Consequent to this agreement, the investments (including sub-debts) in these subsidiary companies has been classified as assets held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".
5. The Company has investments of INR 325.42 million and subordinate debts, loans and advances of INR 8,482.73 million in its 2 subsidiaries (apart from those covered under definitive agreement mentioned in note 4 above) engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of such companies has fully eroded based on their latest financial results. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of INR 11,905.30 million lodged and served cure period notice, in terms of conditions of respective concession agreements, backed by legal opinion on tenability of the claim, debt refinancing and the strategic nature of these investments, no provision/adjustment to the carrying value of the said investments/loans as at September 30, 2019 is considered necessary by the Management at this stage.
6. Finance cost includes interest of INR 253.21 million, INR 225.04 million, and INR 145.28 million for the quarter ended September 30, 2019, June 30, 2019 and September 30, 2018 respectively, INR 478.25 million and INR 307.77 million for half year ended September 30, 2019 and September 2018 respectively, INR 602.65 million for the year ended March 31, 2019 paid to Sadbhav Engineering Limited (Parent company or SEL) on short term loans given by SEL.
7. The company has standalone credit rating of A- (single A Minus) from CARE Ratings Limited and its non-convertible debentures are rated A (CE) by CARE Ratings Limited.
8. The listed non-convertible debentures of the Company aggregating INR 7,940 million outstanding as on September 30, 2019 are secured by way of corporate guarantee of Sadbhav Engineering Limited (SEL), the holding Company, first ranking charge created on shares of certain subsidiaries held by the company and of SEL. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
9. The Company has adopted Ind AS 116 'Leases' which is effective for annual periods beginning on or after April 1, 2019 using modified retrospective approach. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The adoption of the standard, however did not have any material impact with regards to recognition of Right of Use (ROU), loss/profit for the period/half year and earnings per share for the respective period.
10. During the quarter, the Company has paid dividend of INR 0.30/- per equity share (30% of face value of INR 1/- per equity share) for the financial year 2018-19 declared by the members of the company at the AGM held on September 25, 2019. The said dividend was proposed by the Board of Directors at their meeting held on May 27, 2019.
11. The Company has continued to apply rate of tax applicable to it prior to the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019 and hence it has no impact on these results.



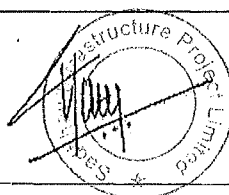
**Sadbhav Infrastructure Project Ltd.**

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- 12 a. In case of Sadbhav Vizag Port Road Private Limited (SVPRPL) and Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL), Subsidiaries of the company, the concession agreements with National Highway Authority of India (NHAI) are terminated during the quarter due to non availability of required 80% right of way (ROW) by NHAI within the stipulated time period. Consequently, the said subsidiaries will be Inoperative. Hence, provision is made for carrying value of Investment in the books amounting to INR 59.39 million, which is disclosed under exceptional item.
- b. The exceptional item for the year ended 31 March 2019 amounting to INR 152.95 million is towards the settlement of claim between the Company and minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') pursuant to settlement agreement dated October 20, 2018.
- 13 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement with Sadbhav Engineering Limited (SEL - the holding company) under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the company will merge into the holding company.
- 14 Statement of Unaudited Cash flow for the half year year ended September 30, 2019 and September 30, 2018 is given in Annexure 1.
- 15 Figures for the previous periods have been regrouped / rearranged, wherever necessary, to make them comparable with those for the current period.

Place : Ahmedabad  
Date : November 13, 2019



For and on behalf of the Board of Directors of  
Sadbhav Infrastructure Project Limited

Vasistha C. Patel  
Managing Director (DIN:00048324)

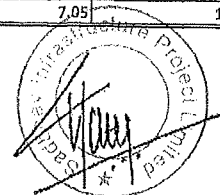
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Annexure 1 - Statement of Unaudited Cash Flow for the half year ended on September 30, 2019

