

Catalysing Infrastructural
Growth of the Nation

14TH ANNUAL REPORT 2019-20

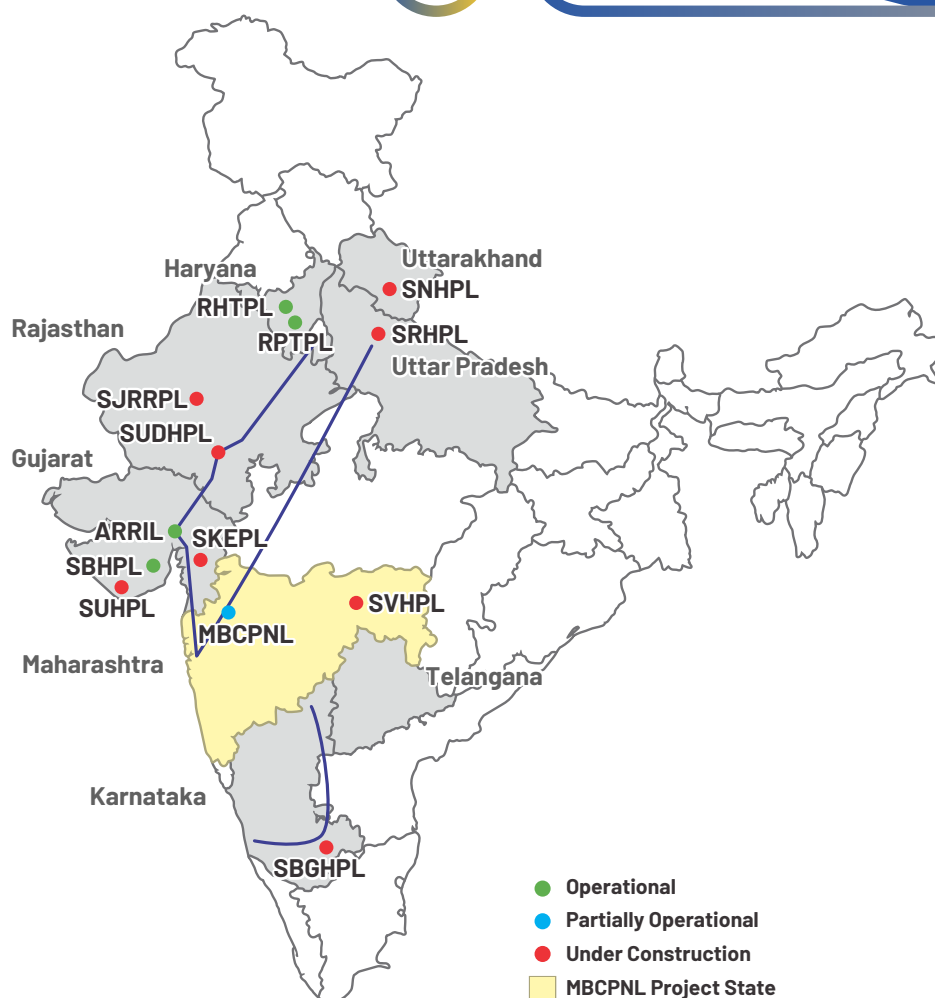
Sadbhav Infrastructure Project Limited



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India





Late Shri Vishnubhai M. Patel

27 January, 1942 – 25 December, 2018
Founder and Former Chairman
Sadbhav Infrastructure Project Ltd.

Road that you showed,
Zenith that you conquered.

Vision that you imparted,
Leadership that you illustrated.

Relationships that you nurtured,
Ethics that you embedded.

Care that you extended,
Generosity that you exemplified.
**will always be cherished
by all of us at Sadbhav.**





Catalysing Infrastructural Growth of the Nation

Infrastructural growth increases trade and transport and is a very important determinant for national trade expansion and sustained growth. Sadbhav Infrastructure Project Limited (SIPL) is catalysing the infrastructure growth of the nation through its superlative services and taking our clients' experiences to a new zenith. In this rewarding transit during the year from accomplishments to the excellence, SIPL has successfully achieved the Net Profit of ₹ 3766.18 million for the year and is looking forward to be part of larger picture foreseen by the Sadbhav Group in times to come.

