

No. CTL/DEB/20-21/Noting Certificate/2952

November 11, 2020

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, 2020.

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: 10/11/2020

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

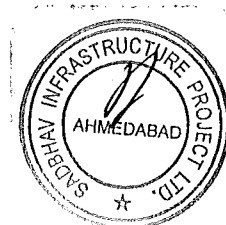
Dear Sirs,

Sub.: Half yearly Compliance Report of Non-Convertible Debentures (“NCD”) aggregating to Rs. 170 Crores for the half year ended on 30th September, 2020.

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

Part – I - 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, 2020 - **Attached as Annexure-1**
- b) Credit rating and change in credit rating (if any): Attached as **Annexure-2**
 1. Care Ratings: CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)
 2. India Ratings: IND A-(CE)/Stable
- c) Asset cover available, in case of non-convertible debt securities: 7.51
- d) Debt-equity ratio: 0.50
- 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: 0.86



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 Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

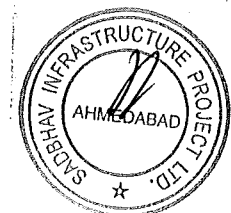
- h) Interest service coverage ratio: 1.10
- i) Debenture redemption reserve: Rs. 221.92 Million
- j) Net worth: Rs. 18085.87 Million
- k) Net profit after tax: Rs. 72.78 Million
- l) Earnings per share: 0.21
- m) Copy of the statement, If any filed with the stock Exchange, as per Regulation 52(7) indicating material deviation, if any, in the use of proceeds of issue of NCDs from the object stated in the offer document. – N.A

Part – II - 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: **N.A**

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: **Attached as Annexure-3**
 - 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



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 Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

secretary or a practicing chartered accountant, along with the half yearly financial results: **Attached as Annexure-4**

Part - III - 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.**

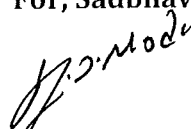
Part - IV - In terms of Additional Information, please find details as mentioned below:

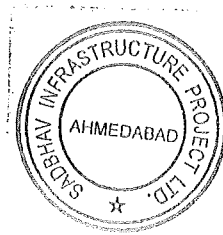
- a) A Certificate confirming that the properties secured for the Debentures are adequately insured (wherever applicable) and policies are in the joint names of the Trustees: **Annexure-5**

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



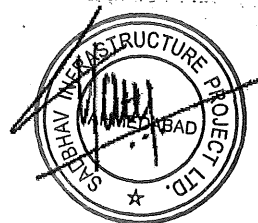
SADBHAV INFRASTRUCTURE PROJECT LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(INR in Million except as stated otherwise)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sept 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	Sept 30, 2019 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations	389.41	488.35	638.20	877.76	1,098.06	1,817.67
2	Other income	7.49	8.17	175.32	15.66	426.13	766.53
3	Total Income (1 +2)	396.90	496.52	813.52	893.42	1,524.19	2,584.20
4	Expenses						
	a. Consumption of project materials	-	-	-	-	0.27	0.27
	b. Sub-contractor charges	93.93	123.67	223.51	217.60	366.47	791.02
	c. Employee benefits expenses	6.35	6.91	8.74	13.26	17.21	33.43
	d. Finance costs	278.57	266.92	558.91	545.49	1,071.75	2,132.91
	e. Depreciation and amortisation expenses	0.06	0.07	0.14	0.12	0.31	0.59
	f. Other expenses	5.83	7.11	17.06	12.93	32.53	239.52
	g. Balances written off (Note 5)	-	-	-	-	-	1,196.42
	Total expenditure	384.74	404.68	808.36	789.40	1,488.54	4,394.16
5	Profit / (Loss) before exceptional item and tax (3-4)	12.16	91.84	5.16	104.02	35.65	(1,809.96)
6	Exceptional Items (net) (Note 4)	-	-	59.39	-	59.39	6,198.05
7	Profit/ (Loss) before tax (5-6)	12.16	91.84	(54.23)	104.02	(23.74)	4,388.09
8	Tax expense						
	Current tax	7.73	30.53	4.78	38.26	14.27	139.63
	Deferred tax expense / (credit)	(3.28)	(3.74)	0.18	(7.02)	(18.71)	542.03
	Adjustment of tax relating to earlier period	-	-	(56.41)	-	(56.41)	(59.75)
9	Net Profit for the period / year (7-8)	7.71	65.05	(2.78)	72.78	37.11	3,766.18
10	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss in subsequent periods	-	-	-	-	-	0.36
	Remeasurements gain of the defined benefit plans (net of tax)	-	-	-	-	-	-
11	Total Comprehensive Income for the period / year (net of tax) (9+10)	7.71	65.05	(2.78)	72.78	37.11	3,766.54
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	-	-	-	-	-	14,490.85
14	Basic and diluted earnings per share (EPS) (face value of INR 10/- each) (not annualised for the quarters)	0.02	0.18	(0.01)	0.21	0.11	10.69
	See accompanying notes to the standalone financial results						
15	Debt Redemption Reserve				221.92	544.21	221.92
16	Debt Equity Ratio(DER)				0.50	1.37	0.52
17	Debt Service Coverage Ratio (DSCR)				0.86	0.51	0.92
18	Interest Service Coverage Ratio				1.10	0.98	3.06
19	Asset Coverage Ratio				7.51	3.52	6.93
20	Details of Secured Non-Convertible Debenture as follows:						
Sr. No.	Particulars	Previous due dates		Next due dates			
		(1st April, 2020 to 30th Sept, 2020)		(1st October, 2020 to 31st March, 2021)			
		Principal	Interest	Principal	Interest		
1	INE764L07082	13-04-2020	13-04-2020	-	-		
2	INE764L07116	-	20-09-2020	-	-		
3	INE764L07124	-	20-09-2020	-	-		
4	INE764L07140	28-04-2020	28-04-2020	-	-		
5	INE764L07157	-	-	-	-		
6	INE764L07165	-	-	-	-		
7	INE764L07173	-	-	-	-		
8	INE764L07181	# 23-04-2020	# 23-04-2020	-	-		

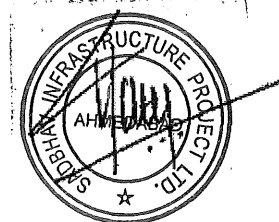
Note: ISIN: INE764L07181 has been partially repaid on 23/04/2020.



STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Particulars	As at Sept 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
ASSETS		
Non-current Assets		
(a) Property, plant and equipments	0.96	1.09
(b) Investment property	2.88	2.88
(c) Financial assets		
(i) Investments (note 5)	26,758.55	25,945.13
(ii) Other financial assets	-	28.43
(iii) Loans	4.07	4.45
(d) Other non current assets	5.23	5.23
Total Non-current Assets (A)	26,771.70	25,987.21
Current Assets		
(a) Inventories		
(a) Financial assets		
(i) Trade receivables	1,318.61	1,364.16
(ii) Cash and cash equivalents	112.57	217.76
(iii) Bank Balances other than (ii) above	46.47	93.02
(iv) Loans	202.12	894.85
(v) Other financial assets	421.05	679.86
(b) Other current assets	244.13	40.63
Total Current Assets (B)	2,344.94	3,290.28
Assets classified as held for sale (note 4a)	1,036.80	1,036.80
	30,153.44	30,314.29
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3,522.25	3,522.25
(b) Other Equity	14,563.63	14,490.85
	18,085.87	18,013.10
LIABILITIES		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,956.27	4,098.49
(ii) Other financial liabilities	709.26	917.60
(b) Provisions	3.80	3.14
(c) Deferred tax liabilities (net)	647.48	654.51
Total Non-current Liabilities (B)	4,316.82	5,673.74
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,936.94	3,846.54
(ii) Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	934.58	753.59
(iii) Other financial liabilities	2,323.12	1,546.19
(b) Other current liabilities	463.33	414.88
(c) Provisions	1.27	0.67
(d) Current tax liabilities (net)	91.51	65.58
Total Current Liabilities (C)	7,750.75	6,627.45
Total Liabilities (D=B+C)	12,067.57	12,301.19
Total Equity and Liabilities (E=A+D)	30,153.44	30,314.29

See accompanying notes to the standalone financial results



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

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, 2020 have been reviewed and recommended by the audit committee at their meeting held on November 10, 2020 and approved by the Board of Directors at their meetings on November 10, 2020. 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) / Hybrid Annuity Projects and its related activities in accordance with Indian Accounting Standard - 108 "Segment Reporting".
4. a. Pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019 with Indinfravit Trust, the entire equity shareholding in seven of its subsidiary companies i.e. Bijapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udaipur Tollway Private Limited, Bhilwara Rajsamand Tollway Private Limited and Mysore Bellary Highway Private Limited (MBHPL), a subsidiary of Parent company i.e. Sadbhav Engineering Limited (SEL) were transferred to Indinfravit Trust with effect from 14th February, 2020. This has resulted into profit of INR 6,275.77 million which have been disclosed as exceptional item in the financial statements for the year ended March 31, 2020. Further, the net gain on assets carved out during the purchase of these subsidiaries amounting to INR 103.70 million was included under 'other income'.

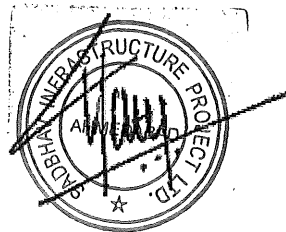
Further, the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 – "Non-Current Assets Held for Sale and Discontinuing Operations".

b. The concession agreements with National Highway Authority of India (NHAI) were terminated in case of Sadbhav Tumkur Highway Private Limited (STHPL), Sadbhav Vizag Port Road Private Limited (SVPRPL) and Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) during the year ended March 31, 2020, due to non availability of required 80% right of way (ROW) by NHAI within the stipulated time period as a consequence of which, these subsidiaries were inoperative. The provision made for carrying value of Investment in these subsidiaries amounting to INR 77.72 million is disclosed under exceptional item in the financial statements for the year ended March 31, 2020.

5. The Company has investments of INR 325.42 million and subordinate debts of INR 7,582.15 million in its 2 subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of these subsidiary companies has fully eroded. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of INR 17,063.48 million lodged in terms of conditions of concession agreements which is backed by legal opinion on tenability of the claim, debt refinancing, internal plan of revival to meet its dues and obligations and the strategic nature of these investments, the management believes that the networth of these entities would become positive in due course. Considering the same, no provision/adjustment to the carrying value of Investments and subordinate debts and loans and advances as at September 30, 2020 is considered necessary at this stage.

Considering the above pending claims and revival plans, the company had decided to grant waiver from payment of interest accrued till December 31, 2019 amounting to INR 1,179.85 million and converted outstanding unsecured loan to sub-ordinate debts in these 2 subsidiary companies to support the operational ability of these subsidiaries. Pursuant to the waiver, the outstanding interest receivable was written off in statement of profit and loss account and was included under 'balances written off' during the previous year ended March 31, 2020.

