

Ref: SEL/2022-23/154

February 14, 2023

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 Sadbhav Engineering Limited (the Company) held on 14th February, 2023.

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read together with the circulars and notifications issued thereunder (“Listing Regulations”), we hereby inform you that the Board of Directors of the Company at its meeting held today i.e. 14th February, 2023, have approved, *inter alia*, the following matters:

1. Standalone and Consolidated Unaudited Financial Results of the Company for the Quarter and nine months ended on 31st December, 2022. Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the following:
 - a. Standalone and Consolidated Unaudited Financial Results of the Company for Quarter and nine months ended on 31st December, 2022.
 - b. Limited Review Report with respect to Unaudited Financial Results of the Company for the Quarter and nine months ended on 31st December, 2022.
2. Mr. Rohit Modi, Chief Executive Officer (CEO) of the Company has tendered resignation from the position of CEO of the Company with immediate effect.

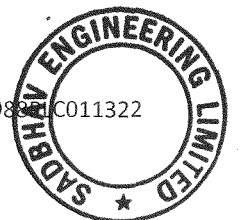
The Board of Directors of the Company extended their sincere thanks to Mr. Rohit Modi for his services to the Company, and wished him success in his new role with the Sadbhav Group of Companies.

The details required under Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given as per **Annexure-A**.

Sadbhav Engineering Limited

Regd Office: “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006

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3. Mr. Rohit Modi has been appointed as Group CEO of the Sadbhav Group of Companies including Sadbhav Engineering Limited (SEL).

The meeting of Board of Directors commenced at 8.40 p.m. and concluded at 10.00 p.m.

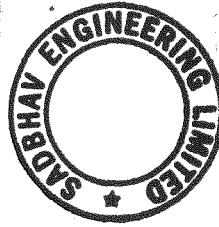
You are requested to take the same on record.

Thanking You,

Yours Faithfully,

For Sadbhav Engineering Limited

Shashin V. Patel
Chairman and Managing Director
DIN: 00048328



Sadbhav Engineering Limited

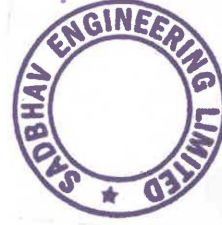
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Annexure - A

Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015.

Sr. No.	Disclosure Requirement	Mr. Rohit Modi, Chief Executive Officer (CEO)
1	Reason for Change viz. appointment, resignation, removal, death or otherwise	Mr. Rohit Modi, Chief Executive Officer (CEO) of the Company has tendered resignation from the Post of Chief Executive Officer of the Company with immediate effect.
2	Date of appointment/ cessation (as applicable) & term of appointment	14 th February, 2023
3	Brief profile (in case of appointment);	N.A
4	Disclosure of relationships between Directors (in case of appointment of a Director).	N.A



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SADBHAV ENGINEERING LIMITED
CIN NO.: L45400GJ1988PLC011322

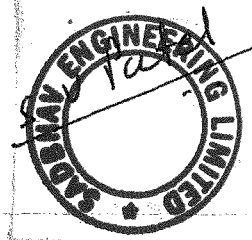
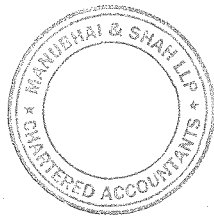
Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat

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 NINE MONTHS ENDED DECEMBER 31, 2022

