

Ref: SEL/2021-22/27

August 14, 2021

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

Equity Scrip Code:532710

To,
**National Stock Exchange of India
Ltd.**

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

Equity Scrip Name: SADBHAV

**Sub: Outcome of the Meeting of the Board of Directors of the Company held on
14th August, 2021**

Dear Sir/ Madam,

In compliance to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations”), this is to inform you that the meeting of Board of Directors was held on today i.e. August 14, 2021 at 11:00 a.m. and concluded at 14:15 p.m., the following matters are inter alia approved and adopted by the Board of Directors:

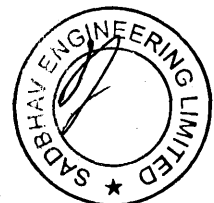
1. Approved and adopted the standalone and consolidated Unaudited Financial Results of the Company for the Quarter ended on 30th June, 2021.

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 ended on 30th June, 2021.
- b. Limited Review Report on Unaudited Financial Results of the Company for the Quarter ended on 30th June, 2021.

The copy of the said results along with Limited Review Report submitted by the Joint Statutory Auditors of the Company are also enclosed herewith.

2. The 32nd Annual General Meeting (AGM) of the Company will be held on Wednesday, September 29, 2021 through Video Conference(“VC”) / Other Audio Visual Means (“OAVM”).
3. Members of the Company, holding shares either in physical form or in dematerialized form, as on August 27, 2021, (cutoff date), shall be entitled for receiving of Notice of AGM and Annual Report for the period 2020-21.



Sadbhav Engineering Limited

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

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4. Register of Members and Share Transfer Books of Company shall remain closed from Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive) for the purpose of 32nd Annual General Meeting.
5. The remote e-voting period will commence on Sunday, September 26, 2021 @9.00 a.m. and would end on Tuesday, September 28, 2021 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 22, 2021 (cutoff date for e-voting), may cast their vote through remote e-voting. Those Members, who shall be present in the AGM through VC/OAVM facility and had not cast their votes on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

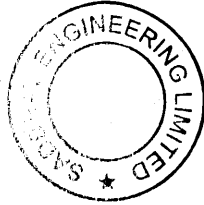
You are requested to take the above on your record.

Thanking you.

Yours truly,

For Sadbhav Engineering Limited


Hardik Modi
Company Secretary



Encl: As Above

SADBHAV ENGINEERING LIMITED

CIN NO.: L45400GJ1988PLC011322

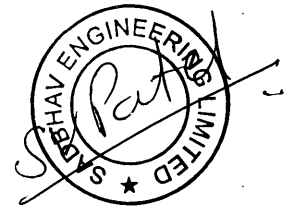
Corp. Office: "Sadbhav", Near Havmor Restaurant, B/H Navrangpura Bus Stand, Navrangpura, Ahmedabad-380 009 Gujarat

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

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

Sr. No.	Particulars	Quarter ended 30/06/2021 (Unaudited)	Quarter ended 31/03/2021 (Audited)	Quarter ended 30/06/2020 (Unaudited)	Year ended 31/03/2021 (Audited)
	Income				
1	Revenue From operations	26,283.49	42,571.45	22,969.03	1,62,362.45
2	Other income	1,945.18	3,373.89	1,507.61	9,348.14
3	Total Income (1+2)	28,228.67	45,945.34	24,476.64	1,71,710.59
4	Expenses				
	Cost of Material Consumed	4,979.89	13,705.92	4,876.20	34,269.89
	Construction Expenses	15,577.46	16,005.02	12,566.95	89,347.60
	Employee benefits expense	2,569.14	3,430.49	2,569.03	12,190.97
	Finance costs	4,208.35	4,988.21	3,768.02	18,951.08
	Depreciation and amortization expense	2,037.19	2,121.33	2,494.43	9,420.67
	Other expenses	740.60	2,584.02	1,011.75	5,416.60
	Total Expenses	30,112.63	42,834.99	27,286.38	1,69,596.81
5	Profit / (Loss) before exceptional Items and tax (3-4)	(1,883.96)	3,110.35	(2,809.74)	2,113.78
6	Exceptional Items (Refer Note no. 4)	-	(1,958.72)	-	(1,958.72)
7	Profit / (Loss) before tax (5+6)	(1,883.96)	1,151.63	(2,809.74)	155.06
8	Tax Expense				
	(i) Current Tax	-	(1,936.00)	-	(1,669.91)
	(ii) Deferred Tax	(197.89)	(1,633.61)	(151.75)	(2,278.71)
9	Profit / (Loss) for the period/year (7-8)	(1,686.07)	4,721.24	(2,657.99)	4,103.68
10	Other Comprehensive Income (OCI)				
	(i) Items that will not be reclassified to profit or loss	-	149.60	-	35.19
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
11	Total Income (Including Other Comprehensive Income) (9+10)	(1,686.07)	4,870.84	(2,657.99)	4,138.87
12	Paid up Equity share Capital (Face Value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71
13	Other Equity as at 31st March	-	-	-	2,12,821.66
14	Basic & Diluted EPS (Rs.) (Face Value of Re. 1/- each) (*not annualized)	-0.98*	2.75*	-1.55*	2.39