6. The company has a credit rating of A- (single A Minus) from India Ratings & Research Limited and its non - convertible debentures are rated A- (single A Minus) (CE) by India Ratings & Research Ltd as per the latest rating dated September 23, 2020.



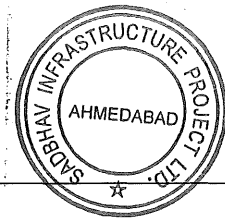
Sadbhav Infrastructure Project Ltd.

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

- 7 The listed non-convertible debentures of the Company aggregating INR 3,500.00 million outstanding as on September 30, 2020 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.
- 8 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 w.e.f April 01, 2019, being appointed date. The Company has received the approval of the scheme by BSE/NSE Limited and SEBI. The Company has now filed application before NCLT for approval of the scheme. The Company is in the process of carrying out the necessary procedures in this regards.
- 9 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The management has made assessment of possible impact of COVID-19 on business / operations of the Company and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at date of approval of these standalone financial results has used corroborative information. As on date, the company has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 10 The Indian Parliament has recently approved the code on Social Security, 2020. This has also received consent of the Hon'ble President of India. The code when implemented will impact the contribution by the company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code is yet to be notified. In view of this, any financial impact due to the change will be assessed and accounted for in the period of notification.
- 11 Statement of Unaudited Cash flow for the half year year ended September 30, 2020 and September 30, 2019 is given in Annexure 1.
- 12 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 10, 2020

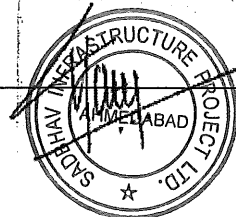


For and on behalf of the Board of Directors of
Sadbhav Infrastructure Project Limited


Vasistha C. Patel
Managing Director (DIN:00048324)

Annexure 1 - Statement of Unaudited Cash Flow for the half year ended on September 30, 2020

Particulars	'For the half year ended September 30, 2020 (Unaudited)	'For the half year ended September 30, 2019 (Unaudited)
	(INR in Million)	(INR in Million)
(A) Cash Flows From Operating Activities		
Profit/(Loss) before tax	104.01	(23.74)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation expenses	0.12	0.31
Interest and other borrowing cost	545.49	1,071.75
Liabilities no longer required written back	(0.02)	(86.85)
Exceptional items	-	59.39
Interest Income	(15.63)	(339.28)
Operating profit before working capital changes	633.97	681.58
Movement in Working Capital:		
Decrease / (Increase) in other financial assets	250.79	(6.50)
Decrease / (Increase) in other assets	(203.50)	30.00
Decrease / (Increase) in trade receivable	45.57	(498.07)
(Decrease) / Increase in other financial liabilities	(216.01)	2.44
Increase / (Decrease) in other liabilities and provisions	49.71	54.90
Increase in trade payables	181.01	15.02
Cash generated from operations	741.55	279.37
Direct taxes paid / (refunded) (including TDS) (net)	12.36	57.93
Net cash generated from operating activities	(A) 729.19	221.44
(B) Cash Flows From Investing Activities		
Purchase of property plant and equipment	-	(0.07)
Sub-ordinate debt given	(71.92)	(1,137.23)
Sub-ordinate debt received back	-	30.18
Investments in subsidiaries	(741.50)	(221.66)
Short term loan given	(218.81)	(434.13)
Short term loan received back	203.26	245.08
Sub-ordinate debt received from Indinfravit trust	708.67	-
Investments in bank deposits (having original maturity of more than three months)	46.55	-
Interest received	52.08	83.55
Net cash flow generated from / (used in) investing activities	(B) (21.67)	(1,434.28)
(C) Cash Flows From Financing Activities		
Proceeds from non-current borrowings	-	400.00
Repayment of non-current borrowings	(462.00)	(980.00)
Proceeds from current borrowings	300.20	3,428.79
Repayment of current borrowings	(209.80)	(1,204.40)
Dividend paid on equity shares	-	(105.67)
Interest and other borrowing cost paid	(441.11)	(323.27)
Net cash generated from / (used in) financing activities	(C) (812.71)	1,215.45
Net increase/(decrease) in cash and cash equivalents	(A + B + C) (105.19)	2.61
Cash and cash equivalents at beginning of the period	217.76	4.44
Cash and cash equivalents at end of the period	112.57	7.05
Notes:		
1 Components of Cash and Cash Equivalents		
	As at September 30, 2020	As at September 30, 2019
	(INR in Million)	(INR in Million)
Cash on hand	0.01	0.02
Balance with banks:		
In current accounts	37.46	7.03
In current accounts - unpaid share application refund money and unclaimed dividend	0.14	-
Deposits with original maturity of less than 3 months	74.97	-
Cash and cash equivalents at end of the period	112.57	7.05



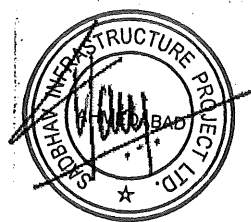
SADBHAV INFRASTRUCTURE PROJECT LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020							
(INR in Million except as stated otherwise)							
Sr. No.	Particulars	Quarter ended		Half year Ended			Year ended
		September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations (Note 4 and 5)	2,830.49	2,552.41	5,914.08	5,382.90	13,873.80	22,704.03
2	Other income	775.30	719.48	805.94	1,494.78	1,694.19	3,123.60
3	Total income (1+2)	3,605.78	3,271.89	6,720.02	6,877.68	15,567.99	25,827.63
4	Expenses						
	a. Consumption of project materials	-	-	-	-	0.27	0.27
	b. Sub-contract charges	1,229.29	1,473.91	2,436.84	2,703.20	7,117.75	10,566.57
	c. Operating expenses (Note 9)	300.99	288.70	581.16	589.70	1,155.64	2,184.99
	d. Employee benefits expense	75.88	69.87	161.55	145.75	298.42	492.41
	e. Finance costs	2,130.26	2,106.13	3,333.25	4,236.39	6,536.90	12,758.60
	f. Depreciation and amortization expenses	401.64	179.77	764.01	581.41	1,537.49	2,927.25
	g. Other expenses	90.24	78.14	160.60	168.38	305.69	897.51
	Total expenditure	4,228.30	4,196.52	7,437.41	8,424.81	16,952.16	29,827.60
5	(Loss) before exceptional item and tax (3-4)	(622.50)	(924.63)	(717.39)	(1,547.14)	(1,384.17)	(3,999.97)
6	Exceptional Items (note 6)	-	-	-	-	-	15,028.46
7	(Loss) / Profit before tax (5-6)	(622.50)	(924.63)	(717.39)	(1,547.14)	(1,384.17)	11,028.49
8	Tax Expense						
	Current tax	34.82	42.73	(29.34)	77.55	53.37	216.55
	Deferred tax expenses / (credit)	(0.30)	0.89	48.21	0.59	19.05	593.34
	Adjustment of tax relating to earlier period	-	-	(56.41)	-	(63.14)	(75.02)
9	Net (Loss) / Profit for the period / year before minority interest (7-8)	(657.01)	(968.25)	(679.85)	(1,625.28)	(1,393.45)	10,293.62
10	Other Comprehensive Income ('OCI')						
	Items that will not be reclassified to Profit or Loss in subsequent periods;						
	Remeasurements of the defined benefit plans (net of tax)	-	-	-	-	-	0.22
11	Total Comprehensive Income for the period/year (net of tax) (9+10)	(657.01)	(968.25)	(679.85)	(1,625.28)	(1,393.45)	10,293.84
12	(Loss) / Profit for the period/year attributable to:						
	Owners of the Company	(657.02)	(968.25)	(669.16)	(1,625.28)	(1,370.30)	10,336.53
	Non-controlling Interest	-	-	(10.69)	-	(23.15)	(42.91)
13	Other Comprehensive Income for the period/year attributable to:						
	Owners of the Company	-	-	-	-	0.22	0.22
	Non-controlling Interest	-	-	-	-	-	-
14	Total Comprehensive Income for the period/year attributable to:						
	Owners of the Company	(657.02)	(968.25)	(669.16)	(1,625.28)	(1,370.08)	10,336.75
	Non-controlling Interest	-	-	(10.69)	-	(23.15)	(42.91)
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 (Note 12)	-	-	-	-	-	-
17	Basic and diluted (loss) / earning per share (EPS) (face value of INR 10/- each) (not annualised for)	(1.87)	(2.75)	(1.90)	(4.61)	(3.89)	29.35

Details of Secured Non-Convertible Debenture as follows:

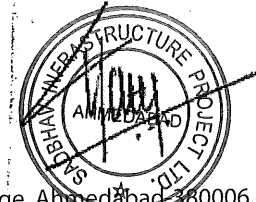
Sr. No.	Particulars	Previous due dates		Next due dates	
		(1st April, 2020 to 30th Sept, 2020)		(1st October, 2020 to 31st March, 2021)	
		Principal	Interest	Principal	Interest
INE764L07082					
INE764L07116		13-04-2020	13-04-2020	-	-
INE764L07124		-	20-09-2020	-	-
INE764L07140		-	20-09-2020	-	-
INE764L07157		28-04-2020	28-04-2020	-	-
INE764L07165		-	-	-	-
INE764L07173		-	-	-	-
INE764L07181		# 23-04-2020	# 23-04-2020	-	-

Note: ISIN: INE764L07181 has been partially repaid on 23/04/2020.



STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Particulars	(INR in Millions) (INR in Millions)	
	As at September 31, 2020	As at March 31, 2020 (Audited)
ASSETS		
Non-current Assets		
(a) Property, Plant and Equipments	68.20	67.41
(b) Investment Property	9.40	8.38
(c) Goodwill	265.30	265.30
(d) Other Intangible Assets	39,549.17	39,966.85
(e) Intangible Asset Under Development	960.29	955.28
(f) Financial Assets		
(i) Investments	7,243.30	7,243.30
(ii) Loan	4.07	4.45
(ii) Receivable under Service Concession Arrangement	29,861.43	27,138.40
(iii) Others	81.12	89.26
(g) Deferred tax assets (Net)	28.87	21.82
(h) Other Non Current Assets	611.37	737.28
Total Non-current Assets	78,682.52	76,497.73
Current Assets		
(a) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	217.68	305.39
(iii) Cash and cash equivalents	311.56	719.91
(iv) Bank balances other than (iii) above	136.68	93.02
(v) Loans	134.52	880.22
(vi) Receivable under Service Concession Arrangement	2,544.72	2,814.47
(vii) Others	2,083.88	2,264.91
(b) Current Tax Assets (net)	23.30	111.28
(c) Other current assets	6,705.88	5,976.52
Total Current Assets	12,158.22	13,165.72
Asset Held for Sale	3,567.37	3,328.74
Total Assets	94,408.11	92,992.19
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3,522.25	3,522.25
(b) Other Equity	(641.76)	1,137.72
Equity attributable to equity holders	2,880.49	4,659.97
Non controlling interest	-	-
Total Equity	2,880.49	4,659.97
Liabilities		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,315.32	52,872.06
(ii) Other financial liabilities	11,371.06	11,227.03
(b) Provisions	1,557.62	1,374.50
(c) Deferred tax Liabilities (Net)	809.00	767.94
(d) Other non-current liabilities	290.25	290.25
Total Non-current Liabilities	67,343.25	66,531.78
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,624.40	4,411.83
(ii) Trade Payables	6,572.32	6,058.71
(iii) Other financial liabilities	7,132.07	5,379.27
(b) Other current liabilities	3,439.48	3,414.32
(c) Current tax Liabilities (net)	122.38	82.62
(d) Provisions	31.08	25.66
Total Current Liabilities	21,921.73	19,372.41
Total Liabilities	89,264.97	85,904.19
Liability held for Sale	2,262.64	2,428.03
Total Equity and Liabilities	94,408.11	92,992.19