Particulars	For the half year ended September 30, 2019 (Unaudited)	For the half year ended September 30, 2018 (Unaudited)
<b>(A) Cash Flows From Operating Activities</b>		
(Loss) / Profit before tax	(23.74)	514.85
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	0.31	0.46
Interest and other borrowing cost	1,071.75	879.60
Profit on sale of units of mutual funds	-	(0.40)
Liabilities no longer required written back	(86.85)	(9.04)
Provision for diminution in value of Investments	59.39	-
Interest Income	(339.28)	(291.94)
Operating profit before working capital changes	681.58	1,093.53
Movement in Working Capital:		
(Increase) in other financial assets	(6.50)	(9.58)
Decrease / (Increase) in other assets	30.00	(11.45)
(Increase) / Decrease in trade receivable	(498.07)	429.72
Increase in other financial liabilities	2.44	11.43
Increase / (Decrease) in other liabilities and provisions	54.90	(145.75)
Increase / (Decrease) in trade payables	15.02	(178.98)
Cash generated from operations	279.37	1,188.92
Direct taxes paid / (refunded) (including TDS) (net)	57.93	128.77
Net cash generated from operating activities	(A) 221.44	1,060.15
<b>(B) Cash Flows From Investing Activities</b>		
Purchase of property plant and equipment	(0.07)	-
Investments in subsidiaries	(221.66)	(98.50)
Short term loan given	(434.13)	(2,232.20)
Short term loan received	245.08	1,885.49
Perpetual debt given	(1,137.23)	(474.51)
Perpetual debt received back	30.18	-
Investments in bank deposits (having original maturity of more than three months)	-	(19.28)
Proceeds from bank deposits (having original maturity of more than three months)	-	21.08
Redemption of mutual fund units	-	365.40
Purchase of mutual fund units	-	(365.00)
Interest received	83.55	89.92
Net cash flow (used in) investing activities	(B) (1,434.28)	(827.60)
<b>(C) Cash Flows From Financing Activities</b>		
Proceeds from non-current borrowings	400.00	3,600.00
Repayment of non-current borrowings	(980.00)	(2,404.32)
Proceeds from current borrowings	3,428.79	2,598.54
Repayment of current borrowings	(1,204.40)	(3,144.56)
Dividend paid on equity shares	(105.67)	(171.04)
Interest and other borrowing cost paid	(323.27)	(709.74)
Net cash generated from / (used in) financing activities	(C) 1,215.45	(231.12)
Net increase in cash and cash equivalents	(A + B + C) 2.61	1.43
Cash and cash equivalents at beginning of the period	4.44	13.61
Cash and cash equivalents at end of the period	7.05	15.04
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	0.02	0.01
Balance with Scheduled Banks		
In Current Accounts	7.03	15.03
Cash and cash equivalents at end of the period	7.05	15.04



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**S R B C & CO LLP**

Chartered Accountants,  
21st Floor, B Wing, Privilon,  
Ambli BRT Road, Near Iskon Temple,  
Off SG Highway, Ahmedabad 380 059

**S G D G & ASSOCIATES LLP**

Chartered Accountants,  
5 & 6, Shivalik Plaza, Opp. A.M.A.,  
ATIRA, Polytechnic, Ambawadi,  
Ahmedabad – 380 015

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

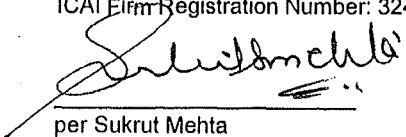
**Review Report to  
The Board of Directors of  
Sadbhav Infrastructure Project Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Sadbhav Infrastructure Project Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of Cashflows for the corresponding period from April 1, 2018 to September 30, 2018 as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
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. 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 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. Based on our review conducted as 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 aforesaid 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.
5. We draw attention to Note 5 regarding net worth of 2 subsidiary companies, which has eroded since the commencement of its commercial operations. However, Considering the claim of Rs.11,905.30 million lodged backed by legal opinion obtained for tenability of such claim as per the concession agreement, management's internal plans of revival and future projections and on the basis of the reasons and other conditions mentioned in the aforesaid note, no provision for diminution in the value of investments/loans has been made in the accompanying standalone financial results. Our conclusion is not modified in respect of this matter.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Sukrut Mehta  
Partner

