

SERVING  
THE RISING  
INFRASTRUCTURE  
NEEDS OF  
THE NATION

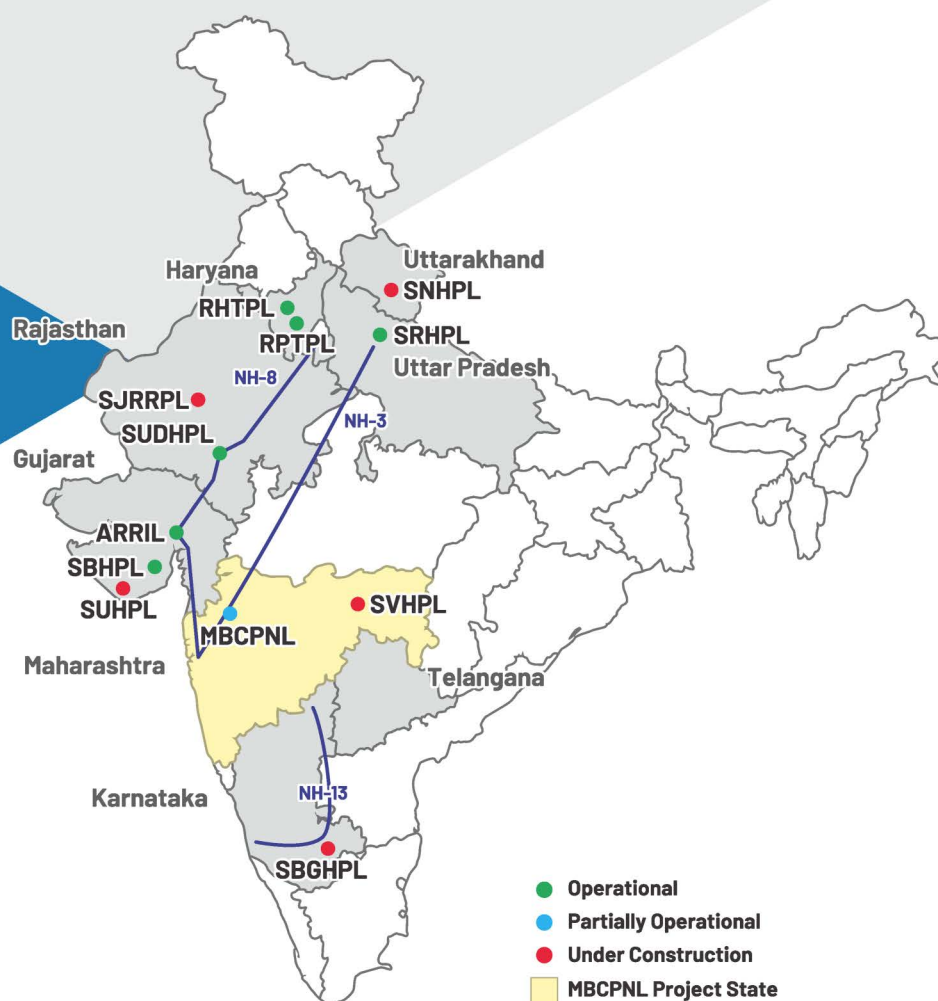
# 15<sup>th</sup> Annual Report 2020-21

Sadbhav Infrastructure Project Limited

## Contents

Serving The Rising Infrastructure Needs of The Nation	02
Corporate Information	03
Message from Chairman	04
Message from Managing Director	06
Financial Highlights	08
Notice	09
Directors' Report	16
Report on Corporate Governance	41
Management Discussion & Analysis	57
Independent Auditor's Report	61
Financial Statements	69
Consolidated Financial Statements	113

## India





**Late Shri Vishnubhai M. Patel**  
27 January, 1942 – 25 December, 2018  
Founder and Former Chairman  
Sadbhav Infrastructure Project Ltd.

Build a bridge that  
connects aspirations to fulfilment.

Create a road that  
takes one from hardships to prosperity.

Construct a canal that  
nourish the deprived lands to burgeon.

Instil Sadbhav in people such that  
they transmute today for tomorrow.