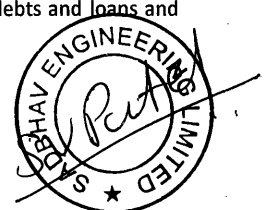
Sadbhav Engineering Limited

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Notes :

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their respective meetings held on August 14, 2021. 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 Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by taking lower useful life compared to useful life prescribed under schedule II of the Companies Act, 2013, hence depreciation charged for the quarter ended on June 30, 2021 is higher by Rs. 183.88 lakhs (Rs. 255.89 lakhs). The said accounting policy is consistently followed by the Company after the introduction of the Companies Act. 2013.
- 4 Exceptional items in previous year ended March 31, 2021 amounting to Rs. 1,958.72 lakhs is on account of net loss on sale of assets.
- 5 The Board of Directors at their meeting held on October 19, 2019 have approved a scheme of merger and arrangement under Sections 230 to 232 of the Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE/NSE have been received. In terms of the order of National Company Law Tribunal (NCLT) dated December 01, 2020, the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors were convened on January 29, 2021. Requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval. The matter is pending before NCLT.
- 6 The Company has given loans of Rs 12,703.53 lakhs to Rohtak Panipat Tollway Private Limited (RPTPL), on of Step down subsidiary companies engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India(NHAI). The net worth of RPTPL has fully eroded. Further the toll collection has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020,. Accordingly, RPTPL is not able to collect toll user fees from December 25, 2020. RPTPL has sent various communications to authorities for such forceful suspension of toll. Subsequent to the quarter ended on June 30, 2021, 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. In this regard, RPTPL has filed claim of Rs 125190.50 Lakhs with NHAI towards termination payment in terms of concession agreement.
In addition there are various claims amounts to Rs 1,77,495.60 lakhs including interest pending between RPTPL and NHAI under the concession agreement. In respect of such claims, NHAI has approached to RPTPL for settlement of all these claims by way of conciliation proceedings, which has been consented by RPTPL.
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, no provision/adjustment to the carrying value of loans and advances as at June 30, 2021 is considered necessary.
- 7 The Company has given Loans of Rs 1,471.76 lakhs to Rohtak Hissar Tollway Private Limited (RHTPL), one of Step down subsidiary companies engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of RHTPL has fully eroded.
Further the toll collection has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws from December 25, 2020,. Accordingly, RHTPL is not able to collect toll user fees from December 25, 2020. RHTPL has sent various communications to authorities for such forceful suspension of toll including revenue loss claim of Rs 4,243.60 lakhs till March 31, 2021. However, it is yet to receive response from the authority in this regards. Further, RHTPL has entered into an "Intercreditor Agreement" dated February 25, 2021 amongst the banks, financial institutions and other Lenders for resolution Plan.
Considering the management assessment of future traffic projection, ongoing financial structuring discussions, and valuation report obtained from registered valuer, no provision/adjustment to the carrying value of Investments and subordinate debts and loans and advances as at June 30, 2021 is considered necessary.

