

Ref: SEL/2020-21/60

December 29, 2020



To,
The Dy. Gen Manager
Corporate Relationship Dept.
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001
Equity Scrip Code:532710

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

Sub. : Notices of the National Company Law Tribunal ("NCLT") convened Meetings of the Equity Shareholders of the Company

Dear Sir/ Madam,

We wish to inform you that by an Order dated December 01, 2020 by the Hon'ble National Company Law Tribunal, Ahmedabad Bench has, inter-alia, directed to convene and hold meetings of the Equity Shareholders, Secured Creditors And Unsecured Creditors of the Company for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme").

In pursuance of the said Order and as directed therein, Notice is hereby given that a meeting of the Equity Shareholders of the Company will be held on Friday, 29th January, 2021 at 11.00 a.m. through video conferencing (VC)/ other audio visual means (OAVM).

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of the Notice along with the Explanatory Statement of the NCLT convened meeting of the Equity Shareholders of the Company.

The Company has provided remote e-voting facility and e-voting during the meeting, to the Equity Shareholders of the Company in connection with the resolution proposed in the aforesaid Notice of the NCLT convened meeting of the Equity Shareholders. The voting period for e-voting will commence at 9.00 a.m. on Tuesday, 26th January, 2021 and will end at 5.00 p.m. on Thursday, 28th January, 2021. Equity shareholders of the Company, as at the cut-off date of 11th December, 2020, only shall be entitled to vote on the Scheme.

The said Notice along with the Explanatory Statement is also available on the website of the Company at www.sadbhaveng.com.

We request you to kindly take the above on record.
Thanking You.

For Sadbhav Engineering Ltd.


Tushar Shah
Company Secretary
Mem. No. F7216

Encl: As Above



Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

NOTICE – EQUITY SHAREHOLDERS

SADBHAV ENGINEERING LIMITED

Registered Office : Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380 006

CIN : L45400GJ1988PLC011322

E-mail : investor@sadbhav.co.in

MEETING OF THE EQUITY SHAREHOLDERS

OF

SADBHAV ENGINEERING LIMITED

(Convened pursuant to order dated 1st December, 2020 passed by the
Hon'ble National Company Law Tribunal, Ahmedabad Bench)

MEETING

Day	:	Friday
Date	:	29 th January, 2021
Time	:	11:00 a.m.
Venue	:	Through Video Conferencing / Other Audio Visual means

E-VOTING

Start Date and Time	:	Tuesday, 26 th January, 2021 at 9:00 a.m. IST
End Date and Time	:	Thursday, 28 th January, 2021 at 5:00 p.m. IST

INDEX

Sr. No.	Contents	Page No.
1	Notice convening the meeting of Equity Shareholders of Sadbhav Engineering Limited under the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	03
2	Explanatory Statement under sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	07
DOCUMENTS ACCOMPANYING THE NOTICE CONVENING THE MEETING		
3	Annexure 1 Scheme of Amalgamation of Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) with Sadbhav Engineering Limited (Applicant/Transferee Company) and their respective Shareholders and Creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("The Scheme").	22
4	Annexure 2 Copy of Order dated 1 st December, 2020 passed by National Company Law Tribunal (NCLT), Ahmedabad Bench.	37
5	Annexure 3 Joint Valuation Report dated 19 th October, 2019 ('Valuation Report') issued by BSR & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants.	50
6	Annexure 4 Valuation Report dated 19 th October, 2019 received from CA Vikram Kailash Jain, Registered Valuer and Chartered Accountant issued to Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company).	75
7	Annexure 5 Fairness Opinion dated 19 th October, 2019 ('Fairness Opinion') issued by Inga Ventures Pvt. Ltd., a Category-I Merchant Banker.	86
8	Annexure 6 Copy of observation letter dated 14 th October, 2020 from BSE Limited to Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited.	90
9	Annexure 7 Copy of observation letter dated 14 th October, 2020 from National Stock Exchange of India Limited (NSE) to Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited.	94
10	Annexure 8 Complaints Reports dated 20 th July, 2020 submitted by Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited to BSE Limited ('BSE').	98
11	Annexure 9 Complaints Reports dated 24 th June, 2020 submitted by Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited to National Stock Exchange of India Limited ('NSE').	102
12	Annexure 10 Compliance Reports dated 18 th May, 2020 submitted by Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited to BSE Limited ('BSE') & National Stock Exchange of India Limited ('NSE').	106
13	Annexure 11 Report adopted by the Board of Directors of Sadbhav Infrastructure Project Limited (Applicant/Transferor Company), in its meeting held on 19 th October, 2019 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	108
14	Annexure 12 Report adopted by the Board of Directors of Sadbhav Engineering Limited (Applicant/Transferee Company) in its meeting held on 19 th October, 2019 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	110
15	Annexure 13 Unaudited Financial Statement of Sadbhav Infrastructure Project Limited for the half year ended on 30 th September, 2020.	112
16	Annexure 14 Unaudited Financial Statement of Sadbhav Engineering Limited for the half year ended on 30 th September, 2020.	122

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
CA (CAA) No. 77/NCLT/AHM/2020**

In the matter of the Scheme of Amalgamation (the Scheme) under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

AND

In the matter of Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors.

Sadbhav Infrastructure Project Limited

CIN: No: L45202GJ2007PLC049808, a Company incorporated under the Company Act, 1956, and having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006, Gujarat.....

Applicant Transferor Company

Sadbhav Engineering Limited

CIN: No: L45400GJ1988PLC011322, a Company incorporated under the Company Act, 1956, and having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006, Gujarat.....

Applicant Transferee Company

**NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF
SADBHAV ENGINEERING LIMITED (APPLICANT/TRANSFEE COMPANY)**

To,

All the equity shareholders of Sadbhav Engineering Limited (the Applicant/Transferee Company):

NOTICE is hereby given that by an order dated 1st December, 2020, the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench has directed a meeting of Equity Shareholders of Sadbhav Engineering Limited (Applicant/Transferee Company) for the purpose of considering, and if thought fit, to approve with or without modification(s), the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Equity Shareholders of the said Applicant/Transferee Company will be held on Friday, 29th January, 2021 at 11.00 a.m. through video conferencing (VC)/ other audio visual means (OAVM) and said Equity Shareholders are requested to attend the meeting. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions if any of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March, 2017, and the observation letters issued by BSE Limited and National Stock Exchange of India Limited and enabling provisions in the Memorandum and Articles of Association of the Company and subject to the approval by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modification(s) as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of Applicant/Transferee Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors with effect from the appointed date as mentioned in the Scheme be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments,

limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

Date: 24th December, 2020

Place: Ahmedabad

(Mr. Sandip Patel)

Chairperson appointed for the meeting

Notes:

1. Pursuant to the Hon'ble NCLT Order dated 1st December, 2020 the meeting of Equity Shareholders of the Applicant/Transferee Company shall be conducted through video conferencing (VC)/ other audio visual means (OAVM) and pursuant to the circular no. 14/2020 dated April, 08, 2020, issued by Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote is not available for this meeting. However, the body corporates are entitled to appoint authorised representatives to attend the meeting of Equity Shareholders of Applicant/Transferee Company by provided a copy of the resolution of the Board of Directors or other governing body of the body corporate or a power of attorney or an authority letter authorising such representative to attend and vote at the meeting of the Equity Shareholders of the Applicant/Transferee Company, which is deposited at the Corporate office of the Applicant/Transferee Company at “Sadbhav”, Nr. Havmor Restaurant, B/H. Navrangpura Bus Stand, Navrangpura, Ahmedabad: 380 009, Gujarat, India
2. The Company has provided the facility to the Equity Shareholders of the Applicant/Transferee Company to vote by electronic means both through remote e –voting and e-voting during the Equity Shareholders meeting.
3. The Shareholders may refer to the Notes to this Notice for further details on voting through E-voting at meeting and Remote e-voting.
4. Equity Shareholders joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the meeting. The Equity Shareholders who have cast their vote by remote e-voting prior to the meeting may also join the meeting through VC/OAVM but shall not be entitled to cast their vote again.
5. The facility of casting votes by Equity Shareholders using remote e-voting as well as the e-voting system on the date of the meeting will be provided by Central Depository Services (India) Limited (“CDSL”).
6. Copies of the said Scheme and of the Explanatory Statement and other annexures under Sections 230 to 232 read with Section 102 of the Act can be obtained free of charge from the Corporate Office of the Applicant/Transferee Company situated at “Sadbhav”, Near Havmor Restaurant, B/H. Navrangpura Bus Stand, Navrangpura, Ahmedabad -380 009 on any working day up to the date of the NCLT Convened Meeting between 11.30 a.m. to 3.00 p.m. or from the office of advocate viz. Thakkar and Pahwa, Advocates, 71, New York Tower-A, Opp. Muktidham Derasar, Thaltej, Ahmedabad-380054.
7. It is clarified that the Applicant Transferee Company is providing remote e-voting facility to Equity Shareholders as on cut-off date i.e. 11th December, 2020 to approve with or without modification the Scheme of Amalgamation from 26th January, 2021 to 28th January, 2021. It is further clarified that the person entitled may vote through e-voting system during the meeting as per schedule mentioned hereinabove.
8. NCLT has appointed Mr. Sandip V. Patel (Chartered Accountant and Independent Director) and in his absence Mr. Shashin V. Patel, as the Chairperson of the said meeting including any adjournment thereof. NCLT has further appointed Mr. Ashish Shah (Membership No.FCS-5974), Practising Company Secretary as the scrutinizer. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.
9. A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Corporate office of the Applicant/Transferee Company at “Sadbhav”, Near Havmor Restaurant, B/H. Navrangpura Bus Stand, Navrangpura, Ahmedabad -380 009 between 11:30 a.m. and 3:00 p.m. on all working days up to the date of the meeting.
11. The notice convening the meeting has been published through advertisement in English and Gujarati Daily “Financial Express” both in Ahmedabad Edition.

INSTRUCTIONS FOR EQUITY SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Tuesday, 26th January, 2021 (9:00 a.m. IST) and ends on Thursday, 28th January, 2021 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (**201215015**) for Sadbhav Engineering Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email www.investor@sadbhav.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL - 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING OF EQUITY SHAREHOLDERS THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a SPEAKER by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the Meeting but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@sadbhav.co.in. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Shareholders Meeting and said facility is available for 15 minutes after the conclusion of the Meeting.
3. If any votes are cast by the shareholders through e-voting available during the Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

If you have any queries or issues regarding attending the Meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
CA (CAA) No. 77/NCLT/AHM/2020**

In the matter of the Scheme of Amalgamation (the Scheme) under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

AND

In the matter of Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors.

Sadbhav Infrastructure Project Limited

CIN: No: L45202GJ2007PLC049808, a Company incorporated under the Company Act, 1956, and having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006, Gujarat.....

Applicant Transferor Company

Sadbhav Engineering Limited

CIN: No: L45400GJ1988PLC011322, a Company incorporated under the Company Act, 1956, and having its registered office at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006, Gujarat.....

Applicant Transferee Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. DATE, TIME AND VENUE OF MEETING

- 1.1.** Pursuant to order dated 1st December, 2020 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) in Company Application NO. CA. (CAA) No.77 /NCLT/AHM/2020, filed jointly by Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company), a meeting of the Equity Shareholders of Sadbhav Engineering Limited (Applicant/Transferee Company), is being convened through video conferencing (VC)/ other audio visual means (OAVM) on Friday, 29th January, 2021 at 11.00 a.m. for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective Shareholders and Creditors. (hereinafter referred to as the "Scheme" or "Scheme of Amalgamation") under sections 230 to 232 of the Companies Act, 2013 (the "Act"). A copy of the Scheme setting out details of parties involved in the proposed Scheme, appointed date, effective date, share exchange ratio etc., which has been approved by the Board of Directors of the Applicant/Transferee Company, unanimously at its meeting held on 19th October, 2019 is enclosed as Annexure 1.
- 1.2.** This statement is being furnished as required under Sections 230(3) and 102 of the Companies Act, 2013 (the "Act"), read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. (the "Rules").

2. BACKGROUND OF THE COMPANIES

- 1. SADBHAV INFRASTRUCTURE PROJECT LIMITED (herein after referred to as "Applicant/ Transferor Company")** CIN: (L45202GJ2007PLC049808) and having PAN: AAKCS5538G is a Public Limited Company incorporated on 18th January, 2007 and listed on BSE and NSE having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380 006 and email id: investor@sadbhavinfra.co.in. Applicant/Transferor Company is engaged in the business of development, construction as well as operation and maintenance of infrastructure projects and related consulting and advisory services.
 - (a) The Applicant/Transferor Company has not changed its name, main objects and registered office during last five years.

(b) The following are the details of promoters of Applicant/Transferor Company

Sl. No.	Name	Address	No. of Shares and %
1	Sadbhav Engineering Limited	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad -380 006, Gujarat, India.	245571252 (69.72%)
2	Shantaben Vishnubhai Patel	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad-380009, Gujarat, India.	1213374 (0.34%)
3	Shashin Vishnubhai Patel	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad-380009, Gujarat, India.	814110 (0.23%)

(c) The list of directors of Applicant/Transferor Company as on the date of the notice is as under;

Sr. No.	Name of directors	Designation	DIN	Address	Date of appointment
1.	Vasistha Chandulal Patel	Managing Director	00048324	27/A, Shashwat Bungalows, B/H Rajpath Club, Bodakdev, Ahmedabad - 380058, Gujarat, India	01/04/2008
2.	Shashin Vishnubhai Patel	Director	00048328	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad - 380009, Gujarat, India	18/01/2007
3.	Nitinkumar Rameshchandra Patel	Director	00466330	Maa-Paa, 72, Sanskar Bharti Co. Op Housing Society Ltd, Naranpura, Behind Ankur Jain Temple, Ahmedabad - 380013, Gujarat, India	18/09/2010
4.	Daksha Niranjana Shah	Independent Director	00376899	31, Viva Bungalow, B/H Ranjit Petrol Pump, Bodakdev, Thaltej, Dascroi, Ahmedabad - 380059, Gujarat, India	24/03/2015
5.	Sandip Vinodkumar Patel	Independent Director	00449028	D-302, Arjun Greens, Nr. Menarav Hall, Nilkanth Mahadev Road, Naranpura, Ahmedabad - 380013, Gujarat, India	01/03/2012
6.	Arunbhai Shankerlal Patel	Independent Director	06365699	19, Panna Park Society, Near Vijay Nagar Society, Navrangpura, Ahmedabad - 380009, Gujarat, India	22/10/2014

- (d) i) As on 11th December, 2020, Applicant/Transferor Company had 16,282 Equity Shareholders.
- (ii) As on 11th December, 2020, Applicant/Transferor Company had 10 Secured Creditors (including Debenture Holders). The total amount due and payable to Secured Creditors was Rs. Rs. 509,62,77,465/-.
- (iii) As on 11th December, 2020, Applicant/Transferor Company had 117 Unsecured Creditors. The total amount due and payable to Unsecured Creditors was Rs. 564,23,79,790/-.
- (e) Details of the capital structure of the Applicant/ Transferor Company including Authorised, Issued, Subscribed and Paid up Share Capital as on 11th December, 2020 are as under.

Particulars	Amount (In Rs.)
Authorised Capital 40,30,00,000 equity shares of Rs. 10 each	403,00,00,000
Issued and Subscribed Share Capital 35,22,25,216 equity shares of Rs. 10 each	352,22,52,160
Fully Paid Up Share Capital 35,22,25,216 equity shares of Rs. 10 each	352,22,52,160

Post Scheme Capital Structure:

Since the Transferor Company will be merged into the Applicant/Transferee Company on Scheme of Amalgamation being effective, the Transferor Company will stand dissolved, thus, there will be no post amalgamation Capital Structure available.

- (f) Shareholding Pattern as on 11th December, 2020: (Pre and Post)

Shareholding pattern of SIPL	Pre		**Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	247598736	70.30	-	-
Public	104626480	29.70	-	-
Custodian	-	-	-	-
Total	352225216	100.00	-	-
No of shareholders	16,282 (as on December 11, 2020)		Nil	

** Since the Transferor Company will be merged into the Applicant/Transferee Company on Scheme of Amalgamation being effective, the Transferor Company will stand dissolved, thus, there will be no post amalgamation shareholding pattern available.

- (g) There are 3 (Three) series of Secured, Redeemable Non-convertible Debentures issued by the Transferor Company are listed on the Wholesale Debt Market segment of BSE.

2. **SADBHAV ENGINEERING LIMITED ("herein after referred to as Applicant/Transferee Company)** CIN:(L45400GJ1988PLC011322) having PAN AADCS0852Q is a Public Limited Company incorporated on 3rd October, 1988 and listed on BSE and NSE having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380 006 and email id: investor@sadbhav.co.in. Applicant/Transferee Company is engaged in the business of engineering, construction and infrastructure development Company focusing on transportation, irrigation and mining sectors.

- (a) The Applicant/Transferee Company has not changed its name and main objects, and registered office during last five years.
- (b) The following are the details of promoters of Applicant/Transferee Company.

Sr. No.	Name	Address	No. and % of shares held
1	Shantaben Vishnubhai Patel	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad-380009, Gujarat, India	49086135 (28.61%)
2	Shashin Vishnubhai Patel	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad-380009, Gujarat, India	*5572199 (3.25%)
3	Vikram Rasiklal Patel	1202,12 th Floor, Sun EVOQ,B/h GTPL Building, S.G. Highway, Bodakdev, Ahmedabad-380059, Gujarat, India	4638750 (2.70%)
4	Vasistha Chandulal Patel	27/A, Shashwat Bunglow, B/h Rajpath Club, Ahmedabad-380058, Gujarat, India	3426535 (2.00%)
5	Bhavna Vikramkumar Patel	1202,12 th Floor, Sun EVOQ,B/h GTPL Building, S.G. Highway, Bodakdev, Ahmedabad-380059, Gujarat, India	437500 (0.26%)
6	Rekhaben Vasisthakumar Patel	27/A, Shashwat Bunglow, B/h Rajpath Club, Ahmedabad-380058, Gujarat, India	437500 (0.26%)
7	Patel Vipul Harish Chandra	09, Vibrant Vimal Society, Behind Sindhu Bhavan, Thaltej, Bodakdev, Ahmedabad - 380054, Gujarat, India	-
8	Patel Girishbhai Nandubhai	9 Vasudha Society, Nr. Sardar Patel Colony, Naranpura, Ahmedabad - 380 054, Gujarat, India	50500 (0.03%)
9	Rajshree Pritam Patel	53, Sardar Patel Society, Naranpura, Ahmedabad - 380 013, Gujarat, India	-
10	Trupti Nileshbhai Patel	51, Sarvoday Society Part - 1, Bhuyangdev Cross Road, Ghatlodia, Ahmedabad - 380 061, Gujarat, India	-
11	Sadbhav Finstock Private Limited	"Sadbhav", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006, Gujarat, India	16545275 (9.64%)

* It includes 31,83,300 equity shares held in pledge account.

(c) The list of directors of Applicant/Transferee Company as on the date of the notice is as under;

Sr. No.	Name of directors	Designation	DIN	Address	Date of appointment
1.	Shashin Vishnubhai Patel	Director	00048328	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad – 380009, Gujarat, India	01/07/2009
2.	Nitinkumar Rameshchandra Patel	Whole Time Director	00466330	Maa-Paa, 72, Sanskar Bharti Co. Op Housing Society Ltd, Naranpura, Behind Ankur Jain Temple, Ahmedabad – 380013, Gujarat, India	01/08/1999
3.	Sandip Vinodkumar Patel	Independent Director	00449028	D-302, Arjun Greens, Nr. Menarav Hall, Nilkanth Mahadev Road, Naranpura, Ahmedabad – 380013, Gujarat, India	27/06/2006
4.	Arunbhai Shankerlal Patel	Independent Director	06365699	19, Panna Park Society, Near Vijay Nagar Society, Navrangpura, Ahmedabad – 380009, Gujarat, India	30/09/2013
5.	Purvi Sushil Parikh	Independent Director	07071155	A/11 Shaligram - 2, Opp. Hilton Row Houses, Anandnagar Road, Satellite, Ahmedabad – 380015, Gujarat, India	12/02/2015
6.	Tarang Madhukar Desai	Independent Director	00005100	8, Sindur Soc., Nr. Swastik Sishu Vihar School, Nr. Ishwar Bhuvan, Navrangpura, Ahmedabad – 380014, Gujarat, India	14/02/2020

- (d) (i) As on 11th December, 2020, Applicant/Transferee Company had 41,188 Equity Shareholders.
- (ii) As on 11th December, 2020, Applicant/Transferee Company had 23 Secured Creditors (including Debenture Holders). The total amount due and payable to Secured Creditors was Rs.1201,58,88,035/-.
- (iii) As on 11th December, 2020, Applicant/Transferee Company had 3246 Unsecured Creditors. The total amount due and payable to Unsecured Creditors was Rs.906,25,92,261/-.
- (e) Details of the capital structure of the Applicant Transferee Company including Authorised, Issued, Subscribed and Paid up Share Capital as on 11th December, 2020 are as under.

Particulars	Amount (In Rs.)
Authorised Capital 20,00,00,000 equity shares of Re. 1 each	20,00,00,000
Issued and Subscribed Share Capital 17,15,70,800 equity shares of Re. 1 each	17,15,70,800
Fully Paid Up Share Capital 17,15,70,800 equity shares of Re. 1 each	17,15,70,800

Post Scheme Capital Structure:

The post amalgamation shareholding will depend upon the actual shareholding pattern of the both transferor and transferee as on the record date. Therefore, the capital structure set out above shall be subject to changes pursuant to the effectiveness of the Scheme.

(f) Shareholding Pattern as on 11th December, 2020: (Pre and Post)

Shareholding pattern of SEL	Pre		*Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	8,01,94,394	46.74	8,11,63,555	39.19
Public	9,13,76,406	53.26	12,59,58,566	60.81
Custodian	-	-	-	-
TOTAL	17,15,70,800	100.00	20,71,22,121	100.00

*The exact number of shares that would be cancelled will depend on the actual number of shares held by Transferee company in the transferor company as on Record Date. Accordingly post issue share capital of the transferee company will change.

