

Ref: SEL/2020-21/15

July 09, 2020

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

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 Code:532710

Equity Scrip Name: SADBHAV

**Sub: Media Release of Audited Financial Results for quarter and year ended on
March 31, 2020**

Dear Sir/Madam,

With reference to the above subject, please find enclosed herewith copy of Media Release of Audited Financial Results for quarter and year ended on March 31, 2020 (Q4).

You are requested to take the above on your record.

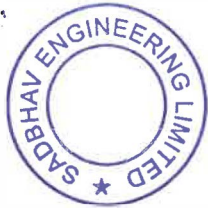
Thanking You,

Yours Faithfully,

For Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216



Encl: As above

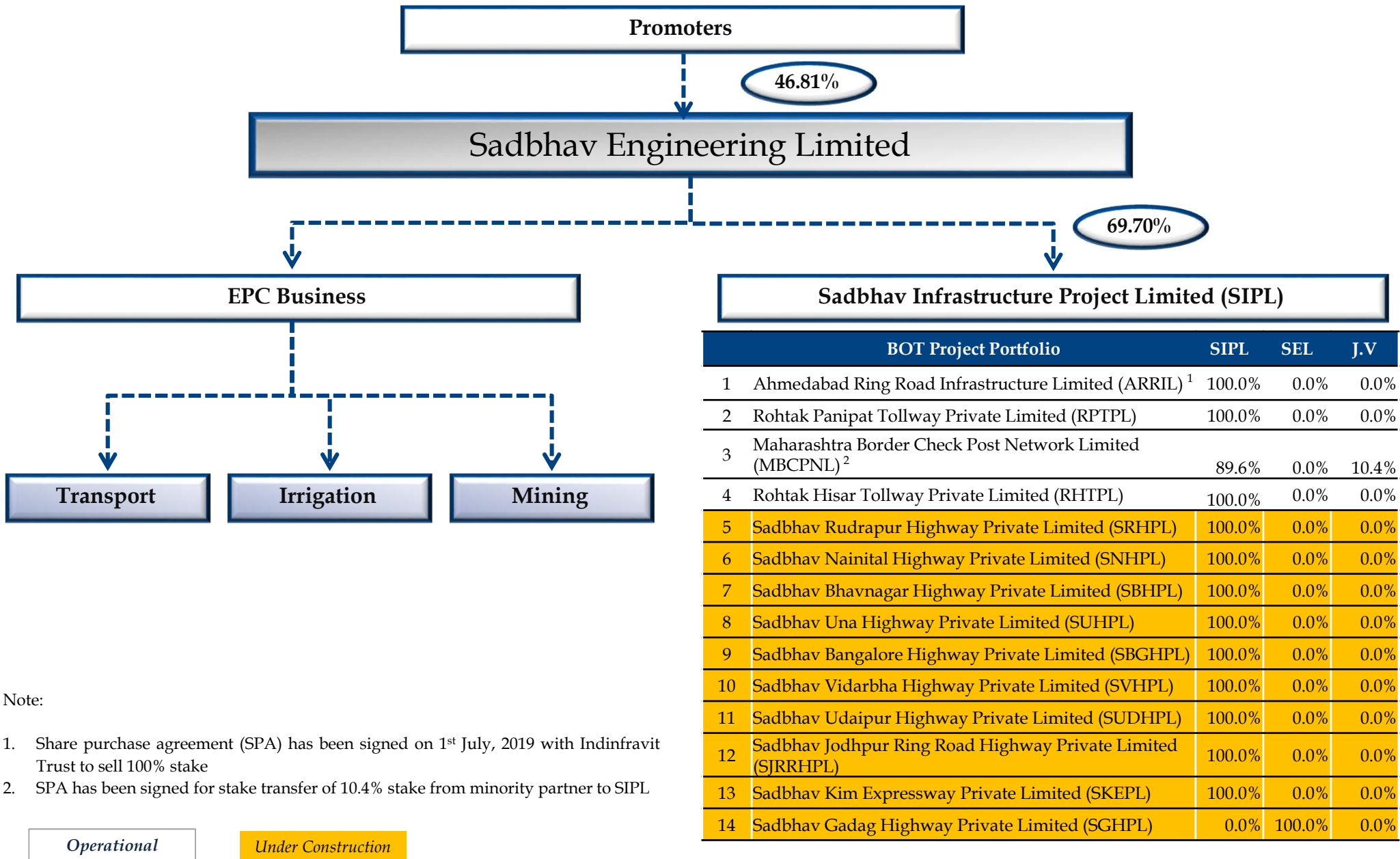


Sadbhav Group

Result Update Q4FY20 & FY20

MEDIA RELEASE

Corporate Structure



Note:

