

Ref: SEL/2022-23/110

November 14, 2022

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  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051

**Company Code: 532710 (BSE)**

**NSE Symbol: SADBHAV (NSE)**

Dear Sir / Madam,

**Sub: Outcome of the Meeting of the Board of Directors of the Company held on 14<sup>th</sup> November, 2022.**

With reference to above, we hereby inform that meeting of Board of Directors of the Company was held today (i.e. 14/11/2022), in which Board has *inter alia* approved and adopted the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended on 30<sup>th</sup> September, 2022.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the following:

- Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended on 30<sup>th</sup> September, 2022.
- Limited Review Report on Unaudited Financial Results of the Company for the quarter and half year ended on 30<sup>th</sup> September, 2022.

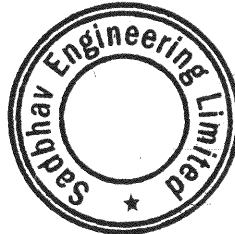
The meeting of Board of Directors commenced at 09.30 p.m. and concluded at 11.40 p.m.

You are requested to take the same on record.

Thanking you.

Yours truly,

**For Sadbhav Engineering Limited**



**Nitin R. Patel**

**Director**

**DIN: 00466330**

**Sadbhav Engineering Limited**

Regd Office: “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006T:+91 79 26463384 F:+91 79 26400210 E: [info@sadbhav.co.in](mailto:info@sadbhav.co.in) Web : [www.sadbhaveng.com](http://www.sadbhaveng.com) CIN: L45400GJ1988PLC011322

SADBHAV ENGINEERING LIMITED  
CIN NO.: L45400GJ1988PLC011322

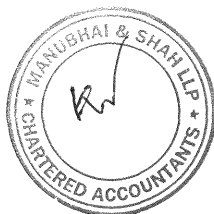
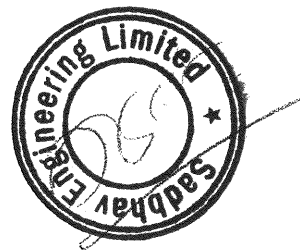
Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat

Tel:-9179 40400400, F:- 9179 40400444, Email:- selinfo@sadbhav.co.in, Website:-www.sadbhaveng.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Lakhs, except for earning per share)

	Particulars	Quarter ended			Half year ended		Year ended
		30/09/2022 (Unaudited)	30/06/2022 (Unaudited)	30/09/2021 (Unaudited)	30/09/2022 (Unaudited)	30/09/2021 (Unaudited)	31/03/2022 (Audited)
	<b>Income</b>						
1	Revenue from operations	21,453.83	27,016.80	26,248.35	48,470.63	52,531.84	122,623.66
2	Other income	2,300.57	1,740.67	3,610.71	4,041.24	5,555.89	9,634.19
3	<b>Total Income (1+2)</b>	<b>23,754.40</b>	<b>28,757.47</b>	<b>29,859.06</b>	<b>52,511.87</b>	<b>58,087.73</b>	<b>132,257.85</b>
4	<b>Expenses</b>						
	Cost of Material Consumed	4,902.16	2,820.85	5,105.28	7,723.01	10,085.17	21,013.35
	Construction Expenses	7,490.85	18,726.89	14,711.80	26,217.74	30,289.26	73,032.25
	Employee benefits expense	960.82	1,229.08	2,129.30	2,189.90	4,698.44	8,203.07
	Finance costs	3,886.60	4,083.51	4,635.03	7,970.11	8,843.38	18,788.45
	Depreciation and amortization expense	1,209.08	1,248.71	1,932.65	2,457.79	3,969.84	6,919.73
	Other expenses (Refer note no. 7 )	5,242.99	2,885.01	782.70	8,128.00	1,523.30	73,908.78
	<b>Total Expenses</b>	<b>23,692.50</b>	<b>30,994.05</b>	<b>29,296.76</b>	<b>54,686.55</b>	<b>59,409.39</b>	<b>201,865.63</b>
5	<b>Profit/(Loss) before exceptional Items and tax (3-4)</b>	<b>61.90</b>	<b>(2,236.58)</b>	<b>562.30</b>	<b>(2,174.68)</b>	<b>(1,321.66)</b>	<b>(69,607.78)</b>
6	Exceptional Items (Refer Note no. 3)	(1,205.94)	-	(502.78)	(1,205.94)	(502.78)	(1,365.23)
7	<b>Profit/(Loss) before tax (5+6)</b>	<b>(1,144.04)</b>	<b>(2,236.58)</b>	<b>59.52</b>	<b>(3,380.62)</b>	<b>(1,824.44)</b>	<b>(70,973.01)</b>
8	Tax Expense (incl. short/excess provision of earlier year(s))	-	-	(100.01)	-	(100.01)	(2,500.05)
	Deferred Tax	37.89	(5.82)	(274.13)	32.07	(472.02)	3,158.75
9	<b>Profit/(Loss) for the period from containing operations (7-8)</b>	<b>(1,181.93)</b>	<b>(2,230.76)</b>	<b>433.66</b>	<b>(3,412.69)</b>	<b>(1,252.41)</b>	<b>(71,631.71)</b>
10	<b>Other Comprehensive Income (OCI)</b>						
	Items that will not be reclassified to profit or loss (Net of tax)	3.63	-	63.59	3.63	63.59	168.41
11	<b>Total Comprehensive Income for the period / year (9+10)</b>	<b>(1,178.30)</b>	<b>(2,230.76)</b>	<b>497.25</b>	<b>(3,409.06)</b>	<b>(1,188.82)</b>	<b>(71,463.30)</b>
12	Paid up Equity share Capital (face value of Re. 1/- each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
13	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	-	-	141136.82
14	Basic & Diluted EPS (Rs.) (Face value of Re. 1/- each) (*not annualized)	-0.69*	-1.3*	0.25*	-1.99*	-0.73	-41.75



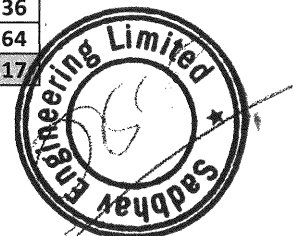
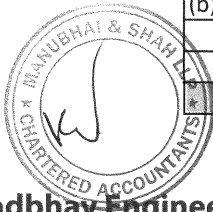
## Sadbhav Engineering Limited

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 : L45400GJ1988PLC011322

STATEMENT OF ASSETS AND LIABILITIES - STANDALONE

PARTICULARS	As At September 30, 2022	As At March 31, 2022
<b>Assets</b>		
<b>Non-current Assets</b>		
(a) Property, Plant and Equipment	15675.93	19098.70
(b) Capital Work in Progress	376.91	376.91
(c) Right to use Assets	20.59	148.07
(d) Intangible Assets	41.94	42.88
(e) Financial Assets		
(i) Investments	57034.10	55934.11
(ii) Trade receivable	18618.30	13236.35
(iii) Loans	5621.75	5328.67
(iv) Other Financial Assets	9321.80	9577.88
(f) Deferred Tax Assets (net)	10188.31	10220.38
(g) Other Non Current Assets	0.00	132.34
<b>Total Non-current Assets</b>	<b>116899.63</b>	<b>114096.29</b>
<b>Current Assets</b>		
(a) Inventories	7577.32	10749.85
(b) Financial Assets		
(ii) Trade receivables	60687.83	59920.56
(iii) Cash and cash equivalents	3219.14	2743.99
(iv) Bank Balance other than (ii) above	196.11	975.40
(v) Loans	48461.83	52066.11
(vi) Other financial assets	25430.04	32870.75
(c) Current tax assets (net)	6315.72	6272.88
(d) Other current assets	87246.57	89004.34
<b>Total Current Assets</b>	<b>239134.56</b>	<b>254603.88</b>
<b>Total Assets</b>	<b>356034.19</b>	<b>368700.17</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
(i) Equity share capital	1715.71	1715.71
(ii) Other Equity	137727.78	141136.82
<b>Total Equity</b>	<b>139443.49</b>	<b>142852.53</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	9966.45	29450.28
<b>Total Non-current Liabilities</b>	<b>9966.45</b>	<b>29450.28</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	99847.33	84943.71
(ii) Lease Liability	24.56	172.24
(iii) Trade Payable		
Dues of micro and small enterprises	1377.32	1574.40
Dues of creditors other than micro and small enterprises	45881.21	45087.56
(iv) Other financial liabilities	34643.10	26528.01
(b) Other Current liabilities	24850.73	38091.44
<b>Total Current Liabilities</b>	<b>206624.25</b>	<b>196397.36</b>
<b>Total Liabilities</b>	<b>216590.70</b>	<b>225847.64</b>
<b>Total Equity Liabilities</b>	<b>356034.19</b>	<b>368700.17</b>