(g) There is 1 (One) series of Secured, Redeemable Non-convertible Debentures issued by the Transferor Company are listed on the Wholesale Debt Market segment of BSE.

3. RELATIONSHIP BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY:

Sadbhav Infrastructure Project Limited (Transferor Company) is a subsidiary of Sadbhav Engineering Limited (Transferee Company).

4. BOARD MEETING OF TRANSFEROR AND TRANSFEE COMPANIES FOR THE APPROVAL OF SCHEME:

The Scheme has been unanimously approved by the Board of Directors of the Applicant/Transferor Company and the Applicant/Transferee Company vide resolution passed in the meeting held on 19th October, 2019 and Directors of both companies have attended and voted unanimously in favour of the approval of the Scheme of Amalgamation.

5. SUMMARY OF THE VALUATION REPORT AND FAIRNESS OPINION:

Upon considering all relevant factors and circumstances, the Joint Valuation Report dated 19th October, 2019 ('Valuation Report') issued by BSR & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants, recommended that the share exchange ratio for the proposed amalgamation of the Transferor Company with the Transferee Company should be 1 (One) equity share of the Transferee Company of face value Re. 1/- per share for every 3 fully paid-up equity shares of Transferor Company of face value Rs. 10/- per share.

Upon considering all relevant factors and circumstances, and upon examination of the Joint Valuation Report dated 19th October, 2019 by BSR & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants, the fairness opinion dated 19th October, 2019 provided by Inga Ventures Pvt. Ltd., a Category-I Merchant Banker, the Board of Directors of the Transferee Company approved the Scheme including the share exchange ratio.

6. PENDING INVESTIGATION OR PROCEEDINGS AGAINST THE COMPANIES UNDER THE COMPANIES ACT, 2013:

No investigation or proceedings have been instituted or are pending in relation to any of the Applicant/Transferor Company and the Applicant/Transferee Company under the Companies Act, 2013. There are no petitions pending for winding up of the Transferor Company and the Transferee Company.

7. KEY FEATURES OF THE SCHEME:

7.1 DESCRIPTION OF THE SCHEME

- The Scheme (as defined hereunder) provides, inter alia, for:
 - the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder), in respect of each Transferor Company Share (as defined hereunder) held by them, in accordance with the Scheme (the "Amalgamation");
 - various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the share capital of the Transferee Company;

pursuant to Sections 230 to 232 and other relevant provisions of the Act (as defined hereunder), in the manner provided for in the Scheme, and in compliance with provisions of the IT Act (as defined hereunder).
- The Amalgamation of the Transferor Company into the Transferee Company shall be in compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, inter alia:

- (i) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation; and
- (ii) all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation.

7.2 RATIONAL OF SCHEME:

The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (i) The Amalgamation will result in consolidation of the businesses of the companies resulting in expansion of the consolidated business, facilitating simplified corporate structures, productive utilization of combined resources, operational and administrative efficiencies, economies of scale, reduction in overheads & other expenses, reduced inter-company transactions and reduction in the multiplicity of legal and regulatory compliances and consequently creation of greater value for shareholders and all other stakeholders.
- (ii) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play a part in the growth of Indian infrastructure through one of India's leading engineering, procurement and construction companies i.e., the Transferee Company.
- (iii) The Amalgamation is expected to result in stability and enhancement in earnings and cash flow.
- (iv) The Amalgamation is expected to result in operational effectiveness and cost optimisation, improved competitive position of the Transferee Company as the combined entity will have expanded business pre-qualifications, increased network to enable it to bid for larger and more complex infrastructure projects, improved credit rating due to better combined financial position, and provide better access to funds for growth opportunities.
- (v) The Amalgamation is expected to achieve a stronger balance sheet resulting in improved allocation of capital, broader access to capital markets and lower cost of capital.
- (vi) The Amalgamation would allow the Transferee Company to benefit from the complementary skills of the combined management team, which will in turn enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.
- (vii) The Amalgamation will result in all the shareholders of the Transferor Company and Transferee Company, deriving value for their shares as a result of their direct shareholding in the combined business, leading to a larger and diversified shareholder base, better trading and liquidity position in the equity shares and relatively higher market capitalization.
- (viii) The Amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

7.3 DEFINITIONS

In the Scheme, unless repugnant to the meaning, subject or context thereof, the following expressions shall have the following meaning:

- (i) **"Act"** shall mean the Companies Act, 2013, as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;
- (ii) **"Amalgamation"** shall have the meaning ascribed to it in Clause 3(i) of the Scheme;;
- (iii) **"Applicable Law"** shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law, of any Governmental Authority;
- (iv) **"Appointed Date"** shall mean 1st April 2019 or such other date as may be agreed by the Board of each of the Transferor Company and the Transferee Company and approved by the NCLT, or as directed or imposed by the NCLT;
- (v) **"Board"** in relation to any company, means the board of directors of such company and shall, where applicable, include a duly authorised committee of the Board;
- (vi) **"Effective Date"** means the later of the dates on which certified copies of the order passed by the NCLT is filed by the Transferor Company or the Transferee Company, as the case may be, with the relevant Registrar of Companies, upon satisfaction of the conditions set out under Clause 40 of the Scheme;
- (vii) **"Eligible Member"** shall mean each person whose name appears in the register of members of the Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company Shares in the record of depositories on the Record Date at the Record Time (other than the Transferee Company itself);
- (viii) **"Employee Benefit Funds"** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;

- (ix) **"Encumbrance"** or **"Encumber"** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
- (x) **"Governmental Authority"** means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, RBI, the NCLT and any Tax authority;
- (xi) **"Governmental Order"** means any judgment, order, writ, injunction, decree, decision or other requirement of any Governmental Authority (or, as the context requires, any Governmental Authority specified) other than any competition or anti-trust authority other than the Competition Commission of India;
- (xii) **"IT Act"** shall mean the Income Tax Act, 1961 or any statutory modifications or re-enactments or amendments thereof from time to time;
- (xiii) **"NCLT"** shall mean the National Company Law Tribunal at Ahmedabad, Gujarat;
- (xiv) **"Record Date"** shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the Eligible Members of the Transferor Company to whom the Transferee Company Shares shall be allotted pursuant to the Scheme;
- (xv) **"Record Time"** means 6:00pm (Indian Standard Time) on the Record Date;
- (xvi) **"Scheme"** means the scheme of amalgamation by way of merger by absorption and shall include any modification or amendment hereto, made in accordance with the terms hereof;
- (xvii) **"SEBI"** means Securities and Exchange Board of India;
- (xviii) **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modifications or re-enactments or amendments thereof in force, or any act, regulations, rules, guidelines etc., that may replace such regulations, from time to time;
- (xix) **"SEBI Scheme Circular"** means the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21 issued by SEBI, as amended or replaced from time to time;
- (xx) **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 34(i) of the scheme ;
- (xxi) **"Stock Exchanges"** shall have the meaning ascribed to it in Clause 1 of the scheme;
- (xxii) **"Tax"** or **"Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);
- (xxiii) **"Transferee Company"** shall have the meaning ascribed to it in Clause 2 of the scheme;
- (xxiv) **"Transferee Company Shares"** means fully paid up equity shares of the Transferee Company, each having a face value of INR 1 (Rupee One only) and one vote per equity share;
- (xxv) **"Transferor Company"** shall have the meaning ascribed to it in Clause 1 of the scheme;
- (xxvi) **"Transferor Company Employees"** shall mean all the employees of the Transferor Company in service as on the Effective Date;
- (xxvii) **"Transferor Company Shares"** means fully paid up equity shares of the Transferor Company, each having a face value of INR 10 (Rupee Ten only) and one vote per equity share;
- (xxviii) **"Trustee"** shall have the meaning ascribed to it in Clause 34(ii) of the scheme;
- (xxix) **"Undertaking"** means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):
 - (a) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds (including but not limited to securities (marketable or not)), securitised assets,

receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and/or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

- (b) all applications, permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
- (c) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
- (d) all intellectual property rights, including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;
- (e) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;
- (f) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);
- (g) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company; and
- (h) the Transferor Company Employees and the Employee Benefit Funds of the Transferor Company.

7.4 INTERPRETATION

- (1) The terms referred to in the Scheme shall, unless defined otherwise in the Scheme or inconsistent with the meaning or context thereof, bear the meaning ascribed to them under the relevant statute/ legislation.
- (2) All references in the Scheme to statutory provisions shall be construed as meaning and including references to:
 - (i) any statutory modification, amendment or re-enactment made after the date of approval of the Scheme by the Board of each of the Transferor Company and the Transferee Company and for the time being in force;
 - (ii) all subordinate legislation made, from time to time, under that provision (whether or not modified, amended or re-enacted);
 - (iii) all statutory instruments or orders made pursuant to a statutory provision; and

- (iv) any statutory provision of which these statutory provisions are a modification, amendment or re-enactment.
- (3) Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- (4) Headings, sub-headings, titles, sub-titles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of the Scheme or schedules hereto and shall be ignored in construing the same.
- (5) References to clauses and schedules are, unless the context otherwise requires, references to clauses and schedules to the Scheme.
- (6) The words “include” and “including” are to be construed without limitation.
- (7) Any references to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.

7.5 TRANSFER/VESTING OF ASSETS

- (i) Without prejudice to the generality of Clause 19 above and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Company shall, subject to the provisions of this Clause 20 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company.
- (ii) Without prejudice to the generality of Clause 20(i) of the scheme, in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession (physical or constructive delivery), or by endorsement and delivery or by operation of law pursuant to the vesting orders of the NCLT sanctioning the Scheme, the same shall stand transferred to and vested in the Transferee Company, and shall be deemed to be and have become the property of the Transferee Company by operation of law without requiring any deed or instrument of conveyance for transfer of the same to the Transferee Company, with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (iii) Without prejudice to the generality of Clause 20(i), assets (other than those referred to in sub-Clause (ii) above) such as investments in shares, mutual funds, bonds and other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authority, local or other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed and by the operation of law be transferred to and vested in and/or be deemed to be transferred to and vested in and become the property of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to stand vested in the Transferee Company, with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. All investments of the Transferor Company shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company, as a successor in interest and any document of title in the name of the Transferor Company shall also be deemed to have been mutated and recorded in the Transferee Company to the same extent and in the same manner as originally held by the Transferor Company and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Company. The Transferor Company shall, subsequent to the order(s) of the NCLT, be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- (iv) Without prejudice to the generality of Clause 20(i) of the Scheme, all immovable properties of the Transferor Company, including land(s) and/or together with buildings and structures standing thereon, estates and rights and interests in all immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto, shall stand vested in and/or deemed to have been vested in the Transferee Company, as successor in interest and/or title to the Transferor Company, by operation of law pursuant to the order(s) of the NCLT sanctioning the Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. The Transferee Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The title to such properties shall be deemed to have been mutated and as regards pending mutation(s) shall be deemed to have been mutated in the name of the Transferee Company and recognised as that of the Transferee Company and the mere filing of necessary documents with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Governmental Authorities shall suffice as record of continuing titles with the Transferee Company and shall

constitute a deemed mutation. The Transferee Company shall, pursuant to the order(s) of the NCLT, be entitled to the delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Section 232(4) of the Act and the provisions of the Scheme, without any further act, instrument or deed, be vested in or deemed to have been vested in the Transferee Company.

Provided that, if required, for the purpose of giving effect to the orders passed under Sections 230 to 232 of the Act in respect of the Scheme, the Transferee Company shall at all times be entitled to effect change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all immovable properties) of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other appropriate authority, in the jurisdiction where any such property is situated. The Transferee Company shall be entitled to engage in such correspondence, execute such documents and agreements and make such representations as may be necessary to effect the mutation, if required. However, such correspondence, documents and agreements entered into by the Transferee Company in furtherance of the Scheme for ease of completion of mutation shall be deemed to be an integral part of the Scheme and the order sanctioning the same and such correspondence, documents and agreements, shall not constitute a separate instrument.

7.6 TRANSFER/VESTING OF LIABILITIES

- (i) With effect from the Appointed Date, all debts, liabilities, bonds, debentures, contingent liabilities, loans raised and used, duties and obligations, whether secured or Secured, whether in Indian rupees or foreign currency, whether or not recorded in the books and records of the Transferor Company shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date, the debts, liabilities, loans, bonds, debentures, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same. Where any of the liabilities of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company. If the debt securities are listed on any stock exchange, the same shall, subject to Applicable Laws, be listed and / or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and / or admitted to trading, on the same terms and conditions, unless otherwise modified in accordance with Applicable Law. Further, if and to the extent, there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that there would be no accrual or interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- (ii) All Encumbrances, if any, over the assets of the Transferor Company shall, with effect from the Appointed Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security document or arrangement (to which the Transferor Company is a party) related to any asset of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend to any other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under the Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.
- (iii) Without prejudice to the provisions of the foregoing Clauses, the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (iv) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this Clause 22 of the Scheme.
- (v) Subject to the necessary consents being obtained, if required, in accordance with the terms of the Scheme, the provisions of the Clause 22 of the Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

7.7 TRANSFER/VESTING OF INTELLECTUAL PROPERTY

All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, application for copyrights, trade names and trademarks and other intellectual property rights, appertaining to the Transferor Company, if any, shall stand vested in the Transferee Company, without any further act, instrument or deed.

7.8 LEGAL, TAXATION AND OTHER PROCEEDINGS

- (i) Any legal, taxation or other proceedings of whatever nature pending before any statutory or quasi-judicial authority or tribunal or courts or any other forum, by or against the Transferor Company, under any statute, pending on the Effective Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- (ii) After the Appointed Date and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in ordinary course of business, with the advice and instructions of the Transferee Company.

The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 24(i) of the Scheme above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

7.9 TREATMENT OF TAXES

- (i) Upon the Scheme becoming effective and with effect from the Appointed Date:
 - (a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise (even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum) and file their respective income Tax returns, withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns: and
 - (b) The Transferee Company shall be entitled to: (A) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date, (B) claim deduction with respect to bad debts, on such income which has become receivable in the hands of the Transferor Company but has not yet been received, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date, (C) claim deduction with respect to excluded items such as provisions, reversals, etc. for which no deduction or tax benefit has been claimed by the Transferor Company prior to the Appointed Date, (d) claim all tax incentives including benefit of any tax holidays which the Transferor Company was entitled to in terms of the applicable Tax laws, and accordingly all such benefits shall be available to and vest in the Transferee Company from the Effective Date and (e) claim deduction of the cost of acquisition of shares, bonds, securities or any assets of the Transferor Company as increased by the cost of any improvement of the assets incurred or borne by the Transferor Company.
- (ii) Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of the Scheme, unabsorbed Tax depreciation, minimum alternate Tax credit, if any, of the Transferor Company as on the Appointed Date, shall, for all purposes, be treated as unabsorbed Tax depreciation, minimum alternate Tax credit of the Transferee Company. It is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of accounts shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax.
- (iii) Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Transferor Company under Applicable Law (including Tax laws).
- (iv) Upon the Scheme becoming effective and with effect from the Appointed Date, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Company, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by the Transferee Company.
- (v) Upon the Scheme becoming effective and with effect from the Appointed Date, all unavailed credits and exemptions and other statutory benefits, including in respect of income Tax, CENVAT, customs, value added Tax, sales Tax, service tax, entry Tax and goods and service Tax to which the Transferor Company is entitled shall be available to and vest in the Transferee Company, without any further act or deed.
- (vi) Any Tax liability under the IT Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in

the provision for Taxation or duties or levies in the accounts of the Transferor Company, including advance Tax and tax deducted or collected at source by customers/vendors/ banks/ and receivable by the said companies whether or not reflected in Form 26AS on NSDL Income Tax Website as well as those evidenced by a valid TDS certificate or otherwise available as per law and other Tax credits including advance Tax and registrations of whatsoever nature as on the close of business in India on the date immediately preceding the Effective Date, will also be transferred to the account of the Transferee Company.

- (vii) All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into and with the Transferee Company or anything contained in the Scheme.
- (viii) Any refund under the IT Act or any other Tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.
- (ix) Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Effective Date.
- (x) All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company into and with the Transferee Company in accordance with the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which the Scheme becomes effective.

7.10 ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) as under:

- (i) All the assets, and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at their respective carrying amounts as appearing in the books of the Transferor Company. No adjustment shall be made to reflect fair values, or recognize any new assets or liabilities.
- (ii) The identity of reserves shall be preserved and shall appear in the financial statements of the Transferee Company, in the same form, in which they appeared in the financial statements of the Transferor Company.
- (iii) The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled.
- (iv) The surplus / deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 27 (i) of the Scheme over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 34(i); and (b) of the Scheme the value of investments cancelled pursuant to Clause 27 (iii) of the Scheme shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- (v) The equity shares held by the Transferee Company in the Transferor Company shall stand cancelled. Further, inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Company and Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- (vi) In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

- 7.11** For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that, with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor

Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after coming into effect of the Scheme.

- 7.12** The Transferee Company shall, at any time after the Scheme becomes effective, in accordance with the provisions hereof, be entitled to get the recordal of the change in the legal right(s) upon the Amalgamation, in accordance with the provisions of Sections 230 to 232 of the Act and if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 7.13** The provisions of the Scheme as they relate to amalgamation of the Transferor Company into and with the Transferee Company, have been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) of the IT Act. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said Section of the IT Act at a later date including, resulting from an amendment of the law or for any other reason, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act, or any amendment or enactment thereof. Such modification will however, not affect the other parts of the Scheme.

On the approval of the Scheme by the shareholders and creditors (where applicable) of the Transferor Company and the Transferee Company, such shareholders and creditors, to the extent required under Applicable Law, shall also be deemed to have resolved and accorded all relevant consents under the Act or other Applicable Law or otherwise, to the same extent applicable in relation to the amalgamation set out in the Scheme, related matters and the Scheme itself.

7.14 ISSUE OF TRANSFEE COMPANY SHARES FOR AMALGAMATION

- (i) Upon coming into effect of the Scheme and in consideration of the Amalgamation, including the transfer and vesting of the Undertaking in the Transferee Company, pursuant to the Scheme, the Transferee Company shall, without any further application or deed, as soon as possible after the Record Date, issue and allot the Transferee Company Shares to the Eligible Members, or their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, such that 1 (one) Transferee Company Shares, shall be credited as fully paid-up, for every 3 (three) Transferor Company Shares, held by each Eligible Member (the “Share Exchange Ratio”).
- (ii) If any Eligible Member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with the Scheme, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee or a SEBI registered merchant banker nominated by the Transferee Company (the “Trustee”), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable Taxes and costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding Tax, if any, distribute such sale proceeds to the concerned Eligible Member in proportion to their respective fractional entitlements.
- (iii) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.
- (iv) The issue and allotment of the Transferee Company Shares by the Transferee Company to Eligible Members as provided in the Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.
- (v) Where Transferee Company Shares are to be allotted to heirs, executors or administrators, other legal representatives, or as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned

heirs, executors, administrators, legal representatives or successors shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

- (vi) Promptly upon the issuance of the Transferee Company Shares pursuant to this Clause 34 of the Scheme, the Transferee Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and/ or the Stock Exchanges (as may be required), for listing of such Transferee Company Shares. Immediately upon receipt of such approval, the Transferee Company shall take all necessary steps to obtain trading approval for the Transferee Company Shares. The Transferee Company shall ensure that steps for listing of the Transferee Company Shares are completed and trading of the Transferee Company Shares commences within the period prescribed under the SEBI Scheme Circular. The Transferee Company Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- (vii) The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects including dividends and shall have the same rights attached to the then existing equity shares of the Transferee Company.
- (viii) Subject to the Scheme, if any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Transferor Company or the Transferee Company, occurs after the date of approval of the Scheme by the Board of Transferor Company and the Board of Transferee Company, and on or before the Effective Date, the Share Exchange Ratio shall be subject to equitable adjustments by the directors of the relevant company to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.
- (ix) The Transferee Company Shares shall be issued in dematerialized form to all those Eligible Members who hold the Transferor Company Shares in dematerialised form, in accordance with the Applicable Laws. All such Eligible Members who hold the Transferor Company Shares in physical form shall also have the option to receive the Transferee Company Shares in the Transferee Company in dematerialised form, provided the details of their account with the depository participant are intimated in writing to the Transferor Company and / or its registrar failing which, the Transferor Company Shares shall be issued to them in physical form. Such physical share certificates, if any, shall be sent by the Transferor Company to the such Eligible Members at their respective registered addresses, as appearing in the register of members maintained by the Transferor Company as of the Record Date (and in case of joint holders, to the address of that joint holder whose name appears first in such register of member in respect of such joint shareholding), and the Transferee Company shall not be responsible for any loss in transit.
- (x) The Transferee Company Shares to be issued by the Transferee Company in respect of the Transferor Company Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
- (xi) Upon the Scheme becoming effective and upon issuance of the Transferee Company Shares to Eligible Members holding the Transferor Company Shares, the Transferor Company Shares shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- (xii) The Transferee Company Shares issued pursuant to the Scheme have not been, and will not be registered under the United States Securities Act of 1933 (the "Securities Act") in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the "Section 3(a)(10) Exemption"). The sanction of the NCLT to the Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Transferee Company Shares issued pursuant to the Scheme for the Section 3(a)(10) Exemption, if applicable. Further, for purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) Exemption, each of the Transferor Company and the Transferee Company undertake that:
 - (a) Eligible Members, as against their equity shares in the Transferor Company, shall receive the equity shares of the Transferee Company and shall not receive cash or other consideration; and
 - (b) the Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

- 8** It is confirmed that the copy of the Scheme will be filed with the Registrar of Companies, Gujarat at Ahmedabad by the Applicant/ Transferor Company and Applicant/Transferee Company. In compliance with the requirement of Section 230(5) of the Companies

Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

- 9 The Following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by Equity Shareholders at the corporate office of Applicant/Transferee Company at "Sadbhav", Near Havmor Restaurant, B/H. Navrangpura Bus Stand, Navrangpura, Ahmedabad -380 009, Gujarat, India between 11:30 a.m. and 3:00 p.m. on all working days up to the date of the meeting and also available on website of the company i.e. www.sadbhaveng.com.
- I. Audited Financial Statements including Consolidated as on 31st March, 2020 of the Applicant/Transferor Company and the Applicant/Transferee.
 - II. The Certificate dated 19th October, 2019 issued by M/s. Dhirubhai Shah & Co LLP, Chartered Accountants and the certificate dated 25th June, 2020 issued by M/s. S G D G & Associates LLP, Chartered Accountant to the effect that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
 - III. Copy of the Certificate dated 23rd December, 2020 issued by M/s. A D Brahmbhatt & Co., Chartered Accountant certifying that there are 41,188 Equity Shareholders of Applicant/ Transferee Company as on 11th December, 2020.
 - IV. Copy of the Certificate dated 23rd December, 2020 issued by M/s. A D Brahmbhatt & Co., Chartered Accountant certifying that there are 23 Secured Creditors of Applicant/ Transferee Company as on 11th December, 2020.
 - V. Copy of the Certificate dated 23rd December, 2020 issued by M/s. A D Brahmbhatt & Co., Chartered Accountant certifying that there are 3246 Unsecured Creditors of Applicant/ Transferee Company as on 11th December, 2020.
 - VI. Copies of the Memorandum of Association and Articles of Association of the Applicant/ Transferor Company and Applicant/ Transferee Company.
 - VII. Copies of the board resolutions passed on 19th October, 2019 by the respective Board of Directors of the Applicant/ Transferor Company and Applicant/ Transferee Company.
 - VIII. Copy of Audit Committee report dated 19th October, 2019 recommending Scheme of Amalgamation of the Applicant/ Transferor Company and Applicant / Transferee Company.
- 10 In view of the information provided hereinabove and the documents attached along with this Notice and Explanatory statement, the requirement of Section 232(2) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 have been complied with.