- Share purchase agreement (SPA) has been signed on 1st July, 2019 with Indinfravit Trust to sell 100% stake
- SPA has been signed for stake transfer of 10.4% stake from minority partner to SIPL

Operational Under Construction

Key Financial Highlights: Q4FY20 vs Q4FY19 & FY20 vs FY19

Performance Q4 FY20 vs Q4 FY19 (YoY)

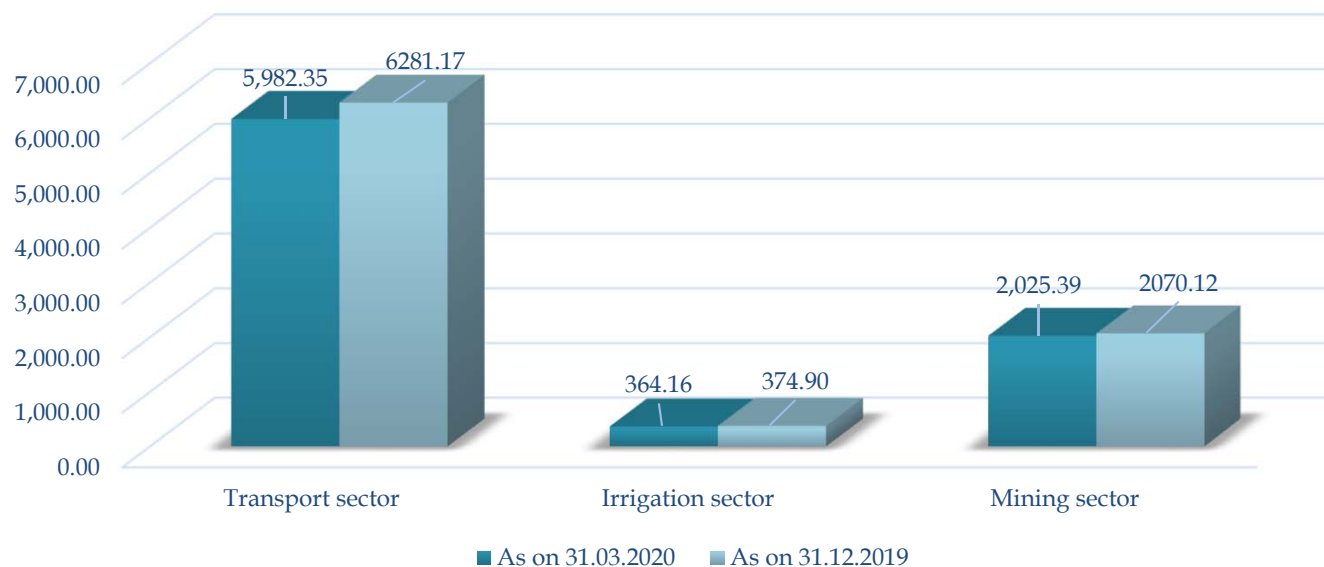
- Income from operations is at Rs. 408.87 Crores vs Rs. 1,021.67 Crores
- EBITDA margin at 12.34% vs 12.41%
- PBT after Exceptional items at Rs. 16.16 Crores vs Rs. 81.63 Crores
- Net Profit after tax at Rs. 8.18 Crores vs Rs. 28.89 Crores

Performance FY20 vs FY19 (YoY)

- Income from operations is at Rs. 2,251.66 Crores vs Rs. 3,549.23 Crores
- EBITDA margin at 12.41% vs 12.06%
- PBT after Exceptional items at Rs. 109.75 Crores vs Rs. 258.29 Crores
- Net Profit after tax at Rs. 85.16 Crores vs Rs. 186.85 Crores