# Serving The Rising Infrastructure Needs of The Nation

As the Indian economy has become the fifth largest in the world and is growing further to reach new heights, the need of resources and connectivity in timely manner are also vital for its growth. Not only the construction of roads and bridges is important but managing these assets also require special expertise. Sadbhav Infrastructure Project Limited is an asset holding company for road and other Infrastructure BOT and Hybrid Annuity Models (HAM) projects. SIPL has been developing, operating and doing maintenance of road infrastructure assets to serve the rising infrastructure needs of the nation. SIPL undertakes turnkey contractual works, other than civil construction, of the projects.

Indian road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY21. The second-largest road network in the world, spanning a total of 5.89 million kilometres (kms). The integration of the latest technology in highway construction is continuously contributing to futuristic infrastructure developments in the country.

The Indian infrastructure sector has shown remarkable growth even during a crucial time like the COVID-19 pandemic. Also, during the unlock process of the lockdown, infrastructure and construction was the first economic activity to resume in the country. Clean energy and green initiatives for infrastructure development have given a much-needed push to the sector's growth. While Covid had severely impacted the entire world, SIPL operations were also impacted. However, SIPL being a responsible corporate citizen followed Covid protocols in compliance with the regulations of the local authorities and directives issued by Ministry of Road Transport & Highways (MoRTH)/ National Highway Authority of India (NHAI), and guidelines issued by MHA about commercial and private establishment in the wake of COVID-19.

To strengthen the transportation sector, the government has announced several initiatives to have a remarkable impact on the country's infrastructure. Considering the country's ongoing scenario, the government announced its plans to allocate Rs. 233,083 crore (US\$ 32.02 billion) to give a massive push to the sector and enhance transport infrastructure.

The total expenditure on the Ministry of Road Transport and Highways for 2021-22 is estimated at Rs 1,18,101 crore. This is an annual increase of 23% over the actual expenditure for 2019-20. In 2021-22, capital expenditure is estimated at Rs 1,08,230 crore while revenue expenditure is estimated at Rs 9,871 crore. In 2021-22, of the total expenditure, the highest allocation is towards roads and bridges at Rs 60,261 crore (51%). This is followed by allocation towards NHAI at Rs 57,350 crore (48.6%).

SIPL is one of the leading BOT and HAM Companies in the Country and SIPL's project portfolio consists of 4 BOT projects including Border Check Post project in Maharashtra, while the remaining 9 are Hybrid Annuity projects. Of the 9 Hybrid Annuity Projects 3 projects are operational having achieved Provisional Completion Date and remaining 6 projects are under various stages of completion.

At SIPL, we have been ensuring the superior end-user experience across all the assets we hold and serving the rising infrastructure needs of the country.

# 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. Arun S. Patel**  
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. Arun S. Patel**

Chairman

**Mr. Sandip V. Patel**

Member

**Mr. Shashin V. Patel**

Member

### Shareholder / Investor Grievance / Stakeholder 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. Vasistha C. Patel**

Member

**Mr. Shashin Patel**

Member

**Mr. Nitin Patel**

Member

**Mr. Arun Patel**

Member

### Corporate Social Responsibility Committee

**Mr. Vasistha C. Patel**

Chairman

**Mr. Nitin R. Patel**

Member

**Mr. Sandip V. Patel**

Member

## BANKERS

IDBI Bank

Union Bank of India

## COMPANY SECRETARY

**Mr. Hardik Modi**

## CHIEF FINANCIAL OFFICER

**Mr. Pradip Agarwal**

## STATUTORY AUDITORS

**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](http://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

### **Dear Stakeholders,**

My warm greetings to all of you. I hope you and your loved ones are safe and in good health.

During the Financial year 2020-21, the rapid spread of COVID-19 pandemic led to an alarming loss of human lives worldwide and unprecedented adverse impact on businesses across the globe. Countrywide lockdown was imposed in India on March 24, 2020, which continued for the entire this financial year.

Sadbhav Infrastructure Project Limited (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 and half due to various setbacks in the country however your Company has witnessed all those hurdles and has emerged as a much stronger player during these times.

After stake sale of 8 operational assets, SIPL is having portfolio of 13 projects that consists of 4 operational BOT (Toll) projects, 9 Hybrid Annuity Mode ("HAM") projects.

The Government has also been mindful of stretched liquidity of developers in these turbulent times due to persistent lockdown and reduced traffic numbers -and has accordingly provided support in the form of Moratorium extended by RBI and COVID loan extended by NHAI for mitigating cash losses. To compensate revenue loss due to the pandemic, Finance Ministry has notified a scheme for extension of the concession period by a minimum of 90 and



are eligible for 90 days extension in concession period for most of the projects.