Dated: 24th December, 2020

Place: Ahmedabad

(Mr. Sandip Patel)

Chairperson appointed for the meeting

Registered Office:

Sadbhav House,
Opp-Law Garden Police Chowki,
Ellisbridge, Ahmedabad-380 006,
Gujarat, India.

SCHEME OF AMALGAMATION

By way of Merger by Absorption

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules thereunder)

AMONGST

SADBHAV INFRASTRUCTURE PROJECT LIMITED
(TRANSFEROR COMPANY)

AND

SADBHAV ENGINEERING LIMITED
(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I

INTRODUCTION AND DEFINITIONS

A. PREMABLE

This Scheme of Amalgamation (the “**Scheme**”, more particularly defined hereinafter) provides for the amalgamation of Sadbhav Infrastructure Project Limited with and into Sadbhav Engineering Limited pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. This Scheme also provides for various other matters consequential thereto, or otherwise integrally connected therewith.

B. DESCRIPTION OF THE COMPANIES

1. Sadbhav Infrastructure Project Limited is a public limited company, incorporated under the Companies Act, 1956, under corporate identification number L45202GJ2007PLC049808 and having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad, Gujarat – 380 006 (hereinafter referred to as the “**Transferor Company**”). The Transferor Company is a subsidiary of the Transferee Company (as defined hereunder) and thereby forms part of the Sadbhav Group. The Transferee Company directly holds 69.05% of the equity share capital of the Transferor Company. The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited (together the “**Stock Exchanges**”). The Transferor Company is *inter alia* engaged in the business of development, construction as well as operation and maintenance of infrastructure projects and related consulting and advisory services.
2. Sadbhav Engineering Limited is a public limited company, incorporated under the Companies Act, 1956, under corporate identification number L45400GJ1988PLC011322 and having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad, Gujarat – 380 006 (hereinafter referred to as the “**Transferee Company**”). The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is an engineering, construction and infrastructure development company focusing on *inter alia* transportation - rehabilitation, upgradation, widening and strengthening of roads and highways, and design and construction of depots, workshops, elevated ramps, elevated viaducts, and elevated stations for metro railways. The Transferee Company is the flagship company of the Sadbhav Group.

C. DESCRIPTION OF THE SCHEME

3. This Scheme (as defined hereunder) provides, *inter alia*, for:
 - (i) the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder), in respect of each Transferor Company Share (as defined hereunder) held by them, in accordance with this Scheme (the “**Amalgamation**”);
 - (ii) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the share capital of the Transferee Company,

pursuant to Sections 230 to 232 and other relevant provisions of the Act (as defined hereunder), in the manner provided for in this Scheme, and in compliance with provisions of the IT Act (as defined hereunder).

4. The Amalgamation of the Transferor Company into the Transferee Company shall be in compliance with the conditions relating to “amalgamation” as provided under Section 2(1B) and other related provisions of the IT Act such that, *inter alia*:
 - (i) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation; and
 - (ii) all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation.

D. RATIONALE FOR THE SCHEME

5. The Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:
 - (i) The Amalgamation will result in consolidation of the businesses of the companies resulting in expansion of the consolidated business, facilitating simplified corporate structures, productive utilization of combined resources, operational and administrative efficiencies, economies of scale, reduction in overheads & other expenses, reduced inter-company transactions and reduction in the multiplicity of legal and regulatory compliances and consequently creation of greater value for shareholders and all other stakeholders.
 - (ii) The Amalgamation would be in the best interest of the public shareholders of the Transferor Company, as they would continue to play a part in the growth of Indian infrastructure through one of India’s leading engineering, procurement and construction companies i.e., the Transferee Company.
 - (iii) The Amalgamation is expected to result in stability and enhancement in earnings and cash flow.
 - (iv) The Amalgamation is expected to result in operational effectiveness and cost optimisation, improved competitive position of the Transferee Company as the combined entity will have expanded business pre-qualifications, increased network to enable it to bid for larger and more complex infrastructure projects, improved credit rating due to better combined financial position, and provide better access to funds for growth opportunities.
 - (v) The Amalgamation is expected to achieve a stronger balance sheet resulting in improved allocation of capital, broader access to capital markets and lower cost of capital.
 - (vi) The Amalgamation would allow the Transferee Company to benefit from the complementary skills of the combined management team, which will in turn enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.
 - (vii) The Amalgamation will result in all the shareholders of the Transferor Company and Transferee Company, deriving value for their shares as a result of their direct shareholding in the combined business, leading to a larger and diversified shareholder base, better trading and liquidity position in the equity shares and relatively higher market capitalization.
 - (viii) The Amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

E. PARTS OF THE SCHEME

6. This Scheme is divided into the following parts:
 - (i) **Part I**, which deals with the introduction and definitions, and sets out the share capital of the Transferor Company and the Transferee Company;
 - (ii) **Part II**, which deals with the Amalgamation and other related matters;
 - (iii) **Part III**, which deals with the changes to share capital of the Transferor Company and the Transferee Company; and
 - (iv) **Part IV**, which deals with the general terms and conditions applicable to this Scheme.

F. DEFINITIONS

7. In this Scheme, unless repugnant to the meaning, subject or context thereof, the following expressions shall have the following meaning:
 - (i) “**Act**” shall mean the Companies Act, 2013, as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;
 - (ii) “**Amalgamation**” shall have the meaning ascribed to it in Clause 3(i);
 - (iii) “**Applicable Law**” shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law, of any Governmental Authority;

-
- (iv) **"Appointed Date"** shall mean 1st April 2019 or such other date as may be agreed by the Board of each of the Transferor Company and the Transferee Company and approved by the NCLT, or as directed or imposed by the NCLT;
 - (v) **"Board"** in relation to any company, means the board of directors of such company and shall, where applicable, include a duly authorised committee of the Board;
 - (vi) **"Effective Date"** means the later of the dates on which certified copies of the order passed by the NCLT is filed by the Transferor Company or the Transferee Company, as the case may be, with the relevant Registrar of Companies, upon satisfaction of the conditions set out under Clause 40 of this Scheme;
 - (vii) **"Eligible Member"** shall mean each person whose name appears in the register of members of the Transferor Company and/or whose name appears as the beneficial owner of the Transferor Company Shares in the record of depositories on the Record Date at the Record Time (other than the Transferee Company itself);
 - (viii) **"Employee Benefit Funds"** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;
 - (ix) **"Encumbrance"** or **"Encumber"** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
 - (x) **"Governmental Authority"** means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, RBI, the NCLT and any Tax authority;
 - (xi) **"Governmental Order"** means any judgment, order, writ, injunction, decree, decision or other requirement of any Governmental Authority (or, as the context requires, any Governmental Authority specified) other than any competition or anti-trust authority other than the Competition Commission of India;
 - (xii) **"IT Act"** shall mean the Income Tax Act, 1961 or any statutory modifications or re-enactments or amendments thereof from time to time;
 - (xiii) **"NCLT"** shall mean the National Company Law Tribunal at Ahmedabad, Gujarat;
 - (xiv) **"Record Date"** shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the Eligible Members of the Transferor Company to whom the Transferee Company Shares shall be allotted pursuant to this Scheme;
 - (xv) **"Record Time"** means 6:00pm (Indian Standard Time) on the Record Date;
 - (xvi) **"Scheme"** means this scheme of amalgamation by way of merger by absorption and shall include any modification or amendment hereto, made in accordance with the terms hereof;
 - (xvii) **"SEBI"** means Securities and Exchange Board of India;
 - (xviii) **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modifications or re-enactments or amendments thereof in force, or any act, regulations, rules, guidelines etc., that may replace such regulations, from time to time;
 - (xix) **"SEBI Scheme Circular"** means the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21 issued by SEBI, as amended or replaced from time to time;
 - (xx) **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 34(i);
 - (xxi) **"Stock Exchanges"** shall have the meaning ascribed to it in Clause 1;
 - (xxii) **"Tax"** or **"Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);
 - (xxiii) **"Transferee Company"** shall have the meaning ascribed to it in Clause 2;
-

-
- (xxiv) **"Transferee Company Shares"** means fully paid up equity shares of the Transferee Company, each having a face value of INR 1 (Rupee One only) and one vote per equity share;
- (xxv) **"Transferor Company"** shall have the meaning ascribed to it in Clause 1;
- (xxvi) **"Transferor Company Employees"** shall mean all the employees of the Transferor Company in service as on the Effective Date;
- (xxvii) **"Transferor Company Shares"** means fully paid up equity shares of the Transferor Company, each having a face value of INR 10 (Rupee Ten only) and one vote per equity share;
- (xxviii) **"Trustee"** shall have the meaning ascribed to it in Clause 34(ii);
- (xxix) **"Undertaking"** means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):
- (a) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds (including but not limited to securities (marketable or not)), securitised assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and/or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;
 - (b) all applications, permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
 - (c) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
 - (d) all intellectual property rights, including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;
 - (e) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;
 - (f) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);
 - (g) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company; and
 - (h) the Transferor Company Employees and the Employee Benefit Funds of the Transferor Company.
-

G. INTERPRETATION

8. The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the meaning or context thereof, bear the meaning ascribed to them under the relevant statute/ legislation.
9. All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
 - (i) any statutory modification, amendment or re-enactment made after the date of approval of this Scheme by the Board of each of the Transferor Company and the Transferee Company and for the time being in force;
 - (ii) all subordinate legislation made, from time to time, under that provision (whether or not modified, amended or re-enacted);
 - (iii) all statutory instruments or orders made pursuant to a statutory provision; and
 - (iv) any statutory provision of which these statutory provisions are a modification, amendment or re-enactment.
10. Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
11. Headings, sub-headings, titles, sub-titles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or schedules hereto and shall be ignored in construing the same.
12. References to clauses and schedules are, unless the context otherwise requires, references to clauses and schedules to this Scheme.
13. The words "include" and "including" are to be construed without limitation.
14. Any references to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

H. SHARE CAPITAL

15. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on September 30, 2019 is as follows:

Particulars	Amount in INR
Authorised 40,30,00,000 equity shares of INR 10 each	403,00,00,000
Issued, Subscribed and Paid-up Share Capital 35,22,25,216 equity shares of INR 10 each	352,22,52,160

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital till the date of approval of this Scheme by the Board on October 19, 2019.

16. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on September 30, 2019 is as follows:

Particulars	Amount (in INR)
Authorised 20,00,00,000 equity shares of INR 1 each	20,00,00,000
Issued, Subscribed and Paid-up Share Capital 17,15,70,800 equity shares of INR 1 each	17,15,70,800

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital till the date of approval of this Scheme by the Board on October 19, 2019.

17. The authorised share capital of the Transferor Company will be transferred to the Transferee Company as stated in Clause 35 of this Scheme.

I. DATE OF TAKING EFFECT AND OPERATIVE DATE

18. This Scheme set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT, or made as per Clause 39 of this Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY AND OTHER RELATED MATTERS

19. AMALGAMATION

Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with and into the Transferee Company, and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and in accordance with Section 2(1B) of the IT Act, be and stand amalgamated with and be transferred to and vested in or deemed to have been vested in the Transferee Company, as a going concern, without any further act, instrument, deed, matter or thing so as to become as and from the Appointed Date, the Undertaking of the Transferee Company, by virtue of and in the manner provided in this Scheme.

20. TRANSFER/VESTING OF ASSETS

- (i) Without prejudice to the generality of Clause 19 above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Company shall, subject to the provisions of this Clause 20 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company.
- (ii) Without prejudice to the generality of Clause 20(i), in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession (physical or constructive delivery), or by endorsement and delivery or by operation of law pursuant to the vesting orders of the NCLT sanctioning this Scheme, the same shall stand transferred to and vested in the Transferee Company, and shall be deemed to be and have become the property of the Transferee Company by operation of law without requiring any deed or instrument of conveyance for transfer of the same to the Transferee Company, with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (iii) Without prejudice to the generality of Clause 20(i), assets (other than those referred to in sub-Clause (ii) above) such as investments in shares, mutual funds, bonds and other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authority, local or other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed and by the operation of law be transferred to and vested in and/or be deemed to be transferred to and vested in and become the property of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to stand vested in the Transferee Company, with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. All investments of the Transferor Company shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company, as a successor in interest and any document of title in the name of the Transferor Company shall also be deemed to have been mutated and recorded in the Transferee Company to the same extent and in the same manner as originally held by the Transferor Company and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Company. The Transferor Company shall, subsequent to the order(s) of the NCLT, be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- (iv) Without prejudice to the generality of Clause 20(i), all immovable properties of the Transferor Company, including land(s) and/or together with buildings and structures standing thereon, estates and rights and interests in all immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto, shall stand vested in and/or deemed to have been vested in the Transferee Company, as successor in interest and/or title to the Transferor Company, by operation of law pursuant to the order(s) of the NCLT sanctioning this Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. The Transferee Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The title to such properties shall be deemed to have been mutated and as regards pending mutation(s) shall be deemed to have been mutated in the name of the Transferee Company and recognised as that of the Transferee Company and the mere filing of necessary documents with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Governmental Authorities shall suffice as record of continuing titles with the Transferee Company and shall constitute a deemed mutation. The Transferee Company shall, pursuant to the order(s) of the NCLT, be entitled to the delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of the

Transferor Company in any leasehold properties shall, pursuant to Section 232(4) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or deemed to have been vested in the Transferee Company.

- (v) Provided that, if required, for the purpose of giving effect to the orders passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company shall at all times be entitled to effect change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all immovable properties) of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other appropriate authority, in the jurisdiction where any such property is situated. The Transferee Company shall be entitled to engage in such correspondence, execute such documents and agreements and make such representations as may be necessary to effect the mutation, if required. However, such correspondence, documents and agreements entered into by the Transferee Company in furtherance of this Scheme for ease of completion of mutation shall be deemed to be an integral part of this Scheme and the order sanctioning the same and such correspondence, documents and agreements, shall not constitute a separate instrument.

21. **CONTRACTS, DEEDS, LICENSES ETC.**

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, the Transferee Company shall stand substituted in and shall always be deemed to have been party to all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature and wheresoever situate, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, including in any joint operating agreements or agreements of similar kind, if any, and which are subsisting or being effective on or immediately before the Effective Date (collectively referred to as the “**Agreements**”), and all such Agreements and all interest therein shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and shall be binding on and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company, if so required, shall provide certified copies of the order(s) of the NCLT sanctioning this Scheme to the counter parties of the Agreements for information purposes and such party or authority shall make and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor without any break in the validity and enforceability of such Agreements. However, till the time such substitution/endorsement is actually effected, the Transferee Company shall always be deemed a party to all such Agreements and be allowed to operate in the name and style of the Transferor Company. It is hereby clarified that all rates, fees, profit sharing, etc. paid by the Transferor Company till the Effective Date shall be considered paid by or for the Transferee Company and shall be considered part of total sum payable under such Agreement and the Transferee Company shall not be called upon or required to pay the same again.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date and subject to Applicable Law, all consents, permissions, clearances, approvals, quotas, entitlements, subsidies, grants, authorities, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), powers of attorney and certificates of every kind and description of whatsoever nature given by, issued to or executed in favour of the Transferor Company and which are subsisting or having effect on the Effective Date and any application made thereof, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company has been a party or beneficiary or obligor thereto and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall file certified copies of the order(s) of the NCLT sanctioning this Scheme and if required, file appropriate forms or applications with the relevant Governmental Authorities for statistical and information purposes only and such Governmental Authorities or third parties shall make and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor without any break in the validity and enforceability of such approvals, consents, etc. However, till the time such substitution/endorsement is actually

effected, the Transferee Company is authorised and shall always be deemed to have been authorised to carry on the business in the name and style of the Transferor Company. It is hereby clarified that all rates, fees, etc. paid by the Transferor Company till the Effective Date shall be deemed to have been paid by or for the Transferee Company and shall be considered part of total sum payable in relation to such license, etc., and the Transferee Company shall not be called upon or required to pay the same again.

- (iv) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise under the Act read with the rules and regulations made thereunder, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.
- (v) The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.
- (vi) Without prejudice to the provisions of Clauses 19 to 26, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company, which are subsisting or having effect on the Effective Date, shall be considered as intra-party transactions for all purposes. Any taxes (including tax deducted at source) paid in relation to such transaction shall, to the extent permissible by Applicable Law, be claimed as a refund. Further, all transactions between the Transferor Company and the Transferee Company, if any, that have not been completed, shall stand cancelled.

22. **TRANSFER/VESTING OF LIABILITIES**

- (i) With effect from the Appointed Date, all debts, liabilities, bonds, debentures, contingent liabilities, loans raised and used, duties and obligations, whether secured or unsecured, whether in Indian rupees or foreign currency, whether or not recorded in the books and records of the Transferor Company shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date, the debts, liabilities, loans, bonds, debentures, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same. Where any of the liabilities of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company. If the debt securities are listed on any stock exchange, the same shall, subject to Applicable Laws, be listed and / or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and / or admitted to trading, on the same terms and conditions, unless otherwise modified in accordance with Applicable Law. Further, if and to the extent, there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that there would be no accrual or interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- (ii) All Encumbrances, if any, over the assets of the Transferor Company shall, with effect from the Appointed Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security document or arrangement (to which the Transferor Company is a party) related to any asset of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend to any other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.
- (iii) Without prejudice to the provisions of the foregoing Clauses, the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (iv) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this Clause 22.

- (v) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 22 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

23. **TRANSFER/VESTING OF INTELLECTUAL PROPERTY**

All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, application for copyrights, trade names and trademarks and other intellectual property rights, appertaining to the Transferor Company, if any, shall stand vested in the Transferee Company, without any further act, instrument or deed.

24. **LEGAL, TAXATION AND OTHER PROCEEDINGS**

- (i) Any legal, taxation or other proceedings of whatever nature pending before any statutory or quasi-judicial authority or tribunal or courts or any other forum, by or against the Transferor Company, under any statute, pending on the Effective Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- (ii) After the Appointed Date and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in ordinary course of business, with the advice and instructions of the Transferee Company.
- (iii) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 24(i) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

25. **EMPLOYEES**

- (i) Upon this Scheme becoming effective, all Transferor Company Employees shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company on the Effective Date and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Company Employees with the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (ii) In so far as the Employee Benefit Funds created by the Transferor Company or in respect of which the Transferor Company makes contributions, for the Transferor Company Employees, all amounts standing to the credit of the Transferor Company Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authorities, by the Transferee Company.
- (iii) In relation to those Transferor Company Employees who are not covered under the provident fund trust of the Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Company Employees would be continued to be deposited in the existing Employee Benefit Funds of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.
- (v) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or
 - (b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

26. TREATMENT OF TAXES

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date:
 - (a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise (even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum) and file their respective income Tax returns, withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns: and
 - (b) The Transferee Company shall be entitled to: (A) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date, (B) claim deduction with respect to bad debts, on such income which has become receivable in the hands of the Transferor Company but has not yet been received, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date, (C) claim deduction with respect to excluded items such as provisions, reversals, etc. for which no deduction or tax benefit has been claimed by the Transferor Company prior to the Appointed Date, (d) claim all tax incentives including benefit of any tax holidays which the Transferor Company was entitled to in terms of the applicable Tax laws, and accordingly all such benefits shall be available to and vest in the Transferee Company from the Effective Date and (e) claim deduction of the cost of acquisition of shares, bonds, securities or any assets of the Transferor Company as increased by the cost of any improvement of the assets incurred or borne by the Transferor Company.
- (ii) Upon this Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation, minimum alternate Tax credit, if any, of the Transferor Company as on the Appointed Date, shall, for all purposes, be treated as unabsorbed Tax depreciation, minimum alternate Tax credit of the Transferee Company. It is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of accounts shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax.
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Transferor Company under Applicable Law (including Tax laws).
- (iv) Upon this Scheme becoming effective and with effect from the Appointed Date, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Company, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by the Transferee Company.
- (v) Upon this Scheme becoming effective and with effect from the Appointed Date, all unavailed credits and exemptions and other statutory benefits, including in respect of income Tax, CENVAT, customs, value added Tax, sales Tax, service tax, entry Tax and goods and service Tax to which the Transferor Company is entitled shall be available to and vest in the Transferee Company, without any further act or deed.
- (vi) Any Tax liability under the IT Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Company, including advance Tax and tax deducted or collected at source by customers/vendors/ banks/ and receivable by the said companies whether or not reflected in Form 26AS on NSDL Income Tax Website as well as those evidenced by a valid TDS certificate or otherwise available as per law and other Tax credits including advance Tax and registrations of whatsoever nature as on the close of business in India on the date immediately preceding the Effective Date, will also be transferred to the account of the Transferee Company.
- (vii) All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into and with the Transferee Company or anything contained in this Scheme.
- (viii) Any refund under the IT Act or any other Tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.
- (ix) Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Effective Date.