Notes:

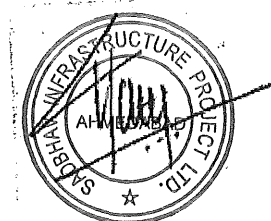
- The aforesaid unaudited consolidated financial results of Sadbhav Infrastructure Project Limited ('the Company') and its subsidiaries (together referred to as 'Group') for the quarter and half year ended September 30, 2020 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on November 10, 2020. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the same.
- The Group has a single reportable segment (operating segment) i.e Build Operate and Transfer (BOT)/Hybrid Annuity Projects (HAM) and its related activities in accordance with Indian Accounting Standard - 108 "Segment Reporting".
- The listed non-convertible debentures of the Group aggregating INR 3,500.00 Million outstanding as on September 30, 2020 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.
- In case of Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, Ahmedabad Urban Development Authority (AUDA), has wide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017. In this connection AUDA, relying on legal opinion, in its board meeting has passed resolution to assess claims and make payments as per actual traffic. ARRIL has raised the claims as per the directions of the Board of AUDA. Pending final decision on claim assessment by AUDA, ARRIL has recognised revenue of toll collection of INR 17.81 million, INR 17.36 million and INR 17.07 million for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 35.17 million and INR Rs 33.72 million for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 68.63 million for the year ended March 31, 2020 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017. During the quarter ARRIL has received amount of Rs 203 million from AUDA as adhoc amount against the claim.
- The revenue from operation includes revenue from construction contracts of INR 1,468.25 million, INR 1,518.65 million and INR 2,500.67 million for quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 2,986.90 million and INR 7,203.05 million for the half year ended September 30, 2020 and September 30, 2019 and INR 10,708.44 million for the year ended March 31, 2020 related to intangible assets under development and development of Hybrid Annuity Model (HAM) assets as per concession arrangements which are recognised in accordance with the requirements of Appendix-D of Ind AS 115 "Revenue from contracts with customers".
- The exceptional item amounting to INR 15,028.46 million for the year ended March 31, 2020 was towards the profit on sale of entire equity shareholding in seven of its subsidiary companies i.e. Bijapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udaipur Tollway Private Limited, Bhilwara Rajsamand Tollway Private Limited and Mysore Bellary Highway Private Limited, a subsidiary of Parent company i.e. Sadbhav Engineering Limited pursuant to the definitive share purchase agreement dated July 01, 2019 (the agreement).

Further, the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 – "Non-Current Assets Held for Sale and Discontinuing Operations".
- The Group has carrying value of intangible assets of INR 26,003.70 million in its 2 subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of these subsidiary companies has fully eroded as per 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 17,063.48 million lodged in terms of conditions of concession agreements which is backed by legal opinion on tenability of the claim, debt refinancing, internal plan of revival to meet its dues and obligations and the strategic nature of these investments, the Company's management believes that the networth of these entities would become positive in due course. Considering the same, no provision/adjustment to the carrying value of intangible assets as at September 30, 2020 is considered necessary at this stage.
- 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 including 2 additional check post ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to September 30, 2020 is INR 2,228.84 million (March 31, 2020 : INR 2,228.84 million). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
- Operating expenses include provision for Periodic Major Maintenance of INR 49.83 million, INR 49.83 million and INR 77.89 million for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 99.66 million and INR 176.61 million for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 753.59 million for the year ended March 31, 2020.
- The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Group has resumed operations in a phased manner in line with the directives of the Government of India. This has an impact on the revenue from toll collection and construction services for the quarter however, the Company's management has made assessment of possible impact of COVID 19 on business / operation of group and believes that the impact may not be significant over the terms of its contracts. The group has also filed / is in the process of filing of claims for appropriate relief as per the terms of concession agreements with NHAI/Local Authority and has also availed the relief provided by its lenders by way of moratorium on certain principal / interest payment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company's management, as at date of approval of these consolidated financial results has used corroborative information. As on date, the Company's management has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the group will continue to monitor developments to identify significant uncertainties in future periods, if any. The Company's management does not see any long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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

Sr. No.	Particulars	Quarter ended			Half Year ended		(INR in Million)
		September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	Year ended March 31, 2020 (Audited)
		1	Income from operations	389.41	488.35	638.20	877.76
2	Profit before tax	12.16	91.84	(54.23)	104.02	(23.74)	4,388.09
3	Profit after tax	7.71	65.05	(2.78)	72.78	37.11	3,766.18

The standalone financial results are available at the Company's website www.sadbhavinfra.co.in and on the web site of the stock exchanges www.bseindia.com and www.nseindia.com.



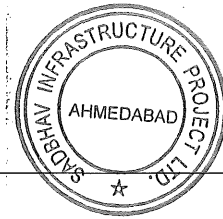
Sadbhav Infrastructure Project Ltd.

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

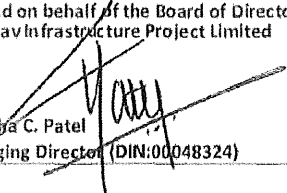
T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

- 12 The Group has certain subsidiaries having accumulated losses, which has resulted into erosion net-worth of those subsidiaries. Such operational subsidiaries 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. There have also been favourable arbitration claims received by these subsidiaries in the past and have further lodged claim amounting to INR 17,063.48 Million, the tenability of which, as per concession agreement, is backed up by a legal opinion. As mentioned in the note 6 above, the Company has completed sale of seven SPV's at a value higher than their carrying cost and also is in the process of closing sale of one more on similar terms. Although the Group has negative working capital at the reporting period, considering the above reasons, internal plan of revival and 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 SEL, the Group will be able to meet/will continue to meet their financial obligations in the ordinary course of the business.
- 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
- 14 The Indian Parliament has recently approved the code on Social Security, 2020. This has also received consent of the Hon'ble President of India. The code when implemented will impact the contribution by the group towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code is yet to be notified. In view of this, any financial impact due to the change will be assessed and accounted for in the period of notification.
- 15 Statement of unaudited Cashflow for the half year ended September 30, 2020 and September 30,2020 are given in Annexure - 2
- 16 Figures for the previous periods have been regrouped / rearranged, wherever necessary. Figures for the quarter and half year ended September 30, 2019 and year ended March 31, 2020 includes figures of seven subsidiaries which have been sold during the quarter ended March 31, 2020 as mentioned in note 6 above. Consequently, the results for the quarter and half year ended September 30, 2020 are not comparable with previous period to that extent.

Place: Ahmedabad
Date: November 10, 2020



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


Vasistha C. Patel
Managing Director (DIN:00048324)

Annexure 2 Consolidated Cash Flow Statement for the half year ended on September 30, 2020

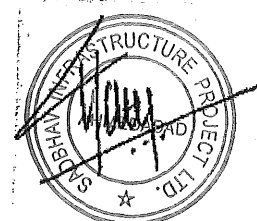
Particulars	September 30,	September 30,
	2020	2019
	INR In Million	INR In Million
(A) Cash flows from operating activities		
Profit / (Loss) before tax	(1,547.11)	(1,384.17)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	581.41	1,537.49
Finance cost	4,228.50	6,650.12
Profit on sale of units of mutual funds (net)	(1.41)	(82.67)
Provision of Periodic maintenance expenses	99.60	492.10
Notional Interest income from deposit with bank		(6.50)
Operating Profit before working capital changes	3,360.99	7,206.38
<i>Movement in working capital:</i>		
(Increase) in trade receivables (including receivable under service concession)	(2,365.58)	(3,051.99)
Decrease / (Increase) in other financial assets	189.17	(636.93)
(Increase) in other assets	(603.46)	(140.31)
(Decrease) / Increase in trade payables	513.61	(1,085.92)
Increase in other financial liabilities	1,460.91	1,841.54
(Decrease) in other liabilities	25.16	(1,244.62)
Increase in Loans	722.29	-
Increase / (Decrease) in provisions	88.94	(131.20)
Cash generated from operating activities	3,392.03	2,756.94
Direct taxes paid (net of refund received)	161.75	(126.17)
Net cash flows generated from operating activities	3,553.78	2,630.77
(B) Cash flows from investing activities		
Purchase of PPE and other intangible assets (including Intangible asset under construction)	(161.14)	(178.52)
Purchase of investment property	(9.40)	-
Assets held for sale	(437.11)	-
Redemption / (purchase) from sale of units of mutual fund (net) (including realised gain)	1.41	172.13
Interest received	-	5.50
Net cash flows from / (used in) investing activities	(606.24)	(0.89)
(C) Cash flows from financing activities		
Proceed from compound financial instruments	(232.37)	-
Net Proceeds / Repayment of non-current borrowings	443.26	2,423.52
Net Proceeds / Repayment of current borrowings	212.57	1,882.95
Dividend paid on equity shares (including dividend distribution tax)	-	(105.67)
Interest and other borrowing cost paid	(3,768.78)	(6,837.22)
Net cash flows (used in) / from financing activities	(3,345.32)	(2,636.42)
Net increase in cash and cash equivalents	(397.78)	(6.54)
Cash and cash equivalents at beginning of the year	812.93	-
Cash and Cash equivalent classified as Asset Held for Sale at end of the period	33.09	494.80
Cash and cash equivalents at end of the year	448.24	488.26

Notes:

1

Components of cash and cash equivalents	September 30,	September 30,
	2020	2019
	INR In Million	INR In Million
Cash on hand	236.59	69.78
Balances with banks:		
- In current accounts	211.65	519.73
- In current accounts earmarked for unpaid share application refund money		-
- In fixed deposits for less than three months		135.70
- Bank overdraft		-
Cash and cash equivalents	448.24	725.21

2 The cash flow statement has been prepared under indirect method as per Ind AS -7 "Statement of Cash Flows".



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

Sadbhav Infrastructure Project Limited

September 23, 2020

Ratings

Instrument*	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Non-Convertible Debentures-III	150.00 (reduced from 189.30)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A- (CE); Stable [Single A Minus (Credit Enhancement); Outlook: Stable] and rating put under credit watch with Negative Implications
Long-term Non-Convertible Debentures-IV	89.20 (reduced from 102.00)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A- (CE); Stable [Single A Minus (Credit Enhancement); Outlook: Stable] and rating put under credit watch with Negative Implications
Long-term Non-Convertible Debentures-V	110.80 (reduced from 127.40)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A- (CE); Stable [Single A Minus (Credit Enhancement); Outlook: Stable] and rating put under credit watch with Negative Implications
Total Instruments	350.00 (Rs. Three Hundred Fifty Crore Only)		

Details of facilities in Annexure – 1;

*backed by unconditional and irrevocable corporate guarantee of Sadbhav Engineering Limited [SEL; rated CARE BBB+/ CARE A3+ (Under Credit watch with Negative 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 SEL.