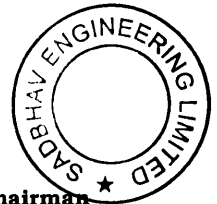


Sadbhav Engineering Limited

- 8 The Company has made assessment of possible impact of COVID-19 on business / operations of the company its subsidiaries and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at date of approval of these results has used corroborative information. As on current date, the Company has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 9 Realisability of Non- Current Trade Receivables amounting to Rs. 35,412.65 lakhs along with other incidental balances pertaining to completed projects are subject to the proceedings convened with the parties, and in some of the cases the matters are subjudiced. The management is hopeful that in view of the steps being taken for recovery, the dues will be realised. Hence the same are considered as good and recoverable.
- 10 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.
- 11 The listed, non-convertible, debentures of the Company aggregating Rs. 7,860.00 lakhs outstanding as on June 30, 2021 which 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.
- 12 The figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the unaudited published year to date figures up to third quarter ended December 31,2020 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 13 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.
- 14 The above Financial Results are available on company's website www.sadbhaveng.com and on the websites of the stock exchange viz. www.bseindia.com and www.nseindia.com

For SADBHAV ENGINEERING LIMITED

Sr Patel



Shashin V. Patel
Non Executive Director & Vice Chairman

DIN: 00048328

Place : Ahmedabad

Date : August 14, 2021

SIGNED FOR IDENTIFICATION BY

Manubhai & Shah

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS



Sadbhav Engineering Limited

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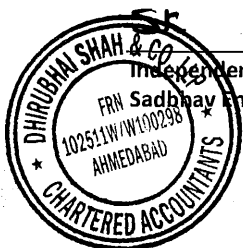
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Manubhai & Shah LLP
Chartered Accountants
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Ellisbridge, Ahmedabad,
Gujarat, 380006

**Independent Auditors' Review Report on the Quarterly Unaudited Standalone Financial Results of
Sadbhav Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015, as amended**

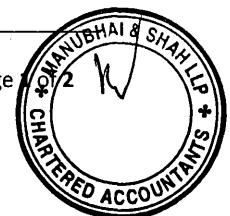
**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Sadbhav Engineering Limited** (the "Company") for the quarter ended on June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Independent Auditors' Review Report on standalone financial results of
Sadbhav Engineering Limited for the quarter ended June 30, 2021

Page



5. **Emphasis of Matter:**

We draw attention to:

- a) Note 6 and 7 of the accompanying standalone financial results which describes the management's assessment of the carrying value of loan given to two step-down subsidiaries amounting to Rs. 14,175.29 lakhs engaged in infrastructure project whose net worth is fully eroded due to accumulated losses and the current liabilities of have exceeded its current assets as at June 30, 2021. Further, there has been issue of notice of termination of concession agreement by one step- down subsidiary of the Company and consequent discussion/litigation proceedings in respect of status of termination/termination payments. As explained in the note, the management has concluded that no impairment/adjustment to the carrying value of the loans given is necessary as at June 30, 2021 for the reasons stated in the said note.
- b) Note 8 to the accompanying unaudited standalone financial results, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company.
- c) Note 9 of the accompanying standalone financial results as regards management's evaluation on realisability of balances outstanding under the head Trade Receivables and Security & Other Deposits included under the head Other Non-Current Financial Assets pertaining to completed projects amounting to Rs. 35,412.65 lakhs, which are considered as good and recoverable, for the reasons stated in the said note.

Our conclusion is not modified in respect of above matters.

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

Samip K. Shah

Samip K Shah
Partner
Membership No: 128531
ICAI UDIN: 21128531AAAAKF9096
Place: Ahmedabad
Date: August 14, 2021



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

Kaushik C Patel

Kaushik C Patel
Partner
Membership No: 030083
ICAI UDIN: 21030083AAAAFP4357
Place: Ahmedabad
Date: August 14, 2021



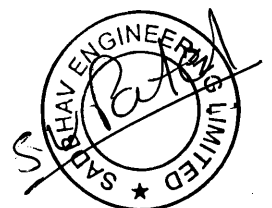
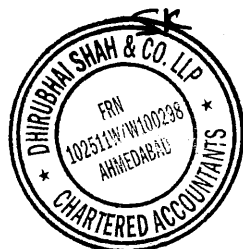
SADBHAV ENGINEERING LIMITED
CIN NO.: L45400GJ1988PLC011322