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

	Particulars	Quarter ended			Nine months ended		Year ended
		31/12/2022 (Unaudited)	30/09/2022 (Unaudited)	31/12/2021 (Unaudited)	31/12/2022 (Unaudited)	31/12/2021 (Unaudited)	31/03/2022 (Audited)
	Income						
1	Revenue from operations	20,991.17	21,453.83	34,093.45	69,461.80	86,625.29	1,22,623.66
2	Other income	1,537.93	2,300.57	1,635.33	5,579.17	7,191.22	9,634.19
3	Total Income (1+2)	22,529.10	23,754.40	35,728.78	75,040.97	93,816.51	1,32,257.85
4	Expenses						
	Cost of Material Consumed	1,838.82	4,902.16	4,601.24	9,561.83	14,686.41	21,013.35
	Construction Expenses	18,031.35	7,490.85	21,981.85	44,249.09	52,271.11	73,032.25
	Employee benefits expense	696.36	960.82	2,111.24	2,886.26	6,809.68	8,203.07
	Finance costs	4,314.62	3,886.60	4,583.12	12,284.73	13,426.50	18,788.45
	Depreciation and amortization expense	1,051.77	1,209.08	1,623.28	3,509.56	5,593.12	6,919.73
	Other expenses (Refer note no. 7)	1,206.87	5,242.99	1,134.28	9,334.87	2,657.58	73,908.78
	Total Expenses	27,139.79	23,692.50	36,035.01	81,826.34	95,444.40	2,01,865.63
5	Profit/(Loss) before exceptional Items and tax (3-4)	(4,610.69)	61.90	(306.23)	(6,785.37)	(1,627.89)	(69,607.78)
6	Exceptional Items (Refer Note no. 3)	-	(1,205.94)	(170.93)	(1,205.94)	(673.71)	(1,365.23)
7	(Loss) before tax (5+6)	(4,610.69)	(1,144.04)	(477.16)	(7,991.31)	(2,301.60)	(70,973.01)
8	Tax Expense (incl. short/excess provision of earlier year(s))	(288.80)	-	-	(288.80)	(100.01)	(2,500.05)
	Deferred Tax	5.20	37.89	(157.66)	37.27	(629.68)	3,158.75
9	(Loss) for the period from containing operations (7-8)	(4,327.09)	(1,181.93)	(319.50)	(7,739.78)	(1,571.91)	(71,631.71)
10	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss (Net of tax)	-	3.63	31.79	3.63	95.38	168.41
11	Total Comprehensive Income for the period / year (9+10)	(4,327.09)	(1,178.30)	(287.71)	(7,736.15)	(1,476.53)	(71,463.30)
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)	-2.52*	-0.69*	-0.19*	-4.51*	-0.92*	-41.75



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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 February 14, 2023. 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 nine month period ended December 31, 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 nine months ended December 31, 2021 :
 - (i) Loss of Rs. 673.71 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. 20756.55 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.

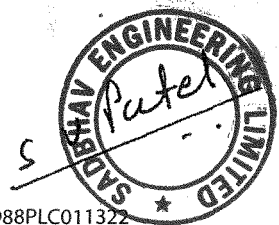
Considering the management assessment of probability and tenability of receiving above claims from NHAI as per the terms of concession agreement, which is backed by legal opinion and communications from NHAI for conciliation, the management has assessed that there is no impairment in the value of outstanding amount in RPTPL and consequently no provision/adjustment to the carrying value of loan, trade and other receivable as at December 31, 2022 is considered necessary.

The statutory auditors have expressed qualified opinion on financial results in respect of above as regards recoverable value of Company's outstanding loan, trade and other receivable given to RPTPL.

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- 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. 1,49,697.70 lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc with NHAI in terms of concession agreement.

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 December 31, 2022 is considered necessary.

The statutory auditors have expressed qualified opinion on financial results in respect of above as regards recoverable value of Company's outstanding loan, trade and other receivable given to RHTPL.

- 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 balance of Rs. 2,351.82 Lakhs has been transferred to statement of profit and loss and included in other expenses in financial results during the nine months ended December 31, 2022.

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 during the nine months ended December 31, 2022.

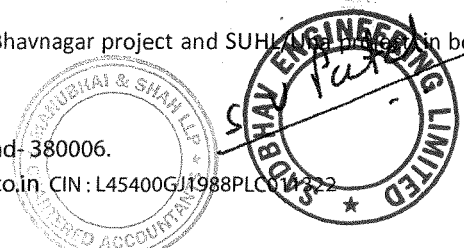
c. In case of Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) which are engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India (NHAI), the holding company of SBHL and SUHL i.e. Sadbhav Infrastructure Project Limited (SIPL), has executed binding term sheet on January 27, 2023 towards stake sale of equity shares of SBHL and SUHL.

In accordance with term sheet, all the balances outstanding, pertaining to SBHL/Bhavnagar project and SUHL in books of the Company have been adjusted during the quarter ended December 31, 2022.