The revision in the ratings assigned to the bank facilities and non-convertible debentures of Sadbhav Engineering Limited (SEL) takes into account slower than envisaged pace of execution which has resulted into decline in total operating income (TOI) from Rs.865 crore during Q1FY20 (FY refers to the period from April 01 to March 31) to Rs.432 crore during Q4FY20 to Rs.243 crore during Q1FY21. Higher proportion of slow moving projects in its order book due to various hindrances, as well as fund mobilization issues in three of its hybrid annuity model (HAM) projects along with COVID-19 impact during Q1FY21 had led to overall sluggish execution. Despite lower execution, the current asset levels of Sadbhav² group remains high due to relatively higher proportion of escalation debtors in HAM projects, pending debt syndication in one HAM project, as well as delay in release of mobilization advances in one HAM project and change of scope in certain projects. Consequently, higher working capital borrowings coupled with higher than estimated decline in group's scale of operation had led to moderation in debt coverage indicators during FY20 and Q1FY21. Hence, increase in the pace of execution leading to scaling up of SEL's TOI from Q3FY21 while improving its collection efficiency as articulated by management shall be rating sensitivity.

Although the group has successfully divested its entire stake in eight out of nine operational SPVs, the stake sale in one of the SPVs is still under process which was earlier expected to be concluded by June 2020. As indicated by the management, the same is on account of extended lockdown in Ahmedabad. As a result, the receipt of balance stake sale proceeds of around Rs.340 crore has been delayed and hence ratings have been placed on 'Credit Watch with Negative Implications'. CARE Ratings shall closely monitor the receipt of balance stake sale proceeds and subsequent debt rationalization considering higher repayment obligations in FY22.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

²Combining SEL (standalone) and Sadbhav Infrastructure Project Limited (SIPL; standalone) financials

The ratings, however, positively factor the inflow of sizeable quantum of stake sale proceeds to the tune of Rs.1568 crore till June 30, 2020 which has led to improvement in its capital structure. Out of this proceeds, Rs. 979 crore of debt has been repaid at SEL and SIPL standalone level. Monthly release of construction grant from June 2020 by National Highways Authority of India (NHAI) under 'Atmanirbhar Bharat Scheme' for contractors has also provided partial cash flow relief to Sadbhav group. In addition, achievement of provisional commercial operations date (PCOD) in two of the HAM projects and expected PCOD for four more HAM projects by March 2021 is expected to reduce funding requirements of Sadbhav group in medium term thus aiding its liquidity. The ratings also take note of the potential upside in cash flows including receipt of arbitration proceeds and up-streaming of surplus cash flows from one of its operational road SPV Maharashtra Border Check Post Network Ltd (MBCPNL; rated CARE A; Under credit watch with negative implication). The ratings also takes the cognizance of the various fund raising plans being contemplated by the management which if materializes can provide cash flow cushion to Sadbhav group in funding equity commitments, pre-payment of term debt and shoring up its working capital requirements. Ratings also takes the note of the two EPC project aggregating Rs.1572 crore being awarded to SEL by NHAI.

The above rating strengths are, however, tempered by inherent challenges faced by the construction sector, including the current challenging fund raising scenario and labour issues for the sector due to on-going COVID-19 pandemic.

Rating sensitivities

Positive factors

- Monetization of sizeable investment in HAM SPVs
- Significant growth in TOI and improvement in the current asset days below 250 days

Negative factors

- Inability to grow scale of operations while improving stretched current assets levels by December 2020.
- Delay in receipt of mobilization advances aggregating Rs.330 crore in its HAM and EPC projects beyond December 2020 impacting the funding requirement of the group
- More than envisaged support to BOT projects due to further delay in achievement of provisional commercial operations date (PCOD) impacting debt coverage indicators of SEL.

Detailed description of the key rating drivers of guarantor- SEL

Decline in the scale of operations

The TOI of SEL declined from Rs.865 crore during Q1FY20 to Rs.432 crore during Q4FY20 to Rs.243 crore during Q1FY21 on account of large proportion of slow moving projects in its order book, as well as fund mobilization issues in three of its hybrid annuity model (HAM) projects along with COVID-19 impact. Execution pace slowed down in its HAM projects, leading to delay in all its on-going HAM projects. During Q1FY21, availability of raw material and labor also remained constrained due to COVID-19 which gradually improved to 70% of pre-COVID level during July 2020. Nevertheless, as indicated by the management, execution pace has picked up post Q1FY21 which coupled with release of monthly grant in HAM projects and monthly billing in EPC projects by NHAI from June 2020 has provided cash flow cushion to SEL.

Post monsoon i.e. during Q3FY21, SEL envisages significant ramp up in its scale of operations which is expected to be largely driven by execution of two of its nascent stage HAM projects as well as one large EPC project having unexecuted aggregate contract value of Rs.3316 crore. In addition, SEL is also expecting appointed date in two of the recently awarded EPC projects. Achievement of targeted contract receipt from Q3FY21 is the critical rating sensitivity.

Delayed execution in most of HAM projects; albeit achievement of PCOD in two projects based on partial completion providing some relief

Nine out of the 10 ongoing HAM projects of Sadbhav group are progressing with delays; with six of them having surpassed original schedule completion date. Delay in the de-scoping of unavailable land, delay in approval based on partial completion and delay in receipt of mobilization advances in two HAM projects are prominent reasons for behind the schedule execution. Delay in the receipt of mobilization advances of Rs.140 crore in one HAM project (Sadbhav Kim Expressway Private Limited; SKEL; rated CARE BBB+; Stable) for which appointed date was received during Q3FY20 led to marginal project progress in comparison to the earlier estimates. As indicated by the management same is now expected to be received by end of October 2020. Furthermore, pending debt syndication in one of the HAM project (Sadbhav Jodhpur Ring Road Highway Private Limited; SJRHPL) led to slower project progress.

Sadbhav group is required to support these projects for any cost overrun or cash flow deficit till stabilization of revenue stream. However, receipt of extension of time (EoT) and consequent rescheduling of repayments in some SPVs have provided some comfort in near term. Furthermore, two HAM projects have achieved PCOD in current year based on available length providing some relief. Further, provisional COD for four more HAM projects are expected by end of FY21. Nevertheless, timely realization of the debtors from the said projects is also imperative for the overall liquidity of the group.

Stretched current assets position

Sadbhav group's current asset days stretched from 259 days during FY19 to 448 days during FY20 in line with earlier expectations. However, improvement in the current assets levels was gradually expected due to estimated improvement in pace of execution post stake sale and expected receipt of mobilization advances of Rs.240 crore by June 2020 in two HAM SPVs. Although the debtors have reduced as on August 31, 2020 as compared to March 31, 2020, it continued to remain higher on account of pending receipt of mobilization advances and pending term debt disbursement in SJRHPL.

Further, debtors from irrigation, mining and escalation portion of HAM projects are relatively slow moving which reduces the recovery rate of old debtors. However, debtor's position is also expected to improve to an extent with monthly release of payments from NHAI and PCOD expected for four HAM projects by March 2021. The same is reflected from the cash-inflow of Rs.700 crore from EPC and HAM projects during April to August 2020. Significant improvement in the debtors from HAM projects by December 2020 on the back of improved pace of execution, disbursement of pending term loan and release of mobilization advances is the critical rating sensitivity.

Moderate debt coverage indicators

Sadbhav group's combined total debt/PBILDT moderated from 3.81 times during FY19 to 4.59 times during FY20 on account of decline in scale of operations. Interest coverage of Sadbhav group also steadily moderated from 2.54 times during FY19 to 1.44 times during FY20 and 1.11 times during Q1FY21 mainly on account of decline in scale of operations and higher working capital borrowing. Gross cash accruals on combined basis also declined from Rs.67.48 crore during Q1FY20 to Rs.26.58 crore during Q1FY21. In addition, the market capitalization of the group also continued to remain low as compared to combined network.

Key Rating Strengths:**Completion of stake sale process with transfer of eight out of the nine projects led to improvement in the capital structure**

On July 1, 2019, SEL and SIPL made an announcement on stock exchange regarding execution of 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). As of March 20, 2020, SEL and SIPL have transferred eight out of the nine SPVs (i.e. excluding Ahmedabad Ring Road Infrastructure Ltd; ARRIL rated CARE A-; under credit watch with developing implications) and has received stake sale proceeds of Rs.1,568 crore till June 30, 2020 in addition to the listed units of IndInfravit trust of Rs.724 crore, which provides some financial flexibility and stable source of dividend. Proceeds of stake sale has been utilized for the prepayment of NCD of Rs.686 crore including prepayment premium, repayment of bridge loans of Rs.293 crore, which led to improvement in overall gearing (on combined basis) from 0.86 times as on March 31, 2019 to 0.57 times as on March 31, 2020. The network base also augmented due to gain of Rs.500 crore (net of write off of loans in two operational projects) on stake sale. TOL/TNW improved from 1.18 times as on March 31, 2019 to 0.90 times as on March 31, 2020 due to prepayment of NCDs.

The group is yet to receive balance stake sale proceeds of Rs.73 crore against the already transferred eight operational assets which is envisaged to be received by Q3FY21. Stake sale of ARRIL is delayed as compared to earlier timeline of June 2020 due to pending no objection certificate from the concessioning authority of ARRIL, i.e. Ahmedabad Urban Development Authority (AUDA) due to extension of lockdown in Ahmedabad as articulated by management, which is now expected to be received by Q3FY21.

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.

Reduced exposure of the group to inherent risks associated with BOT projects

Subsequent to stake sale, exposure in BOT projects has reduced significantly to 68% of the combined net-worth as of March 31, 2020 as against 110% as on March 31, 2019. Aggregate equity commitment of Sadbhav group for 10 under construction HAM projects was Rs.1122 crore. Out of which equity to the tune of Rs.694 crore is already infused till August 2020 which reduces funding risk to an extent. Balance Rs. 428 crore is envisaged to be infused in FY21-FY22. Receipt of stake sale proceeds of Rs.90 crore, and up streaming of cash flow from two operational toll roads of around Rs.40 crore had been utilized to meet the equity commitment and funding requirement of Sadbhav group. Furthermore, Sadbhav group is required to support two operational underperforming toll road projects on sustained basis. As articulated by the management, the group also expects additional cash flows from receipt of arbitration awards, up-streaming of surplus cash flow of MBCNL and receipt of compensation for toll exemption in ARRIL (already received).