Membership Number: 101974

UDIN: 19101974AAAADT2673

Place of Signature: Ahmedabad

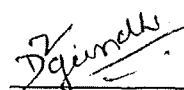
Date: November 13, 2019



For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

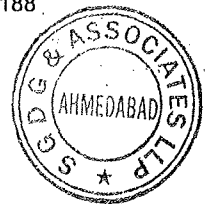
  
per Devansh Gandhi  
Partner

Membership Number: 129255

UDIN: 19129255AAAFB5575

Place of Signature: Ahmedabad

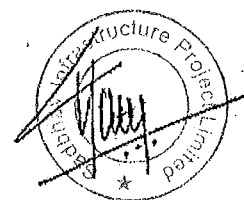
Date: November 13, 2019



SADBHAV INFRASTRUCTURE PROJECT LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Sr. No.	Particulars	(INR In Million except as stated otherwise)					
		Quarter ended			Half Year ended		Year ended
		Sept 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	Sept 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations (Note 2 to 4)	5,914.08	7,959.72	7,995.84	13,873.80	15,971.53	35,479.32
2	Other Income	805.94	888.25	545.27	1,694.19	692.82	1,820.44
3	Total Income (1+2)	6,720.02	8,847.97	8,541.11	15,567.99	16,664.35	37,299.76
4	Expenses						
	a. Consumption of project materials	-	0.27	0.46	0.27	12.65	22.39
	b. Sub-contract charges	2,436.84	4,680.91	4,553.15	7,117.75	8,077.96	21,438.44
	c. Operating expenses (Note 7)	581.16	574.48	590.17	1,155.64	1,125.85	2,398.64
	d. Employee benefits expense	161.55	136.87	132.31	298.42	256.14	529.17
	e. Finance costs (Note 8)	3,333.25	3,203.65	2,950.75	6,536.90	5,791.71	11,747.52
	f. Depreciation and amortization expenses	764.01	773.48	724.54	1,537.49	1,452.83	2,963.10
	g. Other expenses	160.60	145.09	109.31	305.69	253.11	606.72
	Total Expenditure	7,437.41	9,514.75	9,060.69	16,952.16	17,770.25	39,705.98
5	(Loss) before exceptional item and tax (3-4)	(717.39)	(666.78)	(519.58)	(1,384.17)	(1,105.90)	(2,406.22)
6	Exceptional items (note 5)	-	-	-	-	-	(534.57)
7	(Loss) before tax (5-6)	(717.39)	(666.78)	(519.58)	(1,384.17)	(1,105.90)	(1,871.65)
8	Tax Expense						
	Current tax (note 15)	(29.34)	82.71	127.48	53.37	179.10	531.24
	Deferred tax expenses / (credit)	48.21	(29.16)	13.75	19.05	25.36	53.50
	Adjustment of tax relating to earlier period	(56.41)	(6.73)	19.92	(63.14)	19.92	22.26
9	Net (Loss) for the period / year before Minority Interest (7-8)	(679.85)	(713.60)	(680.73)	(1,393.45)	(1,330.28)	(2,478.65)
10	Other Comprehensive Income ('OCI')						
	(i) Items that will not be reclassified to Profit or Loss						
	Remeasurements of the defined benefit plans	-	-	-	-	-	(1.45)
	Income tax effect on above	-	-	-	-	-	-
11	Total Comprehensive Income for the period/year (net of tax) (9+10)	(679.85)	(713.60)	(680.73)	(1,393.45)	(1,330.28)	(2,480.10)
12	(Loss) for the period/year attributable to:						
	Owners of the Company	(669.16)	(701.04)	(684.26)	(1,370.20)	(1,340.52)	(2,452.73)
	Non-controlling Interest	(10.69)	(12.56)	3.53	(23.25)	10.24	(25.92)
13	Other Comprehensive Income for the period/year attributable to:						
	Owners of the Company	-	-	-	-	-	(1.44)
	Non-controlling Interest	-	-	-	-	-	(0.01)
14	Total Comprehensive Income for the period/year attributable to:						
	Owners of the Company	(669.16)	(701.04)	(684.26)	(1,370.20)	(1,340.52)	(2,454.17)
	Non-controlling Interest	(10.69)	(12.56)	3.53	(23.25)	10.24	(25.93)
15	Paid up Equity share Capital (face value of INR 10 each)	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25
16	Other Equity excluding revaluation reserve						(9,008.19)
17	Basic and Diluted (Loss) Per Share (EPS) (face value of INR 10 each) (not annualised for the quarters) See accompanying notes to the consolidated financial results	(1.90)	(1.99)	(1.94)	(3.89)	(3.80)	(6.97)