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**Notes :**

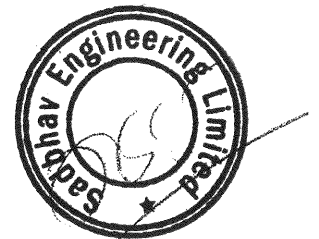
- 1 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at their respective meetings held on November 14, 2022. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 2 The segment reporting is in accordance with its internal financial reports derived from SAP 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.
- 3 exceptional items include:
  - a. during the quarter and half year ended September 30, 2022
    - (i) Profit of Rs. 306.06 lakhs on account of the sale of assets.
    - (ii) Loss of Rs.1512.00 lakhs being loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL), a step down subsidiary (Refer Note No.7(b))
  - b. during year ended March 31, 2022 :
    - (i) Loss of Rs. 1067.23 lakhs on account of the sale of assets.
    - (ii) Loss of Rs. 298.00 lakhs on account of impairment in carrying value of investments.
  - c. during the half year ended September 30, 2021 :
    - (i) Loss of Rs. 502.78 lakhs on account of the sale of assets.
- 4 The Board of Directors in the meeting held on 15th October, 2022 have resolved to withdraw Scheme of Amalgamation filed with Hon'ble National Company Law Tribunal Ahmedabad Bench (NCLT) with regard to amalgamation of Sadbhav Infrastructure Project Limited (Transferor Company) with Sadbhav Engineering Limited (Transferee Company) under sections 230 to 232 of the Companies Act, 2013. Consequently, on application made by the Company, the NCLT vide its order dated 19th October, 2022 has allowed the withdrawal of the said application. Accordingly, the Scheme of merger stands cancelled.
- 5 The Company has net outstanding loan, trade and other receivable aggregating to Rs. 20526.54 lakhs from Rohtak Panipat Tollway Private Limited (RPTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road projects under concession agreement with National Highways Authorities of India (NHAI). The net worth of RPTPL has fully eroded.

Further the toll collection by RPTPL was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, RPTPL could not collect toll user fees from December 25, 2020. RPTPL had sent various communications to NHAI for such forceful suspension of toll. RPTPL has issued notice for termination of concession agreement on July 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. RPTPL has filed claim amounting to Rs. 3,95,784.40 lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. with NHAI in terms of concession agreement. In respect of such claims, NHAI has approached to the RPTPL for settlement of all these claims by way of conciliation proceedings, which has been consented by it.

Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of outstanding amount in RPTPL and consequently no provision/adjustment to the carrying value of loan, trade and other receivable as at September 30, 2022 is considered necessary.

- 6 The Company has net outstanding loan, trade and other receivable aggregating to Rs. 2,772.93 lakhs in Rohtak Hissar Tollway Private Limited (RHTPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with National Highways Authorities of India (NHAI). The net worth of RHTPL has fully eroded.

Further the toll collection was forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020. Accordingly, RHTPL could not collect toll user fees from December 25, 2020. RHTPL had sent various communications to NHAI for such forceful suspension of toll. RHTPL has issued notice for termination of concession agreement on August 27, 2021 considering the above event as Force Majeure Event in terms of concession agreement. RHTPL has filed claim amounting to Rs. 14,9697.70 lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc with NHAI in terms of concession agreement.



## Sadbhav Engineering Limited

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Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of outstanding amount in RHTPL and consequently no provision/adjustment to the carrying value of loan, trade and other receivable as at September 30, 2022 is considered necessary.

- 7 a. There was delay in physical work progress in case of Sadbhav Jodhpur Ring Road Private Limited (SJRRPL), a step-down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with National Highways Authorities of India (NHAI), due to delay in handing over the land from NHAI, delay in approval of Change of scope of work, non-funding by the lenders and nationwide lockdown due to Covid-19. Further the NHAI in the month of January 2022 at the request of the SJRRPL had given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions.

Pursuant to this, definitive agreement was entered into between The Company, SJRRPL, Sadbhav Infrastructure Project Limited (The subsidiary company) and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also executed endorsement agreement between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL.

Consequently, all the balances outstanding, pertaining to SJRRPL, in books of the Company have been adjusted and net debit amount of Rs. 2351.82 Lakhs has been transferred to statement of profit and loss and included in as other expenses in financial results.

b. In case of Sadbhav Bangalore Highway Private Limited (SBGHPL or concessionaire) which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the lenders of SBGHPL have notified to NHAI about exercise of their right of substitution of concessionaire in the month of January, 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of SBGHPL, subject to execution of appropriate documentation for recording the terms and conditions relating to the proposed substitution of SBGHPL.

Consequently, all the balances outstanding, pertaining to SBGHPL in books of the Company have been adjusted and amount of Rs. 4082.80 Lakhs has been transferred to statement of profit and loss and included in other expenses and amount of Rs. 1512.00 lakhs being loan outstanding is transferred to statement of profit and loss and included in exceptional items in financial results.

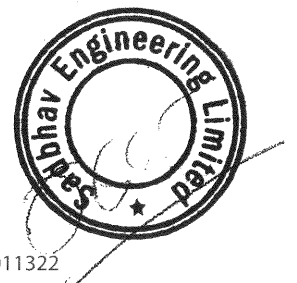
c. Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69,391.73 lakhs in respect of provision for impairment to the carrying value of the contract assets.

In terms of Ind AS – 115 – “Revenue from Contracts with the Customers”, the Company recognises contract assets on the basis of actual cost incurred on contract till reporting date and estimated cost to complete (CTC) to the contract as per percentage of completion method. The CTC is reviewed at the balance sheet date and adjustments are affected to the carrying value of contract assets on the basis of such review. The certification of work completion and acceptance of final bill by the customers usually takes significant period of time and this period varies from contract to contract.

During last few years there has been substantial increase in the cost of construction. Further, there were delays in execution of the work due to resource constraints. To overcome this situation during the year, the Company sub-contracted or took exit from some of the works post final measurement of work done by the company. There is no pass through of higher cost over-run as the contracts are fixed price contracts.

In the light of the above situation, the management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment to the carrying value of the contract assets is made in the financial statements in terms of Ind AS – 115 – “Revenue from Contracts with the Customers”. The management is taking effective steps for realization of these assets and on realization, the provision for impairment made will be reviewed and if required, revised.

- 8 Company's operations were impacted due to inflationary pressure and resources constraint. Further credit rating of some of the borrowing is lowered . The Management, focused on speedy execution of the projects, cost control and deleveraging. The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for the financial year 2022 - 2023 with focus on enhancing resource availability by timely execution of recently procured EPC projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date and there is no threat to going concern assumption adopted in preparation of financial results for the quarter and half year ended September 30, 2022.

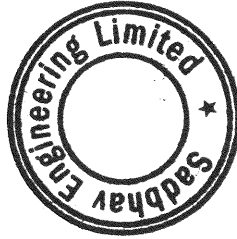


## Sadbhav Engineering Limited

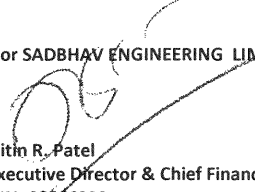
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- 9 The Indian Parliament has passed the Code on Social Security, 2020. The Code when implemented will impact the contribution by the Company towards benefits such as Provident Fund, Gratuity etc. The effective date(s) of implementation of this code 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.
- 10 The listed, rated, secured, non-convertible, debentures of the Company aggregating Rs. 4,500.00 Lakhs outstanding as on September 30, 2022 are secured by way of shares of Company's subsidiary, movable property and personal guarantee of some of the directors. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 11 The non convertible debentures of the Company have credit rating of IND C and CARE C (Single C) (Outlook rating : negative issuer not cooperating) from India Ratings and Research Private Limited and CARE Rating as per their latest rating dated September 14,2022 and September 7, 2022 respectively.
- 12 During the quarter ended September 30, 2022 revenue from operations include sale of construction material of Rs.1180.12 Lakhs and cost of construction material sold of Rs. 995.22 Lakhs is included in cost of material consumed.
- 13 Additional Information for the quarter ended September 30, 2022 pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are given in Annexure-1.
- 14 Statement of Cash Flow is given in Annexure-2.
- 15 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.