Serving the Rising Infrastructure Needs of the Nation

The Indian economy is expanding significantly and substantial investment in infrastructure continues to be required in order to sustain India's economic progress. The country's capacity to absorb and benefit from new technology and industries depends on the availability, quality and efficiency of more basic forms of infrastructure including energy, water and land transportation. Major infrastructure

development requires a substantial influx of investment capital.

The policies of the Indian Government seek to encourage investments in domestic infrastructure from both local and foreign private capital and it also sets and monitors targets every year to fast pace the infrastructure growth. Construction projects account for a substantial portion of the proposed investments, making the EPC sector one of the biggest beneficiaries of the infrastructure boom in India. Private sector participation is integral to these plans. PPPs have been identified as the most suitable mode for the implementation of projects.

The Government of India has given massive push to all forms of connectivity infrastructure through Pradhan Mantri Gram Sadak Yojana, Industrial Corridors, dedicated freight corridors, Bharatmala and Sagarmala Projects etc. India has second largest road networks in the world, spanning a total of 58.98 Lakh Kms. Out of this, around 1.14 Lakh Km are the National Highways.



Significantly, NHs constitute approximately 2% of the Country's travel network but carry almost 40 % of the traffic.

MoRTH is planning to construct around 60,000 kms of National Highways in next five years. Salient features of the Government's infrastructure development programmes include implementation of important projects and expressways, focus on smooth traffic movement and enhancement of logistics efficiency through multi-modal integration, focus on Road Safety, increasing use of information technology applications, initiatives related to augmentation of existing funding resources and emphasis on green initiatives.

Sadbhav Infrastructure Project Limited has been a progressive company serving the rising infrastructure needs of the nation since its inception. SIPL is the subsidiary of Sadbhav Engineering Limited (SEL) and has signed an ROFO agreement with IndInfravit Trust, the infrastructure investment trust (InvIT) floated by L&T Infrastructure Development Projects during

the year. During the year, SIPL has sold its 100% stakes of eight operational road assets. Under this agreement, SIPL retains the maintenance contract for all these projects worth ₹ 4000 Crores. Board of SEL and SIPL have also approved the Scheme of Merger of SIPL into SEL on October 19, 2019 to consolidate business operations.





Operating Assets

(₹ in Million)

Particulars	ARRIL ¹	RPTPL	MBCPNL	RHTPL
Current Stake	99.99%	99.99%	89.53% ²	99.99%
Project Type	Toll	Toll	Service Fee	Toll
State	Gujarat	Haryana	Maharashtra	Haryana
JV Partner	N.A.	N.A	SREI Infra, SREI Sahaj e-village Limited, DTCPL	N.A
Client	AUDA	NHAI	Govt. of Maha.	NHAI
Lane km	305.4	323.4	24 Border CPs	395.2
Concession Start	1-Jan-07	18-Apr-11	5-May-09	26-Dec-13
Original Concession (yrs)	20 Y	25 Y	24 Y 6 M	22 Y
PCOD/COD	30-May-08	6-Jan-14	Diff. for all CPs	30-Jul-16
Residual Life (Yrs/Months)	6 Y 9 M	16 Y 0 M	13 Y 7 M	15 Y 9 M
Revenue Sharing	Grant	Annual Premium	Upfront Premium	Grant
Project Cost	5,435	11,610	16,639	12,716
Total Equity + Subdebt of SIPL	1,036	4,906	4,926	3,001
Debt Outstanding	1,403	9,054	11,116	9,354

Notes

- Share purchase agreement (SPA) has been signed for stake transfer of 100% stake from SIPL to Indinfravit Trust
- Share purchase agreement (SPA) has been signed for stake transfer of 10.0% stake from Srei group and of 0.47% stake from D.Thakkar Construction Private Ltd (DTCPL) to SIPL.