ORDER BOOK POSITION – MARCH 2020

Order book breakup (Rs cr)	As on 31.03.2020	% of total	As on 31.12.2019	% of total	As on 31.03.2019	% of total
Transport sector	5,982.35	71.46	6281.17	71.98	9,358.20	78.11
- BOT/HAM	3,205.15	38.28	3,415.35	39.14	5,981.52	49.93
- EPC	2,777.20	33.17	2,865.82	32.84	3,376.68	28.18
Irrigation sector	364.16	4.35	374.90	4.30	443.78	3.70
Mining sector	2,025.39	24.19	2070.12	23.72	2,179.02	18.19
Total	8,371.90	100.00	8,726.19	100.00	11,981.00	100.00



Standalone Financial Performance

Particulars (In Rs cr)	Q4FY20	Q4FY19	FY20	FY19
Income from operations (Net GST)	408.87	1,021.67	2,251.66	3,549.23
Construction expenses	284.57	805.21	1,735.02	2,852.11
<i>% of sales</i>	<i>69.60</i>	<i>78.81</i>	<i>77.06</i>	<i>80.36</i>
Employee expenses	31.81	46.03	147.15	167.58
<i>% of sales</i>	<i>7.78</i>	<i>4.51</i>	<i>6.54</i>	<i>4.72</i>
Other expenses	42.05	43.67	90.03	101.64
<i>% of sales</i>	<i>10.28</i>	<i>4.27</i>	<i>4.00</i>	<i>2.86</i>
EBITDA	50.45	126.75	279.46	427.91
<i>% of sales</i>	<i>12.34</i>	<i>12.41</i>	<i>12.41</i>	<i>12.06</i>
Depreciation	25.96	23.13	108.45	95.76
Finance cost	29.44	28.21	100.49	110.28
<i>% of sales</i>	<i>7.20</i>	<i>2.76</i>	<i>4.46</i>	<i>3.11</i>
Other income	4.10	5.45	22.22	35.66
Exceptional item	17.01	0.76	17.01	0.76
PBT after Exceptional Items	16.16	81.63	109.75	258.29
<i>% of sales</i>	<i>3.95</i>	<i>7.99</i>	<i>4.87</i>	<i>7.28</i>
Taxes	7.98	52.74	24.59	71.44
PAT	8.18	28.89	85.16	186.85
<i>% of sales</i>	<i>0.80</i>	<i>2.83</i>	<i>3.78</i>	<i>5.26</i>

Segmental Revenue Breakup/ Top 5 projects by execution during Q4FY20

Quarterly Revenue Breakup (Rs. cr)	Q4FY20 Without GST	% of total sales	Q4FY19 Without GST	% of total sales
Transport sector	346.95	84.86	876.91	85.83
-BOT/HAM	242.20	59.24	616.71	60.36
-EPC	104.75	25.62	260.20	25.47
Irrigation sector	11.04	2.70	95.25	9.32
Mining sector	46.47	11.37	47.54	4.65
Power generation	1.15	0.28	1.19	0.12
Other Income	3.26	0.80	0.78	0.08
Total	408.87	100.00	1021.67	100.00

Top 5 Projects	Segment	Execution during Q4FY20 (Rs. cr)
Kim Ankleshwar	Transport-HAM	68.76
Jodhpur Ring Road	Transport-HAM	35.71
Lucknow Ring Road	Transport-EPC	35.04
BRT Tiger Reserve	Transport-HAM	28.93
Bhavnagar Talaja	Transport-HAM	18.74

Landmark Transaction - Stake sale of operational assets

1. Sadbhav Infrastructure Project Limited (“SIPL”) had signed definitive agreements with Indinfravit Trust (“Indinfravit”) on 1st July, 2019 to sell 100% equity stake in nine operational assets.
2. In the month of March-2020, SIPL completed sale of 100% equity stake in eight operating assets to Indinfravit for an equity value of INR 2,364 crores as against equity invested of INR 1,390 crores generating 1.70x returns.
3. Till date, SIPL has received units representing 10% stake in Indinfravit worth INR 724 crores and cash of INR 1,568 crores. Balance proceeds of INR 73 crores is expected to be received soon.
4. Actual utilisation of funds received is as follows :

Particulars - SIPL	INR crores
Total utilisation	1,568
Paid back to SPVs	270
Third party debt repaid	611
Taxes & Transaction costs	34
Paid to minority partner of BHTPL	68
Infusion in HAM SPVs	22
Working capital	24
Repayment of SEL loan	439
Paid to SEL for MBHPL stake	100

Particulars - SEL	INR crores
Received from SIPL	539
Total utilisation	539
Third party debt repaid	368
Taxes	18
Working capital	153

5. Stake sale of 9th project i.e. ARRIL is expected to be completed in near future. Equity value of ARRIL is INR 267 crores as against equity invested of INR 104 crores.