For SADBHAV ENGINEERING LIMITED

  
Nitin R. Patel  
Executive Director & Chief Financial Officer  
DIN: 00466330  
Place : Ahmedabad  
Date : November 14, 2022

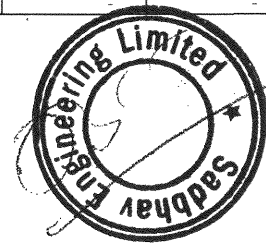
**SIGNED FOR IDENTIFICATION BY**

  
**MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS**

**Sadbhav Engineering Limited**  
CIN : L45400GJ1988PLC011322  
**Annexure-1**

Additional Information pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the quarter ended 30th September, 2022

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-09-2022 (Unaudited)	30-06-2022 (Unaudited)	30-09-2021 (Audited)	30-09-2022 (Unaudited)	30-09-2021 (Audited)	31-03-2022 (Audited)
1	Debt Equity Ratio (in times) (Total Borrowings / Total Equity)	0.80	0.79	0.58	0.80	0.58	0.81
2	Debt Service Ratio (in times) (Earnings Before Interest, Depreciation and Tax (EBIDTA) and Non Cash Item / (Interest + Scheduled Principal Repayments of Long Term Borrowings)	0.58	0.54	0.66	0.45	0.50	0.57
3	Interest Service Coverage Ratio (in times) (EBIDTA and Non Cash Items/ Interest Expense)	1.73	1.49	1.54	1.30	1.30	1.36
4	Capital Redemption Reserve (Rs. in lakhs)	345.00	345.00	345.00	345.00	345.00	345.00
5	Debenture Redemption Reserve (Rs. in lakhs)	1728.46	1728.46	1728.46	1728.46	1728.46	1728.46
6	Net Worth (Rs. in lakhs)	139443.49	140621.8	213127.03	139443.49	213127.03	142852.53
7	Net Profit/(Loss) after Tax (Rs. in lakhs)	(1,181.93)	(2,230.76)	433.66	(3,412.69)	(1,252.41)	(71,631.71)
8	Earning Per Share (basic and diluted) (not annualised except year ended March 31, 2021) (in Rs.)	-0.69*	-1.3	0.25*	-1.99*	-0.73*	-41.75
9	Current Ratio (in times) (Current Assets/Current Liabilities)	1.16	1.18	1.52	1.16	1.52	1.30
10	Long Term Debt to Working Capital Ratio (in times) (Long Term Borrowings + Current Maturity of Long Term Borrowings) / (Current Assets - Current Liabilities excluding Current Maturities of Long Term Borrowings)	0.59	0.63	0.43	0.59	0.43	0.60
11	Current Liability Ratio (in times) (Current Liabilities/Total Liabilities)	0.95	0.92	0.87	0.95	0.87	0.87
12	Total Debts to Total Assets Ratio (in times) (Total Borrowings / Total Assets)	0.31	0.28	0.28	0.31	0.28	0.31
13	Debtors Turnover Ratio (in times) (Revenue from Operations / Average Trade Receivables)	0.17	0.21	0.26	0.38	0.51	0.80
14	Inventory Turnover Ratio (in times) (Material Consumed / Average Inventory)	0.53	0.26	0.35	0.84	0.70	1.70
15	Operating Margin (%) (EBIDTA and non cash item excluding Other Income / Revenue from Operations)	13.32%	12.02%	13.41%	8.69%	11.30%	12.93%
16	Net Profit Margin (%) (Net Profit / Total Income)	-4.98%	-7.76%	1.45%	-6.50%	-2.16%	-54.16%
17	Bad debts to accounts receivable (%) (Bad Debts/Average Trade Receivable)	-	-	-	-	-	-



**Sadbhav Engineering Limited**

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**SADBHAV ENGINEERING LIMITED**  
CIN :: L45400GJ1988PLC011322

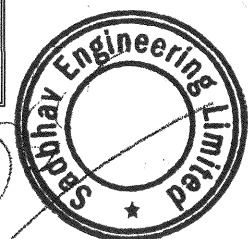
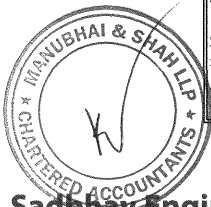
Annexure - 2 :: STANDALONE CASH FLOW STATEMENT FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2022

(Rs. in Lakhs)

Particulars	For the Half year ended September 30, 2022		For the Half year ended September 30, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit/(Loss) before Tax		(3380.62)		(1824.44)
<b>Adjustments For :</b>				
Interest Income	(2282.69)		(3057.10)	
Interest Expenses	7970.11		8843.38	
Depreciation & Amortisation	2457.79		3969.84	
Net Profit on sale of Property, Plant & Equipments	0.00		(70.85)	
Assets Written off/Expected Credit Loss	376.18		0.00	
Actuarial Gain/Loss	3.63		63.59	
Exceptional Items (Net)	1205.94		502.78	
		9730.96		10251.64
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>6350.34</b>		<b>8427.20</b>
<b>Adjustment For :</b>				
(Increase)/Decrease of Long Term Trade Receivables	(5381.95)		(194.47)	
(Increase)/Decrease of Trade Receivables	(1143.45)		12833.49	
(Increase)/Decrease of Other Current Assets	1,757.77		(1624.66)	
(Increase)/Decrease of Other Current Financial Assets	6234.77		(4724.74)	
(Increase)/Decrease of Other Non Current Assets	132.34		25.24	
(Increase)/Decrease of Other Non Current Financial Assets	256.08		1421.55	
(Increase)/Decrease of Inventories	3172.53		(1044.89)	
(Increase)/Decrease of Other Bank Balances	732.29		(1881.85)	
Increase/(Decrease) of Other Long Term Financial Liabilities	0.00		0.00	
Increase/(Decrease) of Trade Payables	596.57		(2460.61)	
Increase/(Decrease) of Other Current Liabilities	(10965.14)		(6436.67)	
Increase/(Decrease) of Other Non Current Liabilities	0.00		0.00	
Increase/(Decrease) of Other Current Financial Liabilities	5839.61		6783.21	
Increase/(Decrease) of Long Term Provision	0.00		0.00	
Increase/(Decrease) of Short Term Provision	0.00		107.27	
		1231.42		2802.87
<b>Cash generated from Operations</b>		<b>7581.76</b>		<b>11230.07</b>
Tax Paid	(42.91)	(42.91)	10210.03	10210.03
<b>Net Cash flow From Operating Activities</b>		<b>7538.85</b>		<b>21440.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Property, Plant & Equipments and Intangible Assets	(249.75)		(0.83)	
Sales of Property, Plant & Equipments	1343.14		169.96	
Investments in Subsidiary Companies (Net)	0.01		(2398.14)	
Proceeds from sale of Non Current Investments	(1100.00)		848.15	
Other Non Current Investment	0.01		(2398.14)	
Loan to/reced back from Subsidiary Companies	3311.20		(3798.02)	
Interest Received	2282.69	5587.30	3057.10	(4519.92)
<b>Net Cash flow from/(used in) Investing Activities</b>		<b>5587.30</b>		<b>(4519.92)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds From Long Term Borrowings (Net)	(11080.77)		(8714.43)	
Proceeds/(Repayment) of Short Term Borrowings (Net)	3820.02		7987.45	
Net Increase in Working Capital Loan	2680.54		(7065.44)	
Payment of Lease Liability	(147.68)		(600.49)	
Interest Paid	(7970.11)		(8843.38)	
		(12698.00)		(17236.29)
<b>Net Cash flow from/(used in) Financing Activities</b>		<b>(12698.00)</b>		<b>(17236.29)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents ( A+B+C)		428.15		(316.11)
Opening Balance Of Cash & Cash Equivalents		1434.84		519.14
<b>Closing Balance Of Cash &amp; Cash Equivalents</b>		<b>1862.99</b>		<b>203.03</b>
<b>Components Of Cash &amp; Cash Equivalents</b>				
Cash On Hand		2.99		16.66
Balance In Current Account With Banks		1860.00		186.39