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d. Other expenses for the 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 The company finds difficulty in meeting obligation of payment to suppliers and statutory dues in normal course of business. There are defaults in repayment of dues to lenders. This is mainly an account of delay in execution of projects and resources constraint.

During the quarter ended December 31, 2022, the consortium lenders except one lender of the company have signed an Inter Creditor Agreement on December 26, 2022 due to defaults in the repayment of dues. The Management is in the process of monetizing the existing -6- HAM Projects of group out of which binding term sheet has been signed with the buyer for -2- HAM projects and other -4- HAM Projects are expected to be monetized soon. Further, due to delay in completion of EPC works under execution on account of shortage of working capital, the Company has proactively taken decision to rearrange the EPC contract work.

Based on this, the Company has submitted the Resolution Plan to the Consortium of lenders which is under active discussion with the lenders. The ingredients of Resolution Plan covers proceeds from monetization of HAM Assets / other Assets, infusion of funds from the promoters, receipt of Award amount / other receivables and refinance / stake sale of operational projects as well as of restructuring of dues of lenders. These activities will bring reduction of overall liabilities including reduction of debt and will also bring additional liquidity in the company to ramp up its execution.

Considering the above aspect in anticipation of approval from lenders of Resolution Plan, its implementation and infusion of funds from promoters of the Company, the management believes that Company will be able to generate an incremental operational cash flows and hence there is no threat to the Going Concern assumption adopted in the preparation of financial statements.

9 The listed, rated, secured, non-convertible, debentures of the Company aggregating Rs. 4,500.00 Lakhs outstanding as on December 31, 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.

10 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.

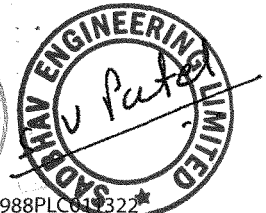
11 During the quarter ended December 31, 2022 revenue from operations include sale of construction material of Rs. 233.03 Lakhs and cost of construction material sold of Rs. 197.71 Lakhs is included in cost of material consumed.

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.

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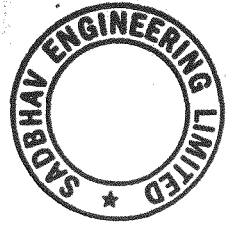


- 12 Additional Information for the quarter ended December 31, 2022 pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended are given in Annexure-1.
- 13 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.

For SADBHAV ENGINEERING LIMITED

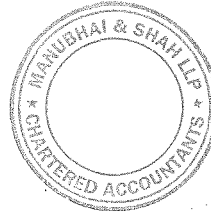
S V Patel

Shashin V. Patel
Chairman and Managing Director
DIN: 00048328
Place : Ahmedabad
Date : February 14, 2023



SIGNED FOR IDENTIFICATION BY

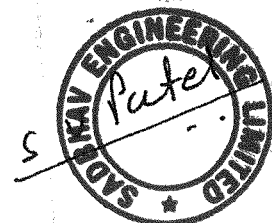
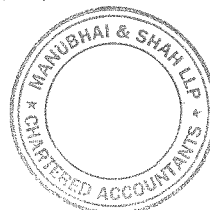
Kunsel
MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS



Sadbhav Engineering Limited
CIN : L45400GJ1988PLC011322
Annexure-1 to the Financial Results

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 and Nine months ended December 31, 2022