- (x) All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company into and with the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective.

27. ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) as under:

- (i) All the assets, and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at their respective carrying amounts as appearing in the books the Transferor Company. No adjustment shall be made to reflect fair values, or recognize any new assets of liabilities.
 - (ii) The identity of reserves shall be preserved and shall appear in the financial statements of the Transferee Company, in the same form, in which they appeared in the financial statements of the Transferor Company.
 - (iii) The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled.
 - (iv) The surplus / deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 27 (i) over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 34(i); and (b) the value of investments cancelled pursuant to Clause 27 (iii) shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
 - (v) The equity shares held by the Transferee Company in the Transferor Company shall stand cancelled. Further, inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Company and Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
 - (vi) In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
28. For avoidance of doubt and without prejudice to the generality of the applicable provisions of this Scheme, it is clarified that, with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after coming into effect of this Scheme.
29. The Transferee Company shall, at any time after this Scheme becomes effective, in accordance with the provisions hereof, be entitled to get the recordal of the change in the legal right(s) upon the Amalgamation, in accordance with the provisions of Sections 230 to 232 of the Act and if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
30. The provisions of this Scheme as they relate to amalgamation of the Transferor Company into and with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the IT Act. If any term or provision of this Scheme is found or interpreted to be inconsistent with the provisions of the said Section of the IT Act at a later date including, resulting from an amendment of the law or for any other reason, the provisions of the said Section of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act, or any amendment or enactment thereof. Such modification will however, not affect the other parts of this Scheme.

31. On the approval of this Scheme by the shareholders and creditors (where applicable) of the Transferor Company and the Transferee Company, such shareholders and creditors, to the extent required under Applicable Law, shall also be deemed to have resolved and accorded all relevant consents under the Act or other Applicable Law or otherwise, to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

32. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on the business with reasonable diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

33. SAVING OF CONCLUDED TRANSACTIONS

Subject to Clause 26 above, the transfer of assets and liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date till the Effective Date (subject to the terms of any agreement with the Transferee Company) to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

34. ISSUE OF TRANSFEE COMPANY SHARES FOR AMALGAMATION

- (i) Upon coming into effect of this Scheme and in consideration of the Amalgamation, including the transfer and vesting of the Undertaking in the Transferee Company, pursuant to this Scheme, the Transferee Company shall, without any further application or deed, as soon as possible after the Record Date, issue and allot the Transferee Company Shares to the Eligible Members, or their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, such that 1 (one) Transferee Company Shares, shall be credited as fully paidup, for every 3 (three) Transferor Company Shares, held by each Eligible Member (the "**Share Exchange Ratio**").
- (ii) If any Eligible Member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee or a SEBI registered merchant banker nominated by the Transferee Company (the "**Trustee**"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable Taxes and costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding Tax, if any, distribute such sale proceeds to the concerned Eligible Member in proportion to their respective fractional entitlements.
- (iii) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of this Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.
- (iv) The issue and allotment of the Transferee Company Shares by the Transferee Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.
- (v) Where Transferee Company Shares are to be allotted to heirs, executors or administrators, other legal representatives, or as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, legal representatives or successors shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.
- (vi) Promptly upon the issuance of the Transferee Company Shares pursuant to this Clause 34, the Transferee Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and/ or the Stock Exchanges (as may be required), for listing of such Transferee Company Shares. Immediately upon receipt of such approval, the Transferee Company shall take all necessary steps to obtain trading approval for the Transferee Company Shares. The Transferee Company shall ensure that steps for listing of the Transferee Company Shares are

- completed and trading of the Transferee Company Shares commences within the period prescribed under the SEBI Scheme Circular. The Transferee Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- (vii) The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects including dividends and shall have the same rights attached to the then existing equity shares of the Transferee Company.
 - (viii) Subject to this Scheme, if any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Transferor Company or the Transferee Company, occurs after the date of approval of this Scheme by the Board of Transferor Company and the Board of Transferee Company, and on or before the Effective Date, the Share Exchange Ratio shall be subject to equitable adjustments by the directors of the relevant company to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.
 - (ix) The Transferee Company Shares shall be issued in dematerialized form to all those Eligible Members who hold the Transferor Company Shares in dematerialised form, in accordance with the Applicable Laws. All such Eligible Members who hold the Transferor Company Shares in physical form shall also have the option to receive the Transferee Company Shares in the Transferee Company in dematerialised form, provided the details of their account with the depository participant are intimated in writing to the Transferor Company and / or its registrar failing which, the Transferor Company Shares shall be issued to them in physical form. Such physical share certificates, if any, shall be sent by the Transferor Company to the such Eligible Members at their respective registered addresses, as appearing in the register of members maintained by the Transferor Company as of the Record Date (and in case of joint holders, to the address of that joint holder whose name appears first in such register of member in respect of such joint shareholding), and the Transferee Company shall not be responsible for any loss in transit.
 - (x) The Transferee Company Shares to be issued by the Transferee Company in respect of the Transferor Company Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
 - (xi) Upon this Scheme becoming effective and upon issuance of the Transferee Company Shares to Eligible Members holding the Transferor Company Shares, the Transferor Company Shares shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
 - (xii) The Transferee Company Shares issued pursuant to this Scheme have not been, and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the "**Section 3(a)(10) Exemption**"). The sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Transferee Company Shares issued pursuant to this Scheme for the Section 3(a)(10) Exemption, if applicable. Further, for purposes of ensuring that this Scheme complies with the requirements of Section 3(a)(10) Exemption, each of the Transferor Company and the Transferee Company undertake that:
 - (a) Eligible Members, as against their equity shares in the Transferor Company, shall receive the equity shares of the Transferee Company and shall not receive cash or other consideration; and
 - (b) this Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT.

PART III

CHANGES TO THE SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY

35. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE AUTHORISED CAPITAL OF THE TRANSFEE COMPANY

Upon this Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of the Transferor Company as set out in this Scheme but prior to the issuance and allotment of the Transferee Company Shares under Clause 34 above, the authorized share capital of the Transferor Company, shall stand consolidated and vested in and be merged with the authorised share capital of the Transferee Company, without any requirement of a further act or deed on the part of the Transferee Company (including payment of stamp duty and/ or fees payable to the relevant registrar of companies), such that upon the effectiveness of this Scheme, the authorised share capital of the Transferee Company shall be INR 423,00,00,000 (Indian Rupees Four Hundred Twenty Three Crores) comprising of 423,00,00,000 equity shares of INR 1/- each, without any further act, deed, resolution or writing.

36. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFeree COMPANY

- (ix) With effect from the Appointed Date and upon this Scheme becoming Effective, pursuant to the consolidation and increase of authorised capital pursuant to Clause 35 above, the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause V of the memorandum of association shall be replaced by the following:
"The Authorised Share Capital of the Company is Rs. 423,00,00,000 (Rupees Four Hundred Twenty Three Crores only) divided into 423,00,00,000 Equity Shares of Re.1/- (Rupee One only) each. "
- (x) It is clarified that this Scheme as proposed, and upon sanction by the NCLT, shall constitute a single window clearance, and shall be deemed to be sufficient for the enhancement and increase of the authorised share capital of the Transferee Company and for effecting the aforementioned amendments, pursuant to Clauses 35 and 36, and no further resolution(s) subsequent to the sanction of this Scheme (whether under Sections 4, 13, 14 and 61 and/or any other applicable provisions of the Act), would be required to be separately passed.
- (xi) In accordance with Section 232(3)(i) of the Act and other Applicable Law, the stamp duties and/ or fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company pursuant to Clause 35 above and no stamp duties and/or fees would be payable for the increase in the authorised share capital of the Transferee Company, to the extent of the authorised share capital of the Transferor Company.
- (xii) Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with this Scheme. It is clarified that no special resolution(s) under Sections 62 or 42 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of Transferee Company Shares to the members of the Transferor Company under this Scheme and for the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the Transferee Company Shares to the members of the Transferor Company in terms of, and in accordance with, this Scheme.

**PART IV
GENERAL TERMS AND CONDITIONS**

The provisions of this Part shall be applicable to Part II and Part III of this Scheme.

37. DISSOLUTION AND VALIDITY OF RESOLUTIONS

- (xiii) Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding up, and the Board of the Transferor Company and any committees thereof shall stand discharged. The name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Ahmedabad and the Transferee Company shall make the necessary filings in this regard.
- (xiv) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting on be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

38. APPLICATION TO NCLT

The Transferor Company and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230, 232 and other applicable provisions of the Act.

39. MODIFICATIONS, AMENDMENTS TO OR WITHDRAWAL OF THE SCHEME

- (xv) On behalf of the Transferor Company and the Transferee Company, the board of directors of the respective companies may consent jointly but not individually, on behalf of all persons concerned, to any modification or amendment to this Scheme and without prejudice to the generality of the foregoing, any modification to this Scheme involving withdrawal of any of the parties to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the board of directors of the Transferor Company and the Transferee Company, and solve all difficulties that may arise from carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- (xvi) For the purposes of giving effect to this Scheme or to any modification thereof, the board of directors of the Transferor Company and the Transferee Company may jointly but not individually, give and are jointly authorised to give, such directions including, directions for settling any question of doubt or difficulty that may arise, and such determination of the directors, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

- (xvii) The Transferor Company and the Transferee Company (by their respective board of directors, or such other person(s) as the respective board of directors may authorise) shall be at the liberty to withdraw this Scheme, in entirety, in case any condition or alteration imposed by any authority is unacceptable to them, or as may otherwise be deemed expedient or necessary.
- (xviii) In the event of revocation/withdrawal of this Scheme, no rights and liabilities whatsoever, shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto, as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided for in this Scheme or in accordance with Applicable law and as agreed between the Parties

40. **CONDITIONALITY OF THE SCHEME**

The coming into effect of this Scheme is conditional upon and subject to:

- (i) the Stock Exchanges having issued their observation/ no-objection letters as required under the SEBI Listing Regulations read with the SEBI Scheme Circular, on terms acceptable to the Transferor Company and the Transferee Company;
- (ii) this Scheme being approved by the respective requisite majorities of the creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and the SEBI Scheme Circular, subject to any dispensation that may be granted by the NCLT;
- (iii) The Scheme being approved by majority of the public shareholders of the Transferor Company and the Transferee Company through postal ballot and e-voting as required under SEBI Scheme Circular and the Scheme shall be acted upon only if vote cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- (iv) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the bench of the NCLT at Ahmedabad, Gujarat;
- (v) the certified copies of the orders of the NCLT approving this Scheme having been filed with the registrar of companies in Ahmedabad, Gujarat; and
- (vi) there not being any Governmental Order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation.

41. **EFFECT ON NON-RECEIPT OF APPROVALS/ SANCTIONS**

This Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 40 of Part IV above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person.

42. **SEVERABILITY**

If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to mutual agreement of the Transferor Company and the Transferee Company in writing, affect the validity or implementation of the other provisions of this Scheme. If any provision of this Scheme hereof is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future Applicable Laws, then it is the intention of the Transferor Company and the Transferee Company that such provision shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to either the Transferor Company and/ or the Transferee Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme in accordance with the provisions of this Scheme, as will best preserve for the Transferor Company and the Transferee Company, the benefits and obligations of this Scheme, including but not limited to, such provision.

43. **COSTS**

- (i) All costs, charges, duties, levies and other expenses, if any, in relation to or arising out of or in connection with or incidental to this Scheme, including without limitation, costs and expenses associated with retention of financial, legal, Tax and other professional advisers, shall be borne by the Transferee Company.
- (ii) Without prejudice to the generality of the foregoing, all stamp, transfer, registration, and other similar Taxes, duties, charges and fees (including in relation to the registration and the stamping of the sanction orders) payable or assessed in connection with this Scheme, the issuance of Transferee Company Shares and the transfers contemplated by this Scheme shall be borne by Transferee Company.

CA(CAA) 77/230-232/NCLT/AHM/2020

Section: 230-232 of Companies Act, 2013.

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court, vide separate sheet.

(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)

Dated this the 1st day of December, 2020

(MADAN B. GOSAVI)
MEMBER (JUDICIAL)

sen

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-1**

CA (CAA) 77/230-232/NCLT/AHM/ 2020

(An Application under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013)

M/s. Sadbhav Infrastructure Project Limited.

A Company registered under
The Companies Act, 1956
Having its registered office at:
Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad-380006.

....Applicant Company No. 1/Transferor Company

M/s. Sadbhav Engineering Limited

A Company registered under
The Companies Act, 1956
Having its registered office at:
Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad-380006.

.... Applicant Company No. 2/ Transferee Company

Order reserved on 25.11.2020
Order pronounced on 01.12.2020

**Coram: Madan B. Gosavi, Member (J)
Virendra Kumar Gupta, Member (T)**

Appearance

Navin Pahwa, Learned Senior Advocate, appeared for the applicant.

[PER: BENCH]**ORDER**

1. The Applicant Companies have filed this joint application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act") seeking directions for convening and holding of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of both the Applicant Companies, for the purpose of considering and if thought fit, approving, the Scheme of Amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited and their respective shareholders and creditors.
2. The Applicant Company 1 is a Public Listed Company. The issued, subscribed and paid up share capital of the Applicant Company 1 is Rs. 3,52,22,52,160/- consisting 35,22,25,216 Equity Shares of Rs. 10/- each. The Board of Directors of the Applicant Company 1 *vide* resolution dated 19th October 2019, have approved the Scheme of Amalgamation.
3. The Applicant Company 2 is also a Public Listed Company. The issued, subscribed and paid up share capital of the Applicant Company 1 is Rs. 17,15,70,800/- consisting 17,15,70,800 Equity Shares of Rs. 1/- each. The Board of Directors of the Applicant Company 2 *vide* resolution dated 19th October 2019, have approved the Scheme of Amalgamation.

4. Both the Applicant Companies have stated that accounting treatment specified in the Scheme is in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and certificates issued by the statutory auditors of the respective Applicant Companies are filed and produced vide Annexure-M Colly to the Application.
5. It is further submitted that as per circular of SEBI bearing no. CFD/DIL3/CIR/2017/21 dated 10.3.2017, the Applicant Companies have submitted the draft Scheme of Arrangement with the BSE Limited and the National Stock Exchange of India Limited on 19.5.2020 for its approval. In pursuance to the same, the BSE and NSE vide their separate observation letters dated 14.10.2020 (Annexure-O Colly and Annexure-P Colly) addressed to each of the Applicant Companies respectively have given no objection while making certain comments on the draft Scheme of Amalgamation, which read as under:-
- i. The Company shall ensure that the disclosure that the three individuals viz. Vasistha C. Patel, Vikram R. Patel and Vipul H. Patel, are part of Promoters/ promoters groups in SEL, whereas they are public shareholders in SIPL, are made before Hon'ble NCLT and shareholders, while seeking approval of the proposed scheme.
 - ii. The Company shall ensure that the additional information, if any, submitted by the SEL and SIPL, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter

CA (CAA) 77/230-232/NCLT/AHM/ 2020

is displayed on the website of the listed company and the Stock Exchanges.

- iii. The Company shall duly comply with various provisions of the Circular.
- iv. The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.
- v. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.

6. It is submitted that both the Applicant Companies agree and undertake to abide by the observations made by the SEBI as communicated by BSE and NSE. The Applicant Companies have also undertook to incorporate the observations of SEBI as communicated through the Stock Exchanges in the Company Petition to be filed in due course and also shall bring the observations to the notice of this Tribunal.



4 | Page

7. It is stated in the application that the Applicant Company 1 has 16648 Equity Shareholders as on 30th September 2020. M/s. A.D. Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number of Equity Shareholders of Applicant Company No.1. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-G to the application.
8. It is stated in the application that the Applicant Company 1 has 6 Secured Creditors having value of debt of Rs. 4584.46 Million as on 31st August 2020. M/s. A.D. Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number and value of debt of Secured Creditors of Applicant Company No.1. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-H to the application.
9. It is stated in the application that the Applicant Company 1 has 99 Unsecured Creditors having value of debt of Rs. 6153.94 Million as on 31st August 2020. M/s. A.D. Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number and value of debt of Unsecured Creditors of Applicant Company No.1. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-I to the application.
10. It is stated in the application that the Applicant Company 2 has 40043 Equity Shareholders as on 30th September 2020. M/s. A.D.

CA (CAA) 77/230-232/NCLT/AHM/ 2020

Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number of Equity Shareholders of Applicant Company No.2. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-J to the application.

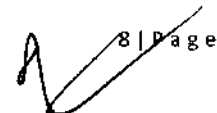
11. It is stated in the application that the Applicant Company 2 has 47 Secured Creditors having value of debt of Rs. 1,20,837.42 Lakhs as on 31st August 2020. M/s. A.D. Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number and value of debt of Secured Creditors of Applicant Company No.2. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-K to the application.
12. It is stated in the application that the Applicant Company 2 has 3890 Unsecured Creditors having value of debt of Rs. 94,334.65 Lakhs as on 31st August 2020. M/s. A.D. Brahmbhatt & Co., Chartered Accountants, has issued certificate certifying the number and value of debt of Unsecured Creditors of Applicant Company No.2. The certificate issued by M/s. A.D. Brahmbhatt & Co., Chartered Accountants is produced at Annexure-L to the application.
13. The Applicant Companies have sought directions to convene the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors.

14. Heard Mr. Navin Pahwa, Learned Senior Advocate appearing with Mr. Ravi Kapoor, Ld. Practicing Company Secretary for the Applicant Companies.
15. Considering the prayer of the Applicant Companies, this Tribunal directs to convene and hold meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies with the following directions:-
 - i. The Applicant Transferor Company is directed to convene and hold meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors on 29th day of January, 2021 at 11:30 a.m., 12:30 p.m. and 01:30 p.m. hours respectively, through video conferencing or other Audio Visual Means for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Amalgamation.
 - ii. The Applicant Transferee Company is directed to convene and hold meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors on 29th day of January, 2021 at 11:00 a.m., 12:00 noon and 01:00 p.m. hours respectively, through video conferencing or other Audio Visual Means for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Amalgamation.
 - iii. At least one month before the date of the aforesaid meetings, an advertisement about convening of the said meetings, indicating the date, mode and time as aforesaid, shall be published in

CA (CAA) 77/230-232/NCLT/AHM/ 2020

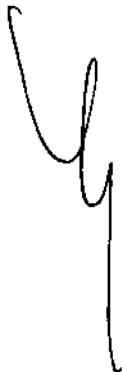
“Financial Express” English Daily and “Financial Express” Gujarati Daily, having circulation in Ahmedabad. The publication shall indicate the time within which copies of the Scheme of Amalgamation shall be made available to the concerned persons free of charge from the registered office of the respective Applicant Companies. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 of the Act can be obtained free of charge from the registered office of the Applicant Companies or at the office of its advocates viz. Thakkar and Pahwa, Advocates, 71, New York Tower-A, Opp. Muktidham Derasar, Thaltej, Ahmedabad-380054.

- iv. In addition, at least one month before the date of the aforesaid meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Transferor Company and Applicant Transferee Company to be held as aforesaid, a notice convening the said meetings indicating the day, date and time aforesaid, together with a copy of the Scheme of Amalgamation, a copy of the statement required to be furnished pursuant to Section 102 of the Act read with Section 230 to 232 of the Act and Rule 6 of the Companies (CAA) Rules, 2016 shall be sent to each of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Transferor Company and Applicant Transferee Company at their respective registered or last known addresses either by registered post or speed post or


 8 | Page

air mail or by courier or by e-mail or by hand delivery. The notices shall be sent to all the Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Transferor Company and Applicant Transferee Company with reference to the list of Equity Shareholders, Secured Creditors and Unsecured Creditors as on 11th December, 2020.

- v. Shri Sandip Patel (Chartered Accountant-Independent Director) and in his absence Shri Shashin Patel shall be the Chairperson of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Transferor Company and Applicant Transferee Company to be held on 29th January 2021 and in any adjourned meeting(s).
- vi. Shri Ashish Shahhaving membership No. F5974, practicing Company Secretary is appointed as Scrutinizer for the said meetings to scrutinize the e-voting during the meetings and remote e-voting process in a fair and transparent manner.
- vii. The Chairperson appointed for the aforesaid meetings shall issue advertisements and send out notices of the meetings referred to above. The Chairperson is free to avail the services of Applicant Transferor Company and Applicant Transferee Company or any agency for carrying out the aforesaid directions. The Chairperson shall have all powers under the Articles of Association of Applicant Transferor Company and Applicant Transferee Company and also under the Rules in relation to the conduct of meetings, including for deciding any procedural question that



CA (CAA) 77/230-232/NCLT/AHM/ 2020

may arise at the meetings or adjournment thereof proposed at the said meetings, amendment(s) to the aforesaid scheme or resolutions, if any, proposed at the aforesaid meetings by any person(s) and to ascertain the decision of the sense of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Transferor Company and Applicant Transferee Company.

- viii. The quorum for the meeting of Equity Shareholders of Applicant Transferor Company and Applicant Transferee Company shall be 30 (Thirty) and 30 (Thirty) persons respectively present in person or authorised representative.
- ix. The quorum for the meeting of Secured Creditors of Applicant Transferor Company and Applicant Transferee Company shall be 2 (Two) and 5 (Five) persons respectively present in person or proxy.
- x. The quorum for the meeting of Unsecured Creditors of Applicant Transferor Company and Applicant Transferee Company shall be 5(Five) and 15(Fifteen) persons respectively present in person or authorised representative.
- xi. It is further directed that in view of Para A(x) of the MCA Circular No. 14/2020 dated 8th April 2020, voting through Proxy shall not be permitted. However, voting through Authorized Representative is permitted.
- xii. The number and value of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Transferor

 10 / Page

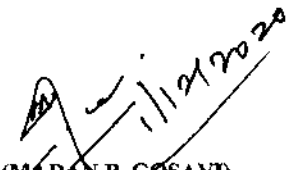
Company and Applicant Transferee Company shall be in accordance with the records or registers as on 11th December, 2020 of Applicant Transferor Company and Applicant Transferee Company and where the entries in the records or registers are disputed as on 11th December, 2020, the Chairperson of the meetings shall determine the value, as the case may be, for the purposes of the meetings.