**Notes:**

- All figures in bracket are cash outflow.
- Fixed Deposits of Rs. 1,356.15 (Rs. 1,309.15) are pledged with central and various state govt/undertakings and local bodies , hence not considered in Components of Cash & Cash equivalents
- The statement of cash flow has been prepared under indirect method as per Indian Accounting Standard -7 "Statement of Cash Flow"



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# Manubhai & Shah LLP

Chartered Accountants

## Independent Auditor's Review Report on the Quarterly and Year to date Unaudited Standalone Financial Results of Sadbhav Engineering Limited pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

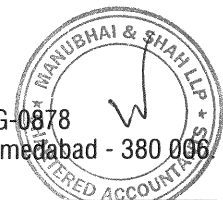
- 1) We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Sadbhav Engineering Limited** (the "Company") for the quarter and half year ended on September 30, 2022 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 and 52 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 and in compliance with Regulation 33 and 52 of the Listing Regulations. This Statement has been approved by the Company's Board of Directors. 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) We draw attention to Note 5 and Note 6 to the accompanying Standalone Financial Results with respect to termination of concession agreement by Rohtak Panipat Tollway Private Limited and Rohtak Hisar Tollway Private Limited, step-down subsidiaries of the Company. Both step-down subsidiaries have issued notice of termination of concession agreement to National Highway Authority of India (NHAI) on account of Force Majeure Event as per concession agreement. As explained in the said note, the Company has carried out impairment assessment of outstanding balances in the accounts of these step-down subsidiaries duly considering the expected payment arising out of aforesaid termination and other claims filed with NHAI. Based on the above assessment, management has concluded that no impairment / adjustment to the

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**Manubhai & Shah LLP**  
**Chartered Accountants**

carrying value of the loan, trade and other receivable balances are necessary as at September 30, 2022.

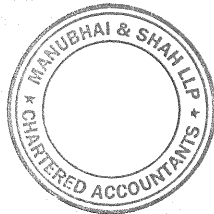
However, we have not been able to corroborate the management's contention of realizing the carrying value of loan, trade and other receivables (net) aggregating to Rs. 23,299.47 Lakhs as at September 30, 2022 related to both the step-down subsidiaries.

Accordingly, we are unable to comment on appropriateness of the carrying value of such loan, trade and other receivable and their consequential impact on the financial results and financial position of the Company as at September 30, 2022.

Our Audit Report on financial statement for the financial year ended on March 31, 2022 and limited review report on financial results for the quarter ended on June 30, 2022 were also qualified in respect of this matter.

- 5) Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 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 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.

Place: Ahmedabad



Date: November 14, 2022

For Manubhai & Shah LLP

Chartered Accountants

FRN: 106041W/W100136

A handwritten signature in black ink that appears to read "K Patel".

K C Patel

Partner

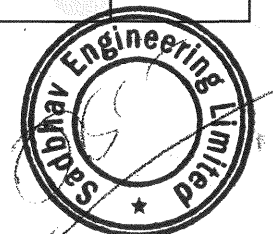
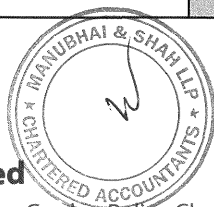
Membership No.: 030083

UDIN: 22030083BDCVHF6285

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Lakhs, except for earning per share)

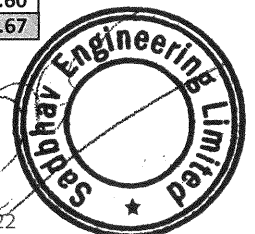
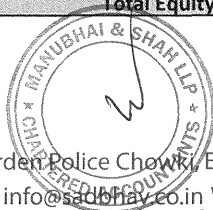
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30/09/2022 (Unaudited)	30/06/2022 (Unaudited)	30/09/2021 (Unaudited)	30/09/2022 (Unaudited)	30/09/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue From operations	41,831.15	50,049.38	33,652.88	91,880.53	73,433.60	190,770.10
2	Other income	8,484.63	7,905.80	12,534.89	16,390.43	21,619.43	92,003.88
3	<b>Total Income (1+2)</b>	<b>50,315.78</b>	<b>57,955.18</b>	<b>46,187.77</b>	<b>108,270.96</b>	<b>95,053.03</b>	<b>282,773.98</b>
4	<b>Expenses</b>						
	Cost of Material Consumed	4,902.16	7,652.35	5,105.28	12,554.51	10,085.17	21,013.36
	Construction Expenses	17,791.22	25,515.12	14,227.91	43,306.34	33,161.66	105,403.59
	Employee benefits expense	1,667.92	1,906.88	2,914.40	3,574.80	6,235.34	11,308.37
	Finance costs	22,121.02	26,061.27	25,834.78	48,182.30	51,128.78	97,542.59
	Depreciation and amortization expense	3,572.48	3,612.11	4,039.75	7,184.59	8,030.34	16,687.33
	Other expenses (Refer Note No. 9 )	3,032.37	6,161.95	1,868.25	9,194.32	3,996.40	87,796.03
	<b>Total Expenses</b>	<b>53,087.18</b>	<b>70,909.68</b>	<b>53,990.37</b>	<b>123,996.86</b>	<b>112,637.69</b>	<b>339,751.27</b>
5	<b>(Loss) before exceptional Items and tax (3-4)</b>	<b>(2,771.40)</b>	<b>(12,954.50)</b>	<b>(7,802.60)</b>	<b>(15,725.90)</b>	<b>(17,584.66)</b>	<b>(56,977.29)</b>
6	Exceptional Items (Refer Note No. 3)	(35,062.24)	(9,828.88)	(1,823.88)	(44,891.12)	(8,044.88)	(16,517.43)
7	<b>(Loss) before tax for the period / year (5+6)</b>	<b>(37,833.64)</b>	<b>(22,783.38)</b>	<b>(9,626.48)</b>	<b>(60,617.02)</b>	<b>(25,629.54)</b>	<b>(73,494.72)</b>
8	Tax Expense	(445.10)	445.10	(595.01)	-	1,530.99	992.40
	Deferred Tax	(60.91)	532.98	549.67	472.07	(2,589.72)	925.15
	Adjustment for short or excess Provision of the previous year	-	-	-	(571.30)	-	(2,572.95)
9	<b>(Loss) for the period / year from containing operations (7-8)</b>	<b>(37,327.63)</b>	<b>(23,761.46)</b>	<b>(9,581.14)</b>	<b>(60,517.79)</b>	<b>(24,570.81)</b>	<b>(72,839.32)</b>
10	<b>Net (Loss) for the period / year after taxes, Non-controlling Interest and share of (loss) of associates (9-10)</b>	<b>(37,327.63)</b>	<b>(23,761.46)</b>	<b>(9,581.14)</b>	<b>(60,517.79)</b>	<b>(24,570.81)</b>	<b>(72,839.32)</b>
11	<b>Other Comprehensive Income (OCI)</b>						
	Items that will not be reclassified to profit or loss (Net of tax)	15.23	-	63.59	15.23	63.59	219.51
12	<b>Total Comprehensive Income for the period / year (10+11)</b>	<b>(37,312.40)</b>	<b>(23,761.46)</b>	<b>(9,517.55)</b>	<b>(60,502.56)</b>	<b>(24,507.22)</b>	<b>(72,619.81)</b>
13	<b>Profit/ (Loss) for the period/year attributable to:</b>						
	Owners of the Company	(25,938.85)	(17,239.73)	(6,448.54)	(43,178.58)	(17,417.29)	(72,370.18)
	Non-controlling Interest	(10,817.48)	(6,521.73)	(3,132.59)	(17,333.21)	(7,153.51)	(469.14)
14	<b>Other Comprehensive Income for the period / year attributable to:</b>						
	Owners of the Company	15.23	-	63.59	15.23	63.59	219.51
	Non-controlling Interest	-	-	-	-	-	-
15	<b>Total Comprehensive Income for the period / year attributable to:</b>						
	Owners of the Company	(25,923.62)	(17,239.73)	(6,384.95)	(43,169.05)	(17,353.70)	(72,150.67)
	Non-controlling Interest	(10,817.48)	(6,521.73)	(3,132.59)	(17,333.51)	(7,153.51)	(469.14)
	<b>Total Income (Including other comprehensive Income )</b>	<b>(36,741.10)</b>	<b>(23,761.46)</b>	<b>(9,517.54)</b>	<b>(60,502.56)</b>	<b>(24,507.21)</b>	<b>(72,619.81)</b>
16	Paid up Equity share Capital (face value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71	1,715.71
17	Other Equity excluding Revaluation Reserves as at 31st March	-	-	-	-	-	78,437.76
18	Basic & Diluted EPS (Rs.) before extra ordinary items (Face value of Re. 1/- each) (*not annualized)	-15.12*	-10.05*	-3.76*	-25.17*	-10.15	-42.18



