

Ref: SEL/2020-21/23

September 02, 2020

To,
The Dy Gen Manager
Corporate Relationship Dept
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001

Equity Scrip Code:532710

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Fax : 022-26598237-38

Equity Scrip Name: SADBHAV

**Sub: Outcome of the Meeting of the Board of Directors of the Company held on
2nd September, 2020**

Dear Sir/ Madam,

In compliance to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), this is to inform you that the meeting of Board of Directors was held on today i.e. Wednesday, September 02, 2020 at 11.00 a.m. and concluded at 2.15 p.m., the following matters are inter alia approved and adopted by the Board of Directors:

1. Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, the Standalone and Consolidated Unaudited Financial Results for the quarter ended on June 30, 2020. The copy of the said results along with Limited Review Report submitted by the Statutory Auditors of the Company are also enclosed herewith.
2. The Board has re-appointed Mrs. Purvi S. Patel as an Independent Director of the Company for a second term of 5 (five) consecutive years i.e. from September 02, 2020 to September 01, 2025, and who holds office up to the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2025, subject to approval of shareholders in ensuing Annual General Meeting of the Company.

The details required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in the enclosed "Annexure - A".

3. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis in one or more tranches within overall borrowing limits of the Company, subject to approval of shareholders in ensuing Annual General Meeting of the Company.
4. The 31st Annual General Meeting (AGM) of the Company will be held on Tuesday, September 29, 2020 at 3.30 p.m. through Video Conference("VC") / Other Audio Visual Means ("OAVM").
5. Members of the Company, holding shares either in physical form or in dematerialized form, as on August 28, 2020, (cutoff date), shall be entitled for receiving of Notice of AGM and Annual Report for the period 2019-20.

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC01182



6. Register of Members and Share Transfer Books of Company shall remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of 31st Annual General Meeting.
7. The remote e-voting period will commence on Saturday, September 26, 2020 @9.00 a.m. and would end on Monday, September 28, 2020 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 22, 2020 (cutoff date for e-voting), may cast their vote through remote e-voting. Those Members, who shall be present in the AGM through VC/OAVM facility and had not cast their votes on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
8. Appointment of Mr. Ravi Kapoor, Practicing Company Secretary as scrutinizer for conducting the e-voting process in 31st Annual General Meeting of the Company.
9. Reconstitution of various Committees of the Company. **(Annexure - B)**

You are requested to take the above on your record.

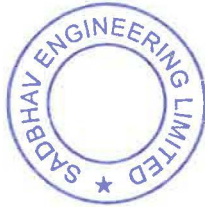
Thanking you.

Yours truly,

For Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216

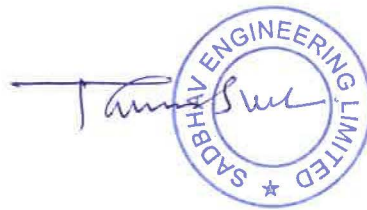


Encl: As Above

Annexure – A

Disclosure Pursuant to Regulation 30 of SEBI (Listing Regulations and Disclosures Requirements) Regulations, 2015 relating to re-appointment of Independent Directors

Sr. No.	Details of events that need to be Provided	Mrs. Purvi S. Parikh
1	Reason for change viz. appointment, resignation, removal, death or otherwise	The present term of Mrs. Purvi S. Parikh as an Independent Director expires on this 31st Annual General Meeting. She has been re-appointed for further five years.
2	Date of appointment/ cessation (as applicable) & term of appointment	Mrs. Purvi S. Parikh has been re-appointed as an Independent Director of the Company in the Board Meeting held today (i.e. September 02, 2020) subject to approval of shareholders in ensuing Annual General Meeting of the Company. She has been re-appointed for a period a second term of 5 (five) consecutive years i.e. from September 02, 2020 to September 01, 2025, and who holds office up to the conclusion of the 36 th Annual General Meeting of the Company in the calendar year 2025.
3	Brief profile (in case of appointment)	She is practicing chartered accountant and having vast experience in Finance and Accounts, Management Assurance in diverse industries.
4	Disclosure of relationships between directors (in case of appointment of a director)	Not applicable.