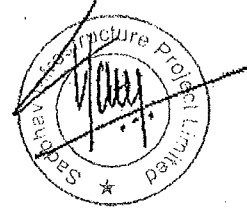
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18 Details of Secured Non-Convertible Debenture as follows:					
Sr. No.	Particulars	Previous due dates		Next due dates	
		1st April, 2019 to 30th September, 2019		1st October, 2019 to 31st March, 2020	
		Principal	Interest	Principal	Interest
1	INE764L07041	18-04-2019	18-04-2019	-	-
2	INE764L07058	-	-	18-11-2019	18-11-2019
3	INE764L07074	-	-	-	30-01-2020
4	INE764L07082	-	-	-	27-02-2020
5	INE764L07090	30-04-2019	30-04-2019	-	-
6	INE764L07108	-	20-09-2019	-	-
7	INE764L07116	-	20-09-2019	-	-
8	INE764L07124	-	20-09-2019	-	-
9	INE764L07132	-	-	-	-
10	INE764L07140	-	-	-	-
11	INE764L07157	-	-	-	-
12	INE764L07165	-	-	-	-
13	INE764L07173	-	-	-	-
14	INE764L07181	-	-	-	-
15	INE626J07012	01-08-2019	01-08-2019	01-02-2020	01-02-2020
16	INE626J07087	01-08-2019	01-08-2019	-	-
17	INE626J07095	-	01-08-2019	01-02-2020	01-02-2020
18	INE626J07103	-	01-08-2019	-	01-02-2020
19	INE626J07111	-	01-08-2019	-	01-02-2020
20	INE626J07129	-	01-08-2019	-	01-02-2020
21	INE626J07137	-	01-08-2019	-	01-02-2020
22	INE626J07145	-	01-08-2019	-	01-02-2020
23	INE626J07152	-	01-08-2019	-	01-02-2020
24	INE626J07160	-	01-08-2019	-	01-02-2020



## Sadbhav Infrastructure Project Ltd.

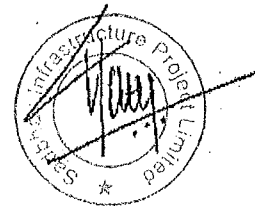
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STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES

Particulars	(INR In Millions)	
	As at Sept 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
Non-current Assets		
(a) Property, Plant and Equipments	119.51	173.78
(b) Investment Property	21.92	21.92
(c) Goodwill on consolidation	265.30	2,043.74
(d) Other Intangible Assets (note 17)	40,476.51	90,095.15
(e) Intangible Asset Under Development	951.10	929.57
(f) Financial Assets		
(i) Receivable under Service Concession Arrangement	24,148.23	21,672.25
(ii) Others	110.37	175.05
(g) Deferred tax Assets (Net)	0.05	0.08
(h) Other Non Current Assets	829.80	366.57
<b>Total Non-current Assets (A)</b>	<b>66,922.79</b>	<b>1,15,478.11</b>
Current Assets		
(a) Financial Assets		
(i) Investments	-	978.57
(ii) Trade receivables	769.10	320.50
(iii) Cash and cash equivalents	223.87	725.21
(iv) Bank balances other than (iii) above	13.53	-
(v) Loans	170.71	170.70
(vi) Receivable under Service Concession Arrangement	2,890.24	4,176.75
(vii) Others	2,156.17	2,051.69
(b) Current Tax Assets (net)	18.37	36.08
(c) Other current assets	5,570.62	6,030.26
<b>Total Current Assets (B)</b>	<b>11,812.61</b>	<b>14,489.76</b>
Assets classified as held for sale (Note 9)	(C)	-
<b>Total Assets (A+B+C)</b>	<b>1,32,424.66</b>	<b>1,29,967.87</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
(a) Equity share capital	3,522.25	3,522.25
(b) Other Equity (note 13)	(10,502.87)	(9,008.19)
Equity attributable to equity holders	(6,980.62)	(5,485.94)
Non controlling interest	(41.80)	(18.55)
<b>Total Equity (A)</b>	<b>(7,022.42)</b>	<b>(5,504.49)</b>
Liabilities		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	52,908.58	88,156.10
(ii) Other financial liabilities	10,879.97	17,093.49
(b) Provisions	1,373.98	2,169.69
(c) Deferred tax Liabilities (Net)	206.16	750.17
<b>Total Non-current Liabilities (B)</b>	<b>65,368.69</b>	<b>1,08,169.45</b>
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	8,326.68	6,443.73
(ii) Trade Payables	5,907.34	7,158.21
(iii) Other financial liabilities	7,500.52	6,464.14
(b) Other current liabilities	3,455.20	4,788.67
(c) Current tax Liabilities (net)	103.41	242.69
(d) Provisions	28.48	2,205.47
<b>Total Current Liabilities (C)</b>	<b>25,321.63</b>	<b>27,302.91</b>
Liabilities relating to assets classified as held for sale (Note 9)	(D)	-
<b>Total Liabilities (E=B+C+D)</b>	<b>1,39,447.00</b>	<b>1,35,472.36</b>
<b>Total Equity and Liabilities (A+E)</b>	<b>1,32,424.66</b>	<b>1,29,967.87</b>