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

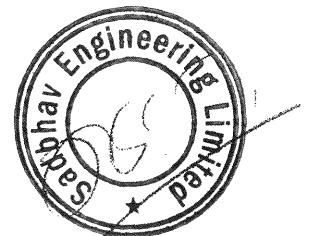
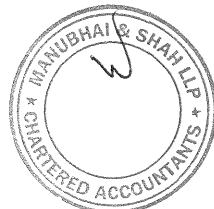
(Rs. In Lakhs)

PARTICULARS	As At September 30, 2022	As At March 31, 2022
<b>Assets</b>		
<b>Non-current Assets</b>		
(a) Property, Plant and Equipments	15,887.83	19,296.70
(b) Right to use Assets	20.59	148.07
(c) Capital Work in Progress	376.91	376.91
(d) Investment Property	94.10	94.10
(e) Goodwill	2,653.00	2,653.00
(f) Other Intangible Assets	17,509.84	18,948.98
(g) Financial Assets		
(i) Investments	12,335.73	17,664.12
(ii) Trade receivable	18,618.30	13,236.35
(iii) Loans	66.00	77.60
(iv) Receivable Under Service Concession Arrangement	265,292.40	332,488.40
(v) Other Financial Assets	10,508.60	10,108.38
(h) Deferred Tax Assets (net)	10,188.31	10,220.38
(i) Other Non Current Assets	1,716.10	900.54
<b>Total Non-current Assets</b>	<b>355,267.71</b>	<b>426,213.53</b>
<b>Current Assets</b>		
(a) Inventories	7,577.32	10,749.85
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	53,571.49	32,310.11
(iii) Cash and cash equivalents	13,939.14	15,676.19
(iv) Bank Balance other than (iii) above	4,274.91	5,564.60
(v) Loans	1,031.92	3,218.95
(vi) Receivable Under Service Concession Arrangement	23,233.70	36,813.00
(vii) Other financial assets	270,663.50	273,494.44
(c) Current tax asset	7,624.82	7,541.78
(d) Other current assets	115,963.04	135,745.42
<b>Total Current Assets</b>	<b>497,879.84</b>	<b>521,114.34</b>
<b>Assets Held for Sale</b>	<b>141,310.20</b>	<b>141,363.70</b>
<b>Total Assets</b>	<b>994,457.75</b>	<b>1,088,691.67</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
(i) Equity share capital	1,715.71	1,715.71
(ii) Other Equity	17,621.55	78,437.76
(iii) Non Controlling Interest	25,964.50	26,031.60
<b>Total Equity</b>	<b>45,301.76</b>	<b>106,185.07</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	239,360.75	298,496.78
(ii) Other financial liabilities	5,646.50	3,513.90
(b) Deferred tax liabilities (Net)	8,566.00	8,948.70
(c) Provisions	92.10	72.30
<b>Total Non-current Liabilities</b>	<b>253,665.35</b>	<b>311,031.68</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	299,473.30	277,391.91
(ii) Lease Liability	24.56	172.24
(iii) Trade Payable		
Dues of micro and small enterprises	1,377.32	1,604.50
Dues of creditors other than micro and small enterprises	65,071.30	60,781.39
(iv) Other financial liabilities	161,122.80	136,464.07
(b) Other current liabilities	15,842.37	43,208.22
(c) Provisions	4,723.20	3,508.70
(d) Current Tax Liabilities (Net)	1,124.30	1,199.29
<b>Total Current Liabilities</b>	<b>548,759.14</b>	<b>524,330.32</b>
<b>Liabilities Held for Sale</b>	<b>146,731.50</b>	<b>147,144.60</b>
<b>Total Liabilities</b>	<b>949,155.99</b>	<b>982,506.60</b>
<b>Total Equity Liabilities</b>	<b>994,457.75</b>	<b>1,088,691.67</b>



**Notes :**

- 1 The above results were reviewed by the Audit Committee and were approved by the Board of Directors at their respective meetings held on November 14, 2022. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 2 The revenue from operations includes revenue from construction contracts of Rs. 1757.70 lakhs, Rs. 18046.10 lakhs, Rs. 8799.70 lakhs for quarter ended September 30, 2022, June 30, 2022 and September 30, 2021 respectively and Rs. 19803.80 lakhs and Rs. 16024.10 lakhs for the half year ended September 30, 2022 and September 30, 2021 respectively related to intangible assets under development and development of Hybrid Annuity 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."
- 3 **Exceptional items include:**
  - a During period ended September 30, 2022:
    - (i) Loss of Rs. 8063.28 Lakhs on account of harmonious substitution of Concession of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL) ( Refer Note No. 9 )
    - (ii) Loss of Rs. 474.60 Lakhs on account of sale of units of IndInfravit Trust held by Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company.
    - (iii) Provision for impairment of investment in shares of Sadbhav Jodhpur Ringroad Private Limited of Rs 1165.00 Lakhs and in Sadbhav Bangalore Highway Private Limited of Rs. 3090.30 lakhs by SIPL.
    - (iv) Loss of Rs. 32404.50 lakhs being loss on endorsement of concession on substitution of the Sadbhav Bangalore Highway Private Limited (SBGHPL) for the half year ended on September 30, 2022. (Refer Note No.9)
    - (v) Provision for Impairment in shares of Sadbhav PIMA Private Limited amounting to Rs. 0.50 lakhs made in earlier period is reversed during the half year ended September 30, 2022
    - (vi) Profit of Rs. 306.06 lakhs on account of the sale of assets.
  - b During period ended September 30, 2021:
    - (i) During the half year ended on September 30, 2021, the Group has sold 4,65,30,839 units of IndInfravit representing 75% of the total units of Indinfravit held by the Sadbhav Infrastructure Project Ltd (SIPL) for a consideration of Rs. 47,276.40 lakhs against cost of Rs. 53,866.60 Lakhs. This has resulted into loss of Rs. 6,590.20 lakhs which has been disclosed as an exceptional item. For the year ended March 31, 2021, .
      - (ii) Exceptional items comprises of loss on discard/sale of Property, Plant and Equipments during the period ended September 30, 2021 amounting to Rs. 502.78 lakhs (March 31, 2021 Rs. 1,958.72 Lakhs) and amount of Rs. 951.90 lakhs being input tax credit of GST written off by Maharashtra Border Check Post.
  - b During the year ended March 31, 2022:
    - (i) Loss of Rs. 6,590.20 Lakhs on account of amount received from subsidiaries transferred to Indinfravit towards the claim from the concerned authority.
    - (ii) Loss of Rs. 1067.23 Lakhs on account of the sale of assets.
    - (iii) Loss of Rs. 298 Lakhs on account of impairment in carrying value of investment.
    - (iv) 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, in its board meeting has passed resolution to assess claims and make payments as per actual traffic. Company has raised the claims as per the directions of the Board of AUDA. As a result during the quarter ended March 31, 2022 AUDA has confirmed the final claim calculation based on the actual traffic and approved the claim of Rs. 10,000.00 Lakhs and same is recognised as income by ARRIL. In addition to this the said step down subsidiary has recognised the settlement of claim of Rs. 9780.00 Lakhs alongwith Interest @8% per annum from 01.01.2014.



