

12th Annual Report 2017-2018

Scaling new heights
with the ladder of innovation



Sadbhav Infrastructure Project Limited



With just over a decade in business, your company has become India's one of the largest BOT asset owner in the space of roads and highways. Our incorporation seems to us like just yesterday. We continue to grow ourselves more quickly from here onwards under the guidance of our Chairman, Mr. Shashin V. Patel and in the footsteps of our Chairman Emeritus, Mr. Vishnubhai M. Patel. We have equipped ourselves with the technologies and know-how to increase the speed of growth.

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SIPL's operational assets and projects are in the high-growth states with a growth rate above the national average, inflation and debt levels below the national average, and fiscal deficit less than the target set by FRBM Act. These states have recorded the highest growth in aggregate GVA of labour intensive sectors like infrastructure sector resulting in creation of more employment and business opportunities.



Sadbhav Infrastructure Project Limited
Listed Road & Highways BOT Company
in India with a portfolio of 11 BOT projects
and 12 Hybrid Annuity projects



Mr. Vishnubhai M. Patel
Chairman Emeritus

For Sadbhav Infrastructure Project Limited, innovation is not an end-result. It is the process through which we try to change our paradigm and approach to address new challenges and opportunities so that the things happen in much better and effective way. At SIPL, a synergy of our expertise in engineering, project management, construction, and operations management helps us to add more feathers in our cap through new project milestones. We believe that our business is not just to build, own and operate the roads and highways, but we are in the business of giving people a raceway to joy, progress and prosperity.

“ A nation’s infrastructure is shaped by the passion of its citizens to create change. ”

Surging with the Nation's Growth

Economic growth of the country has brought in its own set of challenges and opportunities for the infrastructure sector. For connecting the areas and maintaining smooth flow of traffic, the construction of new and developed roads is must. Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of economic corridors, inter corridors and feeder routes, national corridor efficiency improvement, border and international connectivity roads, coastal and port connectivity roads and green-field expressways.

SIPL has been developing such large projects on BOT basis and has been applauded by the clients for its on-time execution and management of operations of large and prestigious highway projects. SIPL's operational portfolio comprises of 10 Toll projects and 1 Annuity project with total project cost of approx ₹ 219 Billion while bidding process is in progress for new projects. During FY 18, your Company's standalone revenue scaled new height of ₹ 3,377.92 mn with PAT of ₹ 677.40 mn

and net worth of ₹ 14,019.48 mn. SIPL's operational assets include ARRIL, AJTL, BRTPL, BHTPL, DPTL, HYTPL, MBCPNL, RHTPL, RPTPL, SUTPL and connects the nation from Kandla in the west to Hyderabad in the south and Mumbai to Rohtak & Hissar in the north.

SIPL has invested in the state-of-the-art and the latest equipment and technologies with own fleets and maintenance facilities in each region enhancing the operational efficiency of assets. Employees being our key stakeholders, your Company has well-defined HR, health and safety policies being implemented through dedicated teams at each site level. Well-laid recruitment, training and development, motivation & recreation activities are being conducted on periodic basis for our employees spread across the country. Your Company complies with the environment and other statutory rules and has been taking the initiatives to conserve the environment and bio-diversity across all project sites. At SIPL, we are poised to scale new heights of innovation to surge with the prosperous future that the country is embarking upon.





The Road So Far

Sustained Growth in Asset Base

Consistent Asset Addition to Portfolio Indicating a Strong Operational and Execution Capability

		Annual Addition of Operational Assets								MBHPL ²
		Denotes projects that have become operational in that year								
								SUTPL	SUTPL	SUTPL
								RPTPL	RPTPL	RPTPL
								MBCPNL ²	MBCPNL ²	MBCPNL ²
						BHTPL	BHTPL	BHTPL	BHTPL	BHTPL
						HYTPL	HYTPL	HYTPL	HYTPL	HYTPL
					DPTL	DPTL	DPTL	DPTL	DPTL	DPTL
				NSEL	NSEL	NSEL	NSEL	NSEL	NSEL	NSEL
			AJTL	AJTL	AJTL	AJTL	AJTL	AJTL	AJTL	AJTL
		ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL
		FY 09	FY 10 ¹	FY 11	FY 12	FY 13	FY 14	FY 16	FY 17	FY 18
OPERATIONAL	Operational Assets	1	2	3	4	6	8	9	11	12
	Lane km	305	569	680	1,035	1,566	1,890	2,207	2,951	3,338
	Project Cost (in INR Bn)	5	8	12	26	45	71	82	102	110

Notes

1. The company had divested its stake in Mumbai Nasik Expressway Limited (MNEL) in FY16. The same has not been included above.
2. MBCPNL had 6, 9, 13, 16 and 18 check posts operational in FY14, FY15, FY16, FY17 and FY18 respectively.
3. Stake in Annuity 2 is currently owned by SEL.