9 HAM projects

(₹ in Million)

Particulars	SRHPL	SNHPL	SBHPL	SUHPL	SUDHPL
Current Stake	99.99%	99.99%	99.99%	99.99%	99.99%
Project Type (Pavement)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)
State	Uttar Pradesh	Uttarakhand	Gujarat	Gujarat	Rajasthan
Client	NHAI	NHAI	NHAI	NHAI	NHAI
Lane kms	173.8	199.1	192.2	163.8	143.3
Concession Start	31-Mar-17	28-Oct-17	7-Feb-17	9-Feb-17	30-Nov-17
Original Concession (yrs)	17 Y	17 Y	17 Y 6 M	17 Y 6 M	17 Y
Total Project Cost	7,380	6,570	8,190	6,230	8,910
Total Equity + Subdebt of SIPL invested	929	511	638	342	1,000
Debt drawn down	2,203	1,480	3,234	1,778	3,850
Balance Equity + Subdebt to be invested	-	277	344	405	80
Balance Debt to be drawn down	1,340	1,674	697	1,213	416
1 st year O&M	75.6	90	105	84.5	30

(₹ in Million)

Particulars	SBGHPL	SVHPL	SJRRPL	SKEPL
Current Stake	99.99%	99.99%	99.99%	99.99%
Project Type (Pavement)	HAM (Flexible)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)
State	Karnataka	Maharashtra	Rajasthan	Gujarat
Client	NHAI	NHAI	NHAI	NHAI
Lane kms	341.8	267.5	298.5	196.6
Concession Start	21-Aug-17	21-May-17	14-Dec-18	1-Nov-19
Original Concession (yrs)	17 Y	17 Y 6 M	17 Y	17 Y
Total Project Cost	10,080	10,710	11,060	14,040
Total Equity + Subdebt of SIPL invested	1,208	1,047	472	67
Debt drawn down	4,338	3,691	-	-
Balance Equity + Subdebt to be invested	-	237	855	1,757
Balance Debt to be drawn down	500	1,450	5,309	6,600
1 st year O&M	315	66.6	35	63



Corporate Information

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
(up to May 25, 2020)



Mr. Arun S. Patel
Independent Director



Mr. Mirat N. Bhadlawala
Independent Director
(up to January 05, 2020)



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. Arun S. Patel

Chairman

(w.e.f. July 06, 2020)

Mr. Sandip V. Patel

(Member)

(w.e.f. February 12, 2020)

Mr. Atul N. Ruparel

(Member)

(up to May 25, 2020)

Mr. Mirat N. Bhadlawala

Member

(up to January 05, 2020)

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

(up to May 25, 2020)

BANKERS

IDBI Bank

Union Bank of India

COMPANY SECRETARY

Mr. Hardik Modi

CHIEF FINANCIAL OFFICER

Mr. Varun Mehta

STATUTORY AUDITORS

M/s. SRBC & Co. LLP

M/s. S G D G & Associates LLP

REGISTERED OFFICE

"Sadbhav House",

Opp. Law Garden Police Chowki,

Ellisbridge,

Ahmedabad - 380006.

Web: 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.





“Leadership is about transcending values. We believe that a leader has to outdo in taking organizational values to the highest and most inclusive or holistic levels of human consciousness.”

Message From Chairman

Dear Stakeholders,

I am happy to say that during 2019-2020 your Company has completed one of the landmark transactions in the roads and highways industry by completing sale of stake in 8 operational assets for an equity value of ₹ 2,364 Crs. As against this, Company has received 10% stake in IndInfravit Trust and Rs. 1641 Crs in cash. Company is in the process of completing stake sale in 1 more operational project. Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited (SEL) has been thriving upon its competencies gained over the years since its inception. SIPL has been one of the key contributors in infrastructure sector, dedicated for the nation building and playing an important role in the development, operation and maintenance of highways, roads and other service infrastructure. SIPL has completed the entire lifecycle (i.e. Bidding,

Financial Closure, Construction, Toll Collection, O&M, Refinancing and selling of stake) of road projects by completing sale of stake in 8 operational assets. Company shall follow the strategy of churning of the assets once the projects have reached mature stage. Economic environment has changed in last year due to various setbacks in the country however your Company has withstand all those hurdles and has emerged much stronger.

After stake sale of 8 operational assets, SIPL is having portfolio of 13 projects that consists of 4 operational BOT (Toll) projects, 9 under construction Hybrid Annuity Mode (“HAM”) projects. Total project cost of all the projects (including under construction) is approximately INR 129 billions.

This year’s financials reflect SIPL’s paradigm shift to become a lean organization through stake sale and transfer of 8 assets to IndInfravit Trust. While the pandemic impacted the overall economy, your Company was successful in managing the challenges astutely and does not foresee any long term impact. The government