The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text "SADBHAV ENGINEERING LIMITED" around the perimeter and a small star symbol at the bottom.

Annexure - B

Reconstitution of the following Committees of the Board of the Company:

This is to inform you that the Board of Directors have approved and reconstituted the following Committees of the Board :

- a) Reconstitution of Stakeholders Relationship Committee by inducting Dr. Tarang M. Desai, Independent Director as new Member of the Committee.


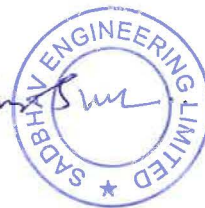
Post reconstitution, the composition of the Stakeholders Relationship Committee shall be as under:

Sr. No.	Name of Director	Category	Status
1.	Mr. Arun S. Patel	Independent Director	Chairman
2.	Mr. Sandip V. Patel	Independent Director	Member
3.	Mr. Nitin R. Patel	Executive Director	Member
4.	Dr. Tarang M. Desai	Independent Director	Member

- b) Reconstitution of the Audit Committee by inducting Mrs. Purvi S. Parikh, Independent Director as new Member of the Committee in place of Dr. Tarang M. Desai, Independent Director of the Company.

Post reconstitution, the composition of the Audit Committee shall be as under:

Sr. No.	Name of Director	Category	Status
1.	Mr. Sandip V. Patel	Independent Director	Chairman
2.	Mr. Arun S. Patel	Independent Director	Member
3.	Mr. Nitin R. Patel	Executive Director	Member
4.	Mrs. Purvi S. Parikh	Independent Director	Member

SADBHAV ENGINEERING LIMITED

CIN NO.: L45400GJ1988PLC011322

Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat

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UNAUDITED FINANCIAL RESULTS (STAND ALONE) FOR THE QUARTER ENDED 30TH JUNE, 2020

(Rs.in Lakhs except for Share data)

Sr. No.	Particulars	Quarter ended 30/06/2020 (Unaudited)	Quarter ended 30/06/2019 (Unaudited)	Quarter ended 31/03/2020 (Audited) (Refer note 3)	Year ended 31/03/2020 (Audited)
1	Revenue From operations	22969.03	83764.49	40886.92	225166.02
2	Other income	137.46	413.66	410.40	2222.46
3	Total Income (1+2)	23106.49	84178.15	41297.32	227388.48
4	Expenses				
	Construction Expenses	17443.15	67387.96	28456.73	173502.43
	Changes in inventories of Finished Goods, stock in trade and work in progress	0.00	0.00	0.00	0.00
	Employeee benefits expenses	2569.03	4204.68	3181.11	14715.31
	Finance costs (Refer Note No. 4)	2397.86	2730.70	2944.22	10049.47
	Depreciation and amortization expenses	2494.43	2801.10	2596.47	10844.88
	Other expenses	1011.75	1713.08	4204.56	9002.89
	Total Expenses	25916.22	78837.52	41383.09	218114.98
5	Profit before exceptional Items and tax (3-4)	(2,809.73)	5340.63	(85.77)	9273.50
6	Exceptional Items (Refer Note No.8)	0	0	1701.44	1701.44
7	Profit before tax (5+6)	(2,809.73)	5340.63	1615.67	10974.94
8	(1) Tax Expense	0.00	1370.37	752.24	3,621.74
	(2) Deferred Tax	(151.75)	23.82	45.30	(1,162.30)
9	Profit for the Period/Year (7-8)	(2,657.98)	3,946.44	818.13	8515.50
10	Other Comprehensive Income (OCI)				
	A.(i) Items that will not be reclassified to profit or loss				
	Re-measurement gains/(losses) on defined benefit plans	-	(8.03)	202.16	334.49
11	Total comprehensive Income (9+10)	(2,657.98)	3938.41	1020.29	8849.99
12	Paid up equity share capital (Re.1/-each)	1715.71	1715.71	1715.71	1715.71
13	Other Equity excluding Revaluation Reserves	-	-	-	208682.77
14	Basic EPS (Rs.) before extra ordinary items (*not annualized)	-1.55*	2.3*	0.48*	4.96
15	Diluted EPS (Rs.) before extra ordinary items (*not annualized)	-1.55*	2.3*	0.48*	4.96