See accompanying notes to the consolidated financial results.



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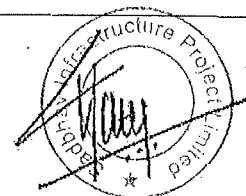
## Notes:

- The aforesaid unaudited consolidated financial results of Sadbhav Infrastructure Project Limited ('the Company' or 'holding company') and its subsidiaries (holding company together referred to as 'Group') for the quarter and half year ended September 30, 2019 have been reviewed and recommended by the audit committee at their meeting held on November 12, 2019 and approved by the Board of Directors at their meeting on November 13, 2019. 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.
- Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection for all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreements with the relevant authorities, the group has claimed and recognised revenue of INR 597.88 Million during the year ended March 31, 2017, out of which INR 319.91 million has been realized as at September 30, 2019. The group is in the process of addressing certain documentary requirements of the authority, post which the group is confident of receipt of the balance amount.
- In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), one of the subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017 for which AUDA has formed committee, of which ARRIL is also member, to decide compensation amount and modalities of making compensation payments. Pending decision of the committee, the said subsidiary has recognised revenue of toll collection of INR 17.07 Million, INR 16.65 Million and INR 16.51 Million for the quarter ended September 30, 2019, June 30, 2019 and September 30, 2018 respectively and INR 33.72 Million and INR 32.69 Million for the half year ended September 30, 2019 and September 30, 2018 respectively and INR 66.17 Million for the year ended March 31, 2019 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017.
- The revenue from operations includes revenue from construction contracts of INR 2,500.67 million, INR 4,702.38 million, INR 5,630.51 million for quarter ended September 30, 2019, June 30, 2019 and September 30, 2018 respectively and INR 7,203.05 million and INR 10,685.77 million for the half year ended September 30, 2019 and September 30, 2018 respectively and INR 23,921.10 million for the year ended March 31, 2019 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".
- During the previous year, Nagpur Seoni Expressway Limited (NSEL), a subsidiary company, has received favourable arbitration award dated October 05, 2018 and has received in full, claim amounting to INR 687.52 million from National Highway Authority of India, which is recognised as Income and is disclosed under exceptional item in these results.
  - During the FY 2018-19, pursuant to Settlement agreement dated October 20, 2018 between the company and minority shareholders of Bilapur Hungund Tollway Private Limited (BHTPL), the company has paid an amount of INR 152.95 million which is expensed off and disclosed under exceptional item in these results.
- Maharashtra Border Check Post Network Limited ('MBCPNL') one of the 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 ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to September 30, 2019 is INR 2,228.84 Million (March 31, 2019 INR 2,228.84 Million). The costs have 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.
- Operating expenses include provision for Periodic Major Maintenance of INR 211.09 million, INR 246.06 million, and INR 257.35 million for the quarter ended September 30, 2019, June 30, 2019 and September 30, 2018 respectively and INR 457.15 million and INR 515.22 million for the half year ended September 30, 2019 and September 30, 2018 respectively and INR 974.18 million for the year ended March 31, 2019.
- Finance cost includes interest of INR 253.21 Million, INR 225.04 Million and INR 145.28 Million for quarter ended September 30, 2019, June 30, 2019 and September 30, 2018 respectively and INR 478.25 Million and INR 307.77 Million for the half year ended September 30, 2019 and September 30, 2018 respectively and INR 602.65 Million for the year ended March 31, 2019 paid to Sadbhav Engineering Limited (Parent company or SEL) on Short term loan.
- The holding company has entered into definitive share purchase agreement ('the agreement') dated July 1, 2019 with IndInfraVIT Trust for sale with effect from April 01, 2019 of its entire equity shareholding in eight of its subsidiary companies i.e. Ahmedabad Ring Road Infrastructure Limited, Bilapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udapur Tollway Private Limited, Bhilwara Rajasmand Tollway Private Limited and Mysore Bellary Highway Private Limited (MBHPL) (a subsidiary of Parent company i.e. Sadbhav Engineering Limited (SEL) which will be transferred to the company before completion of sale), for an approximate consideration of INR 25,500 million including from sale of shares of MBHPL, which is higher than the carrying value of investments. This sale is subject to regulatory approvals, lender's consent, other customary approvals and upon satisfaction of conditions precedent as mentioned in the agreement. During the quarter, the company has received approvals from certain regulatory authorities. Consequent to this agreement, all the assets and liabilities pertaining to these subsidiary companies have been classified as held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".