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 and FY20 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. Furthermore, to ease the funding and smoothen the cash flows of the projects during construction phase due to on-going COVID-19 pandemic, NHAI has also permitted to disburse monthly grant/bills against the work billed as against the previous milestone based payments. In addition, NHAI has also issued modalities to reinforce the contractual terms of descoping in HAM projects which is expected to provide partial relief in execution hurdles due to RoW issues.

Key Rating Weaknesses:***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. 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. Pace of award for NHAI is expected to remain subdued which is also expected to impact pace of construction in the near term.

Liquidity: Stretched

Liquidity position of the group continued to remain stretched on account of higher current assets. Decline in scale of operations coupled with increased working capital requirement has led to moderation in the debt coverage indicators during FY20 and Q1FY21. Utilization of fund based limits continues to remain high at around ~95% for past twelve months ended June 2020. SEL has an approved letter for additional fund based working capital limits of Rs.100 crore. Utilization of non-fund based limits was also 90% for the trailing twelve months ended June 2020.

SEL has availed moratorium on bank loans from certain lenders as per RBI scheme from April 2020 to August 2020. Sadbhav group has repayment obligations of around Rs.140 crore during FY21 and Rs.359 crore during FY22. Hence, timely receipt of stake sale proceeds from ARRIL and subsequent debt rationalization is crucial from credit perspective. However, liquidity is also expected to ease over medium term with release of mobilization advances and pending debt disbursements in HAM projects. Financial flexibility is also derived from listed units of InvIT valued at Rs.724 crore as on March 31, 2020.

Analytical approach: Guarantor's Assessment, SEL

CARE has analyzed SIPL's credit profile by considering credit enhancement in the form of unconditional and irrevocable corporate guarantee extended by SEL for NCDs of SIPL.

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' and 'Credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Rating Credit Enhanced Debt](#)

[Rating Methodology – Consolidation and Factoring Linkages in Ratings](#)

[Rating Methodology - Infrastructure Sector Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

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 the 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.

During FY20, SIPL executed share purchase agreement with IndInfravit Trust (IndInfravit) and sold its entire stake in eight operational build operate transfer (BOT) special purpose vehicles (SPV) for the enterprise value of Rs.6,610 crore, while the stake sale is awaited in one operational SPV. Post the transaction, SIPL has a portfolio of 13 BOT projects (four operational toll road projects, nine under construction HAM projects of which two HAM projects have received PCOD on partial length). SIPL

also has 10% stake in Indinfravit Trust in the form of listed units valuing Rs.720 crore which has lock-in period till February 2021.

Further, as per the stock exchange announcement dated October 19, 2019, SIPL would be merged with SEL with effect from April 1, 2019 subject to various statutory and regulatory approvals including the approval of NCLT. In consideration of the merger, SEL shall issue one equity share of SEL against three equity shares of SIPL to every shareholder of SIPL.

Covenants of rated instruments: Detailed explanation of covenants of the rated instruments is given in **Annexure-3**

(Rs. crore)

Brief Financials – SIPL (Standalone)	FY19 (A)	FY20 (A)
Total Operating Income	368	258
PBILDT	284	152
PAT	57	377
Overall Gearing	1.08	0.42
Interest Coverage (times)	1.62	0.71

A: Audited

About the Guarantor - SEL

Incorporated in 1988 and founded by late Shri Vishnubhai Patel, SEL is an Engineering Procurement and Construction (EPC) contractor executing projects in roads, irrigation and mining segment. SEL had floated a wholly-owned subsidiary – SIPL as a holding company of build-operate-transfer (BOT) projects in 2007. Apart from the 13 BOT portfolio with SIPL, SEL also has one HAM project on its books.

The board of directors of SEL has approved the changes in the directorship within promoters in May 2020 wherein earlier Chairman and Managing Director of SEL, Mr. Shashin Patel has been appointed as vice chairman and non-executive director. Mr. Vasistha Patel is appointed as Chief Executive Officer (CEO) of SEL. The company has also approved constitution of business advisory committee comprising of independent members and Mr. Shashin Patel, promoter and son of Late Vishnubhai Patel. Further, as per stock exchange announcement dated October 19, 2019, SIPL would be merged with SEL with effect from April 1, 2019 subject to various statutory and regulatory approvals including approval of National Company Law Tribunal (NCLT).

Brief Financials (Rs. crore) – SEL-Standalone	FY19 (A)	FY20 (A)
Total operating income	3634	2363
PBILDT	513	394
PAT	187	85
Overall gearing (times; including mobilization advances)	0.91	0.80
Interest coverage (times)	2.93	2.03

A – Audited;

Brief Financials (Rs. crore) – Sadbhav Group#	FY19	FY20
Total operating income	3942	2529
PBILDT	736	454
PAT	243	462
Overall gearing (times; including mobilization advances)	0.86	0.57
Interest coverage (times)	2.54	1.44

#combining SEL (standalone) and SIPL standalone financials

As per published Q1FY21 provisional results, (refers to the period from April 01 to June 30) SEL on a standalone basis has reported total operating income (TOI) of Rs.244.77 crore (Q1FY20: Rs.864.59 crore) and loss of Rs.26.58 crore as against profit after tax (PAT) of Rs.39.38 crore during Q1FY20. Further, on combined basis during Q1FY21 Sadbhav group reported TOI of Rs.282.86 crore (Q1FY20: Rs.913.15 crore) and loss of Rs.20.07 crore as against PAT of Rs.41.02 crore during Q1FY20.

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 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-III	INE764L07116, INE764L07124, INE764L07132, INE764L07140, INE764L07157, INE764L07165	September 21, 2016	10.30%	April 26, 2022	150.00	CARE BBB+ (CE) (Under Credit watch with Negative Implications)
Debentures-Non Convertible Debentures-IV	INE764L07173	April 23, 2018	10.20%	April 23, 2023	89.20	CARE BBB+ (CE) (Under Credit watch with Negative Implications)
Debentures-Non Convertible Debentures-V	INE764L07181	June 06, 2018	10.20%	June 06, 2023	110.80	CARE BBB+ (CE) (Under Credit watch with Negative 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Bonds	LT	-	-	-	-	1)Withdrawn (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
2.	Debentures-Non Convertible Debentures - I	LT	-	-	-	1)Withdrawn (07-Jan-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 3)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
3.	Debentures-Non Convertible Debentures - II	LT	-	-	1)Withdrawn (22-Sep-20)	1)CARE A- (CE); Stable (25-Mar-20) 2)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)

						(07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)		
4.	Debentures-Non Convertible Debentures - III	LT	150.00	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
5.	Fund-based/Non-fund-based-LT/ST	LT/ST	400.00	CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications)	-	1)CARE A-; Stable / CARE A2+ (25-Mar-20) 2)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A- / CARE A2+ (Under Credit watch with Developing Implications)	-	1)CARE A-; Stable / CARE A2+ (28-Nov-17)

						(10-Jul-19) 5)CARE A-; Stable / CARE A2+ (04-Apr-19)		
6.	Debentures- Non Convertible Debentures - IV	LT	89.20	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	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 - V	LT	111.80	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	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)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument – Non Convertible Debentures	Detailed explanation
A. Financial covenants	
1. SIPL's Total Debt/ Equity not exceeding 0.8 times	All financial covenants are met.
2. SIPL's Total Debt not to exceed Rs.1,000 crore	
3. SEL's Total Debt/Equity not to exceed 1.25 times	
4. No loss on PAT basis in SEL on an annual basis	
5. SEL's Total Debt / EBITDA not to exceed 3.5 times	
B. Non-financial covenants	
1. Unconditional and irrevocable corporate guarantee from SEL	SEL has provided unconditional and irrevocable corporate guarantee for NCDs of SIPL.
2. SIPL/SEL's networth to remain positive during tenor of issue	
3. Prior approval of investor for any transaction of merger, de-merger, consolidation, re-organization or scheme of arrangement, etc.	
4. Not to undertake any new business if equity commitment for single project is more than Rs.500 crore	
5. Prescribed cash flow to be followed in case of stake sale in step-down subsidiaries	

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Complex

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

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

Analyst Contact

Mr. Maulesh Desai
Contact no. - 079-4026 5605
Email ID – maulesh.desai@careratings.com

Relationship 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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Sadbhav Infrastructure Project Limited

September 23, 2020

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term / Short – term Bank Facilities	400.00	CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications) (Triple B Plus / A Three Plus) (Under Credit watch with Negative Implications)	Revised from CARE A-; Stable / CARE A2+ (Single A Minus ; Outlook: Stable / A Two Plus) and rating put under credit watch with Negative Implications
Total Facilities	400.00 (Rupees Four Hundred Crore Only)		

Details of facilities in Annexure - 1

Detailed Rationale & Key Rating Drivers

The revision in ratings assigned to the bank facilities of Sadbhav Infrastructure Project Limited (SIPL) takes into account revision in the rating of its parent Sadbhav Engineering Ltd (SEL; rated CARE BBB+/CARE A3+; under credit watch with Negative Implications) and deterioration in the credit profile of SIPL's under construction hybrid annuity model (HAM) special purpose vehicles (SPV) on account of varied reasons including delay in land acquisition and delay in de-scoping/ de-linking approvals in certain SPVs. Furthermore, despite the successful divestment of SIPL's entire equity stake in eight out of nine operational road SPVs to InvIT portfolio of IndInfravit Trust (IndInfravit), the stake sale in one of the SPVs is still under process which was earlier expected to be concluded by June 2020. As indicated by the management, the same is on account of extended lockdown in Ahmedabad. As a result, the receipt of balance stake sale proceeds of around Rs.340 crore has been delayed and hence ratings have been placed on 'Credit Watch with Negative Implications'. CARE Ratings shall closely monitor the receipt of balance stake sale proceeds and subsequent debt rationalization considering higher repayment obligations of Sadbhav group² in FY22 (refers to the period April 1 to March 31).

The ratings take cognizance of the achievement of provisional commercial operations date (PCOD) in two of the HAM projects and expected PCOD for four more HAM projects by March 2021 which is expected to provide some relief to SIPL.

The ratings continue to factor in significant improvement in the capital structure of the company post receipt of stake sale proceeds, potential upside in cashflows including receipt of arbitration proceeds, upstreaming of surplus cashflows from Maharashtra Border Check Post Network Limited (MBCNL; rated CARE A; Negative) and financial flexibility available with SIPL in the form of stake in listed units of IndInfravit Trust along with expected cashflows in the form of dividend income from units. The ratings also factor in the parentage of SEL which is one of the leading players in the domestic road construction sector and low revenue risk associated with its under-construction hybrid annuity model (HAM) road projects once they become operational. The ratings also takes the cognizance of the various fund raising plans being contemplated by the management which if materializes can provide cash flow cushion to Sadbhav group in funding equity commitments, pre-payment of term debt and shoring up its working capital requirements.

The ratings, however, continues to remain constrained by moderate scale of operations, subdued performance of its two operational SPVs resulting in substantial shortfall funding and the inherent challenges faced by the construction sector, including the current challenging fund raising scenario and labour issues for the sector due to on-going COVID-19 pandemic.