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

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

Sr. No.	Particulars	Quarter ended 30/06/2021 (Unaudited)	Quarter ended 31/03/2021 (Audited)	Quarter ended 30/06/2020 (Unaudited)	Year ended 31/03/2021 (Audited)
	Income				
1	Revenue From operations	39,780.72	62,314.93	38,364.92	2,24,327.80
2	Other income	9,084.54	10,770.54	7,278.26	35,400.23
3	Total Income (1+2)	48,865.26	73,085.47	45,643.18	2,59,728.03
4	Expenses				
	Cost of Material Consumed	4,979.89	13,705.93	4,876.20	34,269.90
	Construction Expenses	18,933.75	25,746.93	20,064.84	1,05,099.18
	Employee benefits expense	3,320.94	4,258.89	3,267.73	15,263.67
	Finance costs	25,294.00	26,569.23	23,459.16	1,00,345.04
	Depreciation and amortization expense	3,990.59	4,267.03	4,292.13	21,101.47
	Other expenses	2,128.15	4,049.42	1,744.25	9,882.20
	Total Expenses	58,647.32	78,597.43	57,704.31	2,85,961.46
5	(Loss) before exceptional Items and tax (3-4)	(9,782.06)	(5,511.96)	(12,061.13)	(26,233.43)
6	Exceptional Items (Refer Note No. 4)	(6,221.00)	2,346.38	-	2,346.38
7	(Loss) before tax (5+6)	(16,003.06)	(3,165.58)	(12,061.13)	(23,887.05)
8	Tax Expense				
	(i) Current Tax	2,126.00	(1,937.20)	427.30	(928.41)
	(ii) Deferred Tax	(3,139.39)	(6.41)	(142.85)	786.19
9	(Loss) for the period/year (7-8)	(14,989.67)	(1,221.97)	(12,345.58)	(23,744.83)
10	Other Comprehensive Income (OCI)				
	(i) Items that will not be reclassified to profit or loss	-	152.40	-	37.99
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
11	Total Income (Including other comprehensive Income (9+10))	(14,989.67)	(1,069.57)	(12,345.58)	(23,706.84)
12	(Loss) for the period/year attributable to:				
	Owners of the Company	(10,968.75)	404.27	(9,412.22)	(15,490.76)
	Non-controlling Interest	(4,020.92)	(1,626.23)	(2,933.36)	(8,254.07)
13	Other Comprehensive Income for the period/year attributable to:				
	Owners of the Company	-	152.40	-	37.99
	Non-controlling Interest	-	-	-	-
14	Total Comprehensive Income for the period/year attributable to:				
	Owners of the Company	(10,968.75)	556.67	(9,412.22)	(15,452.77)
	Non-controlling Interest	(4,020.92)	(1,626.23)	(2,933.36)	(8,254.07)
	Total Income (Including Other Comprehensive Income)	(14,989.67)	(1,069.56)	(12,345.58)	(23,706.84)
15	Paid up Equity share Capital (Face value of Re. 1 each)	1,715.71	1,715.71	1,715.71	1,715.71
16	Other Equity as at 31st March	-	-	-	1,42,813.22
17	Basic & Diluted EPS (Rs.) (Face value of Re. 1/- each) (*not annualized)	-6.39*	0.24*	-5.49*	-9.03*



Sadbhav Engineering Limited

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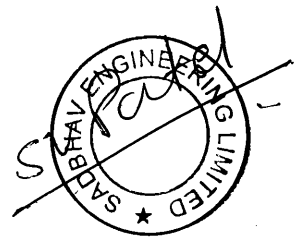
Notes :

- 1 The aforesaid unaudited consolidated financial results for the quarter ended June 30, 2021 of Sadbhav Engineering Limited ('the Company') and its subsidiaries including step-down subsidiaries (together referred to as 'Group') of the company have been reviewed and recommended by the audit committee and approved by the Board of Directors of the Company at their respective meetings held on August 14, 2021. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the consolidated financial results.
- 2 The revenue from operations includes revenue from construction contracts of Rs. 7,224.40 lakhs, Rs. 2,5295.80 lakhs, Rs. 15,186.50 lakhs for quarter ended June 30, 2021, March 31, 2021 and June 30, 2020 respectively and Rs. 6,9055.40 lakhs for the year ended March 31, 2021 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 Operating expenses include provision for Periodic Major Maintenance of Rs. Nil lakhs, Rs. 498.30 lakhs, and Rs. 498.30 lakhs for the quarter ended June 30, 2021, March 31, 2021 and June 30, 2020 respectively and Rs. 1,993.10 lakhs for the year ended March 31, 2021 .
- 4 a. Pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019 between Sadbhav infrastructure Project Limited (SIPL) with IndInfravit Trust, the entire equity shareholding in seven of its erstwhile subsidiary companies i.e. Bijapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udaipur Tollway Private Limited, Bhilwara Rajsamand Tollway Private Limited and Mysore Bellary Highway Private Limited (MBHPL), a subsidiary of the Company have been transferred to Indinfravit Trust with effect from 14th February, 2020. During the quarter and year ended on March 31, 2021, the group has received Rs. 4,305.10 lakhs has been disclosed as an exceptional item which has been received from the IndInfravit subsidiary towards the claim from the concerned authority.