10 Key numbers of standalone financial results of the Company for the quarter, half year and year end are as under:-

Sr. No.	Particulars	(INR in Million)					
		Quarter ended			Half Year ended		Year ended
		Sept 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	Sept 30, 2019 (Unaudited)	Sept 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations	638.20	459.86	795.87	1,098.06	1,430.20	2,950.27
2	Net Profit / (loss) before tax	(54.23)	30.50	333.51	(23.74)	514.85	935.55
3	Net Profit / (loss) after tax	(2.78)	39.90	233.20	37.11	349.35	565.44

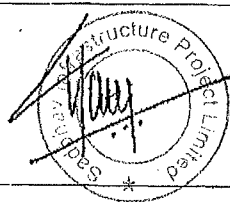
The standalone financial results are available at the Company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) and on the web site of the stock exchanges [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).



## Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : [investor@sadbhavinfra.co.in](mailto:investor@sadbhavinfra.co.in) Web : [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) CIN : L45202GJ2007PLC049808

<p>11 The listed non-convertible debentures of the Group aggregating INR 9,466.50 Million outstanding as on September 30, 2019 are secured by first ranking charge created on shares of company's certain subsidiaries held by holding company and of SEL and the borrower entity's movable and immovable properties and asset cover there of exceeds hundred percent of the said debentures. Out of the above, non convertible debentures of INR 7,920.00 million are also secured by way of corporate guarantee by Sadbhav Engineering Limited (SEL), the Parent Company.</p> <p>12 The Group has a single reportable segment [operating segment] i.e Build Operate and Transfer (BOT)/Annuity Projects and its related activities in accordance with Indian Accounting Standard - 108 "Segment Reporting".</p> <p>13 The Group has accumulated losses of INR 21,379.58 Million as at September 30, 2019 (March 31, 2019: INR 20,009.41 Million), which resulted in erosion of the Group's net worth mainly because of accumulated amortisation charge of INR 13,121.93 Million. These operational subsidiaries whose net-worth is negative are expected to achieve adequate profitability as per the future traffic projections by way of increase in traffic and reduction in finance costs through repayment/refinancing of loan during their respective project tenure. As mentioned in the note 9 above, the value of eight SPV's proposed to be sold as per definitive agreement is higher than their carrying cost. Also, some of the operational subsidiaries have received favourable arbitration claims or have lodged claim and served cure period Notice amounting to INR 11,905.30 Million, on the basis of terms mentioned in the concession agreement. The Company has obtained legal opinion for tenability of such claims as per the concession agreement. Basis these and further complimented by the continuing unconditional financial support offered to the Group from the holding company i.e. Sadbhav Engineering Limited (SEL) including proposed plan for its merger with parent, the group will be able to meet/will continue to meet their financial obligations in the ordinary course of the business. Further, the management has also evaluated on annual basis and concluded that BOT/Annuity assets value are in excess of carrying value based on certain parameters like cash flow projections, future projected traffic, growth rate etc.</p> <p>14 The Group has adopted Ind AS 116 'Leases' which is effective for annual periods beginning on or after April 1, 2019 using modified retrospective approach. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The adoption of the standard, however did not have any material impact with regards to recognition of Right of Use (ROU), loss for the period/half year and earnings per share for the respective period.