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(v) Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of the SIPL, out of which 49% shares have been acquired by ARTL, during the year ended on March 31, 2022, for which SIPL has received consideration of Rs. 35,750.00 Lakhs and it has recognised loss of Rs. 7,851.90 Lakhs in relation of transfer of 49% stake. Subsequent to March 31, 2022, 51% shares held by the SIPL in MBCPNL will be transferred to ARTL in terms of SPA subject to inter alia the satisfaction of the relevant conditions precedent and receipt of requisite regulatory approvals/consents ("the Transaction"). Consequent to this agreement, the amount of 51% shares of MBCPNL has been classified as Assets Held for Sale in accordance with IND AS-105 - Non Current Assets Held for Sale and Discontinuing Operations.

4 Key Numbers of standalone financial results of the company are as under:

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter months ended			Half Year Ended	Year ended
		30/09/2022 (Unaudited)	30/06/2022 (Unaudited)	30/09/2021 (Unaudited)	30/09/2022 (Unaudited)	31/03/2022 (Audited)
1	Revenue from operations	21,453.83	27,016.80	26,248.35	48,470.63	122,623.66
2	Net (loss) before tax	(1,144.04)	(2,236.58)	59.52	(3,380.62)	(70,973.01)
3	Net (loss) after tax	(1,181.93)	(2,230.76)	433.66	(3,412.69)	(71,631.71)
4	Total other comprehensive income	(1,178.30)	(2,230.76)	497.25	(3,409.06)	(71,463.30)

5 The segment reporting is in accordance with its internal financial reports derived from SAP 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 108 - "Segment Reporting".

6 The non-convertible, debentures of the Company aggregating Rs. 4,500.00 Lakhs outstanding as on September 30, 2022 are secured by way of shares of Company's subsidiary, movable property and personal guarantee of directors. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

As at September 30, 2022, the outstanding amount of unlisted non-convertible debentures of the SIPL are aggregating to Rs. 42,289.00 Lakhs. The said debentures are not listed.

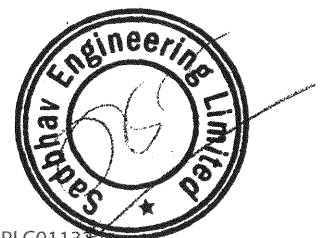
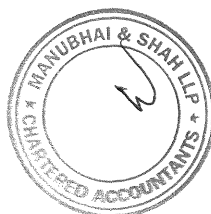
7 One of the step down subsidiary of the Group namely Rohtak Panipat Tollways Private Limited (RPTPL) has issued the termination notice on July 27, 2021, to National Highway Authority of India (NHAI) by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the RPTPL has been terminated, the management of RPTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.

In this regard the management of RPTPL lodged total claims aggregating to Rs. 3,95,784.40 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of the above, RPTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Impaired intangible assets related to Toll Collection Rights, amounting to Rs. 9,097.80 Lakhs and transferred balance amount from Intangible Assets to "Receivable from the NHAI" under the head Other Current Financial Assets. The management of RPTPL is of the view that amount recoverable from NHAI are fully recoverable.

- Written back the liability of premium obligation amounting to Rs. 36,959.20 Lakhs

8 One of the step down subsidiary of the group namely Rohtak Hissar Tollways Private Limited (RHTPL) has issued the termination notice on August 27, 2021, to NHAI by exercising the criteria of "Event of Defaults" under the concession agreement. Since the project of the RHRPL has been terminated, the management of RHTPL is of the view that going concern assumption for preparation of accounts is not appropriate and accounts have been drawn accordingly on non-going concern basis.





In this regard the management of RHTPL lodged total claims amounting to Rs. 1,49,697.70 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of this RHTPL has given following accounting treatments in its financial statements for the quarter and year ended 31.03.2022:

- Transferred amount of Toll Collection Rights from Intangible Assets to Receivable from the NHAI under the head Other Current Financial Assets. Further, the management of RHTPL is of the view that amounts recoverable from NHAI are fully recoverable and hence no impairment loss is envisaged.
- Written back major maintenance provision amounting to Rs. 7,861.80 Lakhs.

- 9 a. Project of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL), one of the step down subsidiary company which is engaged in construction, operation and maintenance of road project under concession agreement with NHAI, was delayed in due to delay in handing over the land from Authority (NHAI), delay in approval of change of scope work, non-funding by the lenders and nationwide lockdown due to Covid-19. At the request of the SJRRPL, NHAI in the month of January 2022 had given in principal approval for harmonious substitution of the concessionaire i.e. SJRRPL subject to various terms and conditions.

Pursuant to this, definitive agreement was entered into between the company, SJRRPL, SIPL and Gawar Construction Limited (GCL) as on June 28, 2022 for substitution of the SJRRPL with the new SPV to be nominated by GCL and also endorsement agreement was executed between the SJRRPL and JRR Highways Private Limited (new concessionaire) dated July 13, 2022 with the approval of NHAI for implementation of the project by new concessionaire in substitution of the SJRRPL. In terms of these agreements the project and project assets as defined in the Concession Agreement along with the relevant rights and obligations of the SJRRPL are transferred to the new concessionaire. Consequently, all the balances outstanding in the books of the Group as at June 30, 2022 related to project of SJRRPL are adjusted against the consideration receivable from the GCL. The net difference is transferred to the Statement of Profit and Loss Account and amount of Rs. 8063.28 Lakhs is disclosed as exceptional item and amount of Rs. 5,432.32 Lakhs is included in other expenses.

b. In case of one of the step down subsidiaries namely Sadbhav Bangalore Highway Private Limited (SBGHPL or concessionaire) which is engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the lenders of the step down subsidiary have notified to NHAI about exercise of their right of substitution of concessionaire in the month of January, 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of the SBGHPL, subject to execution of appropriate documentation for recording the terms and conditions relating to the proposed substitution of SBGHPL.

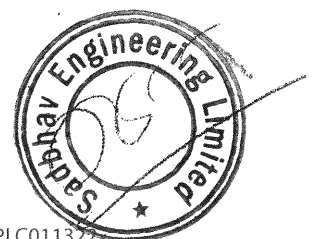
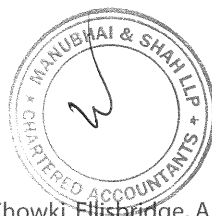
Consequently, all the balances outstanding, pertaining to SBGHPL in books of the Group have been adjusted and net debit amount of Rs. 32,404.50 Lakhs has been transferred to statement of profit and loss and included in as exceptional item in financial results.

c. Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69,391.73 Lakhs in respect of provision for impairment to the carrying value of the contract assets.

In terms of Ind AS – 115 – “Revenue from Contracts with the Customers”, the Company recognises contract assets on the basis of actual cost incurred on contract till reporting date and estimated cost to complete (CTC) to the contract as per percentage of completion method. The CTC is reviewed at the balance sheet date and adjustments are affected to the carrying value of contract assets on the basis of such review. The certification of work completion and acceptance of final bill by the customers usually takes significant period of time and this period varies from contract to contract.

During last few years there has been substantial increase in the cost of construction. Further, there were delays in execution of the work due to resource constraints. To overcome this situation during the year, the Holding Company sub-contracted or took exit from some of the works post final measurement of work done by the Holding Company. There is no pass through of higher cost over-run as the contracts are fixed price contracts.

In the light of the above situation, the Holding Company's management has reviewed the carrying value of contract assets as on the March 31, 2022. Based on such review, the provision for impairment to the carrying value of the contract assets is made in the financial statements in terms of Ind AS – 115 – “Revenue from Contracts with the Customers”. The Holding Company's management is taking effective steps for realization of these assets and on realization, the provision for impairment made will be reviewed and if required, revised.