Sadbhav Engineering Limited

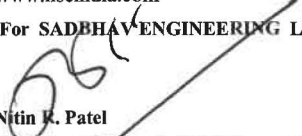
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Notes :

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their meeting held on September 02, 2020.
- 2 In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 3 The figures for the quarter ended March 31, 2020 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the unaudited published year to date figures up to third quarter ended December 31, 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 4 Total Interest paid amounting to Rs 4067.61 Lakhs (Rs.5011.23 Lakhs) has been net off by Rs.1370.16 Lakhs (Rs.2280.53 Lakhs) towards the interest received on the loans given to subsidiaries.
- 5 Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by taking lower useful life compared to useful life prescribed under schedule II of the Companies Act, 2013, hence depreciation charged for the quarter ended on 30/06/2020 is increased by Rs. 255.89 Lakhs (Rs. 281.22 Lakhs).
- 6 The segment reporting is in accordance with its internal financial reports derived from ERP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 7 The Company has not elected to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and has continued making provision for income tax at the existing tax rates for the quarter ended 30th June, 2020.
- 8 During the previous financial year, pursuant to the definitive share purchase agreement dated July 1, 2019 between the Sadbhav infrastructure Project limited (SIPL), a subsidiary company with Indinfravit Trust, the entire equity shareholding in seven of its subsidiary companies and Mysore Bellary Highway Private Limited (MBHPL) (a subsidiary of the Company) have been transferred to Indinfravit Trust with effect from 14th Feb, 2020. This has resulted into profit of Rs. 1701.44 lakhs which has been disclosed as exceptional item.
- 9 The Company has received demand order from the Tehsildar, Savantwadi district, Maharashtra of Rs. 34,925.77 Lakhs on account of execution of "Insuli Check post" of Maharashtra Border Check Post project of the company through their back to back sub-contractor for matter relating to the period of FY 2008-09. Said subcontractor has received "No Dues Certificate" from the office of District Collector & District Magistrate, Sindhudurg on 07th July, 2017 for the said "Insuli check Post. The Company is strongly condemning the impugned Order which is devoid of having any merits and is against the order of the Honorable High Court, Mumbai. Hence said order has been challenged by the company before appropriate Appellate Tribunal and the company is confident of defending the case on merits.
- 10 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company and SIPL is in process of carrying out necessary procedure in this regards.
- 11 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.
- 12 The listed non-convertible debentures of the Company aggregating Rs.15,000.00 Lakhs outstanding as on June 30, 2020 which are secured by way of shares of Company's subsidiary. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 13 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
- 14 The above Financial Results are available on company's website www.sadbhaveng.com and on the websites of the stock exchange viz. www.bseindia.com and www.nseindia.com

For **SADBHAV ENGINEERING LTD.**


Nitin K. Patel
Executive Director & Chief Financial Officer
DIN:00466330
Place : Ahmedabad
Date : 02/09/2020





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

**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Sadbhav Engineering Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31st March, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter:

We draw attention to note 11 of the accompanying unaudited standalone financial results, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company.

Our conclusion is not modified in respect of this matter.



Place: Ahmedabad
Date: September 02, 2020

For, Dhirubhai Shah & Co LLP
Chartered Accountants
FRN: 102511W/W100298

Samip K. Shah.