The consideration for the above transaction was discharged through a mix of cash payment and issue of units of IndInfravit. During the quarter ended on June 30, 2021, the group has sold 4,34,28,782 units of IndInfravit representing 70% of the total units of Indinfravit held by the group for a consideration of Rs. 44,100.00 lakhs against cost of Rs. 50,321.00 lakhs. This has resulted into loss of Rs. 6,221.00 lakhs which has been disclosed as an exceptional item.

b. Exceptional items during the previous year ended March 31, 2021 is net of -

- (i) Gain of Rs. 4,305.10 lakhs on account of amount received from Indinfravit Trust in respect of erstwhile subsidiary companies towards the claim from the concerned authority.
- (ii) Loss of Rs. 1,958.72 lakhs on account of the sale of assets.



Sadbhav Engineering Limited

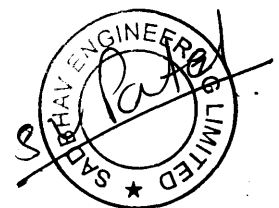
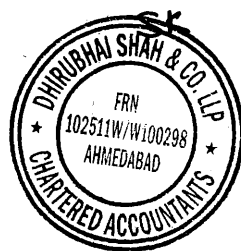
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5 Key Numbers of Standalone financial results of the company for the quarter ended June 30, 2021 are as under:

S. No.	Particulars	Quarter ended			Year ended
		Quarter ended 30/06/2021 (Unaudited)	Quarter ended 30/06/2020 (Unaudited)	Quarter ended 31/03/2021 (Audited)	Year ended 31/03/2021 (Audited)
1	Revenue from operations	26,283.49	22,969.03	42,571.45	1,62,362.45
2	Net Profit / (loss) before tax	(1,883.96)	(2,809.74)	1,151.63	155.06
3	Net Profit / (loss) after tax	(1,686.07)	(2,657.99)	4,721.24	4,103.68
4	Total other comprehensive income for the period / year	(1,686.07)	(2,657.99)	4,870.84	4,138.87

- 6 The group has made assessment of possible impact of COVID-19 on business / operations of the group and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at date of approval of these financial statements has used corroborative information. As on current date, the group has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the group will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 7 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 of the group as whole as a single operating segment in accordance with Indian Accounting Standard 108 - "Segment Reporting"
- 8 The listed, non-convertible, debentures of the Company aggregating Rs. 7,860.00 lakhs outstanding as on June 30, 2021 which 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. The listed non-convertible debentures of the Sadbhav Infrastructure Project Limited (SIPL) aggregating Rs. 55,000.00 lakhs outstanding as on June 30, 2021 are secured by way of corporate guarantee of Company, first ranking charge created by way of Pledge over such Units of IndInfravit Trust held by the subsidiary and creation of pledge over such numbers of Equity shares held by SIPL. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

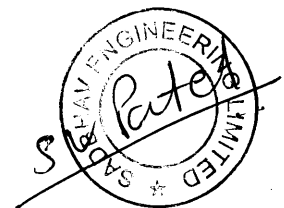
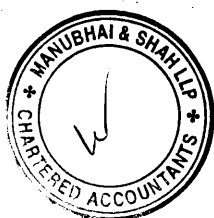