Rating sensitivities

Positive factors

- Monetization of sizeable investments of HAM SPVs.

Negative factors

- Delay in the operationalisation of HAM SPVs leading to higher than envisaged cash flow support from SIPL.
- Higher than envisaged support to be extended to its under-performing operational BOT projects.
- Delay in materialization of fund raising plan impacting the cash flow coverage
- Increase in exposure to build operate transfer (BOT) projects resulting higher than envisaged equity commitments in the medium term.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

² Combining SEL (standalone) and Sadbhav Infrastructure Project Limited (SIPL; standalone) financials

Detailed description of the key rating drivers

Key Rating Strengths

Completion of the stake sale process with transfer of eight out of nine projects leading to improvement in the capital structure:

On July 1, 2019, SEL and SIPL made an announcement on stock exchange regarding the execution of Share Purchase Agreements with IndInfravit for selling their entire equity stake in nine operational BOT SPVs (seven toll and two annuity based projects). As of March 20, 2020, SEL and SIPL have transferred eight out of the nine SPVs (i.e. excluding Ahmedabad Ring Road Infrastructure Ltd; ARRIL rated CARE A-; under credit watch with developing implications) and has received stake sale proceeds of Rs.1,568 crore till June 30, 2020 in addition to the listed units of IndInfravit trust of Rs.724 crore. The units are listed and marketable providing significant financial flexibility. Proceeds of stake sale have largely been utilized for rationalisation of the debt levels of the group, which led to the improvement in overall gearing of SIPL from 1.08 times as on March 31, 2019 to 0.42 times as on March 31, 2020. The networth base also augmented due to gain of Rs.500 crore (net of write off of loans in two operational projects) due to stake sale.

SIPL is yet to receive balance stake sale proceeds of Rs.73 crore against the already transferred eight operational assets which is envisaged to be received by Q3FY21. Stake sale of ARRIL is delayed as compared to the earlier timeline of June 2020 due to pending no objection certificate from the concessioning authority of ARRIL, i.e. Ahmedabad Urban Development Authority (AUDA), which is now expected to be received by Q3FY21. As indicated by the management, the same is on account of extended lockdown in Ahmedabad. Post stake sale, SIPL shall continue to carry out routine and major maintenance for these projects which is likely to maintain its revenue visibility in the medium term. The approximate value of these contracts is Rs.4,000 crore which is to be executed over next 15 years. Also, SIPL has entered into a Right of First Offer (ROFO) agreement with IndInfravit for monetisation of its current and future operational assets.

Enhanced financial flexibility with holding of InvIT units albeit constrained on account of the moderate scale of operations on a standalone basis:

As part of stake sale, SIPL has received Rs.724 crore in the form of InvIT units equivalent to 10% of stake in IndInfravit Trust. The marketable nature of InvIT units on account of it being listed enhances the financial flexibility of SIPL to any extent. Furthermore, the ownership of units is expected to provide annual dividend inflows to SIPL. Furthermore, SIPL also has the ROFO option for monetization of current and future operational assets to the InvIT portfolio. Under the ROFO agreement with IndInfravit Trust, the management expects monetization of four HAM SPVs once they become operational in FY21 and further monetization of two HAM SPVs once operational in FY22.

SIPL, however, has a moderate scale of operations on a standalone basis with the major source of income being the O&M and major maintenance contracts that the company has entered in to with its SPVs. SIPL's TOI for FY20 and Q1FY21 continued to remain moderate at Rs.258 crore and Rs.49.65 crore respectively limiting its financial flexibility.

Key Rating Weaknesses:

Deterioration in the credit profile of SEL

SEL's ratings have been revised from CARE A-; Stable/ CARE A2+ to CARE BBB+/ CARE A3+; Credit Watch with negative implications on account of decline in its scale of operations due to delay in project execution and higher working capital intensity on sustained basis. SEL has 69.70% stake in SIPL as on June 30, 2020. SEL is the flagship company of Sadbhav Group and the engineering, procurement and construction (EPC) contractor of all the BOT projects of SIPL. SEL has also extended its unconditional and irrevocable corporate guarantee for the entire outstanding long term debt of SIPL of Rs.396 crore as on March 31, 2020.

Delay in implementation of most of the HAM projects; albeit achievement of PCOD in two projects based on partial completion providing some relief:

SIPL has nine under-construction HAM projects in its portfolio with aggregate Bid Project Cost (BPC) of Rs.8,372 crore. The project progress remains behind schedule in all the nine under-construction HAM SPVs with six of them having surpassed their schedule project completion date (SPCD). Delay in the de-scoping of unavailable land and delay in the term debt disbursement and mobilization advances are prominent reasons behind the delayed execution. Delay in the receipt of mobilization advances of Rs.140 crore in one HAM project (Sadbhav Kim Expressway Private Limited; SKEL; rated CARE BBB+; Stable) for which appointed date was received during Q3FY20 led to marginal project progress in comparison to the earlier estimates. As indicated by the management same is now expected to be received by end of October 2020. Furthermore, pending debt syndication in one of the HAM projects (Sadbhav Jodhpur Ring Road Highway Private Limited; SJRHPL) led to slower and delayed project progress.

SIPL is required to support these projects for any cost overrun or cash flow deficit till stabilisation of the revenue stream. However, receipt of extension of time (EoT) and consequent rescheduling of repayments in some SPVs have provided some comfort in the near term. Furthermore, two HAM projects have achieved PCOD in the current year based on available length providing some relief. Further, provisional COD for four more HAM projects is expected by end of FY21.

As on August 31, 2020, SIPL had infused around Rs.694 crore as equity in its under-construction HAM SPVs, while it further has equity commitments of Rs.320 crore spread over FY21 & FY22. SIPL had availed bridge loan for meeting its interim working

capital requirement, debt servicing and equity infusion in these HAM projects till receipt of stake sale proceeds, which it has repaid post receipt of stake sale proceeds.

Under-performance of its two operational BOT road projects leading to their dependence on SIPL for their uninterrupted operations and debt servicing: There has been a significant shortfall in toll collections of two of BOT road projects primarily on account of toll leakages and higher than envisaged proportion of local category vehicles which are exempted from toll. Traffic is expected to remain subdued for one of the projects in the medium-term with the development of an alternate route. Furthermore, one of the SPVs has scheduled major maintenance in FY21-22 necessitating higher support from SIPL. A significant extent of support required to be extended by SIPL to these two SPVs shall continue to constrain its ratings. However, upstreaming of cash flows from MBCNL is expected to support SIPL's liquidity position.

Susceptibility of the operational toll based BOT projects to traffic, interest rate and regulatory risk: The operational toll-based SPVs of SIPL are susceptible to inherent revenue risk related to traffic growth, wholesale price index (WPI) linked toll rates and timely release of compensation from state authorities for loss of revenue from exempted vehicles in its three SPVs. Furthermore, since most of the operational toll projects have a high mix of commercial traffic indicating higher linkage to the state of the economy and macroeconomic conditions the same can have an adverse impact during times of severe economic downturn. The SPVs are also exposed to inherent interest rate risk since the interest rate on the debt taken by the majority of them is floating in nature. Further, MBCNL is exposed to inherent regulatory risk considering that this is a project of the state transport department and hence susceptible to any change in law apart from risk related to delay in commencement of revenue from check posts even after achieving commercial operations date (COD) due to various factors beyond the control of the company. Exposure to four toll-based projects also heightened traffic risk in the current scenario of the COVID-19 pandemic.

Liquidity: Stretched

Rated bank facilities of Rs.400 crore comprise of non-fund based bank guarantee (BG) without recourse to SEL. The average utilization of the non-fund based limits was around 60%. SIPL's liquidity position remains stretched on account of limited internal accruals along with high repayment obligations and equity commitments along with the absence of fund based committed bank lines on a standalone basis. Further, the liquidity of SIPL is underpinned by it being a subsidiary of SEL which has a track record of supporting SIPL in times of exigencies. Sizeable equity commitments over FY21-FY22 in under construction HAM SPVs along with shortfall support for the initial phase for some SPVs along with continued support extended to underperforming BOT SPVs is expected to constrain the cash flows of SIPL. However, comfort is also derived from listed units of InvIT valued at Rs.724 crore as on March 31, 2020.

Analytical approach: Standalone along with factoring support expected to be received from its parent, SEL, for servicing its guaranteed contractual debt and factoring likely support to be extended by SIPL to its various SPVs.

Applicable Criteria

[Criteria on assigning 'Outlook' and 'Credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology – Consolidation and Factoring Linkages in Ratings](#)

[Rating Methodology - Infrastructure Sector Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

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 the 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.

During FY20, SIPL executed share purchase agreement with IndInfravit Trust (IndInfravit) and sold its entire stake in eight operational build operate transfer (BOT) special purpose vehicles (SPV) for the enterprise value of Rs.6,610 crore, while the stake sale is awaited in one operational SPV. Post the transaction, SIPL has a portfolio of 13 BOT projects (four operational toll road projects, nine under construction HAM projects of which two HAM projects have received PCOD on partial length). SIPL also has 10% stake in Indinfravit Trust in the form of listed units valuing Rs.720 crore which has lock-in period till February 2021.

Further, as per the stock exchange announcement dated October 19, 2019, SIPL would be merged with SEL with effect from April 1, 2019 subject to various statutory and regulatory approvals including the approval of NCLT. In consideration of the merger, SEL shall issue one equity share of SEL against three equity shares of SIPL to every shareholder of SIPL.

(Rs. Crore)

Brief Financials – SIPL (Standalone)	FY19 (A)	FY20 (A)
Total Operating Income	368	258
PBILDT	284	152
PAT	57	377
Overall Gearing	1.08	0.42
Interest Coverage (times)	1.62	0.71

A: Audited;

As per published Q1FY21 provisional results, (refers to the period from April 01 to June 30) SIPL on a standalone basis has reported total operating income (TOI) of Rs.49.65 crore (Q1FY20: Rs.71.70 crore) and PAT of Rs.6.51 crore(Q1FY20: Rs.3.99 crore).

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 Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund based-LT/ST	-	-	-	400.00	CARE BBB+ / CARE A3+ (Under Credit watch with Negative 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Bonds	LT	-	-	-	-	1)Withdrawn (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
2.	Debentures-Non Convertible Debentures - I	LT	-	-	-	1)Withdrawn (07-Jan-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 3)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)

3.	Debentures-Non Convertible Debentures - II	LT	-	-	1)Withdrawn (22-Sep-20)	1)CARE A-(CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
4.	Debentures-Non Convertible Debentures - III	LT	150.00	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A-(CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
5.	Fund-based/Non-fund-based-LT/ST	LT/ST	400.00	CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications)	-	1)CARE A-; Stable / CARE A2+ (25-Mar-20) 2)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A- / CARE A2+ (Under Credit watch with	-	1)CARE A-; Stable / CARE A2+ (28-Nov-17)

						Developing Implications) (30-Oct-19) 4)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (10-Jul-19) 5)CARE A-; Stable / CARE A2+ (04-Apr-19)		
6.	Debentures-Non Convertible Debentures - IV	LT	89.20	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	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 - V	LT	111.80	CARE BBB+ (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	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)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument	Detailed explanation
A. Financial Covenants	Not Applicable
B. Non-Financial Covenants	Not Applicable

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based/Non-fund-based-LT/ST	Simple

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us**Media Contact**

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

Analyst Contact

Mr. Maulesh Desai
 Contact no. - 079-4026 5605
 Email ID – maulesh.desai@careratings.com

Relationship 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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Sadbhav Infrastructure Project Limited
 September 22, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Non-Convertible Debenture Issue	-	-	Withdrawn

Details of Instruments in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the NCD issue of Sadbhav Infrastructure Projects Limited (SIPL) with immediate effect, as the company has repaid the aforementioned NCD issue in full and there is no amount outstanding under the issue as on date.