Samip K Shah
Partner
Membership No: 128531
ICAI UDIN: 20128531AAAAAM7518

SADBHAV ENGINEERING LIMITED

CIN NO.: L45400GJ1988PLC011322

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UNAUDITED FINANCIAL RESULTS (CONSOLIDATED) FOR THE QUARTER ENDED 30TH JUNE, 2020

(Rs.in Lakhs except for Share data)

Sr. No.	Particulars	Quarter ended 30/06/2020 (Unaudited)	Quarter ended 30/06/2019 (Unaudited)	Quarter ended 31/03/2020 (Audited) (Refer note 2)	Year ended 31/03/2020 (Audited)
1	Revenue From operations	38364.92	123815.54	62947.25	348705.08
2	Other income	7278.26	10445.11	7602.54	37510.46
3	Total Income (1+2)	45643.18	134260.65	70549.79	386215.54
4	Expenses				
	Construction Expenses	24941.04	74510.41	32135.85	196929.29
	Operating Expenses	0.00	5754.80	0.00	
	Changes in inventories of Finished Goods, stock in trade and work in progress	0.00	0.00	0.00	0.00
	Employee benefits expenses	3267.73	5579.58	4135.51	19671.81
	Finance costs	23459.16	35812.70	31266.56	141083.41
	Depreciation and amortization expenses	4292.13	10536.10	8336.47	40118.08
	Other expenses	1744.25	3161.73	8661.26	17883.25
	Total Expenses	57704.31	135355.32	84535.65	415685.84
5	Profit before exceptional Items and tax (3-4)	(12,061.13)	(1,094.67)	(13,985.86)	(29,470.30)
6	Exceptional Items (Refer Note No.9)	0.00	0	150101.34	150101.34
7	Profit before tax (5-6)	(12,061.13)	(1,094.67)	1,36,115.48	120631.04
8	(1) Tax Expense	427.30	2245.37	2132.64	5,235.34
	(2) Deferred Tax	(142.85)	(267.78)	5,905.30	4,771.10
	(3) Adjustment for short or excess Provision of the previous year	-	(67.30)	-	-
9	Profit for the Period/Year from containing operations (7-8)	(12,345.58)	(3,004.96)	1,28,077.54	110,624.60
10	Net Profit /(Loss) for the period after taxes Before Non-controlling Interest	(12,345.58)	(3,004.96)	1,28,077.54	1,10,624.60
11	Other Comprehensive Income (OCI)	-	-	-	-
	A.(i) Items that will not be reclassified to profit or loss				
	Re-measurement gains/(losses) on defined benefit plans	-	(8.03)	204.36	336.69
12	Total Comprehensive Income for the Period/Year (10+11)	(12,345.58)	(3,012.99)	1,28,281.90	1,10,961.29
	Profit/ (Loss) for the period/year attributable to:				
	Owners of the Company	(9,412.22)	(806.53)	88,663.13	79,282.97
	Non-controlling Interest	(2,933.36)	(2,198.43)	39,414.31	31,341.63
13	Other Comprehensive Income for the period/year attributable to:				
	Owners of the Company	-	(8.03)	228.10	336.69
	Non-controlling Interest	-	-	(23.74)	-
14	Total Comprehensive Income for the period/year attributable to:				
	Owners of the Company	(9,412.22)	(814.56)	88,891.23	79,619.66
	Non-controlling Interest	(2,933.36)	(2,198.43)	39,390.57	31,341.63
	Total Income (including other comprehensive income)	(12,345.58)	(3,012.99)	1,28,281.80	1,10,961.29
15	Paid up equity share capital (Re. 1/-each)	1715.71	1715.71	1715.71	1715.71
16	Other Equity excluding Revaluation Reserves	-	-	-	158352.78
17	Basic EPS (Rs.) before extra ordinary items (*not annualized for the quarters)	-5.49*	-1.75*	51.68*	46.21
18	Diluted EPS (Rs.) before extra ordinary items (*not annualized for the quarters)	-5.49*	-1.75*	51.68*	46.21



Sadbhav Engineering Limited

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Notes :