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- 9 In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), one of the step down subsidiaries, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017. In this connection AUDA, relying on legal opinion, in its board meeting has passed resolution to assess claims and make payments as per actual traffic. Company has raised the claims as per the directions of the Board of AUDA. Pending Final decision on claim assessment by AUDA, the said subsidiary has recognised revenue of toll collection of Rs. 179.20 lakhs, Rs. 179.20 lakhs and Rs. 173.60 lakhs for the quarter ended June 30, 2021, March 31, 2021 and June 30, 2020 respectively and Rs. 651.40 lakhs for the year ended March 31, 2021 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017.
- 10 Maharashtra Border Check Post Network Limited ('MBCPNL') one of the step down subsidiary, has accepted and accounted certain project related cost variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project including 2 additional check post ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to June 30, 2021 is Rs. 22,288.40 lakhs (March 31, 2021 Rs. 22,288.40 lakhs). The costs have been accounted as intangible asset / intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
- 11 Rohtak Panipat Tollway Limited (RPTPL) one of the step down Subsidiary Company of the Group has accumulated (a) losses of Rs. 1,17,562.20 lakhs (March 31, 2021: Rs. 1,11,476.80 lakhs) as at June 30, 2021, which has resulted in erosion of the RPTPL's net worth and current liability in excess of current assets of Rs. 42,320.90 lakhs (March 31, 2021: Rs. 31,417.60 lakhs).
Further from December 25, 2020, the toll collection has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws. Accordingly, RPTPL is not able to collect toll user fees from December 25, 2020. The RPTPL has sent various communications to authorities for such forceful suspension of toll including revenue loss claim of Rs 3,585.00 lakhs till March 31, 2021. Subsequent to quarter end, RPTPL has issued concession termination notice to NHAI on July 27, 2021 by exercising the criteria of 'Event of Defaults' under concession agreement and await response from the authority. The RPTPL has also filed claim of Rs. 1,25,190.50 lakhs with NHAI towards termination payment in terms of concession agreement
There are three claims pending between RPTPL and NHAI under the concession agreement, the total claim for this amounts to Rs. 1,77,495.60 lakhs including interest. In respect of such claims, NHAI has approached to the company for settlement of all these claims by way of conciliation proceedings during the year, which has been consented by RPTPL. Considering the RPTPL's 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, certain ongoing financial structuring discussions and awaiting response on termination notice, the management of RPTPL believes that the financial results of the said subsidiary needs to continue to be prepared on a going concern assumption.



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(b) The Group has carrying value of intangible assets of Rs. 1,63,501.70 lakhs in RPTPL . Considering the circumstances described in note 11(a) above, no provision/adjustment to the carrying value of intangible assets as at June 30, 2021 is considered necessary.

12 Rohtak Hissar Tollway Private Limited (RHTPL) one of the step down subsidiaries of the group, has accumulated losses (a) of Rs. 54,406.30 lakhs (March 31, 2021: Rs. 51,016.20 lakhs) as at the June 30, 2021, resulting in erosion of its Net worth. Further, the RHTPL's borrowings have been classified as non-performing assets by the banks due to defaults in payment of dues & Current financial Liabilities exceeds the Current financial Assets by Rs 14,159.30 lakhs as at June 30, 2021. However, the management expects that the RHTPL's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of RHTPL. Further, the management of RHTPL has represented that there is an unconditional continuing support from the holding company and RHTPL will be able to discharge all its obligations in foreseeable future. Further, RHTPL has entered into an "Intercreditor Agreement" dated 25, Feb, 2021 amongst the banks, financial institutions and other Lenders for resolution Plan.

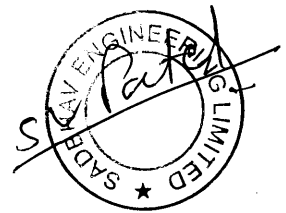
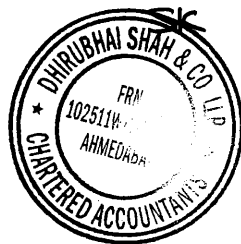
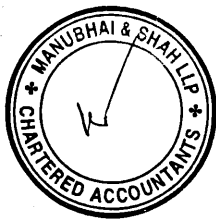
Further from December 25, 2020, the toll collection by RHTPL has been forcefully suspended due to agitation and protest held by farmers and other unions against agri-marketing laws. Accordingly, RHTPL is not able to collect toll user fees from December 25, 2020. The RHTPL has sent various communications to authorities for such forceful suspension of toll including revenue loss claim of Rs 4,243.60 lakhs till March 31, 2021. However, it is yet to receive response from the authority in this regards

Considering the RHTPL's management assessment of future traffic projection , ongoing financial structuring discussions, and valuation report obtained from registered valuer, the management of RHTPL believes that the financial results of the said subsidiarv needs to continue to be prepared on a going concern assumption.