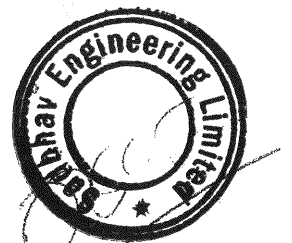
## Sadbhav Engineering Limited

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- 10 The Board of Directors in the meeting held on 15th October, 2022 have resolved to withdraw Scheme of Amalgamation filed with Hon'ble National Company Law Tribunal Ahmedabad Bench (NCLT) with regard to amalgamation of Sadbhav Infrastructure Project Limited (Transferor Company) with Sadbhav Engineering Limited (Transferee Company) under sections 230 to 232 of the Companies Act, 2013. Consequently, on application made by the Company, the NCLT vide its order dated 19th October, 2022 has allowed the withdrawal of the said application. Accordingly, the Scheme of merger stands cancelled.
- 11 Finance cost includes Interest expenses in respect of two step down subsidiary companies namely Rohtak Hissar Tollways Private Limited (RHTPL) and Rohtak Panipat Tollways Private Limited (RPTPL) amounting to Rs. 8079.60 lakhs and Rs. 16562.20 lakhs for the quarter ended June'2022 and half year ended September 30,2022 respectively where Financials of RPTPL & RHTPL are prepared on non going concern basis due to issue of termination notice to NHAI by RPTPL & RHTPL.
- 12 The accompanying Statement includes unreviewed interim financial results and other unaudited financial information in respect of the Maharashtra Border Check Post Network Limited (MBCPNL), the material step down subsidiary company which has been approved by the Management of MBCPNL, whose interim financial results / information reflect, total assets of Rs. 1,41,310.20 lakhs as on September 30, 2022, total revenue of Rs. 7,453.00 lakhs and Rs 14,896.90 lakhs, total net (loss) after tax of Rs. (91.10) lakhs and Rs (148.60) lakhs and total comprehensive income of Rs. (79.50) lakhs and Rs (137.00) lakhs for the quarter ended on June 30, 2022 and half year ended on September 30,2022 respectively.
- 13 The Group's operations were impacted due to inflationary pressure and resources constraint. Further the credit rating of some of the borrowing of Holding Company is lowered. The Management, focused on speedy execution of the projects, cost control and deleveraging. The liquidity position improved on account of receipt of PCOD for six HAM projects and conclusion of sale of stake in one of the SPVs. The management has prepared projections of cash flows for the financial year 2022 - 2023 with focus on enhancing resource availability by timely execution of recently procured EPC projects, realisation of claims, monetization of assets and cost control. Basis the said projections, the management believes that it will be able to pay debts as they fall due in coming 12 months period from the reporting date and there is no threat to going concern assumption adopted in preparation of financial results for the quarter and half year ended September 30, 2022.
- 14 There is delay in physical progress of work as at September 30, 2022 in respect of projects being executed by Sadbhav Vidarbha Highway Private Limited (SVHPL), Sadbhav Kim Expressway Private Limited (SKEPL) and Sadbhav Nainital Highway Private Limited (SNHPL), step down subsidiaries of the Company on account of delay in handing of over land from authority and various other reasons beyond the control of the said subsidiaries. The respective step down subsidiaries have sought for extension of Concession Period including Construction period and are confident that necessary approvals relating to extension of Concession Period including Construction period will be received.
- 15 (i) Sadbhav Infrastructure Project Limited, subsidiary company has entered into Share Purchase and Subscription Agreement on November 1, 2022 whereby it has agreed to sell its entire shareholding in Sadbhav PIMA Private Limited (Step down Subsidiary Company) to Ind Infravit Trust at an aggregate consideration of Rs. 115.00 lakhs. The sale will be completed on fulfilment of condition precedent as specified in the said agreement.

(ii) Sadbhav Infrastructure Project Limited, subsidiary company and Adani Road Transport Limited (ARTL) executed Share Purchase Agreement (SPA) on August 16, 2021 (Amended and restated on January 27, 2022), for sale of its equity shares of Maharashtra Border Check Post Network Limited (MBCPNL) a wholly owned subsidiary of SIPL, out of which 49% shares have been acquired by ARTL. During the year ended on March 31, 2022, SIPL has received consideration of Rs. 35,750/- lakhs and it has recognised loss of Rs. 7851.90 lakhs in relation of transfer of 49% stake. Consequent to this agreement, the amount of assets and liabilities in the books of MBCPNL have been classified as assets held for sale in accordance with IND AS-105 - Non current Assets held for Sale and Discontinuing Operations.



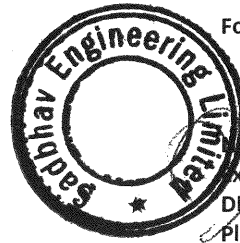
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- 16 During the quarter ended September 30, 2022 revenue from operations include sale of construction material of Rs. 1,180.12 Lakhs and cost of construction material sold of Rs. 995.22 Lakhs is included in cost of material consumed.
- 17 The Indian Parliament has 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.
- 18 Statement of Cash Flow is given in Annexure-1.
- 19 Figures relating to the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods / year.



For SADBHAV ENGINEERING LIMITED

Atin R. Patel  
Executive Director & Chief Financial Officer  
DIN: 00466330  
Place : Ahmedabad  
Date : November 14, 2022

**SIGNED FOR IDENTIFICATION BY**

*Kuntel*

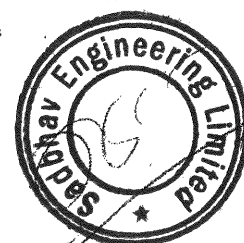
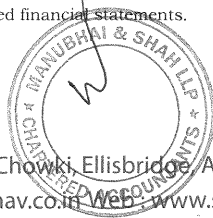
**MANUBHAI & SHAH LLP  
CHARTERED ACCOUNTANTS**

ANNEXURE-1 STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOW FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2022

PARTICULARS	For the Half year ended September 30, 2022		For the Half year ended September 30, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit / (Loss) before Tax as per Profit and loss account		(60617.02)		(25629.54)
Adjustments For :				
Interest Income	(422.30)		0.00	
Interest Expenses	50955.83		51128.78	
Depreciation & Amortisation	7184.59		8030.34	
Net Profit on sale of Property, Plant & Equipments	0.00		(70.85)	
Exceptional Item	(34606.06)		8044.88	
		23113.95		67133.15
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(37503.07)		41503.61
Adjustment For :				
(Increase)/Decrease of Long Term Trade Receivables	61814.05		(19950.07)	
(Increase)/Decrease of Trade Receivables	7894.18		(3462.50)	
(Increase)/Decrease of Other Current Assets	(19411.15)		(12006.05)	
(Increase)/Decrease of Other Current Financial Assets	28195.89		9900.42	
(Increase)/Decrease of Other Non Current Assets	(815.56)		194.03	
(Increase)/Decrease of Other Non Current Financial Assets	(400.22)		2721.19	
(Increase)/Decrease of Inventories	3172.53		(1044.89)	
(Increase)/Decrease of Loan given	2198.63		(2336.07)	
(Increase)/Decrease of Other Bank Balances	1289.69		(6326.66)	
Increase/(Decrease) of Other Long Term Financial Liabilities	2132.60		1243.90	
Increase/(Decrease) of Trade Payables	2315.05		(9018.09)	
Increase/(Decrease) of Other Current Liabilities	(27365.85)		(7725.62)	
Increase/(Decrease) of Other Current Financial Liabilities	24658.73		31482.39	
Increase/(Decrease) of Provision	1234.30		3651.67	
Increase/(Decrease) in Deferred Tax (net)	(350.63)		(800.71)	
		86562.23		(13477.06)
<b>Cash generated from Operations</b>		49059.16		28026.55
Income Tax Paid	(118.26)	(118.26)	11286.26	11286.26
<b>Net Cash Flow From Operating Activities</b>		<b>48940.90</b>		<b>39312.81</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>				
Purchase of Property, Plant & Equipments and Intangible Assets	(3552.24)		(157.95)	
Sales of Property, Plant & Equipments	1343.14		169.96	
Other Current Investments	0.00		706.40	
Proceeds from Other Non Current Investments (Net)	5328.39		37327.59	
Interest Received	422.30		0.00	
<b>Net Cash Flow From Investing Activities</b>		3539.70		38046.00
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Share issue expenses			(30.95)	
Proceeds/(Repayment) of Long Term Borrowings (Net)	(24836.03)		47453.53	
Proceeds/(Repayment) of Short Term Borrowings (Net)	22081.39		(43688.76)	
Proceed from sale of Sub -debt	0.00		2200.00	
Lease Liability	(147.68)		(763.91)	
Debenture Redemption Reserve	0.00		(221.54)	
Interest Paid	(50955.83)		(51128.78)	
Assets held for sale	(359.60)		(27495.50)	
		(54217.76)		(73675.91)
<b>Net Cash Flow (Used in) Financing Activities</b>		(54217.76)		(73675.91)
NET INCREASE IN CASH & CASH EQUIVALENTS ( A+B+C )		(1737.15)		3682.90
OPENING BALANCE OF CASH & CASH EQUIVALENTS		15676.29		10746.54
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		13939.14		14429.44
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS</b>				
CASH ON HAND		77.59		507.49
BALANCE IN CURRENT ACCOUNT WITH BANKS		6203.30		13322.70
BALANCE IN FIXED DEPOSITS		7658.25		599.25
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		13939.14		14429.44

**Notes:**

- All figures in bracket are outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
- The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement". The accompanying notes are an integral part of the consolidated financial statements.