Analytical Approach: Not Applicable

Applicable Criteria:

[Policy on Withdrawal of Ratings](#)

About the Company

Sadbhav Engineering Limited (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 the 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.

During FY20, SIPL executed share purchase agreement with IndInfravit Trust (IndInfravit) and sold its entire stake in eight operational build operate transfer (BOT) special purpose vehicles (SPV) for the enterprise value of Rs.6,610 crore, while the stake sale is awaited in one operational SPV. Post the transaction, SIPL has a portfolio of 13 BOT projects (four operational toll road projects, nine under construction HAM projects of which two HAM projects have received PCOD on partial length). SIPL also has 10% stake in Indinfravit Trust in the form of listed units valuing Rs.720 crore which has lock-in period till February 2021.

Further, as per the stock exchange announcement dated October 19, 2019, SIPL would be merged with SEL with effect from April 1, 2019 subject to various statutory and regulatory approvals including the approval of NCLT. In consideration of the merger, SEL shall issue one equity share of SEL against three equity shares of SIPL to every shareholder of SIPL.

Brief Financials (Rs. crore) – Standalone	FY19 (A)	FY20 (A)
Total operating income	368	258
PBILDT	284	152
PAT	57	377
Overall gearing (times)	1.08	0.42
Interest coverage (times)	1.62	0.71

A – Audited;

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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-II	INE764L07082	January 09, 2015	11.75%	April 13, 2020	0.00	Withdrawn

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Bonds	LT	-	-	-	-	1)Withdrawn (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
2.	Debentures-Non Convertible Debentures - I	LT	-	-	-	1)Withdrawn (07-Jan-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 3)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)
3.	Debentures-Non Convertible Debentures - II	LT	-	-	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan-18)

4.	Debentures- Non Convertible Debentures - III	LT	150.00	CARE A- (CE); Stable	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	1)CARE A (SO); Stable (20-Feb-19) 2)CARE A+ (SO); Stable (18-Sep-18)	1)CARE A+ (SO); Stable (08-Jan- 18)
5.	Fund- based/Non- fund-based- LT/ST	LT/ST	400.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (25-Mar-20) 2)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (10-Jul-19) 5)CARE A-; Stable / CARE A2+ (04-Apr-19)	-	1)CARE A-; Stable / CARE A2+ (28- Nov-17)
6.	Debentures- Non Convertible Debentures - IV	LT	89.20	CARE A- (CE); Stable	-	1)CARE A- (CE); Stable (25-Mar-20) 2)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)	-

						(07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	3)Provisional CARE A+ (SO); Stable (16-Apr-18)	
7.	Debentures- Non Convertible Debentures - V	LT	111.80	CARE A- (CE); Stable	-	1)CARE A- (CE); Stable (25-Mar-20) 2)CARE A (CE) (Under Credit watch with Developing Implications) (07-Jan-20) 3)CARE A (CE) (Under Credit watch with Developing Implications) (30-Oct-19) 4)CARE A (CE) (Under Credit watch with Developing Implications) (10-Jul-19)	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)	-

Annexure 3: Complexity level of various instruments rated for this company

Name of the Instrument – Non Convertible Debentures	Detailed explanation
A. Financial covenants	
1. SIPL's Total Debt/ Equity not exceeding 0.8 times	All financial covenants are met.
2. SIPL's Total Debt not to exceed Rs.1,000 crore	
3.SEL's Total Debt/Equity not to exceed 1.25 times	
4. No loss on PAT basis in SEL on an annual basis	
5. SEL's Total Debt / EBITDA not to exceed 3.5 times	
B. Non-financial covenants	
1.Unconditional and irrevocable corporate guarantee from SEL	SEL has provided unconditional and irrevocable corporate guarantee for NCDs of SIPL.
2. SIPL/SEL's networth to remain positive during tenor of issue	
3. Prior approval of investor for any transaction of merger, de-merger, consolidation, re-organization or scheme of arrangement, etc.	
4. Not to undertake any new business if equity commitment for single project is more than Rs.500 crore	
5. Prescribed cash flow to be followed in case of stake sale in step-down subsidiaries	

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Complex
2.	Fund-based/Non-fund-based-LT/ST Bank facilities	Simple

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us
Media Contact

Mr. Mradul Mishra
 Contact no.: 022-6837 4424
 Email ID: mradul.mishra@careratings.com

Analyst Contact

Mr. Maulesh Desai
 Contact no.: 079- 4026 5605
 Email ID: maulesh.desai@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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

India Ratings Assigns Sadbhav Infrastructure Projects 'IND A-'; Outlook Stable

23

SEP 2020

By Karun Tiwari

India Ratings and Research (Ind-Ra) has assigned Sadbhav Infrastructure Projects Limited (SIPL) a Long-Term Issuer Rating of 'IND A-'. The Outlook is Stable. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR3,500	IND A-(CE)/Stable	Assigned
Non-fund-based limits	-	-	-	INR3,000	IND A-/Stable/IND A2+	Assigned

*Details in Annexure

Note: The unsupported rating is same as the Long-Term Issuer Rating

Analytical Approach: Ind-Ra has taken a consolidated view of SIPL and its parent Sadbhav Engineering Limited (SEL; 'IND A-/Stable'; holds 69.7% stake), collectively known as Sadbhav, due to the strong legal and operational linkages between them. Ind-Ra has also adjusted the financials for the equity required to be infused by SEL in its under construction hybrid annuity model (HAM) projects, along with the shortfall support envisaged for the operational build-operate-transfer (BOT) and HAM assets. Ind-Ra has not consolidated the debt of the projects, wherever it is on a non-recourse basis. The agency has consolidated the debt of SEL's step-down subsidiary Sadbhav Nainital Highway Private Limited (wholly owned by SIPL) as its debt is backed by an unconditional and irrevocable corporate guarantee of SEL. SIPL announced a scheme of merger with SEL in 3QFY20. The merger is likely to be completed in FY21 subject to various statutory and regulatory approvals.

KEY RATING DRIVERS

Strong Linkages with Parent: The assignment follows a similar rating action on SIPL's parent (SEL) on account of the strong financial and operational linkages between the two entities. SEL has been extending financial support to SIPL by way of a corporate guarantee (unconditional, irrevocable and absolute) for the debt facilities of SIPL. Furthermore, SEL had been extending short-term loans/advances to SIPL (FY20 outstanding loans from SEL:

INR3.5 billion, FY19: INR6.3 billion), which were utilised by the latter towards the equity commitments of the under construction HAM projects as well as a shortfall support for the operational BOT projects. Moreover, SIPL's operations are well-integrated with those of SEL as the latter acts as the contractor for the special purpose vehicles of SIPL's HAM projects. Also, the companies have common directors on their boards.

Pre-Default Corporate Guarantee by SEL: SEL has provided a pre-default corporate guarantee for SIPL's NCDs. As per the debenture trust deed, SIPL is required to deposit the redemption amount (or any instalments thereof) at least three/two business days prior to the payment due date (including the put option redemption date, if applicable). In case of non-receipt of the payment, the debenture trustee can send a demand notice to the guarantor (SEL), and the latter shall fund the account at least two/one business days prior to the payment due date.

Stable Revenue Profile over the Medium Term: SIPL's operating EBITDA margins, although strong, moderated to 41.5% in FY20 (FY19: 71.5%), while the revenue declined to INR1.8 billion (INR2.9 billion) as a result of lower revenue contribution from the high-margin project management activities as majority of the HAM projects have reached the advanced stages of construction. Ind-Ra expects SIPL's revenue to grow 15%-20% yoy in FY21 (1QFY21: INR488.5 million, 1QFY20: INR 459.8 million) as its two HAM projects are nearing completion in FY21. Furthermore, SIPL's revenue and margins are to remain stable in the medium term on account of operations & maintenance income from about INR40 billion of operations & maintenance projects, to be executed over 15 years, for the nine transferred assets and one soon to be transferred asset to IndInfravit Trust. Additionally, SIPL is entitled to project management service fees of 1% of the toll revenue collected from these assets.

Asset Sales Aid in Deleveraging: In February 2020, SIPL concluded its deal with IndInfravit Trust for selling its stake in eight of the nine BOT projects for INR23.64 billion. As part of the deal, SIPL received cash of INR15.68 billion and 10% stake worth INR7.24 billion in IndInfravit Trust till end-March 2020, while INR0.73 billion of cash is yet to be received. Furthermore, SIPL is likely to receive INR2.67 billion once the stake sale of Ahmedabad Ring Road Infrastructure Limited (ARRIL) to IndInfravit Trust is concluded. Consequent to the stake sale, SIPL's standalone external debt reduced to INR3.5 billion in 1QFY21 (FY20: INR4.2 billion, FY19: INR8.9 billion). SIPL has only NCDs as outstanding debt. SIPL did not avail the Reserve Bank of India-prescribed moratorium over March to August 2020. The company does not have any scheduled repayments over the remainder of FY21. While, in FY22, it has scheduled repayments of INR750 million; however, in case a put option is exercised by the investors, repayments are likely to increase to INR2,750 million in FY22. Ind-Ra derives comfort from the liquidity avenues available to the company to meet its obligations in the near term.

Liquidity Indicator - Stretched; Pending Receipts of BOT Asset Monetisation to Aid Liquidity: At FYE20, SEL and SIPL had unencumbered cash balances of INR0.18 billion and INR0.31 billion, respectively. The average utilisations of SEL's fund-based limits for the 12 months ended June 2020 was high at 95% with the entity availing short-term loans of INR0.45 billion in addition to the fund-based facilities. On the other hand, SIPL does not have any fund-based limits. SEL and SIPL have combined scheduled repayment obligations of INR1.09 billion and INR3.25 billion (excluding put option) in FY21 and FY22, respectively.

According to the management, the government of Gujarat approved the transfer of ARRIL to IndInfravit Trust and SIPL is in the advanced stage of obtaining the procedural approval from the concession authority of ARRIL (Ahmedabad Urban Development Authority), which is likely to conclude by October 2020. Ind-Ra expects the consolidated liquidity profile to improve significantly following the receipt of INR3.4 billion stake sale proceeds (INR0.7 billion pending cash and INR2.67 billion from ARRIL stake sale). Furthermore, potential inflows from arbitration proceedings across the group may also boost the liquidity profile in the near term. Ind-Ra believes that these one-time inflows are likely to be sufficient to meet the debt repayment obligations in the near term.