- 1 The aforesaid unaudited consolidated financial results of Sadbhav Engineering Limited ('the Company') and its subsidiaries including step-down subsidiaries (together referred to as 'Group') for the quarter ended June 30, 2020 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on September 2, 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.
- 2 The consolidated figures for the quarter ended March 31, 2020 are balancing figure between the audited figures in respect of the full financial year upto 31st March, 2020 and the unaudited Year to date figures upto 31st December, 2019. The consolidated figures for the corresponding quarter ended 30th June, 2019 and for the quarter ended 31st March, 20120 are approved by the board of directors and have not been subjected to limited review by the auditors.
- 3 Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by taking lower useful life compared to useful life prescribed under schedule II of the Companies Act, 2013, hence depreciation charged for the quarter ended on 30/06/2019 is increased by Rs. 255.89 Lakhs (Rs. 281.22 Lakhs).
- 4 The segment reporting is in accordance with its internal financial reports derived from ERP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the Group has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 5 In case of Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the step down subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017. In this connection AUDA, relying on legal opinion, in its board meeting has passed resolution to assess claims and make payments as per
- 6 The revenue from operation includes revenue from construction contracts of INR 15,186.50 Lakhs, INR 16,381.70 Lakhs, INR 47023.80 Lakhs for quarter ended June 30, 2020, March 31, 2020, June 30, 2019 respectively and INR 1,07,084.40 Lakhs 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."
- 7 Maharashtra Border Check Post Network Limited ('MBCPNL') one of the step down 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 June 30, 2020 is INR 22,288.40 Lakhs (March 31, 2020 : INR 22,288.40 Lakhs). 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.
- 8 Operating expenses include provision for Periodic Major Maintenance of INR 498.30 Lakhs, INR 570.80 Lakhs, INR 2460.60 Lakhs for the quarter ended June 30, 2020, March 31, 2020, June 30, 2019 respectively, and INR 7535.90 Lakhs for the year ended March 31, 2020.
- 9 The exceptional item amounting to INR 1,50,101.34 Lakhs for the year ended March 31, 2020 was towards the profit on sale of entire equity shareholding in seven of its step down 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 the Company pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019
Further, The company is in process of meeting condition precedents mentioned in the agreement for one of the step down subsidiary i.e. Ahmedabad Ring Road Infrastructure Limited, which the company expects to achieve in due course.
- 10 The Group has carrying value of intangible assets of INR 2,61,770.90 Lakhs in its 2 step down 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 1,19,053.00 Lakhs 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 June 30, 2020 is considered necessary at this stage.
- 11 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 step down subsidiaries in the past and have further lodged claim amounting to INR 1,19,053.00 Lakhs during the previous year, the tenability of which, as per concession agreement, is backed up by a legal opinion. As mentioned in the note 5 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. Considering the above reasons, internal plan of revival and the continuing unconditional financial support offered to the SIPL bt the Company 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.

Sadbhav Engineering Limited

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- 12 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.
- 13 Key numbers of standalone financial results of the Company for the quarter and year ended are as under:-

Sr. No.	Particulars	Quarter ended			Year ended
		Quarter ended 30/06/2020 (Unaudited)	Quarter ended 30/06/2019 (Unaudited)	Quarter ended 31/03/2020 (Audited) (Refer note 2)	Year ended 31/03/2020 (Audited)
1	Income from operations	22,969.03	83,764.49	40,886.92	2,25,166.02
2	Profit before tax	(2,809.73)	5,340.63	1,615.67	10,974.94
3	Profit after tax	(2,657.98)	3,946.44	818.13	8,515.50
4	Total other comprehensive income for the period / year	(2,657.98)	3,938.41	1,020.29	8,849.99

- 14 The Company has received demand order from the Tehsildar, Savantwadi district, Maharashtra of Rs. 34,925.77 Lakhs on account of execution of "Insuli Check post" of Maharashtra Border Check Post project of the company through their back to back sub-contractor for matter relating to the period of FY 2008-09. Said subcontractor has received "No Dues Certificate" from the office of District Collector & District Magistrate, Sindhudurg on 07th July, 2017 for the said "Insuli check Post. The Company is strongly condemning the impugned Order which is devoid of having any merits and is against the order of the Honorable High Court, Mumbai. Hence said order has been challenged by the company before appropriate Appellate Tribunal and the company is confident of defending the case on merits.
- 15 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company and SIPL is in process of carrying out necessary procedure in this regards.
- 16 The listed non-convertible debentures of the Group aggregating Rs.50,000.00 Lakhs outstanding as on June 30, 2020 which are secured by way of shares of Company, certain subsidiaries and step down subsidiaries. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 17 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
- 18 The above Financial Results are available on company's website www.sadbhaveng.com and on the websites of the stock exchange viz. www.bseindia.com and www.nseindia.com

For **SADBHAV ENGINEERING LTD.**


Nitin R. Patel
Executive Director & Chief Financial Officer
DIN: 00466330
Place : Ahmedabad
Date : 02/09/2020





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

**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Sadbhav Engineering Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.