This year's financials reflect SIPL's paradigm shift to become a lean organization post 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. These government initiatives are expected to make the COVID impact NPV neutral. Your Company has meticulously planned and used each of these options selectively – to conserve cash and shore up liquidity on books.

Your Company has been focusing on training and development of its employees. We have created a cohesive internal culture, provide equal opportunity of growth to all the employees and provide the perks and remunerations matching the industry standards and statute. Our internal SOPs have been aligned keeping in view safety, health and environment norms. Your Company keeps on enhancing efficiency by utilizing advanced technologies. We are committed to

take continuous steps for improvement in the bottom line of the Company.

Stakeholder engagement with all the stakeholders through various means available is the important aspect of your Company's sustainability strategy. We invite to give your feedback so as to consider it and improve our processes and performance continuously.

I am thankful to all the shareholders, customers, government authorities, financiers, suppliers, vendors, employees and community at a large for supporting us in serving the nation. On behalf of the board of directors, I assure you that your company will continue to strive and remain focused on creating more value for all. I would like to thank the entire team at SIPL for their untiring efforts and persistent commitment to achieve the high goals we have set.

Regards,

*Su Patel*

Shashin V. Patel  
Chairman





## Managing Director's Message

### **Dear Stakeholders,**

I am once again delighted to report to you a promising year.

During the year, your company has consolidated its operations and has coursed strategic maneuvering.

At standalone level, your Company has reported the Revenue from Operations amounting to Rs. 1,927.55 million as against Rs. 1,817.67 million in the previous year. The Net Profit for the year was Rs. 28.93 million as against Rs. 3,766.18 million reported in the previous year.

The Consolidated Revenue from Operations was Rs. 12807.88 million as against Rs. 22,704.03 during the previous year. The Consolidated Net Loss was Rs. 2,783.00million as against Profit of Rs. 10,293.62 million in previous year.

Your company has made debt tie-ups for 9 HAM projects and also has received the Appointed Date.,During the year Company has signed Debenture Trust Deed of Rs. 7000 Million, out of which Rs. 5500 Million is raised so far so as to meet its Balance Capital Commitments of under construction HAM projects. Company is also in planning to further deleverage the balance sheet in the current financial year by way of taking various steps; as a part of which 7% Units of Ind-Infravit Trust held by the company, has been divested

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 Company's management has made initial assessment of likely adverse impact on business 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 used corroborative information. As on current 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, 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.

### Way Forward

With a stable Government at the central level, we expect Government of India to continue its focus on roads and highways segment similar to what, we have seen in the last tenure of this Government. Due to COVID-19 pandemic, government has also given relaxations in timelines for completion of projects. In the coming years, we would concentrate more on monetization of assets, completion of under-construction projects and deleveraging the debt.

With this, I would like to heartily thank for the support and confidence extended to the Management.

I hereby reiterate our resolute commitment to all our shareholders that your Company will relentlessly pursue its goal to deliver you the sustainable returns.

Regards,

Vasistha C. Patel  
Managing Director





## Financial Highlights

(INR in Million)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover	1,927.55	1,817.67	2,950.27	3,377.92	2854.45
Total Income	2,040.04	2,584.20	3,680.16	3,847.50	3137.11
Depreciation	0.24	0.59	0.96	4.12	6.88
Interest (Finance Cost)	1,276.44	2,132.91	1,748.51	1,634.20	1294.99
Exceptional Items	430.51	6,198.05	-152.95	-	-
Profit After Tax	218.93	3,766.18	565.44	677.40	411.57
Equity Dividend %	0.00	0.00	0.5%	0.5%	0.00
Dividend Payout	0.00	0.00	176.11	176.11	0.00
Equity Share Capital	3,522.25	3,522.25	3,522.25	3,522.25	3522.25
Other equity	14,708.52	14,490.85	10,851.50	10,497.23	9905.04
Net worth	18,230.77	18,013.10	14,373.75	14,019.48	13427.29
Total Assets	30,941.32	30,314.29	34,176.46	31,122.17	27765.40
Total Debt (Loan Fund)	5,289.47	7,945.03	14732.61	12,376.50	12654.38
Earning Per Share (in Rs.)	0.62	10.69	1.61	1.92	1.17
Book Value Per Share (in Rs.)	51.76	51.14	40.81	39.80	38.12