- xiii. The Chairperson shall file an affidavit not less than 7 (seven) days before the date fixed for holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisements of meetings have been duly complied with as per Rule 12 of Companies (CAA) Rules, 2016.
- xiv. It is further ordered that the Chairperson shall report to this Tribunal on the results of the meetings in Form CAA 4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 in Form CAA 4 within 30(Thirty) days of the conclusion of the meetings.
- xv. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules, 2016, a notice of meetings under sub-section (3) of Section 230 read with Rule 6 of the Companies (CAA) Rules, 2016 in Form No. CAA.3 along with a copy of the Scheme of Amalgamation, explanatory statement and the disclosures mentioned under Rule 6 shall be sent to (i) the Central Government through the Regional Director, North Western Region, (ii) The Registrar of Companies, Gujarat (iii) The

CA (CAA) 77/230-232/NCLT/AHM/ 2020

Income Tax Authorities (iv) Official Liquidator (in case of Applicant Transferor Company), (v) the BSE Limited, (vi) the National Stock Exchange of India Limited and (vii) Securities and Exchange Board of India, stating that the representations, if any, to be made by them shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed Scheme of Amalgamation. The said notice (s) shall be sent forthwith after notice is sent to the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Transferor Company and Applicant Transferee Company by registered post or by speed post or by courier or by Email or by hand delivery at the office of the authority as required by sub-rule (2) of Rule 8 of the Companies (CAA) Rules, 2016. The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230 shall send the same to the Tribunal within a period of 30 days from the date of receipt of such notice, failing which it shall be deemed that they have no representation to make on the proposed Scheme of Amalgamation.

16. This Company Application is disposed of accordingly.


(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)
(MADAN B. GOSAVI)
MEMBER (JUDICIAL)

BSR & Associates LLP

Chartered Accountants
Lodha Excellus, 1st Floor,
Apollo Mills Compound, N.M. Joshi Marg,
Mahalakshmi,
Mumbai 400 011, India

Deloitte Haskins & Sells

Chartered Accountants
19th Floor, Shapath-V,
S.G. Highway,
Ahmedabad -380015,
Gujarat, India.

Dated: 19 October 2019

To,

The Board of Directors,
Sadbhav Engineering Limited
Sadbhav House,
Opposite Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat - 380006, India.

The Board of Directors,
Sadbhav Infrastructure Project Limited
Sadbhav House,
Opposite Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat - 380006, India.

Re: Recommendation of the fair equity share exchange ratio for the purpose of the proposed amalgamation of Sadbhav Infrastructure Project Limited into Sadbhav Engineering Limited.

Dear Madams/ Sirs,

We refer to the engagement/appointment letters whereby, Sadbhav Engineering Limited (hereinafter referred to as "SEL") and Sadbhav Infrastructure Project Limited (hereinafter referred to as "SIPL") have jointly requested

- BSR & Associates LLP, Chartered Accountants [Firm Registration No 116231W] (hereinafter referred to as "BSR") vide the engagement letter, and
- Deloitte Haskins & Sells, Chartered Accountants [Firm Registration No 117365W] (hereinafter referred to as "DHS") vide the engagement letter

respectively to recommend the Fair Equity Share Exchange Ratio (defined hereinafter) for the Proposed Amalgamation (defined hereinafter).

SEL and SIPL are hereinafter jointly referred to as "Companies".

BSR and DHS are hereinafter jointly referred to as "Valuers" or "we" or "us" and individually referred to as "Valuer" in this joint Fair Equity Share Exchange Ratio report ("Report").

SCOPE AND PURPOSE OF THIS REPORT

SEL is engaged in the business of development of infrastructure facilities in areas of canals, irrigation projects, roads, bridges, mining activities on contract basis and dams that include civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for



BSR & Associates LLP

Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants

repairing, reconstruction, renovation, demolition and construction. SEL through its subsidiaries also establishes, maintains, operates, leases, or transfers its infrastructure facilities on BOT, BOLT and BOOT basis, as well as provides consulting and advisory services. SEL had reported consolidated revenue from operations and profit/ (loss) after tax of ~ INR 52,401 million and ~ INR 211 million respectively, for the year ended 31 March 2019. SEL has a consolidated network of INR 8,350 million on 31 March 2019. SEL holds ~ 69.05% equity stake in SIPL.

SIPL is engaged in the development, construction, operation, and maintenance of infrastructure projects, as well as provision of related consulting and advisory services in India. SIPL undertakes infrastructure development projects directly or indirectly through its special purpose vehicle subsidiaries ("SPV") as per the concession agreements. It develops highways, roads, and related projects on a BOT ("Build operate Transfer)/ Annuity/ HAM ("Hybrid Annuity Model") basis. SIPL had reported consolidated revenue from operations and profit/ (loss) after tax of ~ INR 35,479 million and ~ INR (2,453) million respectively, for the year ended 31 March 2019. SIPL has a negative consolidated network of ~ INR 5,486 million on 31 March 2019.

The equity shares of SEL and SIPL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

In order to consolidate their operations, the Boards of the Companies, on 10 August 2019, in-principally agreed to explore merger option between SIPL and SEL. We have been informed by the managements of SEL and SIPL ("Management/s") that the Companies are contemplating the amalgamation of SIPL into SEL on a going concern basis with effect from the proposed Appointed Date of 1 April 2019, pursuant to a scheme of Amalgamation under the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modifications, re-enactment or amendments thereof) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable (the "Scheme") (the "Proposed Amalgamation"). In consideration thereof, equity shares of SEL will be issued to the equity shareholders of SIPL, other than in respect of equity shares of SIPL held by SEL which will be cancelled once the Scheme becomes effective. The number of equity shares of SEL of face value of INR 1/- each to be issued for the equity shares of SIPL, other than in respect of equity shares of SIPL held by SEL, in the event of the Proposed Amalgamation is referred to as the "Fair Equity Share Exchange Ratio".

It is in this connection that the Companies have requested us to render our professional services by way of carrying out a relative valuation of the Companies and submit a joint report recommending the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, on a going concern basis with 31 March 2019 being the valuation date, (the "Services") for the consideration of the Board of Directors (including audit committees, as applicable) of the Companies in accordance with the applicable Securities and Exchange Board of India ("SEBI"), the relevant stock exchanges', and relevant laws, rules and regulations.

This report will be placed before the Board and Audit Committee of SEL and SIPL, as applicable, as per the relevant SEBI circulars, and, to the extent mandatorily required under applicable laws of



BSR & Associates LLP

Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants

India, this report maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Amalgamation.

We understand that this report is required to meet with the applicable SEBI, the relevant stock exchanges', rules and regulations only and you did not require us to perform this valuation as a registered valuer under the Companies Act 2013 ("Act"), the Companies (Registered Valuers And Valuation) Rules, 2017 or as per any other rules, regulations, standards, bye-laws, ordinance, notifications issued pursuant to such Act or Rules. Accordingly, our valuation analysis and this Report does not constitute nor can be construed as a valuation carried out by a registered valuer in accordance with such Act or Rules or as per any rules, regulations, standards, bye-laws, ordinance, notifications issued pursuant to such Act or Rules and any such use of our valuation analysis and this Report is not permitted.

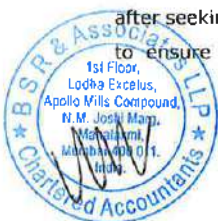
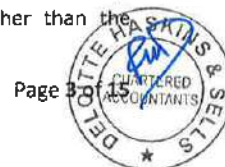
The scope of our services is to conduct a relative valuation (not an absolute valuation) of the equity shares of the Companies and recommend a Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

The Valuers have been appointed severally and not jointly and have worked independently in their analysis. Both the Valuers have received information and clarifications from the management/ representatives of each of the Companies. The Valuers have independently arrived at different values per share of SEL and SIPL. However, to arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments/ rounding off has been done in the values arrived at by the Valuers.

We have considered financial information up to 31 March 2019 (the "Valuation Date") in our analysis and made adjustments for facts made known (past or future) to us till the date of our report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. The Managements have informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Amalgamation, other than the events specifically mentioned in this report. We have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

This report is our deliverable in respect of our recommendation of the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

This report and the information contained herein is absolutely confidential. The report will be used by the Companies only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the



Page 38 of 45

BSR & Associates LLP

Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants

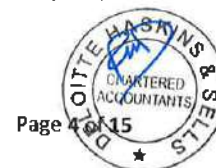
Companies) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuers. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

The report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Companies. Without limiting the foregoing, we understand that the Companies may be required to submit the report to or share the report with the Companies' professional advisors, shareholders, merchant bankers providing fairness opinion on the fair equity share exchange ratio and regulatory authorities/ stock exchanges, in connection with the Proposed Amalgamation (together, "Permitted Recipients"). We hereby give consent to the disclosure of the report to any of them, subject to the Companies ensuring that any such disclosure shall be subject to the condition and understanding that:

- it will be the Companies' responsibility to review the report and identify any confidential information that it does not wish to disclose;
- we owe responsibility to only to the Companies that have engaged us and nobody else, and to the fullest extent permitted by law;
- we do not owe any duty of care to anyone else other than the Companies and accordingly that no one other than the Companies is entitled to rely on any part of the report;
- we accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the report may be shared with or disclosed or who may have access to the report pursuant to the disclosure of the report to the Permitted Recipients. Accordingly no one other than the Companies shall have any recourse to us with respect to the report;
- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Companies or to whom the Companies may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Amalgamation, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than the Boards of Directors of the Companies.

This report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information:

- Salient features of the Proposed Amalgamation
- Historical financials of the Companies and the SPVs
- Projections of the Companies and the SPVs
- Discussion with the Managements of the Companies in connection with the operations of the respective Companies/ SPVs, past and present activities, future plans and prospects, details of the proposed deal in certain subsidiaries of the Companies as recently announced, share capital and shareholding pattern of the Companies.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis and enquiries, as we considered necessary

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies. The Companies have been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its content, and the results herein are specific to the purpose of valuation and the Valuation Date mentioned in the report and agreed as per the terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation as on the Valuation Date. We have considered only circumstances existing at the Valuation Date and events occurring up to the Valuation Date. Events and circumstances may have occurred since the Valuation Date concerning the financial position of the Companies or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have taken into account, in our valuation analysis, such events and



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility to update the report for any events and circumstances occurring after the date of the report. Our valuation analysis was completed on a date subsequent to the Valuation Date and accordingly we have taken into account such valuation parameters and over such period, as we considered appropriate and relevant, up to a date close to such completion date.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information received from the Companies till 16 October 2019 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the Fair Equity Share Exchange Ratio at which the proposed amalgamation shall take place and factors other than our Valuation Report will need to be taken into account in determining the Fair Equity Share Exchange Ratio; these will include your own assessment of the Proposed Amalgamation and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our respective engagements, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services, and does not include verification or validation work. In accordance with the terms of our engagement letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf



Page 6 of 15

BSR & Associates LLP

Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants

of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest audited balance sheets remain intact as of the Report date. No investigation of the Companies'/ SPVs' claim to title of assets has been made for the purpose of this report and the Companies'/ SPVs' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not nor should it be construed as our opining or certifying the compliance of the Proposed Amalgamation with the provisions of any law/ standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Amalgamation.

Our report is not nor should it be construed as our recommending the Proposed Amalgamation or anything consequential thereto/ resulting therefrom. This report does not address the relative merits of the Proposed Amalgamation as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Amalgamation shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Amalgamation. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Amalgamation. Our report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

We express no opinion on the achievability of the forecasts, if any, relating to the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses given to us by the Managements. The future projections are the responsibility of the respective management of the



Page 7



BSR & Associates LLP

Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants

Companies. The assumptions used in their preparation, as we have been explained, are based on their present expectation of both – the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

We have not conducted or provided an analysis or prepared a model for any individual assets/liabilities and have wholly relied on information provided by the Companies in that regard.

The fee for our valuation analysis and the report is not contingent upon the results reported.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without our prior written consent.

This valuation report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

SHARE CAPITAL DETAILS OF THE COMPANIES

Sadbhav Engineering Limited

As at 30 September 2019, the paid up equity share capital of SEL was ~ INR 172 million consisting of 171,570,800 equity shares of face value of INR 1/- each fully paid up, which we have considered for the purpose of the valuation analysis.

Category	No of Shares	% shareholding
Promoter & Promoter Group	79,863,723	46.55
Public	91,707,077	53.45
Total	171,570,800	100.0

Sadbhav Infrastructure Project Limited

As at 30 September 2019, the paid up equity share capital of SIPL was ~ INR 3,522 million consisting of 352,225,216 equity shares of face value of INR 10/- each fully paid up, which we have considered for the purpose of the valuation analysis.

Category	No of Shares	% shareholding
Promoter & Promoter Group	2,027,484	0.58
SEL (part of Promoter Group)	243,213,577	69.05
Public	106,984,155	30.37
Total	352,225,216	100.0



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

APPROACH – BASIS OF AMALGAMATION

The Scheme contemplates the Proposed Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Fair Equity Share Exchange Ratio for the purposes of an amalgamation such as the Proposed Amalgamation, would require determining the relative values of each company involved and of their shares. These values are to be determined independently but on a relative basis, and without considering the effect of the amalgamation.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation, such as:

1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach
 - Discounted Cash Flow (DCF) Method
 - Earnings Capitalisation Value (ECV) Method
3. Market Approach
 - Market Price Method
 - Comparable Companies Multiples (CCM) Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



Page 9 of 15

BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

Asset Approach - Net Asset Value Method

Under the asset approach, the net asset value method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus/ non-operating assets.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

- **Discounted Cash Flow (DCF) Method:** Under this method, either:
 - the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash Flows to Firm (FCFF) technique; This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk; or
 - the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, on a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity - Free Cash Flows to Equity (FCFE) technique. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers. The opportunity cost to the equity capital provider equals the rate of return such equity capital provider expects to earn on other investments of equivalent risk.
- **Earnings Capitalisation Value (ECV) Method:** This method involves determination of the maintainable earnings level of the company from its operations, based on past and/ or projected working results. These earnings are then capitalized at a rate, which in the opinion of the valuer combines an adequate expectation of reward from the enterprise risk, to arrive at the value of the company.

Market Approach: Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

- Market Price Method:** Under this method, the value of shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.
- Comparable Companies Multiples (CCM) Method:** Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Out of the above methods, the Valuers have used approaches/ methods as considered appropriate by them respectively. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by the Valuers have been tabled in the next section of this Report.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The fair basis of the Proposed Amalgamation would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the respective Valuer. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Fair Equity Share Exchange Ratio it is necessary to arrive at a single value for the shares of the companies involved in an amalgamation such as the Proposed Amalgamation. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a Fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several



Page 11 of 15

BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Fair Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Equity Share Exchange Ratio of the equity shares of SEL and SIPL. The final responsibility for the determination of the exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of SEL and SIPL who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of SEL and SIPL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

Valuers, have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of the relative values per equity share of SEL and SIPL. To arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments/ rounding off have been done in the relative values arrived at by the Valuers.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation whose computation is as under:

The Computation of Fair Equity Share Exchange Ratio as derived by BSR, is given below:

Valuation Approach	Sadbhav Engineering Limited		Sadbhav Infrastructure Project Limited	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	49	0%	(16)	0%
Income Approach	280	50%	86	50%
Market Approach	222	50%	83	50%
Relative Value per Share	251		84	
Exchange Ratio (rounded off)			3	



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

Valuer's Notes:

For the present valuation analysis, we have considered it appropriate to apply the Income Approach and the Market Approach, to arrive at the relative fair value of the equity shares of the Companies for the purpose of the Proposed Amalgamation.

In the current analysis, the amalgamation of the Companies is proceeded with on the assumption that the Companies would merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their fair values under the Asset Approach. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of the Companies under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Fair Equity Share Exchange Ratio.

Given the nature of the businesses of the Companies and the fact that we have been provided by the Companies with their projected financials, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.

In the present case, the equity shares of both the Companies, SEL and SIPL, are listed on BSE and NSE. Per the relevant SEBI regulations, the shares of SEL are frequently traded while the shares of SIPL are not frequently traded. Therefore, we have used the market price method for the valuation of SEL only. In case of SIPL, we have applied the Comparable Companies' Multiples method under the Market Approach to arrive at the relative fair value of the shares for the purpose of arriving at the Fair Equity Share Exchange Ratio.

This space is left intentionally blank.



Page 13 of 15

BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

The Computation of Fair Equity Share Exchange Ratio as derived by DHS, is given below:

Valuation Approach	Sadbhav Engineering Limited		Sadbhav Infrastructure Project Limited	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	49	0%	(16)	0%
Income Approach - Discounted Cash Flow Method	272	50%	87	50%
Market Approach - Market Price Method	201	0%	71	0%
Market Approach - Comparable Companies Multiples Method	248	50%	88	50%
Relative Value per Share	260		87	
Exchange Ratio (rounded off)			3	

Valuer's Notes:

For the present valuation analysis, the amalgamation of the Companies is proceeded with on the assumption that the Companies would merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their fair values under the Asset Approach. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of the Companies under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Fair Equity Share Exchange Ratio.

For the present valuation analysis, having regard to the nature of the businesses of the Companies and the fact that we have been provided by the Companies with their projected financials, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.

In the present case, the equity shares of both the Companies, SEL and SIPL, are listed on BSE and NSE. Per the relevant SEBI regulations, the shares of SEL are frequently traded while the shares of SIPL are not frequently traded. In the circumstances, the market prices may not represent an appropriate basis for arriving at their relative fair values for the purpose of determining the Fair Equity Share Exchange Ratio. Hence, we have kept the market prices of the equity shares of the



BSR & Associates LLP
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

Companies in the background only. Considering the availability of comparable listed peer set in the businesses carried out by the Companies, we have applied the Comparable Companies Multiples method under the Market Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.

For the present valuation analysis, we have considered it appropriate to apply the Discounted Cash Flow Method and the Comparable Companies Multiples Method, to arrive at the relative fair value of the equity shares of the Companies for the purpose of the Proposed Amalgamation.

Ratio:

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation:

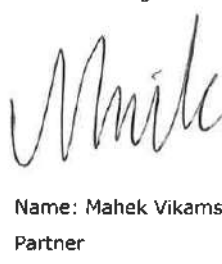
1 (One Only) equity share of Sadbhav Engineering Limited of INR 1/- each fully paid up for every 3 (Three Only) equity shares of Sadbhav Infrastructure Project Limited of INR 10/- each fully paid up.

Our Valuation Report and Equity Share Exchange Ratio is based on the equity share capital structure of SEL and SIPL as mentioned earlier in this Report. Any variation in the equity capital of SEL and SIPL may have material impact on the Fair Equity Share Exchange Ratio.

Respectfully submitted,

BSR & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 116231W




Name: Mahek Vikamsey
Partner

Membership No: 108235

Date: 19 October 2019

UDIN: 19108235 AAAAA02669

Deloitte Haskins & Sells
Chartered Accountants

ICAI Firm Registration Number: 117365W




Name: Rukshad N Daruvala
Partner

Membership No: 111188

Date: 19 October 2019

UDIN: 19111188 AAAA FB 4892

Deloitte Haskins & Sells

Chartered Accountants

19th Floor, Shapath – V
S. G. Highway
Ahmedabad – 380 015
Gujarat, India.
Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

Recommended Fair Equity Share Exchange Ratio for the Proposed Amalgamation of Sadbhav Infrastructure Project Limited into Sadbhav Engineering Limited

Valuation Approach	Sadbhav Engineering Limited		Sadbhav Infrastructure Project Limited		Annexure
	Value per share (INR)	Weight	Value per share (INR)	Weight	
Asset Approach - Net Asset Value Method	49	0%	(16)	0%	A
Income Approach - Discounted Cash Flow Method	272	50%	87	50%	B
Market Approach - Market Price Method	201	0%	71	0%	C
Market Approach - Comparable Companies Multiples Method	248	50%	88	50%	D
Relative Value per share	260		87		
Fair Equity Share Exchange Ratio (rounded off)			3		

Hence, the Fair Equity Share Exchange Ratio works out to:
1 (One Only) equity share of Sadbhav Engineering Limited of INR 1/- each fully paid up for every 3 (Three Only) equity shares of Sadbhav Infrastructure Project Limited of INR 10/- each fully paid up.

Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

Valuer's Notes:

For the present valuation analysis, the amalgamation of the Companies is proceeded with on the assumption that the Companies would merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their fair values under the Asset Approach. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of the Companies under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Fair Equity Share Exchange Ratio.

For the present valuation analysis, having regard to the nature of the businesses of the Companies and the fact that we have been provided by the Companies with their projected financials, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.



Deloitte Haskins & Sells

In the present case, the equity shares of both the Companies, SEL and SIPL, are listed on BSE and NSE. Per the relevant SEBI regulations, the shares of SEL are frequently traded while the shares of SIPL are not frequently traded. In the circumstances, the market prices may not represent an appropriate basis for arriving at their relative fair values for the purpose of determining the Fair Equity Share Exchange Ratio. Hence, we have kept the market prices of the equity shares of the Companies in the background only. Considering the availability of comparable listed peer set in the businesses carried out by the Companies, we have applied the Comparable Companies Multiples method under the Market Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Fair Equity Share Exchange Ratio.

For the present valuation analysis, we have considered it appropriate to apply the Discounted Cash Flow Method and the Comparable Companies Multiples Method, to arrive at the relative fair value of the equity shares of the Companies for the purpose of the Proposed Amalgamation.



This space is left intentionally blank.