(b) The Group has carrying value of intangible assets of Rs. 94,406.00 lakhs in RHTPL. Considering the circumstances described in note 12(a) above, no provision/adjustment to the carrying value of intangible assets as at June 30, 2021 is considered necessary.

13 Realisability of Non- Current Trade Receivables amounting to Rs. 28,319.65 Lakhs along with other incidental balances pertaining to completed projects are subject to the proceedings convened with the parties, and in some of the cases the matters are subjudiced. The management is hopeful that in view of the steps being taken for recovery, the dues will be realised. Hence the same are considered as good and recoverable.

14 The Board of Directors at their meeting held on October 19, 2019 have approved a scheme of merger and arrangement under Sections 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE/NSE have been received. In terms of the order of National Company Law Tribunal (NCLT) dated December 01, 2020, the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors were convened on January 29, 2021. Requisite majority of stakeholders have given their consent to the scheme. The Company has made application to NCLT for its approval. The matter is pending before NCLT.



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- 15 The Indian Parliament has recently 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.
- 16 The figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year upto March 31, 2021 and the unaudited published year to date figures up to third quarter ended December 31, 2020, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 17 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current period.

SIGNED FOR IDENTIFICATION BY

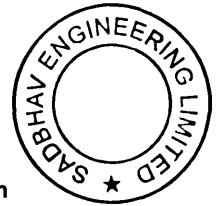
KW
**MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS**



For SADBHAV ENGINEERING LIMITED

sv Patel

Shashin V. Patel
Non Executive Director & Vice Chairman
DIN: 00048328
Place : Ahmedabad
Date : August 14, 2021



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Chartered Accountants
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**Independent Auditors' Review Report on the Quarterly Unaudited Consolidated Financial Results of
Sadbhav Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015, as amended**

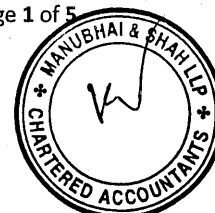
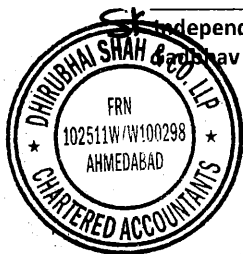
**Review Report to
The Board of Directors of
Sadbhav Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Sadbhav Engineering Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended on June 30, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Independent Auditors' Review Report on consolidated financial results of
Sadbhav Engineering Limited for the quarter ended June 30, 2021

Page 1 of 5



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

List of Subsidiaries:

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

List of step-down subsidiaries:

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

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



6. Material Uncertainty Related to Going Concern in case of two step-down subsidiary companies

The auditors of Sadbhav Infrastructure Project Limited, a subsidiary company, in their report dated 12th August, 2021 on Consolidated financial results of the said subsidiary, on the basis of reports on the results of Rohtak Panipat Tollway Private Limited (RPTPL) and Rohtak Hisar Tollway Private Limited (RHTPL), step down subsidiaries, have highlighted material uncertainty related to going concern in respect of the said step down subsidiaries as under:

- (i) RPTPL has given termination notice to National Highway Authority of India (NHAI) on July 27, 2021 due to event of default under Concession Agreement. Further the Company has accumulated losses and its net worth has been fully eroded and it has incurred a net loss during the current period and previous years and current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in note 11 to the consolidated financial results, indicate the existence of a material uncertainty that may cast significant doubt on RPTPL's ability to continue as a going concern.

The conclusion of auditors of RPTPL is not modified with respect to the above matter.

- (ii) RHTPL is having accumulated losses as on reporting date resulting in erosion of its net worth. Further, its current financial liabilities exceeds the current financial assets. These events or conditions along with other matters described in note 12 to the consolidated financial results indicate that a material uncertainty exists that may cast significant doubt on RHTPL's ability to continue as a going concern.

The conclusion of auditors of RHTPL is not modified with respect to the above matter.

7. Emphasis of Matter:

We draw attention to the following notes to the consolidated financial results:

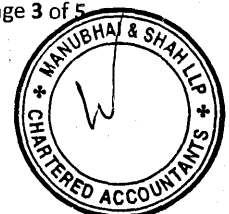
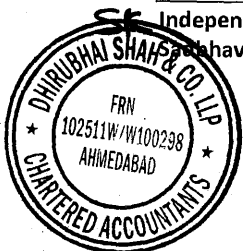
- a) Note 6 to the accompanying unaudited consolidated financial results, as regards the Management's evaluation of COVID-19 impact on the operations and assets of the Group.
- b) Note 10 to the accompanying unaudited consolidated financial results in respect of accounting of Intangible Assets/ Intangible Assets under Development of Rs. 22,288.40 lakhs under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a step-down subsidiary company, based upon recommendation made by project lenders' engineers and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these consolidated financial results.