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2022 (Unaudited)	30-09-2022 (Unaudited)	31-12-2021 (Unaudited)	31-12-2022 (Unaudited)	31-12-2021 (Unaudited)	31-03-2022 (Audited)
1	Debt Equity Ratio (in times) (Total Borrowings / Total Equity)	0.81	0.80	0.60	0.81	0.60	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)	0.19	0.58	0.56	0.39	0.52	0.57
3	Interest Service Coverage Ratio (in times) (EBIDTA and Non Cash Items/ Interest Expense)	0.25	1.73	1.29	0.88	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)	135116.37	139443.49	212839.31	135116.37	212839.31	142852.53
7	Net Profit/(Loss) after Tax (Rs. in lakhs)	(4,327.09)	(1,181.93)	(319.50)	(7,739.78)	(1,571.91)	(71,631.71)
8	Earning Per Share (basic and diluted) (not annualised except year ended March 31, 2021) (in Rs.)	-2.52*	-0.69*	-0.19*	-4.51*	-0.92*	-41.75
9	Current Ratio (in times) (Current Assets/Current Liabilities)	1.12	1.16	1.50	1.12	1.50	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)	0.70	0.59	0.39	0.70	0.39	0.60
11	Current Liability Ratio (in times) (Current Liabilities/Total Liabilities)	0.95	0.95	0.88	0.95	0.88	0.87
12	Total Debts to Total Assets Ratio (in times) (Total Borrowings / Total Assets)	0.31	0.31	0.28	0.31	0.28	0.31
13	Debtors Turnover Ratio (in times) (Revenue from Operations / Average Trade Receivables)	0.17	0.17	0.19	0.55	0.49	0.80
14	Inventory Turnover Ratio (in times) (Material Consumed / Average Inventory)	0.22	0.53	0.36	1.13	1.13	1.70
15	Operating Margin (%) (EBIDTA and non cash item excluding Other Income / Revenue from Operations)	-3.73%	13.32%	12.51%	4.94%	11.78%	12.93%
16	Net Profit Margin (%) (Net Profit / Total Income)	-19.21%	-4.98%	-0.89%	-10.31%	-1.68%	-54.16%
17	Bad debts to accounts receivable (%) (Bad Debts/Average Trade Receivable)	-	-	-	-	-	-



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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 nine months ended on December 31, 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.

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878
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- 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 carrying value of the loan, trade and other receivable balances are necessary as at December 31, 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. 23,529.48 Lakhs as at December 31, 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 for the quarter and nine months ended December 31, 2022.

Our Audit Opinion on financial statements for the financial year ended on March 31, 2022 and Conclusion on financial results for the quarter and half year ended on September 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.

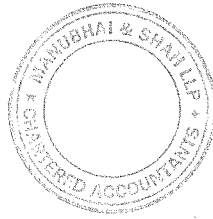


6) Material uncertainty related to going concern

We draw attention to Note no. 8 to the accompanying Standalone Financial Results, which indicates that, there are defaults in repayment of due to lenders and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further consortium of the lenders of the Company have executed Inter-Creditor Agreement on 26th December, 2022 and accounts by the respective lenders have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.

Place: Ahmedabad
Date: February 14, 2023



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

K C Patel

K C Patel
Partner
Membership No.: 030083
UDIN: 23030083BGWUVC8175

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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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