Deloitte Haskins & Sells

Annexure A

Asset Approach

Statement showing Value Per Equity Share of SEL and SIPL under the Net Asset Value Method as at 31 March 2019

Particulars	INR Million	
	SEL	SIPL
Equity Share Capital	172	3,522
Reserves & Surplus	8,178	(9,008)
Reported Networth	8,350	(5,486)
No. of equity shares	17,15,70,800	35,22,25,216
Value per Equity Share (INR)	49	(16)

Annexure B

Income Approach

Statement showing Value Per Equity Share of SEL and SIPL under the Discounted Cash Flow Method

Particulars	INR million	
	SEL	SIPL
Present value of cash flows for period of projections	8,501	(4,382)
Present value of cash flows for perpetuity i.e. beyond the period of projections	23,637	N/M
Operating Enterprise / Equity Value	32,138	(4,382)
Adjustments*	14,591	34,855
Equity Value	46,729	30,473
Number of equity shares	171,570,800	352,225,216
Value per Equity Share (INR)	272	87

N/M - Not meaningful

*Adjustments include, inter-alia, proposed deal value of the nine subsidiaries sold (net of tax, etc.), fair value of existing investments in operating companies, debt, cash and cash equivalents, loans given, dividend (including Dividend Distribution Tax) as at 31 March 2019, relative fair value of investment in SIPL, etc., as applicable.



Deloitte Haskins & Sells

Annexure C

Market Approach

INR

Statement showing Value Per Equity Share of SEL and SIPL under the Market Price Method

Volume Weighted Average Price (VWAP)	SEL	SIPL
60 days VWAP	201	71

Notes:

- 1) We have considered the market prices upto 5 August 2019 which is the last trading day prior to the announcement of the Proposed Amalgamation by the Companies on 6 August 2019.
- 2) We have considered the market prices as quoted on NSE which is the stock exchange where the shares of SIPL and SEL have highest trading volumes.

Annexure D

Market Approach

Statement showing Value Per Equity Share of SEL and SIPL under the Comparable Companies Multiples Method

INR million

Particulars	SEL	SIPL
Maintainable Operating EBITDA	4,279	454
Operating EV/EBITDA multiple	6.5x	5.0x
Operating Enterprise Value	27,814	2,270
Adjustments to the Enterprise Value*	14,740	28,761
Equity Value	42,554	31,031
Number of equity shares	171,570,800	352,225,216
Value per Equity Share (INR)	248	88

*Adjustments include, inter-alia, proposed deal value of the nine subsidiaries sold (net of tax, etc.), fair value of existing investments in operating companies, debt, cash and cash equivalents, loans given, dividend (including Dividend Distribution Tax) as at 31 March 2019, relative fair value of investment in SIPL, etc., as applicable.



Project Torque

Security cover



B S R & Associates LLP is a member firm of B S R & Affiliates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Affiliates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 1

Project Torque

**Proposed amalgamation of Sadbhav
Engineering Limited with Sadbhav
Infrastructure Project Limited**

Summary Workings

***Supporting calculations for
Share Exchange Ratio***



B S R & Associates LLP is a member firm of B S R & Associates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Associates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 2

Notice to the Reader

- B S R & Associates LLP ("B S R") has been appointed by Sadbhav Engineering Limited ("SEL") and Sadbhav Infrastructure Projects Limited ("SIPL") (together referred to as "Clients", the "Companies", "Businesses") to recommend an equity share exchange ratio in connection with the proposed amalgamation of Sadbhav Engineering Limited with Sadbhav Infrastructure Project Limited ("Proposed Amalgamation" or "Transaction").
- The summary workings are confidential and are given on the express understanding that it is not communicated, in whole or in part, to any third party without B S R's prior written consent except to the extent required to be produced before judicial, regulatory or government authorities in connection with this Transaction. Neither summary workings nor its content may be used for any other purpose without prior written consent of B S R.
- This Summary Workings should be read in conjunction to the Valuation Report issued to the Board of Directors of SEL and SIPL on 19 October 2019.
- The summary workings are based on the information provided to B S R by the management of SEL and SIPL ("Management") which B S R has not independently verified, validated or expressed an opinion on. Neither B S R, nor its affiliated partnerships or bodies corporate, nor directors, managers, partners, employees or agents of any of them, makes any representation or warranty, expressed or implied, as to the accuracy, reasonableness or completeness of the information contained in the summary workings. All such parties and entities expressly disclaim any and all liabilities for or based on relating to any such information contained herein, or errors or omission from summary workings or based on or relating to the use of summary workings.
- The summary workings in which this notice is incorporated does not constitute an offer or invitation to any section of the public to subscribe for or purchase any security in, or assets or liabilities of SEL or SIPL. This notice forms integral part of summary workings.



B S R & Associates LLP is a member firm of B S R & Associates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Associates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 3

Swap ratio:

Calculation of equity share exchange ratio between SEL and SIPL.

Value per share		SEL		SIPL	
Valuation Approach	Value per share	Weightage	Value per share	Weightage	
Market Approach	222	50%	83	50%	
Income Approach	280	50%	86	50%	
Asset Approach	49	0%	-16	0%	
Relative Value per share	251	100%	85	100%	
	Annexure 1		Annexure 2		
Exchange Ratio (Rounded off)	3				

For every 3 (Three only) equity share held in SIPL of INR 10 each fully paid up, 1 (One only) equity shares of SEL of INR 1 each fully paid up will be issued.



B S R & Associates LLP is a member firm of B S R & Associates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Associates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 4

Annexure 1: Value per share of SEL

Market Approach	
26 week averages of high/low VWAP	222

Income Approach	
Equity value (in million)	47,958
Total number of shares outstanding	171,570,800
Per share Value	280

Cost Approach	
Equity value (in million)	8,350
Total number of shares outstanding	171,570,800
Value per share	49

Value per share		SEL
Valuation Approach	Value per share	Weightage
Market Approach	222	50%
Income Approach	280	50%
Asset Approach	49	0%
Relative Value per share	251	100%



B S R & Associates LLP is a member firm of B S R & Associates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Associates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 5

Annexure 2: Value per share of SIPL

Market Approach	
Equity value (in million)	29,397
Total number of shares outstanding	352,225,216
Value per share	83

Income Approach	
Equity value (in million)	30,429
Total number of shares outstanding	352,225,216
Value per share	86

Cost Approach	
Equity value (in million)	(5,486)
Total number of shares outstanding	352,225,216
Value per share	(16)

Value per share		SIPL
Valuation Approach	Value per share	Weightage
Market Approach	83	50%
Income Approach	86	50%
Asset Approach	-16	0%
Relative Value per share	84	100%



B S R & Associates LLP is a member firm of B S R & Associates network of firms, registered with the Institute of Chartered Accountants of India. The other firms entities which are part of the B S R & Associates network include B S R & Co. LLP, B S R and Associates, B S R & Company, B S R and Co, B S R and Company, B S R R & Co and B S S R & Co.

Page | 6

CA Vikram Kailash Jain
SSPA & Co., Chartered Accountants
1st Floor, Arjun Building, Plot No. 6A,
V.P. Road, Andheri (West),
Mumbai – 400 058
Tel: 91-22-2670 4376/77
91-22-2670 3682

STRICTLY PRIVATE & CONFIDENTIAL

October 19, 2019

The Board of Directors,
Sadbhav Engineering Limited
"Sadbhav House",
Opposite Law Garden Police Chowki,
Ellis Bridge, Ahmedabad – 380 006,
Gujarat

The Board of Directors,
Sadbhav Infrastructure Project Limited
"Sadbhav House",
Opposite Law Garden Police Chowki,
Ellis Bridge, Ahmedabad – 380 006,
Gujarat

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited

Dear Sir(s) / Madam(s),

I refer to the engagement letter dated August 09, 2019 whereby I, Mr. Vikram Kailash Jain, have been appointed by Sadbhav Engineering Limited (hereinafter referred to as 'SEL' or the 'Transferee Company') and Sadbhav Infrastructure Project Limited (hereinafter referred to as 'SIPL' or the 'Transferor Company') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of SIPL with SEL with effect from April 01, 2019 ('Appointed Date').

SEL and SIPL together with their subsidiaries are hereinafter collectively referred to as the 'Companies'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 In order to consolidate the operations of SEL and SIPL, the Board of Directors of SEL and SIPL, on August 10, 2019, in principle agreed to explore amalgamation option between SIPL and SEL. I have been informed by the management of SEL and SIPL (hereinafter collectively referred to as the 'Management') that it is considering a proposal for amalgamation of SIPL with SEL (hereinafter referred to as 'Amalgamation') pursuant to the Scheme of Amalgamation by way of Merger by Absorption between SIPL and SEL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules thereunder (hereinafter referred to as the 'Scheme').



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

- 1.2 In this regards, I have been appointed by SEL and SIPL to carry out the relative valuation of equity shares of SEL and SIPL to recommend the fair equity share exchange ratio for the proposed Amalgamation.
- 1.3 For the purpose of this valuation, the bases of value is 'relative value' and the valuation is based on 'going concern' premise. For the purpose of this valuation, October 18, 2019 has been considered as the 'Valuation Date'.
- 1.4 The report sets out my recommendation of the fair equity share exchange ratio and discusses the methodologies and approach considered in the computation of the ratio.

2. BRIEF BACKGROUND

2.1. SADBHAV ENGINEERING LIMITED

SEL is engaged in the business of development of infrastructure facilities in areas of canals, irrigations projects, roads, bridge, mining activities on contract basis, dams which includes civil, electrical and mechanical contractor, designer and engineers, structural contractor, earthwork contractor for repairing, reconstruction, renovation, demolitions and construction of canals, irrigations projects, roads, bridge, dams. SEL is also engaged in carrying out construction works as per Engineering, Procurement and Constriction (EPC) contracts entered between the Company and its subsidiaries. Further, SEL is also engaged in business of energy generation through Wind Power Project.

The paid up capital of the Transferee Company as on March 31, 2019 is INR 17.16 crores.

SEL holds 69.05% equity stake in SIPL.

The shares of SEL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

2.2. SADBHAV INFRASTRUCTURE PROJECTS LIMITED

SIPL is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements. SIPL is a subsidiary of SEL.

SIPL has a portfolio of 23 road projects which consists of:

- 10 Build, Operate & Transfer ('BOT') (Toll) projects (9 are operational and 1 is



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

partially operational);

- 1 operational BOT (Annuity) project; and
- 12 Hybrid Annuity Mode ('HAM') under-construction projects.

The Board of Directors of SIPL on July 01, 2019 has approved the proposed sale of entire equity share capital held by SIPL in 9 SPVs for a net consideration of ~INR 2,550 crores to IndInfravit Trust ('IndInfravit') an irrevocable trust set-up under the relevant provisions of the Indian Trusts Act, 1882, and registered with the Securities and Exchange Board of India as an infrastructure investment trust, subject to inter alia the satisfaction of the relevant conditions precedent (including acquisition by SIPL of equity shares held by SEL in MBHPL) and receipt of requisite statutory/regulatory approvals/consents. The list of 9 SPVs is given in the table below:

Sr. No.	Particulars	SIPL's Stake	SEL's Stake
I	<u>Toll-Road Infrastructure Assets</u>		
1	Aurangabad Jalna Tollway Limited (AJTL)	100.00%	-
2	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100.00%	-
3	Bijapur Hungund Tollway Private Limited (BHTPL)*	77.00%	-
4	Bhilwara-Rajsamand Tollway Private Limited (BRTPL)	100.00%	-
5	Dhule Palenser Tollway Limited (DPTL)	100.00%	-
6	Hyderabad Yadgiri Tollway Private Limited (HYTPL)	100.00%	-
7	Shreenathji-Udaipur Tollway Private Limited (SUTPL)	100.00%	-
II	<u>Annuity Infrastructure Assets</u>		
8	Nagpur Seoni Expressway Limited (NSEL)	100.00%	-
9	Mysore Bellary Highway Private Limited (MBHPL) **	-	100.00%

* 23% Equity shares of BHTPL are currently held by third party, which shall be acquired by SIPL before transfer of 100% stake to Indinfravit.

** MBHPL which is currently a subsidiary of SIPL's parent company SEL

I have been informed by the Management that SIPL is in the process of obtaining necessary regulatory approvals / consents and fulfilling other condition precedents. I have carried out the valuation on the premise that the deal will get consummated in due course without any material changes.

Further, post March 31, 2019, SIPL has terminated the concession agreements for Sadbhav Bhimasar Bhuj Highway Private Limited and Sadbhav Vizag Port Road Private Limited projects with National Highways Authority of India ('NHAI'). Hence, the same are not to be considered for the present valuation exercise. In case of Sadbhav Tumkur Highway Private Limited, SIPL has issued termination notice to NHAI and hence the same has not been considered for the present valuation exercise.



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

Post the above transactions, SIPL will continue to hold 9 HAM projects and 3 operational BOT projects.

The shares of SIPL are listed on BSE and NSE.

The paid up capital of the Transferor Company as on March 31, 2019 is INR 35.22 crores.

3. REGISTERED VALUER - MR. VIKRAM KAILASH JAIN

I am a fellow member of The Institute of Chartered Accountants of India ('ICAI') practising as a partner with SSPA & Co., Chartered Accountants. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class - 'Securities or Financial Assets' with Registration No. IBBI/RV/06/2018/10210.

4. SOURCES OF INFORMATION

The valuation exercise is based on the following information which has been received from the Management and any information available in the public domain:

- (a) Annual Reports / standalone audited financial statements of SEL, SIPL and their subsidiaries for the financial year ('FY') ended March 31, 2018 and March 31, 2019.
- (b) Standalone financial projections of SEL, SIPL and their subsidiaries comprising of balance sheet, profit & loss statement and cash flow statements as provided by the Management.
- (c) Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data.
- (d) Such other information and explanations as I required and which have been provided by the Management including Management Representation.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 5.1. This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further my



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

report on recommendation of fair equity share exchange ratio of SEL and SIPL is in accordance with ICAI Valuation Standards 2018.

- 5.2. This report has been prepared for Board of Directors of SEL and SIPL solely for the purpose of recommending a fair equity share exchange ratio for the proposed amalgamation of SIPL with SEL.
- 5.3. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While I have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 5.4. The Management has represented that the Companies have clear and valid title of assets. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.
- 5.5. The draft of the present report (excluding the recommended fair equity share exchange ratio) was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 5.6. For the purpose of this exercise, I was provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to me by the Companies/auditors/consultants is that of the Companies. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies. The Management has indicated to me that they have understood that any omissions, inaccuracies or misstatements by the Management may materially affect my valuation analysis/conclusions. My work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to my attention to indicate that the information provided/obtained was materially



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

misstated/incorrect or would not afford reasonable grounds upon which to base the report.

- 5.7. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of the engagement.
- 5.8. My recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this exercise of valuation should not be construed or taken as me being associated with or a party to such projections.
- 5.9. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that Management has drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and I do not assume any obligation to update, revise or reaffirm this report.
- 5.10. The fee for the engagement and this report is not contingent upon the results reported.
- 5.11. My report is not, nor should it be construed as me opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such proposed Amalgamation.



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

- 5.12. Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.13. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management and my work and my finding shall not constitute a recommendation as to whether or not the Management should carry out the transaction.
- 5.14. This Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. This Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall I assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.15. I, nor my partners and employees of SSPA & Co., Chartered Accountants make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.

6. VALUATION APPROACH AND METHODOLOGIES

- 6.1. For the purpose of valuation, generally following approaches can be considered, viz,
 - (a) the 'Market' approach;
 - (b) the 'Income' approach; and
 - (c) the 'Cost' approach
- 6.2. The 'Cost' approach represents the value with reference to historical cost of assets owned by the company and the attached liabilities. Such value generally represents the support value in case of profit-making business and thus, has limited relevance in the valuation of the business of a going concern.

In the present case, the business of SEL and SIPL are intended to be continued on a



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost approach is not adopted for the present valuation exercise.

- 6.3. Considering the above, I have thought fit to consider a combination of 'Market' approach and 'Income' approach for valuation of equity shares of SEL and SIPL.

6.4. **MARKET APPROACH**

- 6.4.1. In the present case, the equity shares of SEL and SIPL are listed on recognized stock exchanges. However, the shares of SIPL are infrequently traded. Since, this is a relative valuation, I have thought fit not to consider Market Price ('MP') Method under 'Market' approach for valuation of equity shares of SEL and SIPL.

- 6.4.2. Considering the above, I have thought fit to consider Comparable Companies Multiple ('CCM') method for valuation of equity shares of SEL and SIPL under the 'Market' approach.

6.4.3. **COMPARABLE COMPANIES MULTIPLE METHOD**

Under CCM method, the value of equity shares of SEL and SIPL is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully. In the present case, Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used to arrive at EV of SEL and SIPL.

To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, loan to related parties, value of investments in subsidiaries / other investments, cash and cash equivalents and other adjustments pertaining to transaction with IndInfravit after considering the tax impact wherever applicable to arrive at the equity value.

The equity value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

6.5. **INCOME APPROACH**

- 6.5.1. Under the 'Income' approach, shares of SEL and SIPL have been valued using 'Discounted Cash Flow' ('DCF') Method.

- 6.5.2. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental



CA Vikram Kailash Jain
SSPA & Co., Chartered Accountants

working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

- 6.5.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge) and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.
- 6.5.4. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity for SEL and SIPL, I have arrived at the WACC to be used for discounting the Free Cash Flows of SEL and SIPL.
- 6.5.5. All operating subsidiaries of SIPL have been valued using free cash flow to equity method.
- 6.5.6. To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, loan to related parties, value of investments in subsidiaries / other investments, cash and cash equivalents and other adjustments pertaining to transaction with IndInfravit after considering the tax impact wherever applicable to arrive at the equity value.
The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

7. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 7.1. The fair basis of amalgamation of SIPL with SEL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different methods, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of SEL and SIPL. It is however important to note that in doing so, I am not attempting to arrive at the absolute values of the shares of each company. My exercise is to work out relative value of shares of SEL and SIPL to facilitate the



CA Vikram Kailash Jain

SSPA & Co., Chartered Accountants

determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

- 7.2. As mentioned above, I have considered a combination of CCM Method under 'Market' approach and DCF Method under 'Income' approach for arriving at the value per share of SEL and SIPL. The values under each of the approaches is given in the table below:

Method of Valuation	SEL		SIPL	
	Value per Share (INR)	Weights	Value per Share (INR)	Weights
Asset approach *	NA	NA	NA	NA
Income approach	267.04	1	87.29	1
Market approach - CCM Method	255.71	1	87.36	1
- Market Price Method **	NA	NA	NA	NA
Relative Value Per Share	261.37		87.33	
Exchange Ratio (Rounded off)	1:3			

NA = Not Applied / Applicable

* Since, the businesses of SEL and SIPL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the 'Asset' approach is not adopted for the present valuation exercise.

** Since, the shares of SIPL are infrequently traded and this is a relative valuation, Market Price Method under Market approach is not adopted for the present valuation exercise.

- 7.3. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of equity shares of SEL and SIPL based on the approaches explained herein earlier and various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.
- 7.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:



CA Vikram Kailash Jain
SSPA & Co., Chartered Accountants

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 7.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in my opinion:
The fair equity share exchange ratio for the proposed amalgamation of SIPL with SEL is as under:

1 (One) equity share of SEL of INR 1 each fully paid up for every 3 (Three) equity shares of SIPL of INR 10 each fully paid up

Thanking you,
Yours faithfully,



Mr. Vikram Kailash Jain
Registered Valuer No.: IBBI/RV/06/2018/10210
ICAI Membership Number: 114613
UDIN: 19114613AAAAAI1104



Date: October 19, 2019
Place: Mumbai



STRICTLY PRIVATE AND CONFIDENTIAL

October 19, 2019

To,
The Board of Directors,
Sadbhav Engineering Limited,
Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat – 380006

To,
The Board of Directors,
Sadbhav Infrastructure Project Limited,
Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat - 380006

Dear Sirs,

Sub: Fairness Opinion on Share Exchange Ratio recommended by the Valuers pursuant to the Proposed Scheme

We refer to the engagement letter whereby Sadbhav Engineering Limited ("Transferee Company /SEL") and Sadbhav Infrastructure Project Limited ("Transferor Company /SIPL") collectively known as "Companies" have engaged Inga Ventures Private Limited ("Inga"), inter alia, to provide a fairness opinion to the Companies on the Fair Equity Share Exchange Ratio recommended by the report dated October 19, 2019 ("Share Exchange Ratio Report") issued jointly by Deloitte Haskins & Sells ("Deloitte") and BSR & Associates LLP ("BSR") (Deloitte and BSR are collectively referred as "Valuers") for the proposed merger of SIPL with SEL as a going concern ("Proposed Merger") vide a composite scheme of merger under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("Proposed Scheme").

Company Background and Purpose

SEL is a public limited company incorporated under the Companies Act. It is a construction company engaged in the Engineering, Procurement & Construction ("EPC") business for Transport, Mining & Irrigation sector. The equity shares of SEL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (BSE and NSE are together hereinafter referred to as the "Stock Exchanges").

SIPL is a public limited company incorporated under the Companies Act. It is a subsidiary of SEL, engaged in development, construction as well as operation and maintenance of infrastructure projects. SIPL undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) for various projects. The equity shares of SIPL are listed on the Stock Exchanges.

The proposal envisages, inter alia, the merger of SIPL with SEL, whereby equity shares of SEL will be issued to the shareholders of SIPL. The Valuers have arrived at a swap ratio ("Share Exchange Ratio") of 1 (One) equity share of SEL of INR 1/- each fully paid up to be issued for every 3 (Three) equity shares of SIPL of INR 10/- each fully paid up.

1 | Page





The Companies in terms of the engagement letter have requested us to issue our independent opinion as to the fairness of the Share Exchange Ratio recommended by the valuers ("Fairness Opinion").