Status of HAM assets

Rs. crs.	Projected				Actuals as on 31.03.2020			Expected PCoD
Project	Debt	Equity	NHAI	TPC	Debt	Equity	NHAI	
SRHPL	354	89	295	738	220	93	232	Q2FY21
SNHPL	315	79	263	657	148	51	85	Q4FY21
SBHPL	393	98	328	819	323	64	250	Achieved
SUHPL	299	75	249	623	178	34	140	Q3FY21
SBGHPL	484	121	403	1,008	434	121	363	Q3FY21
SUDHPL	427	108	356	891	385	100	268	Q2FY21
SVHPL	514	129	428	1,071	369	105	280	Q1FY22
SJRRPL	531	133	442	1,106	-	47	93	Q4FY22
SKEPL	660	182	562	1,404	-	7	-	Q1FY23
Total	3,978	1,013	3,326	8,317	2,057	622	1,710	

Debt position – Major debt reduction post stake sale

INR crores	31.12.2019	Post stake sale
SEL standalone	1,514	1,207
SIPL standalone	1,020	450
Less : Indinfravit Units	-	(724)
Net standalone debt	2,534	933
8 operational SPVs	3,901	-
ARRIL	156	140
3 operational SPVs	2,965	2,952
10 HAM assets	1,941	2,057
Net consolidated debt	11,497	6,082

Gross Standalone debt has reduced by Rs. 877 crs (i.e. 37%)

Net standalone debt has reduced by Rs. 1,601 crs (i.e. 63%)

Net Consolidated debt has reduced by Rs. 5,415 crs (i.e. 47%)

Movement of net debt to equity since last 10 years

Financial Year - Rs. Crs.	Net Debt	Networth	Net Debt to Equity ratio
FY 20	111,907	210,398	0.53
FY 19	152,695	203,367	0.75
FY 18	147,200	186,679	0.79
FY 17	175,416	166,089	1.06
FY 16	118,000	147,146	0.80
FY 15	106,125	135,206	0.78
FY 14	94,954	95,722	0.99
FY 13	74,123	83,252	0.89
FY 12	39,247	76,231	0.51
FY 11	31,149	62,575	0.50
FY 10	37,904	39,151	0.97

Net debt to equity ratio has reached almost the lowest level since last 10 years

Sadbhav Engineering Limited

- Strong order book:** As on 31st March-2020, SEL has an outstanding order book of INR 8,492 crores with further breakup down as follows :
 - Transport sector : INR 6,082 crores
 - Mining sector : INR 2,042 crores
 - Irrigation sector : INR 368 crores
- HAM assets at SEL :** As on 31st March-2020, SEL has one HAM project with balance equity investment of INR 108 crores.
- Arbitration proceeds :** Value of Arbitration proceeds won INR 221 crores

Sadbhav Infrastructure Project Limited

- BOT and HAM assets at SIPL :** As on 31st March-2020, SIPL has 3 (other than ARRIL) operational assets i.e. MBCPNL, RPTPL & RHTPL with equity invested of INR 1,283 crores and nine HAM assets with equity invested of INR 621 crores. Balance equity investment is INR 391 crores.
- Partnership with Indinfravit :** SIPL has signed ROFO agreement with Indinfravit to sell operational assets. SIPL plans to sell operating assets to Indinfravit. SIPL also looks to enter into new maintenance contracts with Indinfravit.
- Asset light business :** SIPL has signed routine maintenance and major maintenance contract with nine SPVs worth INR 4,000 crores
- Liquid investment :** SIPL shall hold 10% stake in Indinfravit worth INR 724 crores with lock-in upto February 2021
- Arbitration proceeds :** Value of Arbitration proceeds won INR 200 crores

Merger of SIPL with SEL

- Board of SEL and SIPL has approved merger of SIPL with SEL on 19th October, 2019. SEL will issue and allot one equity shares of SEL of Re. 1/- each fully paid up for every three equity shares of SIPL of Rs. 10/- each fully paid up held in SIPL

11

- Merger of SIPL with SEL is expected to complete before March 2021 subject to various approvals and compliances

Thank You