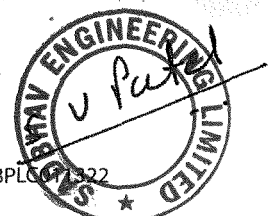
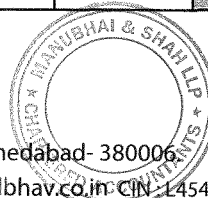
(Rs. in Lakhs, except for earning per share)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31/12/2022 (Unaudited)	30/09/2022 (Unaudited)	31/12/2021 (Unaudited)	31/12/2022 (Unaudited)	31/12/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue From operations	43,246.04	41,831.15	51,665.91	1,35,126.57	1,25,099.51	1,90,770.10
2	Other income	8,113.29	8,484.63	8,823.64	24,503.72	30,443.07	92,003.88
3	Total Income (1+2)	51,359.33	50,315.78	60,489.55	1,59,630.29	1,55,542.58	2,82,773.98
4	Expenses						
	Cost of Material Consumed	1,838.83	4,902.16	10,668.45	14,393.34	20,753.62	21,013.36
	Construction Expenses	28,254.22	17,791.22	21,194.51	71,560.56	54,356.17	1,05,403.59
	Employee benefits expense	1,473.56	1,667.92	2,804.94	5,048.36	9,040.28	11,308.37
	Finance costs	25,781.03	22,121.02	16,458.73	73,963.33	67,587.51	97,542.59
	Depreciation and amortization expense	2,530.27	3,572.48	3,716.38	9,714.86	11,746.72	16,687.33
	Other expenses (Refer Note No. 9)	8,559.92	3,032.37	2,143.98	17,754.24	6,140.38	87,796.03
	Total Expenses	68,437.83	53,087.18	56,986.99	1,92,434.69	1,69,624.68	3,39,751.27
5	(Loss) before exceptional Items and tax (3-4)	(17,078.50)	(2,771.40)	3,502.56	(32,804.40)	(14,082.10)	(56,977.29)
6	Exceptional Items (Refer Note No. 3)	(526.10)	(35,062.24)	(169.03)	(45,417.22)	(8,213.91)	(16,517.43)
7	(Loss) before tax for the period / year (5+6)	(17,604.60)	(37,833.64)	3,333.53	(78,221.62)	(22,296.01)	(73,494.72)
8	Tax Expense	1,268.50	(445.10)	(195.79)	1,268.50	1,335.20	992.40
	Deferred Tax	(816.00)	(60.91)	(208.66)	(343.93)	(2,798.38)	925.15
	Adjustment for short or excess Provision of the previous year	(732.80)	-	(173.11)	(1,304.10)	(173.11)	(2,572.95)
9	(Loss) for the period / year from containing operations (7-8)	(17,324.30)	(37,327.63)	3,911.09	(77,842.09)	(20,659.72)	(72,839.32)
10	Net (Loss) for the period / year after taxes, Non-controlling Interest and share of (loss) of associates (9-10)	(17,324.30)	(37,327.63)	3,911.09	(77,842.09)	(20,659.72)	(72,839.32)
11	Other Comprehensive Income (OCI) Items that will not be reclassified to profit or loss (Net of tax)	-	15.23	31.79	15.23	95.38	219.51
12	Total Comprehensive Income for the period / year (10+11)	(17,324.30)	(37,312.40)	3,942.88	(77,826.86)	(20,564.34)	(72,619.81)
13	Profit/ (Loss) for the period/year attributable to:						
	Owners of the Company	(13,210.12)	(25,938.85)	2,640.65	(56,388.70)	(14,776.64)	(72,370.18)
	Non-controlling Interest	(4,114.18)	(10,817.48)	1,270.44	(21,453.39)	(5,883.07)	(469.14)
14	Other Comprehensive Income for the period / year attributable to:						
	Owners of the Company	-	15.23	31.79	15.23	95.38	219.51
	Non-controlling Interest	-	-	-	-	-	-
15	Total Comprehensive Income for the period / year attributable to:						
	Owners of the Company	(13,210.12)	(25,923.62)	2,672.44	(56,379.17)	(14,681.26)	(72,150.67)
	Non-controlling Interest	(4,114.18)	(10,817.48)	1,270.44	(21,447.69)	(5,883.07)	(469.14)
	Total Income (Including other comprehensive Income)	(17,324.30)	(36,741.10)	3,942.88	(77,826.86)	(20,564.33)	(72,619.81)
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)	-7.7*	-15.12*	1.54*	-32.87*	-8.61*	-42.18

Sadbhav Engineering Limited

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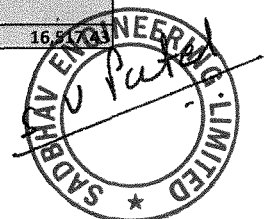
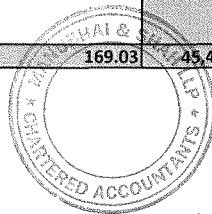


Notes :

- The above results were reviewed by the Audit Committee and were approved by the Board of Directors at their respective meetings held on February 14, 2023. 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.
- The revenue from operations includes revenue from construction contracts of Rs. 10275.24 lakhs, Rs. 7977.57 lakhs, Rs. 11901.54 lakhs for quarter ended December 31, 2022, September 30, 2022 and December 31, 2021 respectively and Rs. 41232.61 lakhs and Rs. 28355.78 lakhs for the nine months period ended December 31, 2022 and December 31, 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:

Particulars	Quarter ended on			Nine months ended on		(Rs. in Lakhs)
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	March 31, 2022
Loss/(Profit) on account of harmonious substitution of Concession of Sadbhav Jodhpur Ringroad Private Limited (SJRRPL) (Refer Note No.9(a))	29.00	(127.00)		8,092.08		
Loss account of sale of units of Indinfravit Trust held by Sadbhav Infrastructure Projects Limited (SIPL), a Subsidiary Company.				474.60	6,590.20	6,590.20
Provision for impairment of investment in shares of Sadbhav Jodhpur Ringroad Private Limited by SIPL (Refer Note No.9 (a))	0.00			1,165.00		
Provision for impairment of investment in shares of Sadbhav Bangalore Highway Private Limited by SIPL. (Refer Note No. 9 (b))		3,090.30		3,090.30		
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 (b))		32,404.50		32,404.50		
(Profit) on sale of shares of Sadbhav PIMA Private Limited and reversal of provision for impairment made in earlier period during the half year ended September 30, 2022 (Refer note 3.1 below)	(110.40)	0.50		(109.90)		
(Profit)/Loss on account of the sale of assets.		(306.06)	170.93	(306.06)	673.71	1,067.23
Provision of impairment on investment in Sadbhav Bhavnagar Highway Limited and Sadbhav Una highway Ltd.(Refer Note 3.2)	978.80			978.80		
Loss on account of impairment in carrying value of investment.						298.00
(Profit)/Loss on Sale of 49% stake in Maharashtra Boarder Checkpost Network Limited (Refer Note 3.3 below)	(371.30)			(372.10)		7,851.90
Write off of Input Tax Credit of MBCPNL			(1.90)		950.00	
Net difference on account of claim received by Ahmedabad Ring Road Infrastructure Ltd from AUDA						710.10
	526.10	35,062.24	169.03	45,417.22	8,213.91	16,411.10



- 3.1 The SIPL, subsidiary has entered into Share Purchase and Subscription Agreement on November 1, 2022 whereby it has sold its entire shareholding in Sadbhav PIMA Private Limited (stepdown Subsidiary Company) to Ind Infravit Trust at an aggregate consideration of Rs.114.90 lakhs. During the quarter ended on December 31, 2022, the SIPL has transferred shares in subsidiary company on 12.12.2022. The profit on transfer of these shares amounting to Rs. 109.90 lakhs is recognised as an exceptional item during nine months period ended on December 31, 2022. Further provision for Impairment in shares amounting to Rs. 5.0 lakhs made in earlier period is reversed during the quarter ended on September 30, 2022.
- 3.2 Subsequent to the quarter ended on December 31, 2022, the SIPL, subsidiary has entered into Memorandum of Understanding (MOU) with Kalthia Engineering and Construction Limited for proposed stake sale of Sadbhav Bhavnagar Highway Limited (SBHL) and Sadbhav Una Highway Limited (SUHL) whereby it has agreed to sell its entire shareholding in SBHL and SUHL at an enterprise value of Rs. 75182.00 lakhs. The sale will be completed on fulfilment of conditions precedent as specified in the said MOUs after execution of Share Purchase agreement. Having regard to this transaction, the SIPL has carried out impairment testing of investment in these step down subsidiary companies. Based on such assessment, the SIPL has made provision for Impairment in shares amounting to Rs. 978.80 lakhs in value of investments in said subsidiaries during the quarter and nine months period ended December 31, 2022.
- 3.3 SIPL, subsidiary 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, the SIPL has received consideration of Rs. 35750 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 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 ended			Nine month ended		Year ended
		31/12/2022 (Unaudited)	30/09/2022 (Unaudited)	31/12/2021 (Unaudited)	31/12/2022 (Unaudited)	31/12/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue from	20,991.17	21,453.83	34,093.45	69,461.80	86,625.29	1,22,623.66
2	Net (loss) before tax	(4,610.69)	(1,144.04)	(477.16)	(7,991.31)	(2,301.60)	(70,973.01)
3	Net (loss) after tax	(4,327.09)	(1,181.93)	(319.50)	(7,739.78)	(1,571.91)	(71,631.71)
4	Total comprehensive income	(4,327.09)	(1,178.30)	(287.71)	(7,736.15)	(1,476.53)	(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 December 31, 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.
- 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 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.