Source of Information

For arriving at the opinion set forth below, we have received:

1. Share Exchange Ratio Report issued by the Valuers;
2. Draft of the Proposed Scheme;
3. Audited Financial Statements of SEL, & SIPL and the SPVs as on and for the year ended March 31, 2019
4. Financial projections of SEL, SIPL & SPVs consisting of balance sheet, cash flow and profitability statement for commensurate period respectively as provided by the management of SEL & SIPL
5. Other relevant details regarding SEL, SIPL & SPVs such as their history, past and present activities, future plans and prospects, existing shareholding pattern, income- tax position and other relevant information and data, including information in the public domain
6. Certain explanations and information from the representatives of the Companies

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and its subsidiaries and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies and its subsidiaries.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

In addition, we have assumed with your consent that the Proposed Scheme will be consummated substantially in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Companies and its subsidiaries or the contemplated benefits of the Merger. We have further assumed that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. Representatives of Companies have advised us, and we have further assumed, that the final terms of the Scheme will not vary from those set forth in the Draft Scheme reviewed by us. We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and its subsidiaries.





We understand that the management of Companies, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Scheme. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, its subsidiaries or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to SEL's and SIPL's underlying decision to effect the Proposed Scheme. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the companies with respect to the Proposed Merger. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of SEL or SIPL will trade following the announcement of the Proposed Merger or as to the financial performance of SEL or SIPL following the consummation of the Proposed Merger. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in SEL or SIPL or any of its related parties (holding company / subsidiary / associates etc.).

Conclusion

Based on our examination of the Share Exchange Ratio, such other information / undertakings / representations provided to us by the management of SEL and SIPL and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuers of the Share Exchange Ratio is fair and reasonable for the shareholders of SEL and SIPL which is as under:-

1 (One) equity share of SEL of INR 1/- each fully paid up to be issued for every 3 (Three) equity shares of SIPL of INR 10/- each fully paid up.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, SEL or SIPL may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to SEL or SIPL promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable





for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For Inga Ventures Private Limited

K. R. Shah

Kavita Shah

Partner



BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/BA/R37/1811/2020-21

“E-Letter”

October 14, 2020

The Company Secretary,
Sadbhav Infrastructure Project Limited
Sadbhav House Opp Law Garden Police Chowki,
Ellisbridge, Ahmedabad, Gujarat, 380006

Sir,

Sub: Observation letter regarding the Scheme of Arrangement among amongst Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors.

We are in receipt of the Draft Scheme of Arrangement among amongst Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 14, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the disclosure that the three individuals viz. Vasistha C. Patel, Vikram R. Patel and Vipul H. Patel are part of Promoters/promoters group in SEL, whereas they are public shareholders in SIPL are made before Hon'ble NCLT and shareholders while seeking approval of the proposed scheme.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager

DCS/AMAL/BA/R37/1810/2020-21

“E-Letter”

October 14, 2020

The Company Secretary,
Sadbhav Engineering Ltd.
Sadbhav House Opp Law Garden Police Chowki,
Ellisbridge, Ahmedabad, Gujarat, 380006

Sir,

Sub: Observation letter regarding the Scheme of Arrangement among amongst Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors.

We are in receipt of the Draft Scheme of Arrangement among amongst Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 14, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the disclosure that the three individuals viz. Vasistha C. Patel, Vikram R. Patel and Vipul H. Patel are part of Promoters/promoters group in SEL, whereas they are public shareholders in SIPL are made before Hon’ble NCLT and shareholders while seeking approval of the proposed scheme.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST//23876_II

October 14, 2020

The Company Secretary
Sadbhav Infrastructure Project Limited
'Sadbhav House', Opp. Law Garden Police
Chowki, Ellisbridge, Ahmedabad-380006

Kind Attn.: Mr. Hardik Modi

Dear Sir,

Sub: Observation Letter for Draft Scheme of Amalgamation between Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Amalgamation between Sadbhav Infrastructure Project Limited (Transferor Company/SIPL) and Sadbhav Engineering Limited (Transferee Company/SEL) and their respective shareholders and creditors vide application dated May 19, 2020.

Based on our letter reference no Ref: NSE/LIST/23876 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that the disclosure that the three individuals viz. Vasistha C. Patel, Vikram R. Patel and Vipul H. Patel, are part of Promoters/ promoters groups in SEL, whereas they are public shareholders in SIPL, are made before Hon'ble NCLT and shareholders, while seeking approvals of the proposed scheme.*
- b. *The Company shall ensure that the additional information, if any, submitted by the SEL and SIPL, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.*



Continuation Sheet

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 14, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm



National Stock Exchange Of India Limited

Ref: NSE/LIST/23877_II

October 14, 2020

The Company Secretary
Sadbhav Engineering Limited
'Sadbhav House', Opp. Law Garden Police
Chowki, Ellisbridge, Ahmedabad-380006

Kind Attn.: Mr. Tushar D. Shah

Dear Sir,

Sub: Observation Letter for Draft Scheme of Amalgamation between Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Amalgamation between Sadbhav Infrastructure Project Limited (Transferor Company/SIPL) and Sadbhav Engineering Limited (Transferee Company/SEL) and their respective shareholders and creditors vide application dated May 19, 2020.

Based on our letter reference no Ref: NSE/LIST/23877 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that the disclosure that the three individuals viz. Vasistha C. Patel, Vikram R. Patel and Vipul H. Patel, are part of Promoters/ promoters groups in SEL, whereas they are public shareholders in SIPL, are made before Hon'ble NCLT and shareholders, while seeking approvals of the proposed scheme.*
- b. *The Company shall ensure that the additional information, if any, submitted by the SEL and SIPL, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under*



Continuation Sheet

section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we conveyed our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 14, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm



Date: 20/07/2020

To,
Mr. Nitinkumar Pujari,
Sr. Manager,
Division of Issues and Listing,
BSE Limited
P J Tower, Dalal Street,
Mumbai - 400 001
Company Code: 539346

Sub: Complaints Report

Ref.: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), between the Sadbhav Infrastructure Project Limited ("SIPL" / Transferor Company) and Sadbhav Engineering Limited ("SEL" / Transferee Company), a Holding Company of SIPL

Dear Sir,

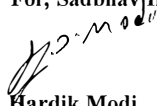
With reference to the Scheme filed by the Company with BSE Limited ("BSE") on May 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by BSE on its website on June 26, 2020.

As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIR12017/21 dated March 10, 2017, the Company is required to submit a "Report on Complaints" containing the details of the complaints /comments received by the Company on the Draft Scheme from various sources within 7 days of expiry of 21 days [i.e. from June 26, 2020 to July 17, 2020] from date of filing of the Scheme with the Exchange and uploading of the same on its website.

The Period of 21 days from uploading of said documents by the BSE on its website expired on July 17, 2020; accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

For, Sadbhav Infrastructure Project Limited


Hardik Modi
Company Secretary
Membership No. F9193
Encl: a.a



Sadbhav Infrastructure Project Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808



Annexure-A

**COMPLAINT REPORT
AS ON JULY 20, 2020**

[From: June 26, 2020 to July 17, 2020]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NOT APPLICABLE

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For, Sadbhav Infrastructure Project Limited,

Date: July 20, 2020

Place: Ahmedabad




Hardik Modi
Company Secretary
Membership No. F9193

Sadbhav Infrastructure Project Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

To,
Mr. Nitinkumar Pujari,
Sr. Manager,
Division of Issues and Listing,
BSE Limited
P J Tower, Dalal Street,
Mumbai - 400 001
Company Code: 532710

Sub : Complaints Report

Ref.: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), between the Sadbhav Infrastructure Project Limited ("SIPL" / Transferor Company) and Sadbhav Engineering Limited ("SEL" / Transferee Company), a Holding Company of SIPL

Dear Sirs,

With reference to the Scheme filed by the Company with BSE Limited ("BSE") on May 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by BSE on its website on June 26, 2020.

As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIR12017/21 dated March 10, 2017, the Company is required to submit a "Report on Complaints" containing the details of the complaints /comments received by the Company on the Draft Scheme from various sources within 7 days of expiry of 21 days [i.e. from June 26, 2020 to July 17, 2020] from date of filing of the Scheme with the Exchange and uploading of the same on its website.

The Period of 21 days from uploading of said documents by the BSE on its website expired on July 17, 2020; accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

For, Sadbhav Engineering Limited



Tushar Shah

Tushar Shah
Company Secretary
Mem. No. F7216

Date: July 20, 2020
Place: Ahmedabad

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



Annexure - A

**COMPLAINT REPORT
AS ON JULY 20, 2020**

[From June 26, 2020 to July 17, 2020]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NOT APPLICABLE

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For, Sadbhav Engineering Limited



Tushar Shah
Company Secretary
Mem. No. F7216



Date: July 20, 2020
Place: Ahmedabad

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



Date: 24/06/2020

To,
The Manager- Listing Compliance
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
SYMBOL: SADBHN

Sub: Complaints Report.

Ref.: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), between the Sadbhav Infrastructure Project Limited ("SIPL" / Transferor Company) and Sadbhav Engineering Limited ("SEL" / Transferee Company), a Holding Company of SIPL.

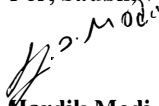
With reference to the Scheme filed by the Company with National Stock Exchange of India Limited ("NSE") on May 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by NSE on its website on June 1, 2020.

As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIR12017/21 dated March 10, 2017, the Company is required submit a "Report on Complaints" containing the details of the complaints /comments received by the Company on the Draft Scheme from various sources within 7 days of expiry of 21 days [i.e. from June 1, 2020 to June 22, 2020] from date of filing of the Scheme with the Exchange and uploading of the same on its website.

The Period of 21 days from uploading of said documents by the NSE on its website expired on June 22, 2020; accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

For, Sadbhav Infrastructure Project Limited


Hardik Modi
Company Secretary
Membership No. F9193
Encl: a.a



Sadbhav Infrastructure Project Limited

Regd Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006
T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

Annexure - A



COMPLAINT REPORT

As on JUNE 24, 2020

[From June 1, 2020 to June 22, 2020]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NOT APPLICABLE

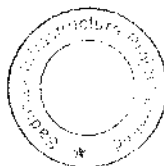
Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For, Sadbhav Infrastructure Project Limited

Date: June 24, 2020

Place: Ahmedabad



H. C. Modi
Hardik Modi
Company Secretary
Membership No. F9193

Sadbhav Infrastructure Project Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

To,
The Manager- Listing Compliance
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
SYMBOL : SADBHAV

Sub : Complaints Report

Ref.: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), between the Sadbhav Infrastructure Project Limited ("SIPL" / Transferor Company) and Sadbhav Engineering Limited ("SEL" / Transferee Company), a Holding Company of SIPL

Dear Sirs,

With reference to the Scheme filed by the Company with National Stock Exchange of India Limited ("NSE") on May 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by NSE on its website on June 1, 2020.

As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIR12017/21 dated March 10, 2017, the Company is required submit a "Report on Complaints" containing the details of the complaints /comments received by the Company on the Draft Scheme from various sources within 7 days of expiry of 21 days [i.e. from June 1, 2020 to June 22, 2020] from date of filing of the Scheme with the Exchange and uploading of the same on its website.

The Period of 21 days from uploading of said documents by the NSE on its website expired on June 22,2020; accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

For, Sadbhav Engineering Limited



Tushar Shah

Tushar Shah
Company Secretary
Mem. No. F7216

Date: June 24, 2020
Place: Ahmedabad

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



Annexure – A

**COMPLAINT REPORT
AS ON JUNE 24, 2020**

[From June 1, 2020 to June 22, 2020]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NOT APPLICABLE

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For, Sadbhav Engineering Limited




Tushar Shah
Company Secretary
Mem. No. F7216

Date: June 24, 2020
Place: Ahmedabad

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

Annexure K

ANNEXURE K

Format of the Compliance Report to be submitted along with the draft Scheme

It is hereby certified that the draft scheme of arrangement involving Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited (Name of the entities) do not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements
2	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of this circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities – Not applicable as both transferor and transferee company are listed companies
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting

[Signature]
Company Secretary

[Signature]
Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited (Name of the entities) are in compliance with all the Accounting Standards applicable to a listed entity.

[Signature]
Chief Financial Officer

[Signature]
Managing Director

Certified True Copy

For Sadbhav Infrastructure Project Ltd.

Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

Date: 18/05/2020

[Signature]
Company Secretary



Annexure 2

Compliance Report

It is hereby certified that the draft scheme of arrangement involving Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements
2	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of this circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities – Not applicable as both transferor and transferee company are listed companies
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting



Company Secretary





Executive Director*

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited are in compliance with all the Accounting Standards applicable to a listed entity.



Chief Financial Officer





Executive Director*

Note:- *Company do not have Managing Director as on date.

Date : May 18, 2020

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, ADOPTED BY THE BOARD OF DIRECTORS OF SADBHAV INFRASTRUCTURE PROJECT LIMITED AT ITS MEETING HELD ON 19TH OCTOBER, 2019 AT SADBHAV, NEAR HAVMOR RESTAURANT, B/H. NAVRANGPURA BUS STOP, NAVRANGPURA, AHMEDABAD: 380009, EXPLAINING EFFECT OF THE SCHEME OF AMALGAMATION ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

1. Background

- 1.1. The proposed Scheme of Amalgamation between Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company) and their respective Shareholders and creditors (hereinafter referred to as the "Scheme of Amalgamation" or the "Scheme") was approved by Board of Directors of the aforesaid Applicant/Transferor Company vide resolution dated 19th October, 2019.
- 1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of amalgamation on equity shareholders, Key Managerial Personnel ("KMPs"), promoter and non-promoter shareholders of Sadbhav Infrastructure Project Limited laying out in particular the share exchange ratio.
- 1.3. This report of the Board of Directors is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The following documents were considered by the Board of Directors in its meeting dated 19th October, 2019:
 - (a) Scheme of Amalgamation
 - (b) Valuation Report dated 19th October, 2019 ('Valuation Report') issued by BSR & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants ("Valuation Report").
 - (c) Valuation Report dated 19th October, 2019 issued by CA Vikram Kailash Jain, Registered Valuer and Chartered Accountant for fair equity share exchange ratio.
 - (d) Fairness Opinion dated 19th October, 2019 ('Fairness Opinion') issued by Inga Ventures Pvt. Ltd., a Category-I Merchant Banker
 - (e) Report of the Audit Committee dated 19th October, 2019, recommending the draft Scheme of Amalgamation to the Board for approval.

2. Effect of the Scheme of Amalgamation on Equity Shareholders (promoter shareholders and non-promoter shareholders), Key Managerial Personnel, Directors, Employees and Creditors of Sadbhav Infrastructure Project Limited.

- 2.1. As per Scheme of amalgamation between Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company) and their respective Shareholders and creditors, upon the effectiveness of the Scheme, Applicant/Transferee Company shall allot equity shares to the Applicant/Transferor Company based on the Share Exchange Ratio, as under;

"1 (one) Transferee Company Shares, shall be credited as fully paid up, for every 3 (three) Transferor Company Shares, held by each Eligible Member (the "Share Exchange Ratio")."

- 2.2. The effect of the proposed Scheme of Amalgamation would be as follows.

a. Shareholders (Promoter and Non-Promoter)

Upon the Scheme becoming effective, the equity shareholders of the Transferor Company, shall become the equity shareholders of the Transferee Company in the manner as stipulated in the Scheme. Further, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated/ combined with the authorised share capital of the Transferee Company in the manner as stipulated in the Scheme.

The Transferor Company has 1 (one) promoter entity, namely Sadbhav Engineering Limited. Shares held by Sadbhav Engineering Limited in Sadbhav Infrastructure Project Limited stands cancelled pursuant to the scheme of amalgamation.

b. Key Managerial Personnel, Directors and Employees of the Company:

As stated in the Scheme, with effect from the Effective Date (as defined in the Scheme), the Transferee Company has undertaken to engage all the staff and employees of the Transferor Company without any break or interruption in their services and on the same terms and conditions (and which are not less favorable than those) on which they are engaged by the Transferor Company as on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company would in no way be affected by the Scheme.

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being winding up, and the Board of the Transferor Company and any committees thereof shall stand discharged.

The Directors and/ or KMP's of Sadbhav Infrastructure Project Limited may be deemed to be concerned and/or interested in the Scheme to the extent the said Directors are common Directors in the companies, or to the extent the said Directors or KMP's are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares as a nominee or as a Trustee in any of the Companies.

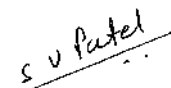
c. Creditors (including unsecured creditors, debenture holder(s), debenture trustee(s), deposit trustee, depositors and deposit holders)

The liabilities of the Secured Creditors including unsecured of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company would in no way be affected by the Scheme.

No rights of the debenture holders of the Transferor Company are being affected pursuant to the Scheme. The debenture trustee(s) appointed for the different series of the debentures shall continue to remain the debenture trustee(s). Thus, the debenture holders of the Transferor Company would in no way be affected by the Scheme.

There are no depositors, deposits holders and deposit Trustee in the Transferor Company.

**For and on behalf of the Board
Sadbhav Infrastructure Project Limited**



Shashin V. Patel
Director
(DIN: 00048328)

Place : Ahmedabad
Date : 19th October, 2019

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, ADOPTED BY THE BOARD OF DIRECTORS OF SADBHAV ENGINEERING LIMITED AT ITS MEETING HELD ON 19TH OCTOBER, 2019 AT SADBHAV, NEAR HAVMOR RESTAURANT, B/H. NAVRANGPURA BUS STOP, NAVRANGPURA, AHMEDABAD: 380009, EXPLAINING EFFECT OF THE SCHEME OF AMALGAMATION ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

1. Background

- 1.1 The proposed Scheme of Amalgamation between Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company) and their respective Shareholders and creditors (hereinafter referred to as the "Scheme of Amalgamation" or the "Scheme") was approved by Board of Directors of the aforesaid Applicant/Transferor Company vide resolution dated 19th October, 2019.
- 1.2 Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of amalgamation on equity shareholders, Key Managerial Personnel ("KMPs"), promoter and non-promoter shareholders of Sadbhav Engineering Limited laying out in particular the share exchange ratio.
- 1.3 This report of the Board of Directors is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4 The following documents were considered by the Board of Directors in its meeting dated 19th October, 2019:
 - (a) Scheme of Amalgamation
 - (b) Valuation Report dated 19th October, 2019 ('Valuation Report') issued by BSR & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants ("Valuation Report").
 - (c) Valuation Report dated 19th October, 2019 issued by CA Vikram Kailash Jain, Registered Valuer and Chartered Accountant for fair equity share exchange ratio.
 - (d) Fairness Opinion dated 19th October, 2019 ('Fairness Opinion') issued by Inga Ventures Pvt. Ltd., a Category-I Merchant Banker
 - (e) Report of the Audit Committee dated 19th October, 2019, recommending the draft Scheme of Amalgamation to the Board for approval.

2. Effect of the Scheme of Amalgamation on Equity Shareholders (promoter shareholders and non-promoter shareholders), Key Managerial Personnel, Directors, Employees and Creditors of Sadbhav Engineering Limited.

- 2.1 As per Scheme of amalgamation between Sadbhav Infrastructure Project Limited (Applicant/Transferor Company) and Sadbhav Engineering Limited (Applicant/Transferee Company) and their respective Shareholders and creditors, upon the effectiveness of the Scheme, Applicant/Transferee Company shall allot equity shares to the Applicant/Transferor Company based on the Share Exchange Ratio, as under;

"1 (one) Transferee Company Shares, shall be credited as fully paid up, for every 3 (three) Transferor Company Shares, held by each Eligible Member (the "Share Exchange Ratio")."

2.2 The effect of the proposed Scheme of Amalgamation would be as follows.

a. Shareholders (Promoter and Non-Promoter)

Upon the Scheme becoming effective, the equity shareholders of the Transferor Company, shall become the equity shareholders of the Transferee Company in the manner as stipulated in the Scheme. Further, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated/combined with the authorised share capital of the Transferee Company in the manner as stipulated in the Scheme.

The Transferor Company has 1 (one) promoter entity, namely Sadbhav Engineering Limited. Shares held by Sadbhav Engineering Limited in Sadbhav Infrastructure Project Limited stands cancelled pursuant to the scheme of amalgamation.

b. Key Managerial Personnel, Directors and Employees of the Company

The Directors and KMP of the Transferee Company or their relatives do not have any interest in the Scheme financially or otherwise, except as shareholders, where applicable. The effect of the Scheme on the interests of the Directors and KMP and their relatives holding shares in the companies which are parties to the Scheme is not any different from the effect of the Scheme on other shareholders of the companies involved.

As stated in the Scheme, with effect from the Effective Date (as defined in the Scheme), the Transferee Company has undertaken to engage all the staff and employees of the Transferor Company without any break or interruption in their services and on the same terms and conditions (and which are not less favorable than those) on which they are engaged by the Transferor Company as on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company would in no way be affected by the Scheme.

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being winding up, and the Board of the Transferor Company and any committees thereof shall stand discharged.

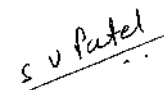
c. Creditors (including unsecured creditors, debenture holder(s), debenture trustee(s), deposit trustee, depositors and deposit holders)

Under the Scheme of Amalgamation, there is no arrangement with the unsecured creditors (including debenture holder, depositors, lenders and trade creditors) of the Transferee Company. No compromise is offered under the Scheme of Amalgamation to any of the unsecured creditors of the Transferee Company. The liabilities of the unsecured creditors of the Transferee Company, under the Scheme of Amalgamation, is neither being reduced nor being extinguished

Under the Scheme of Amalgamation, no arrangement is sought to be entered into between the Transferee Company and its debenture holder. No rights of the debenture holder of the Transferee Company are being affected pursuant to the Scheme of Amalgamation. The debenture trustee appointed for the debentures shall continue to remain the debenture trustee. Thus, the debenture holder of the Transferee Company would in no way be affected by the Scheme,

There are no depositors, deposits holders and deposit Trustee in the Transferor Company.