4. Attention is drawn to the fact that the figures for the 3 months ended 31st March, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. The Statement includes the financial results of following entities:

List of Subsidiaries:

1. Sadbhav Infrastructure Project Limited
2. Sadbhav Gadag Highway Private Limited

List of step-down subsidiaries:

1. Ahmedabad Ring Road Infrastructure Ltd
2. Maharashtra Border Check Post Network Ltd
3. Rohtak Panipat Tollway Private Ltd
4. Rohtak Hissar Tollway Private Ltd
5. Sadbhav Rudrapur Highway Private Limited
6. Sadbhav Una Highway Private Limited
7. Sadbhav Bhavnagar Highway Private Limited
8. Sadbhav Nainital Highway Private Limited
9. Sadbhav Bangalore Highway Private Limited
10. Sadbhav Vidarbha Highway Private Limited
11. Sadbhav Udaipur Highway Private Limited
12. Sadbhav Jodhpur Ring Road Private Limited
13. Sadbhav Tumkur Highway Private Limited
14. Sadbhav Vizag Port Road Private Limited
15. Sadbhav Kim Expressway Private Limited
16. Sadbhav Bhimasar Bhuj Highway Private Limited
17. Sadbhav Hybrid Annuity Project Limited

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor referred to in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to :

- a) Note 7 of the accompanying unaudited consolidated financial results in respect of accounting of Intangible Assets/ Intangible Assets under Development of INR. 22,288.40 lakhs under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a step down subsidiary company, based upon recommendation made by project lenders' engineers and technical experts appointed by project authorities. Pending final approval by the



Government of Maharashtra, no adjustments are considered necessary in these consolidated financial results.

- b) Note 10 of the accompanying unaudited consolidated financial results regarding net worth of 2 step-down subsidiary companies, which has eroded since the commencement of its commercial operations. However, Considering the claim of INR 1,19,053.00 Lakhs lodged backed by legal opinion obtained for tenability of such claim as per the concession agreement, management's internal plans of revival and future projections and on the basis of the reasons and other conditions mentioned in the aforesaid note, no provision for impairment of intangible assets has been made in the accompanying consolidated financial results.
- c) Note 12 that the accompanying unaudited consolidated financial results, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Group.

Our conclusion is not modified in respect of the above matters.

8. The consolidated financial result includes unaudited financial statements of 1 subsidiary and 3 step down subsidiaries whose financial statements reflects (before eliminating intercompany transactions) total revenue of INR Nil, total net loss after tax of INR 5.66 lakhs, total comprehensive loss of INR 5.66 lakhs for the quarter ended on June 30, 2020, as considered in the financial results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of these subsidiaries, is based on solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group". Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the financial information certified by the management.
9. We did not review the interim financial results and other financial information in respect of 1 subsidiary and 14 step-down subsidiaries, whose financial results/information reflects (before eliminating intercompany transactions) total revenue of INR 32,718.90 lakhs, total net loss after tax of INR 9,681.90 lakhs, total comprehensive loss of INR 9,681.90 lakhs for the quarter ended on June 30, 2020 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the management. Our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of such subsidiary is based solely on the report of other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of this matter.



Place: Ahmedabad
Date: September 02, 2020

For, Dhirubhai Shah & Co LLP
Chartered Accountants
FRN: 102511W/W100298

Samip K. Shah.

Samip K Shah
Partner
Membership No: 128531
ICAI UDIN: 20128531AAAAAL1011