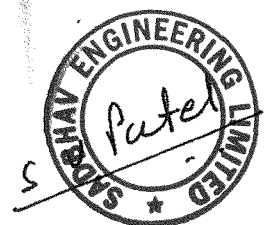
In this regard the management of RPTPL lodged total claims aggregating to Rs. 3,95,784.40 Lakhs relating to termination payments, O&M cost due to force majeure, Covid claim & demonetization etc. In view of the above, RPTPL has given following accounting treatments in its financial statements for the 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
- Written back major maintenance provision amounting to Rs. 9,294.30 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 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 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. 8092.08 and Provision for impairment of investment in shares of SadbhavJodhpur Ringroad Highway Private Limited of Rs.1165.00 lakhs by SIPL 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 Banglore 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 i.e. SBGHPL 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 and Provision for impairment of investment in shares of Sadbhav Banglore Highway Private Limited of Rs. 3090.30 lakhs by SIPL has been transferred to statement of profit and loss and included in as Exceptional Item in financial results.

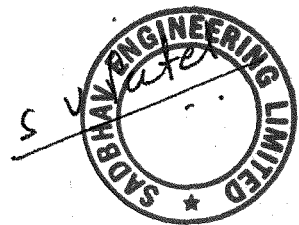
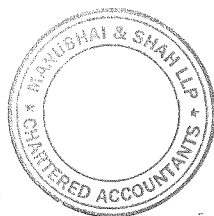
c. Other expenses for the quarter and year ended March 31, 2022 includes Rs. 69,391.73 Lakhs in respect of provision for impairment to the carrying value of the contract assets.

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.

- 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 (RHPTL) and Rohtak Panipat Tollways Private Limited (RPTPL) amounting to Rs. 8874.30 lakhs and Rs. 25436.50 lakhs for the quarter ended December 31, 2022 and nine month period ended December 31, 2022 respectively where Financials of RPTPL & RHPTL are prepared on non going concern basis due to issue of termination notice to NHAI by RPTPL & RHPTL.
- 12 The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of the Maharashtra Boarder Check Post Network Limited, the material subsidiary company of SIPL which has been approved by the Management, whose unaudited interim financial results / information reflect, total revenue of Rs. 7798.30 lakhs and Rs. 22695.20 lakhs, total net profit after tax of Rs. 1636.40 lakhs and Rs. 1487.80 lakhs and total comprehensive income of Rs. 1636.40 lakhs and Rs. 1499.40 lakhs for the quarter and nine months period ended on December 31, 2022 respectively.



- 13 The Company finds difficulty in meeting obligation of payment to suppliers and statutory dues in normal course of business. There are defaults in repayment of dues to lenders. This is mainly an account of delay in execution of projects and resources constraint.

During the quarter ended December 31, 2022, the consortium lenders except one lender of the company have signed an Inter Creditor Agreement on December 26, 2022 due to defaults in the repayment of dues. The Management is in the process of monetizing the existing -6- HAM Projects of group out of which binding term sheet has been signed with the buyer for -2- HAM projects and other -4- HAM Projects are expected to be monetized soon. Further, due to delay in completion of EPC works under execution on account of shortage of working capital, the Company has proactively taken decision to rearrange the EPC contract work.

Based on this, the Company has submitted the Resolution Plan to the Consortium of lenders which is under active discussion with the lenders. The ingredients of Resolution Plan covers proceeds from monetization of HAM Assets/ other Assets, infusion of funds from the promoters, receipt of Award amount/ other receivables and refinance/ stake sale of operational projects as well as of restructuring of dues of lenders. These activities will bring reduction of overall liabilities including reduction of debt and will also bring additional liquidity in the company to ramp up its execution.

Considering the above aspect in anticipation of approval from lenders of Resolution plan, its implementation and infusion of funds from promoters of the Company, the management believes that Company will be able to generate an incremental operational cash flows and hence there is no threat to the Going Concern assumption adopted in the preparation of financial statements.

- 14 There is delay in physical progress of work as at December 31, 2022 in respect of projects being executed by Sadbhav Vidarbha Highway Private Limited (SVHPL), Sadbhav Kim Expressway Private Limited (SKEPL), Sadbhav Rudrapur Highway Private Limited (SRHPL) and Sadbhav Nainital Highway Private Limited (SNHPL), step down subsidiaries of the company on account of delay in handing of over land from authority, occurrence of Force Majeure event of pandemic of COVID-19 various other reasons beyond the control of the said subsidiaries. Further the Company, SVHPL, SKEPL, SRHPL, SNHPL could not execute the project due to resource constrain. The company is exploring various option for completion of the project. Further respective step down subsidiaries have sought for extension of Concession Period including Construction period.