Elevated Share Pledge; Likely to Reduce with Asset Monetisation at Promoter Level: The promoter share pledge increased by 29.05% to 59.36% in June 2020 from December 2019 and further by 4% to 63.3% as of 17 September 2020. The management has confirmed that the increase in share pledge was on account of a decline in SEL's share price during the same period and the promoters have not availed any new loans. Ind-Ra derives comfort from the management's commitment to repay the entire promoter loans (less than 5% of the consolidated debt of SEL and SIPL) in FY21, backed by the monetisation of a few land parcels at the promoter level.

RATING SENSITIVITIES

Positive: An upgrade of SEL's credit rating could lead to a positive rating action.

Negative: A downgrade of SEL's credit rating and/or weakening of SIPL's linkages with SEL could lead to a negative rating action.

COMPANY PROFILE

SIPL was incorporated as an asset holding company by SEL for its road and other infrastructure BOT projects in 2007.

STANDALONE FINANCIAL SUMMARY

Particulars	FY20	FY19
Revenue (INR billion)	1.82	2.95
Operating EBITDA (INR billion)	0.75	2.11
EBITDA margins (%)	41.5	71.5
Interest coverage (x)	0.6	1.2
Net leverage (x)	5.7	3.3
Source: SEL, Ind-Ra		

CONSOLIDATED FINANCIAL SUMMARY

Particulars	FY20#	FY19#
Revenue (INR billion)	24.3	38.4
Operating EBITDA (INR billion)	3.5	6.4
EBITDA margins (%)	14.6	16.6
Total debt (INR billion)	16.7	25.0
Interest coverage (x)	1.1	2.2
Net leverage (x)	4.6	2.9
Source: Sadbhav, Ind-Ra		
#Based on Ind-Ra's principles of consolidation		

ANNEXURE

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
NCDs	INE764L07116	21 September 2016	3.0	15 April 2021	INR500	IND A-(CE)/Stable

NCDs	INE764L07124	21 September 2016	3.0	15 April 2022	INR500	IND A- (CE)/Stable
NCDs	INE764L07157	20 March 2017	Zero	25 June 2021	INR250	IND A- (CE)/Stable
NCDs	INE764L07165	20 March 2017	Zero	27 June 2022	INR250	IND A- (CE)/Stable
NCDs	INE764L07173	23 April 2018	Zero	23 April 2023	INR892	IND A- (CE)/Stable
NCDs	INE764L07181	6 June 2018	Zero	6 June 2023	INR1,108	IND A- (CE)/Stable

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

DISCLAIMER

ALL CREDIT RATINGS ASSIGNED BY INDIA RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.INDIARATINGS.CO.IN/RATING-DEFINITIONS](https://www.indiaratings.co.in/rating-definitions). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC

WEBSITE WWW.INDIARATINGS.CO.IN. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS' CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

Applicable Criteria

[Corporate Rating Methodology](#)
[Parent and Subsidiary Rating Linkage](#)

Analyst Names

Primary Analyst

Karun Tiwari

Analyst

India Ratings and Research Pvt Ltd DLF Epitome, Level 16, Building No. 5, Tower B DLF
Cyber City, Gurgaon Haryana 122002
0124 6687272

Secondary Analyst

Harsha Sodhani

Associate Director
+91 22 40001792

Committee Chairperson

Rakesh Valecha

Senior Director - Core Analytical Group
+91 22 40001740

Media Relation

Ankur Dahiya

Manager – Corporate Communication
+91 22 40356121

Ref: SIPL/2020-21/0042

24th September, 2020

To
The Manager (Listing)
Corporate Relationship Dept.
BSE Limited
P J Tower,
Dalal Street,
Mumbai - 400 001

The Manager (Listing)
National Stock Exchange of India Limited
“Exchange Plaza”,
Plot No C/1, G Block
BandraKurla Complex, Bandra (E)
Mumbai - 400 051

Company Code: 539346 (BSE)

NSE Symbol: SADBHIN (NSE)

Dear Sir/ madam,

Sub: Credit Rating

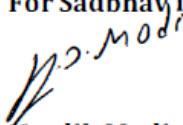
Pursuant to Regulation 30(2) and 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Ratings have been assigned by Care Ratings Limited (Formerly known as Credit Analysis & Research Ltd) as per attached Annexure-1.

You are requested to take the same on record.

Thanking You,

Yours Faithfully,

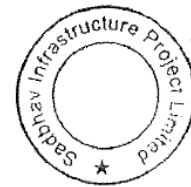
For Sadbhav Infrastructure Project Limited


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



Annexure-1

Facilities	Amount (Rs. Crores)	Rating	Rating Action
Non-Convertible Debenture	150.00 (Reduced from Rs.189.30 Crores)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A-(CE); Stable [Single A Minus (Credit Enhancement)]; Outlook: Stable] and rating put under credit watch with Negative Implications
Non-Convertible Debenture	89.20 (reduced from 102.00)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A-(CE); Stable [Single A Minus (Credit Enhancement)]; Outlook: Stable] and rating put under credit watch with Negative Implications
Non-Convertible Debenture	110.80 (reduced from 127.40)	CARE BBB+ (CE) (Under Credit watch with Negative Implications) [Triple B Plus (Credit Enhancement)] (Under Credit watch with Negative Implications)	Revised from CARE A (CE); Stable [Single A Minus (Credit Enhancement); Outlook: Stable] and rating put under credit watch with Negative Implications
Long Term / Short – term Bank Facilities	400.00	CARE BBB+ / CARE A3+ (Under Credit watch with Negative Implications) (Triple B Plus / A Three Plus) (Under Credit watch with Negative Implications)	Revised from CARE A-; Stable / CARE A2+ (Single A Minus; Outlook: Stable / A Two Plus) and rating put under credit watch with Negative Implications



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 Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

Ref: SIPL/2020-21/0043

24th September, 2020

To
The Manager (Listing)
Corporate Relationship Dept.
BSE Limited
P J Tower,
Dalal Street,
Mumbai - 400 001

The Manager (Listing)
National Stock Exchange of India Limited
“Exchange Plaza”,
Plot No C/1, G Block
BandraKurla Complex, Bandra (E)
Mumbai - 400 051

Company Code: 539346 (BSE)

NSE Symbol: SADBHIN (NSE)

Dear Sir/ madam,

Sub: Credit Rating

Pursuant to Regulation 30(2) and 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that India Ratings and Research (Ind-Ra) has assigned the Credit Rating as detailed below:

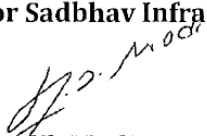
Facilities	Amount (Rs. Crores)	Rating	Rating Action
Non-Convertible Debenture	350.00	IND A-(CE)/Stable	Assigned
Non-fund-based limits	300.00	IND A-/Stable/INDA2+	Assigned

You are requested to take the same on record.

Thanking You,

Yours Faithfully,

For Sadbhav Infrastructure Project Limited


Hardik Modi
Company Secretary
Membership No. F9193



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 Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808



A. D. BRAHMBHATT & CO.

CHARTERED ACCOUNTANT

A/27, C. P. Nagar Part-II, B/s. Arjun Residency, Ghatlodia, Ahmedabad - 380 061.
(O) 81607 71768 (M) 90990 06768 | Email : ashokbrahmhattca@yahoo.com

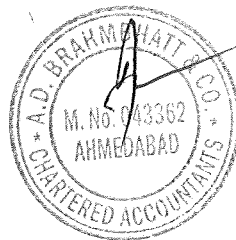
To,
Catalyst Trusteeship Limited
Office No. 83-87, 8th Floor,
Mittal Tower, 'B' Wing,
Nariman Point, Mumbai - 400 021

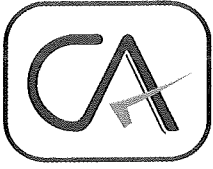
CERTIFICATE

We, M/s. A. D. Brahmhatt & Co., Chartered Accountants have been requested by Sadbhav Infrastructure Project Limited ("the Company") having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006, Gujarat.

We have verified the books of accounts and other related documents and records maintained by the Company. Our verification was carried out in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India. On the basis of our verification, we hereby certify that:

- (i) the charged assets as at 30th September, 2020, as detailed under Clause 6 of the Debenture Trust Deed dated 24th April, 2018 **for listed Non-Convertible Debentures of Rs. 170/- Crores** issued by the Company, of the Company and guarantors are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the debenture holders.
- (ii) the charged assets as at 30th September, 2020, as detailed under Debenture Trust Deed dated 2nd August, 2018 **for listed Non-Convertible Debentures of Rs.190/- Crores** issued by the Company, of the Company and guarantors are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the debenture holders.





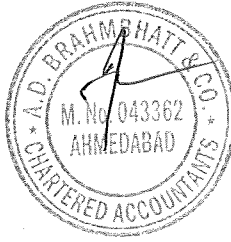
A. D. BRAHMBHATT & CO.

CHARTERED ACCOUNTANT

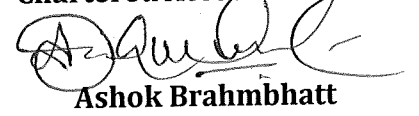
A/27, C. P. Nagar Part-II, B/s. Arjun Residency, Ghatlodia, Ahmedabad - 380 061.
(O) 81607 71768 (M) 90990 06768 | Email : ashokbrahmhattca@yahoo.com

Note: The capitalized terms as used above shall have the same meaning as prescribed to such term under respective Debenture Trust Deeds.
UDIN:20043362AAAAF08614

Place : **Ahmedabad**
Date
:19/10/2



For, A.D. Brahmhatt & Co
Chartered Accountants



Ashok Brahmhatt

Proprietor

Membership No.: 043362

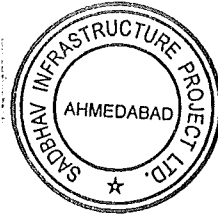
To,
Catalyst Trusteeship Limited
Office No. 83-87, 8th Floor,
Mittal Tower, 'B' Wing,
Nariman Point, Mumbai – 400 021
(Debenture Trustee)

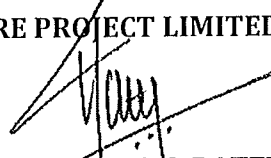
CERTIFICATE

I, Vasistha C. Patel, Managing Director of the Sadbhav Infrastructure Project Limited (SIPL or Company) having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006, Gujarat, hereby certify that the properties secured for the Debentures are adequately insured (wherever applicable), and policies are in the joint names of the Trustees.

FOR, SADBHAV INFRASTRUCTURE PROJECT LIMITED

**Place: Ahmedabad
Date: 10/11/2020**




**VASISTHA C. PATEL
MANAGING DIRECTOR
DIN: 00048324**

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 Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808