Corporate Information

“ Project execution takes teamwork, groundwork and a lot of hard work. ”

Mr. Vishnubhai M. Patel
Chairman Emeritus



BOARD OF DIRECTORS



Mr. Shashin V. Patel
Chairman &
Non-Executive Director



Mr. Vasistha C. Patel
Managing Director



Mr. Nitin R. Patel
Non-Executive Director



Mr. Sandip V. Patel
Independent Director



Mr. Atul N. Ruparel
Independent Director



Mr. Arun S. Patel
Independent Director



Mr. Mirat N. Bhadlawala
Independent Director



Mrs. Daksha N. Shah
Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Sandip V. Patel
Chairman

Mr. Arun S. Patel
Member

Mr. Nitin R. Patel
Member

Nomination and Remuneration Committee

Mr. Atul N. Ruparel
Chairman

Mr. Mirat N. Bhadlawala
Member

Mr. Shashin V. Patel
Member

Stakeholders Relationship Committee

Mr. Nitin R. Patel
Chairman

Mr. Vasistha C. Patel
Member

Mr. Arun S. Patel
Member

Mr. Sandip V. Patel
Member

Finance and Investment Committee

Mr. Shashin V. Patel
Chairman

Mr. Vasistha C. Patel
Member

Mr. Nitin R. Patel
Member

Mr. Arun S. Patel
Member

Corporate Social Responsibility Committee

Mr. Vasistha C. Patel
Chairman

Mr. Nitin R. Patel
Member

Mr. Sandip V. Patel
Member

Mr. Atul N. Ruparel
Member

BANKERS

IDBI Bank

Union Bank of India

ICICI Bank

COMPANY SECRETARY

Mr. Hardik Modi

CHIEF FINANCIAL OFFICER

Mr. Varun Mehta

STATUTORY AUDITORS

M/s. Manubhai & Shah LLP

M/s. S R B C & Co. LLP

REGISTERED OFFICE

“Sadbhav House”,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006.
Website: www.sadbhavinfra.co.in

CIN: L45202GJ2007PLC049808

CORPORATE OFFICE

“Sadbhav”, Nr. Havmor Restaurant,
B/h. Navrangpura Bus Stand,
Navrangpura,
Ahmedabad - 380009.

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083.



Message From Chairman



Company's consolidated cash profits has increased from ₹ 1,917 mn in FY17 to ₹ 2,799 mn in FY18.

“ Bridging the socio-economic divide within the country while bridging the physical divide is a road ahead for us to build sustainable tomorrow.

”

Dear Stakeholders,

Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited (SEL) has been scaling new heights by its exemplary performance year over year and surpassing own landmarks. SIPL has been thriving upon its competencies gained over the years since its inception in the areas of the development, operation and maintenance of highways, roads and other relative aspects. SIPL is a young organization with just a decade since its incorporation and also with average age of its employees at 31 years, SIPL is eagerly waiting to contribute towards nation building. It took your company 9 years (2008 to 2016) to complete the 11 operational projects, however with increase in its scale of operations and zeal to grow, your company is poised to complete 12 under-construction projects in next 3 years. Your company's DNA is to do prudent bidding with focus on reasonable but sustainable returns and we would continue to bid in similar manner as done in past.



SIPL is a listed road and highways Built, Operate and Transfer (BOT) Company with a portfolio of 23 projects which consists of 10 BOT (Toll) projects (9 are operational and 1 is partially operational), 1 operational BOT (Annuity) project and 12 Hybrid Annuity Mode (HAM) under-construction projects. Total project cost involving the projects (including under construction) of approximately ₹ 219 bn (Lane km of operational projects are 3,338, lane km of under construction projects are 2,457 and total project cost of operational projects are ₹ 110 bn and total project cost of under construction projects are ₹ 119 bn). Eight out of 11 operational projects have credit rating of A- or above. With an average residual life of 15 years, SIPL's entire portfolio of current BOT projects exhibits a stability of revenue.

SIPL has charted an upward route for itself by expanding under selectively diversified portfolio located in high growth states of India (Haryana,

Rajasthan, Gujarat, Maharashtra, Karnataka, and Telngana) and other important corridors, simultaneously creating a value for its investors. Apart from a fabulous track record of timely completion of projects, your Company also enjoys the benefit of being an integrated structured with presence across the entire road sector value chain with strong finance, execution and toll collection and O&M capabilities.

As the macro-economic scenario across the world is fast-changing, infrastructure development sector has become core focus area. SIPL has posted substantial growth over previous year and has generated total revenue of ₹ 3,377.92 mn on standalone basis and net profit of ₹ 677.40 mn for the financial year ending March, 2018. With an unflinching commitment of creating high quality construction work alongside a provision for advisory and project management services for all its projects, SIPL seeks great advantage from over 30 years



of relationships established by SEL, our corporate promoter, with its record execution of projects in the construction activities in transport, mining and irrigation sectors.

Scaling new heights has been achieved due to unwavering commitment of our management and employees to innovate and augment all our processes, skills and operations. In all our endeavours, we try to follow our vision and mission with an equal emphasis on values like transparency, accountability and equity which are intrinsic to our culture.

We have created a congenial internal environment that provides ample opportunities of growth to an individual and opportunities to enhance one's skills. This has resulted in passion, perfection and progressive outlook of employees to achieve goals set for them.

We engage with all our internal and external stakeholders through different communication mediums and make all efforts to understand and

map their expectations. This helps us to bridge the gap by taking necessary initiatives and make our bond stronger.

I hereby take this opportunity to thank all our stakeholders on behalf of Board of Directors for their continued patronage and making our endeavour successful. I also appreciate all our clients, shareholders, financiers for endorsing our growth strategies and motivating us to achieve what we have envisioned. I assure you that SIPL will leave no stone unturned to reach new echelons of success and add value to your investment in our Company. We at SIPL are committed to usher in the better future for the Company.

Regards,



Shashin V. Patel
Chairman