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

8. Emphasis of Matter in respect of two step down subsidiary companies:

The auditors of Sadbhav Infrastructure Project Limited, a subsidiary company, in their report dated 12th August, 2021 on Consolidated financial results of the said subsidiary have given the Emphasis of Matter paragraph as under:

Independent Auditors' Review Report on consolidated financial results of
Sadbhav Engineering Limited for the quarter ended June 30, 2021



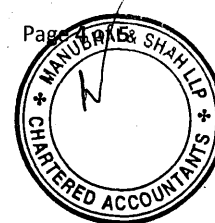
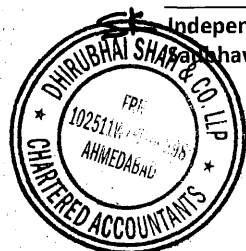
- a) Note 11 of the accompanying consolidated Financial Results with respect to Management's assessment of the carrying value of Toll Collection Right of RPTPL, one of the step-down subsidiaries, considering claim of Rs. 1,77,495.60 lakhs lodged on National Highway Authority of India. For the reason stated in the said note, the Management has concluded that no impairment/adjustment is necessary to the carrying value of the said Toll Collection Rights of step-down subsidiary as at June 30, 2021
- b) Note 12 of the accompanying consolidated financial results which describes the Management's assessment of the carrying value of Toll Collection Right of RHTPL, one of the step-down subsidiaries, considering future traffic projects, ongoing financial structuring discussion and report obtained from the Register Valuer, the Management has concluded that no impairment/adjustment is necessary to the carrying value of the said Toll Collection Rights of subsidiary as at June 30, 2021.
- c) Note 13 of the accompanying consolidated financial results as regards management's evaluation on realisability of balances outstanding under the head Trade Receivables and Security & Other Deposits included under the head Other Non-Current Financial Assets pertaining to completed projects amounting to Rs. 28,319.65 lakhs, which are considered as good and recoverable, for the reasons stated in the said note.

The conclusion of auditors of SIPL is not modified in respect of the above matters.

9. Other Matters:

- a) The consolidated financial results include unaudited financial results of 1 subsidiary and 3 step-down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. 208.10 lakhs, total net loss after tax of Rs. 5.80 lakhs, total comprehensive loss of Rs. 5.80 lakhs for the quarter ended on June 30, 2021. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of this subsidiary and step down subsidiary companies, is based on solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter with respect to our reliance on the financial statements certified by the Management.
- 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. 10,965.00 lakhs, total net loss after tax of Rs. 14,215.70 lakhs, total comprehensive loss of Rs. 14,215.70 lakhs for the quarter ended on June 30, 2021 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the Management. Our conclusion on the statement, in so far as it relates to the amounts and

Independent Auditors' Review Report on consolidated financial results of
Manubhai Engineering Limited for the quarter ended June 30, 2021



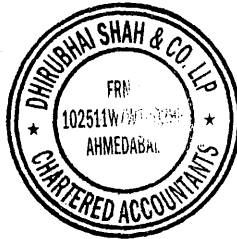
disclosures in respect of such subsidiary and step down subsidiary companies is based solely on the report of other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.

- c) The consolidated financial result includes unaudited financial results of 8 step-down subsidiaries whose financial information reflects (before eliminating intercompany transactions) total revenue of Rs. 18,883.30 lakhs, total net profit after tax of Rs. 918.40 lakhs, total comprehensive profit of Rs. 918.40 lakhs for the quarter ended on June 30, 2021 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by one of the joint auditors. Our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of such step-down subsidiary companies is based solely on the report of joint 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

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

Samip K. Shah

Samip K Shah
Partner
Membership No: 128531
ICAI UDIN: 21128531AAAAKG4337
Place: Ahmedabad
Date: August 14, 2021



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

Kaushik C Patel

Kaushik C Patel
Partner
Membership No: 030083
ICAI UDIN: 21030083AAAAFQ2607
Place: Ahmedabad
Date: August 14, 2021