</p> <p>15 As per the preliminary assessment the holding company has not elected to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and has continued making provision for income tax at the existing tax rates for the half year ended September 30, 2019. However, 9 subsidiaries company has elected to exercise the option permitted under Section 115BAA. Accordingly, the impact of the change has been recognised during the quarter and half year ended September 30, 2019.</p> <p>16 In case of Sadbhav Vitzag Port Road Private Limited (SVPRPL) and Sadbhav Bhilmasar Bhuj Highway Private Limited (SBBHPL), the concession agreements with National Highway Authority of India (NHAI) are terminated during the quarter due to non availability of required 80% right of way (ROW) by NHAI within the stipulated time period. Consequently, the said subsidiaries will be inoperative.</p> <p>17 The Group has carrying value of intangible assets of INR 26,601.76 million in its 2 subsidiaries (apart from those covered under definitive agreement mentioned in note 9 above) engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of such companies has fully eroded based on their latest financial results. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of INR 11,905.30 million lodged and served cure period notice in terms of conditions of respective concession agreements, backed by legal opinion on tenability of the claim, debt refinancing and the strategic nature of these investments and internal plan for revival, no provision/adjustment to the carrying value of above mentioned intangible assets as at September 30, 2019 is considered necessary by the Management at this stage.</p> <p>18 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement with Sadbhav Engineering Limited (SEL - the holding company) under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the company will merge into the holding company.</p> <p>19 Statement of Unaudited Cash flow for the half year year ended September 30, 2019 and September 30, 2018 is given in Annexure 1.</p> <p>20 During the quarter, the holding Company has paid dividend of INR 0.30/- per equity share (30% of face value of INR 1/- per equity share) for the financial year 2018-19 declared by the members of the company at the AGM held on September 25, 2019. The said dividend was proposed by the Board of Directors at their meeting held on May 27, 2019.</p> <p>21 Figures for the previous periods have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current period.</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div data-bbox="335 1512 502 1556"> <p>Place: Ahmedabad Date: November 13, 2019</p> </div> <div data-bbox="798 1400 1029 1601">  </div> <div data-bbox="1037 1422 1356 1568"> <p>For and on behalf of Board of Directors of Sadbhav Infrastructure Project Limited</p> <p>Mr. Vasistha C. Patel Managing Director (DIN - 00048324)</p> </div> </div>
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## Sadbhav Infrastructure Project Ltd.

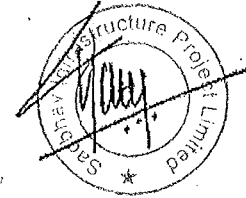
Regd Office : "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

Annexure-1 Statement of Unaudited Condensed Consolidated Cash Flow for the half year ended on September 30, 2019

[INR In Million except as stated otherwise]

Particulars	For the half year ended	For the half year ended
	'September 30, 2019	'September 30, 2018
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	2,630.77	468.86
Net cash generated (used in) investing activities	(0.88)	(577.20)
Net cash generated (used in) / from financing activities	(2,636.42)	697.85
Net (Decrease) / Increase in cash and cash equivalents	(6.53)	589.51
Cash and cash equivalents at the beginning of the period	725.21	558.38
Cash and cash equivalents at the end of the period (A)	223.87	1,147.89
Cash and Cash equivalent classified as Asset Held for Sale at end of the period (Note-9) (B)	494.80	-
Cash and cash equivalents at the end of the period (C=A+B)	718.67	1,147.89



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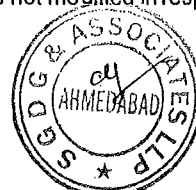
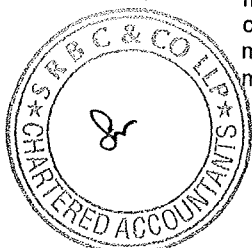
**S R B C & CO LLP**  
Chartered Accountants,  
21st Floor, B Wing, Privilon,  
Ambli BRT Road, Near Iskcon Temple,  
Off SG Highway, Ahmedabad 380 059.