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# Manubhai & Shah LLP

Chartered Accountants

**Independent Auditors' Review Report on the Quarterly and Year to date Unaudited Consolidated Financial Results of Sadbhav Engineering Limited pursuant to the Regulations 33 and 52 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 and half year ended on September 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulations 33 and 52 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.

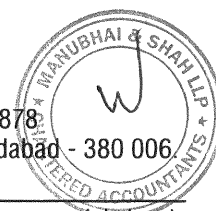
We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878  
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**Manubhai & Shah LLP**  
**Chartered Accountants**

4. This Statement includes the financial results of following entities:

Holding Company:

Sadbhav Engineering Limited

List of Subsidiaries:

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

List of step-down subsidiaries:

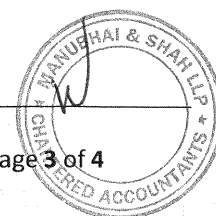
1. Ahmedabad Ring Road Infrastructure Ltd
  2. Maharashtra Border Check Post Network Ltd
  3. Rohtak Panipat Tollway Private Ltd
  4. Rohtak Hissar Tollway Private Ltd
  5. Sadbhav Rudrapur Highway Limited (earlier known as Sadbhav Rudrapur Highway Private Limited)
  6. Sadbhav Una Highway Limited (earlier known as Sadbhav Una Highway Private Limited)
  7. Sadbhav Bhavnagar Highway Limited (earlier known as Sadbhav Bhavnagar Highway Private Limited)
  8. Sadbhav Nainital Private Limited (earlier known as Sadbhav Nainital Highway Private Limited)
  9. Sadbhav Bangalore Highway Private Limited
  10. Sadbhav Vidarbha Highway Limited (earlier known as Sadbhav Vidarbha Highway Private Limited)
  11. Sadbhav Udaipur Highway Limited (earlier known as Sadbhav Udaipur Highway Private Limited)
  12. Sadbhav Jodhpur Ring Road Private Limited
  13. Sadbhav PIMA Private Limited (earlier known as Sadbhav Tumkur Highway Private Limited)
  14. Sadbhav Maintenance Infrastructure Private Limited (earlier known as Sadbhav Vizag Port Road Private Limited)
  15. Sadbhav Kim Expressway Private Limited
  16. Sadbhav Infra Solutions Private Limited (earlier known as Sadbhav Bhimasar Bhuj Highway Private Limited)
  17. Sadbhav Hybrid Annuity Project Limited
5. As detailed in Note 12 to the accompanying Consolidated Financial Results that includes interim financial results and other financial information of Maharashtra Boarder Check Post Network Limited, the step-down subsidiary Company which have not been reviewed by their auditors, whose unreviewed interim financial results/information reflect, total assets of Rs. 1,41,310.20 Lakhs as on September 30, 2022, total revenue of Rs. 7,443.90 Lakhs and Rs. 14,896.90 Lakhs, total net (loss) after tax of Rs. (57.50) Lakhs and Rs. (148.60) Lakhs and total comprehensive income of Rs. (57.50) Lakhs and Rs. (137.00) Lakhs for the quarter and half year ended on September 30, 2022 respectively and total net cash flows (net outflows) of Rs. 526.40 Lakhs for the half year ended September 30, 2022. These unreviewed interim financial results and other unreviewed financial information have been furnished to us by the Management of the Holding Company and our conclusion on the Statement, in so far as it relates to affairs of this step-down subsidiary is based solely on such unreviewed interim financial results and other unreviewed financial information. According to the information and explanations given to us by the Management of the Holding Company, these financial results are material to the Group.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8(b) below, except for the possible effects of our observations in paragraph 5 above, 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. **Emphasis of Matter on the basis of the Limited Review Report dated November 12, 2022 on the Consolidated Financial Results of Sadbhav Infrastructure Project Limited for the quarter and half year ended September 30, 2022:**

Attention is invited to:

- a. Note 7 and Note 8 to the accompanying Consolidated Financial Results, regarding preparation of financial results of Rohtak Panipat Tollway Private Limited and Rohtak Hissar Tollway Private Limited step-down subsidiaries on non-going concern basis for the reasons stated in the said notes.
- b. Note 9 (a) to the accompanying Consolidated Financial Results regarding loss of Rs. 11,604.50 Lakhs (net of recovery of Rs. 126.00 Lakhs) on endorsement of concession on harmonious substitution of Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) one of the step-down subsidiary of the group during the quarter ended June 30, 2022 consequent upon harmonious substitution of SJRRPL with the approval of National Highway Authority of India (NHAI).
- c. Note 9 (b) to the accompanying Consolidated Financial Results regarding loss of Rs. 26,809.70 Lakhs on substitution of Sadbhav Bangalore Highway Private Limited (SBGHPL) one of the step-down subsidiary of the group consequent upon substitution of concessionaire by the lenders of SBGHPL during the quarter ended September 30, 2022.

The conclusion of the auditors of Sadbhav Infrastructure Project Limited is not modified in respect of the above matters.

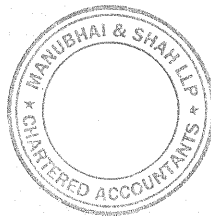


**8. Other Matters:**

- a) The Consolidated Financial Results include unaudited financial results of 2 step- down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total assets of Rs. 681.50 Lakhs as at September 30, 2022, total revenue of Rs. 3.30 Lakhs and Rs. 3.30 Lakhs, total net profit after tax of Rs. 3.20 Lakhs and Rs. 3.00 Lakhs, total comprehensive income of Rs. 3.20 Lakhs and Rs. 3.00 Lakhs for the quarter and half year ended on September 30, 2022 respectively, and cash flows (net outflows) of Rs. 2,076.00 Lakhs for the half year ended September 30, 2022. These financial results are not reviewed and have been furnished to us by the Management of the Holding Company and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of these step - down subsidiary companies, is based on solely on such financial results. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter with respect to our reliance on the financial results certified by the Management of the Holding Company.
- b) We did not review the interim financial results and other financial information in respect of 1 subsidiary and 6 step-down subsidiaries, whose financial results/information reflects (before eliminating intercompany transactions) total assets of Rs. 5,69,608.80 Lakhs as at September 30, 2022, total revenue of Rs. 9,845.90 Lakhs and Rs. 22,634.50 Lakhs, total net (loss) after tax of Rs. (27,078.76) Lakhs and Rs. (45,529.90) Lakhs, total comprehensive income of Rs. (27,078.76) Lakhs and Rs. (45,529.90) Lakhs for the quarter and half year ended on September 30, 2022 respectively and cash flows (net outflows) of Rs. 4,353.10 Lakhs for the half year ended on September 30, 2022 as considered in the Consolidated Financial Results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the Management of the Holding Company. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of such subsidiary and step- down subsidiary companies is based solely on the reports 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 with respect to our reliance on the work done and reports of the other auditors.

Place: Ahmedabad

Date: November 14, 2022



For Manubhai & Shah LLP  
Chartered Accountants  
FRN: 106041W/W100136

K C Patel  
Partner  
Membership No.: 030083  
UDIN: 22030083BDCVIL6803