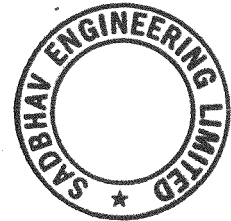
- 15 During the quarter ended December 31, 2022 revenue from operations include sale of construction material of Rs. 233.03 Lakhs and cost of construction material sold of Rs. 197.71 Lakhs is included in cost of material consumed.

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.

- 16 Figures relating to the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods / year.

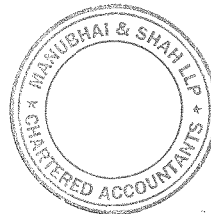
For SADBHAV ENGINEERING LIMITED

S V Patel
Shashin V. Patel
Chairman and Managing Director
DIN: 00048328
Place : Ahmedabad
Date : February 14, 2023



SIGNED FOR IDENTIFICATION BY

Kantel
MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS



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 nine months ended on December 31, 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.

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

Holding Company:

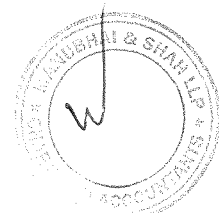
Sadbhav Engineering Limited

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 revenue of Rs. 7,798.30 Lakhs and Rs. 22,695.20 Lakhs, total net profit after tax of Rs. 1,636.40 Lakhs and Rs. 1,487.80 Lakhs and total comprehensive income of Rs. 1,636.40 Lakhs and Rs. 1,499.40 Lakhs for the quarter and nine months ended on December 31, 2022 respectively. 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. Material uncertainty related to going concern**

We draw attention to Note no. 13 to the accompanying Standalone Financial Results, which indicates that, there are defaults in repayment of due to lenders and the Company finds difficulty in meeting obligations of payment to suppliers and statutory dues. Further consortium of the lenders of the Company have executed Inter-Creditor Agreement on 26th December, 2022 and accounts by the respective lenders have been classified as Non-Performing Assets. These events or conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in the said note.

Our opinion is not modified in respect of this matter.



8. Emphasis of Matter on the basis of the Limited Review Report dated February 14, 2023 on the Consolidated Financial Results of Sadbhav Infrastructure Project Limited (SIPL) for the quarter and nine months ended December 31, 2022:

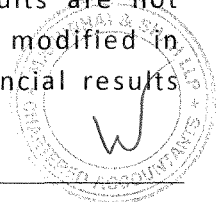
Attention is invited to:

- 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 of the Group 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. 8,092.08 Lakhs and provision of Rs. 1,165.00 Lakhs for impairment in value of investment in shares by SIPL 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 nine months ended December 31, 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. 32,404.50 Lakhs and provision of Rs. 3,090.30 Lakhs for impairment in value of investments in shares by SIPL 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 nine months ended December 31, 2022.

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

9. Other Matters:

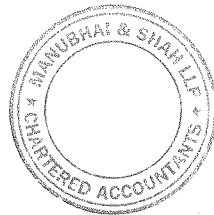
- a) The Consolidated Financial Results include unaudited financial results of 2 step-down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. 0.20 Lakhs and Rs. 0.20 Lakhs, total net (loss) after tax of Rs. (0.30) Lakhs and Rs. (0.60) Lakhs, total comprehensive income of Rs. (0.70) Lakhs and Rs. (1.00) Lakhs for the quarter and nine months ended on December 31, 2022 respectively. 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.



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- 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 revenue of Rs. 9,228.40 Lakhs and Rs. 31,862.90 Lakhs, total net (loss) after tax of Rs. (8,685.40) Lakhs and Rs. (56,215.30) Lakhs, total comprehensive income of Rs. (8,685.40) Lakhs and Rs. (56,215.30) Lakhs for the quarter and nine months ended on December 31, 2022 respectively 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.

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



**Place: Ahmedabad
Date: February 14, 2023**

K C Patel

**K C Patel
Partner
Membership No.: 030083
UDIN: 23030083BGWUVD2427**