**S G D G & ASSOCIATES LLP**  
Chartered Accountants,  
5 & 6, Shivalik Plaza, Opp. A.M.A,  
ATIRA, Polytechnic, Ambawadi,  
Ahmedabad – 380 015

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company 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 Infrastructure Project Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated financial results of Sadbhav Infrastructure Project Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (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"). Attention is drawn to the fact that the Consolidated Statement of Cashflows for the corresponding period from April 1, 2018 to September 30, 2018 as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
  2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
  3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of entities mentioned in the Annexure 1 of this report.
  5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid 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. We draw attention to:
    - a. We draw attention to Note 17 regarding net worth of 2 subsidiary companies, which has eroded since the commencement of its commercial operations. However, Considering the claim of Rs. 11,905.30 million lodged backed by legal opinion obtained for tenability of such claim as per the concession agreement, management's internal plans of revival and future projections and on the basis of the reasons and other conditions mentioned in the aforesaid note, no provision for impairment of intangible assets has been made in the accompanying consolidated financial results. Our conclusion is not modified in respect of this matter.



**S R B C & CO LLP**

Chartered Accountants,  
21st Floor, B Wing, Privilon,  
Ambli BRT Road, Near Iskcon Temple,  
Off SG Highway, Ahmedabad 380 059.

**S G D G & ASSOCIATES LLP**

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5 & 6, Shivalik Plaza, Opp. A.M.A,  
ATIRA, Polytechnic, Ambawadi,  
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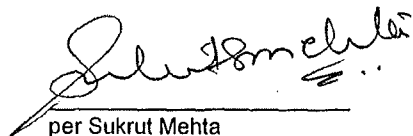
- b. Note 6 of the consolidated Ind AS financial results in respect of accounting of Intangible Asset / Intangible Assets under Development of INR 2,228.84 million under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon recommendation 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 results. Our conclusion is not modified in respect of this matter.
7. The accompanying Statement includes unaudited interim financial results/information of 17 subsidiaries, whose interim financial results/information reflect total assets of INR 71,453.41 million as at September 30, 2019, and total revenues of INR 3,117.46 million and INR 8,137.29 million, total net (loss) after tax of INR (496.75) million and INR (782.01) million, total comprehensive (loss) of INR (496.75) million and INR (782.01) million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash inflows of INR 13.76 million for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial results/information of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of matters stated in paragraph 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Sukrut Mehta  
Partner

Membership Number: 101974  
UDIN: 19101974AAAADU6926

Place of Signature: Ahmedabad  
Date: November 13, 2019



For S G D G & ASSOCIATES LLP

Chartered Accountants

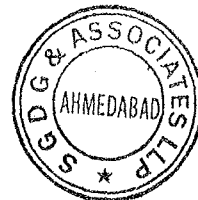
ICAI Firm Registration Number: W100188



per Devansh Gandhi  
Partner

Membership Number: 129255  
UDIN: 19129255AAAAFC2760

Place of Signature: Ahmedabad  
Date: November 13, 2019



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Chartered Accountants,  
21st Floor, B Wing, Privilon,  
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Ahmedabad – 380 015

Annexure 1 to the review report on consolidated financial results for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019.

**Subsidiaries**

1. Ahmedabad Ring Road Infrastructure Limited
2. Bijapur – Hungund Tollway Private Limited
3. Aurangabad Jalna Tollway Limited
4. Maharashtra Border Check Post Network Limited
5. Nagpur Seoni Expressway Limited
6. Hyderabad Yadgiri Tollway Private Limited
7. Rohtak-Panipat Tollway Private Limited
8. Shreenathji-Udaipur Tollway Private Limited
9. Bhilwara Rajsamand Tollway Private Limited
10. Rohtak Hissar Tollway Private Limited
11. Dhule Palesner Tollway Limited
12. Sadbhav Rudrapur Highway Private Limited
13. Sadbhav Una Highway Private Limited
14. Sadbhav Bhavnagar Highway Private Limited
15. Sadbhav Nainital Highway Private Limited
16. Sadbhav Bangalore Highway Private Limited
17. Sadbhav Udaipur Highway Private Limited
18. Sadbhav Vidarbha Highway Private Limited
19. Sadbhav Jodhpur Ring Road Private Limited
20. Sadbhav Tumkur Highway Private Limited
21. Sadbhav Kim Expressway Private Limited
22. Sadbhav Bhimsar Bhuj Highway Private Limited
23. Sadbhav Vizag Port Road Private Limited
24. Sadbhav Hybrid Annuity Projects Limited