**For and on behalf of the Board
Sadbhav Engineering Limited**



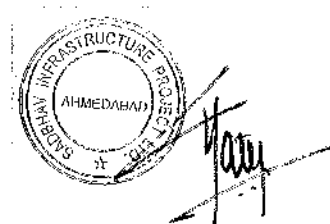
Shashin V. Patel
Director
(DIN: 00048328)

Place : Ahmedabad
Date : 19th October, 2019

SADBHAV INFRASTRUCTURE PROJECT LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020							
(INR in Million except as stated otherwise)							
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sept 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	Sept 30, 2019 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations	389.41	488.35	638.20	877.76	1,098.06	1,817.67
2	Other income	7.49	8.17	175.32	15.66	426.13	766.53
3	Total income (1 +2)	396.90	496.52	813.52	893.42	1,524.19	2,584.20
4	Expenses						
a.	Consumption of project materials	-	-	-	-	0.27	0.27
b.	Sub-contractor charges	93.93	123.67	223.51	217.60	366.47	791.02
c.	Employee benefits expenses	6.35	6.91	8.74	13.26	17.21	33.43
d.	Finance costs	278.57	266.92	558.91	545.49	1,073.75	2,132.91
e.	Depreciation and amortisation expenses	0.06	0.07	0.14	0.12	0.31	0.59
f.	Other expenses	5.83	7.11	17.06	12.93	32.53	239.52
g.	Balances written off (Note 5)	-	-	-	-	-	1,196.42
	Total expenditure	384.74	404.68	808.36	789.40	1,488.54	4,394.16
5	Profit / (Loss) before exceptional item and tax (3-4)	12.16	91.84	5.16	104.02	35.65	(1,809.96)
6	Exceptional items (net) (Note 4)	-	-	59.39	-	59.39	6,798.05
7	Profit/ (Loss) before tax (5-6)	12.16	91.84	(54.23)	104.02	(23.74)	4,388.09
8	Tax expense						
	Current tax	7.73	30.53	4.78	38.26	14.27	139.63
	Deferred tax expense / (credit)	(3.28)	(3.74)	0.18	(7.02)	(18.71)	542.03
	Adjustment of tax relating to earlier period	-	-	(56.41)	-	(56.41)	(59.75)
9	Net Profit for the period / year (7-8)	7.71	65.05	(2.78)	72.78	37.11	3,766.18
10	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss in subsequent periods	-	-	-	-	-	0.36
	Remeasurements gain of the defined benefit plans (net of tax)	-	-	-	-	-	-
11	Total Comprehensive Income for the period / year (net of tax) (9+10)	7.71	65.05	(2.78)	72.78	37.11	3,766.54
12	Paid up equity share capital (face value of INR 10/- each)	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25
13	Other equity excluding revaluation reserve	-	-	-	-	-	14,490.85
14	Basic and diluted earnings per share (EPS) (face value of INR 10/- each) (not annualised for the quarters)	0.02	0.18	(0.01)	0.21	0.11	10.69
	See accompanying notes to the standalone financial results						
15	Debt Redemption Reserve				221.92	544.21	221.92
16	Debt Equity Ratio (DER)				0.50	1.37	0.52
17	Debt Service Coverage Ratio (DSCR)				0.86	0.51	0.92
18	Interest Service Coverage Ratio				1.10	0.98	3.06
19	Asset Coverage Ratio				1.51	3.52	6.93
20	Details of Secured Non-Convertible Debenture as follows:						
Sr. No.	Particulars	Previous due dates		Next due dates			
		[1st April, 2020 to 30th Sept, 2020]		[1st October, 2020 to 31st March, 2021]			
		Principal	Interest	Principal	Interest		
1	INE764L07082	13-04-2020	13-04-2020	-	-	-	
2	INE764L07116	-	20-09-2020	-	-	-	
3	INE764L07124	-	20-09-2020	-	-	-	
4	INE764L07140	28-04-2020	28-04-2020	-	-	-	
5	INE764L07157	-	-	-	-	-	
6	INE764L07165	-	-	-	-	-	
7	INE764L07173	-	-	-	-	-	
8	INE764L07181	# 23-04-2020	# 23-04-2020	-	-	-	

Note: 'SIF' INE764L07181 has been partially repaid on 23/04/2020.



Sadbhav Infrastructure Project Ltd.

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

T: +91 79 26463384 F: +91 79 26400210 E: investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808



STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Particulars	As at Sept 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
ASSETS		
Non-current Assets		
(a) Property, plant and equipments	0.96	1.09
(b) Investment property	2.88	2.88
(c) Financial assets		
(i) Investments (note 5)	26,758.55	25,945.13
(ii) Other financial assets		28.43
(iii) Loans	4.07	4.45
(d) Other non current assets	5.23	5.23
Total Non-current Assets (A)	26,771.70	25,987.21
Current Assets		
(a) Inventories		
(a) Financial assets		
(i) Trade receivables	1,318.61	1,364.16
(ii) Cash and cash equivalents	112.57	217.76
(iii) Bank Balances other than (ii) above	46.47	93.02
(iv) Loans	202.12	894.85
(v) Other financial assets	421.05	679.86
(b) Other current assets	244.13	40.63
Total Current Assets (B)	2,344.94	3,290.28
Assets classified as held for sale (note 4a)	1,036.80	1,036.80
	30,153.44	30,314.29
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3,522.25	3,522.25
(b) Other Equity	14,563.63	14,490.85
	18,085.87	18,013.10
LIABILITIES		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,956.27	4,098.49
(ii) Other financial liabilities	709.26	917.60
(b) Provisions	3.80	3.14
(c) Deferred tax liabilities (net)	647.48	654.51
Total Non-current Liabilities (B)	4,316.82	5,673.74
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,936.94	3,846.54
(ii) Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	934.58	753.59
(iii) Other financial liabilities	2,323.12	1,546.19
(b) Other current liabilities	463.33	414.86
(c) Provisions	1.27	0.67
(d) Current tax liabilities (net)	91.51	65.58
Total Current Liabilities (C)	7,750.75	6,627.45
Total Liabilities (D=B+C)	12,067.57	12,301.19
Total Equity and Liabilities (E=A+D)	30,153.44	30,314.29

See accompanying notes to the standalone financial results



Sadbhav Infrastructure Project Ltd.

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

T: +91 79 26463384 F: +91 79 26400210 E: investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

Notes :

1. Sadbhav Infrastructure Project Limited ('the Company') is engaged in development, construction as well as operation and maintenance of infrastructure projects. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs), in terms of the concession agreements.
2. The aforesaid unaudited standalone financial results for the quarter and half year ended September 30, 2020 have been reviewed and recommended by the audit committee at their meeting held on November 10, 2020 and approved by the Board of Directors at their meetings on November 10, 2020. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the same.
3. The Company has single reportable segment (operating segment) i.e. Build Operate and Transfer (BOT) / Hybrid Annuity Projects and its related activities in accordance with Indian Accounting Standard - 108 "Segment Reporting"
4. a. Pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019 with IndInfra Trust, the entire equity shareholding in seven of its 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 Parent company i.e. Sadbhav Engineering Limited (SEL) were transferred to IndInfra Trust with effect from 14th February, 2020. This has resulted into profit of INR 6,275.77 million which have been disclosed as exceptional item in the financial statements for the year ended March 31, 2020. Further, the net gain on assets carved out during the purchase of these subsidiaries amounting to INR 103.70 million was included under 'other income'

Further, the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".

b. The concession agreements with National Highway Authority of India (NHAI) were terminated in case of Sadbhav Tumkur Highway Private Limited (STHPL), Sadbhav Vizag Port Road Private Limited (SVPRPL) and Sadbhav Bhimsar Bhuj Highway Private Limited (SBHPL) during the year ended March 31, 2020, due to non availability of required 80% right of way (ROW) by NHAI within the stipulated time period as a consequence of which, these subsidiaries were inoperative. The provision made for carrying value of investment in these subsidiaries amounting to INR 77.72 million is disclosed under exceptional item in the financial statements for the year ended March 31, 2020.

5. The Company has investments of INR 325.42 million and subordinate debts of INR 7,582.15 million in its 2 subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of these subsidiary companies has fully eroded. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of INR 17,063.48 million lodged in terms of conditions of concession agreements which is backed by legal opinion on tenability of the claim, debt refinancing, internal plan of revival to meet its dues and obligations and the strategic nature of these investments, the management believes that the networth of these entities would become positive in due course. Considering the same, no provision/adjustment to the carrying value of investments and subordinate debts and loans and advances as at September 30, 2020 is considered necessary at this stage.

Considering the above pending claims and revival plans, the company had decided to grant waiver from payment of interest accrued till December 31, 2019 amounting to INR 1,179.85 million and converted outstanding unsecured loan to sub-ordinate debts in these 2 subsidiary companies to support the operational ability of these subsidiaries. Pursuant to the waiver, the outstanding interest receivable was written off in statement of profit and loss account and was included under 'balances written off' during the previous year ended March 31, 2020.

6. The company has a credit rating of A- (Single A Minus) from India Ratings & Research Limited and its non - convertible debentures are rated A- (Single A Minus) (CE) by India Ratings & Research Ltd as per the latest rating dated September 23, 2020.



Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808



- 7 The listed non-convertible debentures of the Company aggregating INR 3,500.00 million outstanding as on September 30, 2020 are secured by way of corporate guarantee of Sadbhav Engineering Limited (SEL), the holding Company, first ranking charge created on shares of certain subsidiaries held by the company and of SFL. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 8 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement with Sadbhav Engineering Limited (SEL - the holding company) under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the company will merge into the holding company w.e.f April 01, 2019, being appointed date. The Company has received the approval of the scheme by BSE/NSE Limited and SEBI. The Company has now filed application before NCLT for approval of the scheme. The Company is in the process of carrying out the necessary procedures in this regards.
- 9 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The management has made assessment of possible impact of COVID-19 on business / operations of the Company and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at date of approval of these standalone financial results has used corroborative information. As on date, the company has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 10 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.
- 11 Statement of Unaudited Cash flow for the half year year ended September 30, 2020 and September 30, 2019 is given in Annexure 1.
- 12 Figures for the previous periods have been regrouped / rearranged, wherever necessary, to make them comparable with those for the current period.

Place : Ahmedabad
Date : November 10, 2020



For and on behalf of the Board of Directors of
Sadbhav Infrastructure Project Limited

Vasistha C. Patel
Vasistha C. Patel
Managing Director (DIN:00048324)

Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E: investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

Annexure 1 - Statement of Unaudited Cash Flow for the half year ended on September 30, 2020

Particulars	For the half year ended September 30, 2020 (Unaudited)	For the half year ended September 30, 2019 (Unaudited)
	(INR in Million)	(INR in Million)
(A) Cash Flows From Operating Activities		
Profit/(Loss) before tax	104.01	(23.74)
<i>Adjustment to reconcile profit before tax to net cash flows:</i>		
Depreciation expenses	0.12	0.31
Interest and other borrowing cost	545.49	1,071.75
Liabilities no longer required written back	(0.02)	(86.85)
Exceptional items	-	59.39
Interest Income	(15.63)	(339.28)
Operating profit before working capital changes	633.97	681.58
Movement in Working Capital:		
Decrease / (Increase) in other financial assets	250.79	(6.50)
Decrease / (Increase) in other assets	(203.50)	30.00
Decrease / (Increase) in trade receivable	45.57	(498.07)
(Decrease) / Increase in other financial liabilities	(216.01)	2.44
Increase / (Decrease) in other liabilities and provisions	49.71	54.90
Increase in trade payables	181.01	15.02
Cash generated from operations	741.55	279.37
Direct taxes paid / (refunded) (including TDS) (net)	12.36	57.93
Net cash generated from operating activities	(A) 729.19	221.44
(B) Cash Flows From Investing Activities		
Purchase of property plant and equipment	-	(0.07)
Sub-ordinate debt given	(71.92)	(1,137.23)
Sub-ordinate debt received back	-	30.18
Investments in subsidiaries	(741.50)	(221.66)
Short term loan given	(218.81)	(434.13)
Short term loan received back	203.26	245.08
Sub ordinate debt received from Indinfravit trust	708.67	-
Investments in bank deposits (having original maturity of more than three months)	46.55	-
Interest received	52.08	83.55
Net cash flow generated from / (used in) investing activities	(B) (21.67)	(1,434.28)
(C) Cash Flows From Financing Activities		
Proceeds from non-current borrowings	-	400.00
Repayment of non-current borrowings	(462.00)	(980.00)
Proceeds from current borrowings	300.20	3,428.79
Repayment of current borrowings	(209.80)	(1,204.40)
Dividend paid on equity shares	-	(105.67)
Interest and other borrowing cost paid	(441.11)	(323.27)
Net cash generated from / (used in) financing activities	(C) (812.71)	1,215.45
Net increase/(decrease) in cash and cash equivalents	(A + B + C) (105.19)	2.61
Cash and cash equivalents at beginning of the period	217.76	4.44
Cash and cash equivalents at end of the period	112.57	7.05
Notes:		
1 Components of Cash and Cash Equivalents	As at September 30, 2020	As at September 30, 2019
	(INR in Million)	(INR in Million)
Cash on hand	0.01	0.02
Balance with banks:		
In current accounts	37.46	7.03
In current accounts - unpaid share application refund money and undistributed dividend	0.14	-
Deposits with original maturity of less than 3 months	74.97	-
Cash and cash equivalents at end of the period	112.57	7.05

Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808



SADBHAV INFRASTRUCTURE PROJECT LIMITED

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020**

Sr. No.	Particulars	(INR in Millions except as stated otherwise)					
		Quarter ended			Half year ended		Year ended
		September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	
1	Revenue from operations (Note 4 and 5)	4,830.49	1,552.43	5,914.08	4,363.90	13,873.80	22,754.03
2	Other income	775.30	719.48	805.94	1,434.76	1,629.19	3,123.80
3	Total income (1+2)	5,605.78	3,271.89	6,720.02	5,798.66	15,502.99	25,877.83
4	Expenses						
a.	Consumption of project materials	-	-	-	-	0.37	0.37
b.	Site contract charges	1,229.39	1,473.91	2,436.84	2,703.30	7,117.75	10,566.57
c.	Contracting expenses (Note 9)	400.94	768.70	541.15	589.70	1,155.04	2,184.96
d.	Employee benefits expense	75.88	69.87	161.55	145.75	298.42	412.41
e.	Finance costs	2141.26	2,104.13	3,333.75	4,236.39	6,536.90	17,756.66
f.	Depreciation and amortisation expenses	451.64	179.77	764.01	581.41	1,537.49	2,927.25
g.	Other expenses	50.74	78.14	160.00	168.38	305.69	897.51
	Total expenses	4,228.30	4,198.52	7,457.41	8,426.81	16,952.16	29,827.60
5	(Loss) before exceptional item and tax (3-4)	(622.50)	(924.63)	(737.39)	(1,628.14)	(1,384.17)	(3,989.97)
6	Exceptional items (Note 6)	-	-	-	-	-	15,029.46
7	(Loss) / Profit before tax (5-6)	(622.50)	(924.63)	(737.39)	(1,628.14)	(1,384.17)	11,028.49
8	Tax expense						
	Current tax	34.83	47.73	(29.34)	77.55	53.37	216.55
	Deferred tax expenses / (credit)	(0.30)	0.89	48.21	0.56	19.05	94.44
	Adjustment of tax relating to earlier period	-	-	(56.41)	-	(63.14)	(75.02)
9	(Loss) / Profit for the period / year before minority interest (7-8)	(587.97)	(875.91)	(679.85)	(1,625.28)	(1,393.45)	10,299.62
10	Other Comprehensive Income (OCI)	-	-	-	-	-	6.22
	Items that will not be reclassified to Profit or Loss in subsequent periods:						
	Reversal/adjustment of the deferred benefit plans (net of tax)	(657.01)	(968.25)	(479.85)	(1,625.28)	(1,393.45)	10,299.64
11	Total Comprehensive Income for the period/year (net of tax) (9+10)	(657.01)	(968.25)	(679.85)	(1,625.28)	(1,393.45)	10,299.64
12	(Loss) / Profit for the period/year attributable to:						
	Owners of the Company	(657.01)	(968.25)	(669.16)	(1,625.28)	(1,370.30)	10,336.53
	Non-controlling Interest	-	-	(10.69)	-	(23.15)	(47.91)
13	Other Comprehensive Income for the period/year attributable to:						
	Owners of the Company	-	-	-	-	0.72	0.72
	Non-controlling Interest	-	-	-	-	-	-
14	Total Comprehensive Income for the period/year attributable to:						
	Owners of the Company	(657.01)	(968.25)	(669.16)	(1,625.28)	(1,370.30)	10,336.53
	Non-controlling Interest	-	-	-	-	-	-
15	Basic and diluted (loss) / earnings per share (EPS) (face value of INR 10/- each)	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25	3,522.25
16	Other equity excluding revaluation reserve (Note 12)	(1.85)	(2.75)	(1.90)	(4.62)	(4.89)	24.45

Details of Secured Non-convertible Debenture as follows:

Sr. No.	Particulars	Previous due dates		Next due dates	
		(1st April, 2020 to 31st Sept, 2020)		(1st October, 2020 to 31st March, 2021)	
		Principal	Interest	Principal	Interest
INE764L07002		-	-	-	-
INE764L07116		13-04-2020	13-04-2020	-	-
INE764L07124		-	20-09-2020	-	-
INE764L07140		-	20-09-2020	-	-
INE764L07157		28-04-2020	28-04-2020	-	-
INE764L07165		-	-	-	-
INE764L07173		-	-	-	-
INE764L07181		23-04-2020	23-04-2020	-	-

Note: INR 764L07181 has been partially repaid on 23/04/2020.



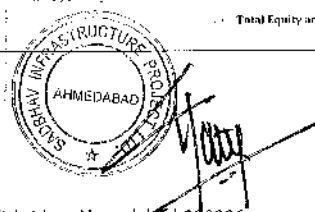
Sadbhav Infrastructure Project Ltd.

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

T: +91 79 26463384 F: +91 79 26400210 E: investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Particulars	(INR in Millions)	
	As at September 31, 2020	As at March 31, 2020 (Audited)
ASSETS		
Non-current Assets		
(a) Property, Plant and Equipments	18.20	17.41
(b) Intangible Property	9.40	0.31
(c) Goodwill	265.70	265.80
(d) Other Intangible Assets	39,549.17	39,966.85
(e) Intangible Asset Under Development	962.29	955.28
(f) Financial Assets		
(i) Investments	7,243.30	7,243.30
(ii) Loan	4.97	4.45
(iii) Receivable under Service Concession Arrangement	29,061.43	27,138.40
(iv) Others	11.12	89.26
(g) Deferred Tax Assets (Net)	28.87	21.32
(h) Other Non-current Assets	611.37	737.29
Total Non-current Assets	78,682.52	76,497.73
Current Assets		
(a) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	217.68	305.39
(iii) Cash and cash equivalents	311.56	719.91
(iv) Bank balances other than (iii) above	136.68	93.02
(v) Loans	194.52	690.22
(vi) Receivable under Service Concession Arrangement	2,544.72	2,814.47
(vii) Others	2,073.88	2,264.91
(b) Current Tax Assets (net)	23.30	111.28
(c) Other current assets	6,705.88	5,976.52
Total Current Assets	12,158.22	13,145.72
Asset Held for Sale	3,567.37	3328.74
Total Assets	94,408.11	92,992.19
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	3,522.25	3,522.25
(b) Other Equity	(841.76)	1,137.72
Equity attributable to equity holders	2,680.49	4,659.97
Non controlling interest		
Total Equity	2,680.49	4,659.97
Liabilities		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,315.32	52,872.06
(ii) Other financial liabilities	1,137.06	11,227.03
(b) Provisions	1,557.62	1,374.50
(c) Deferred tax Liabilities (Net)	809.00	767.94
(d) Other non-current liabilities	290.25	290.25
Total Non-current Liabilities	67,343.25	66,551.78
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,824.40	4,411.83
(ii) Trade Payables	6,572.32	6,058.71
(iii) Other financial liabilities	7,132.67	5,379.27
(b) Other current liabilities	3,439.48	3,414.32
(c) Current tax Liabilities (net)	122.36	82.62
(d) Provisions	31.68	25.66
Total Current Liabilities	21,921.73	19,372.41
Total Liabilities	89,264.97	85,964.19
Liability held for Sale	2,262.64	2128.03
Total Equity and Liabilities	94,408.11	92,992.19



Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

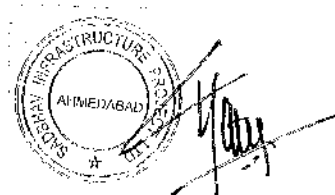
Notes:

- The aforesaid unaudited consolidated financial results of Sadbhav Infrastructure Project Limited (the Company) and its subsidiaries (together referred to as 'Group') for the quarter and half year ended September 30, 2020 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on November 10, 2020. The results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the same.
 - The Group has a single reportable segment (operating segment) i.e. Build Operate and Transfer (BOT)/Hybrid Annuity Projects (HAM) and its related activities in accordance with Indian Accounting Standard - 108 'Segment Reporting'.
 - The listed non-convertible debentures of the Group aggregating INR 1,500.00 Million outstanding as on September 30, 2020 are secured by way of corporate guarantees of Sadbhav Engineering Limited (SEL), the holding Company, first ranking charge created on shares of certain subsidiaries held by the company and of SEL. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
 - In case of Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 04, 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. ARRIL has raised the claims as per the directions of the Board of AUDA. Pending final decision on claim assessment by AUDA, ARRIL has recognised revenue of toll collection of INR 17.81 million, INR 17.38 million and INR 17.07 million for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 35.17 million and INR 34.33 million for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 68.63 million for the year ended March 31, 2020 based on the annual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017. During the quarter ARRIL has received amount of INR 203 million from AUDA as adhoc amount against the claim.
 - The revenue from operation includes revenue from construction contracts of INR 1,468.75 million, INR 1,518.65 million and INR 2,500.67 million for quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 2,986.90 million and INR 7,203.05 million for the half year ended September 30, 2020 and September 30, 2019 and INR 10,708.45 million for the year ended March 31, 2020 related to intangible assets under development and development of Hybrid Annuity Model (HAM) assets as per concession arrangements which are recognised in accordance with the requirements of Appendix D of Ind AS 115 'Revenue from contracts with customers'.
 - The exceptional item amounting to INR 15,028.86 million for the year ended March 31, 2020 was towards the profit on sale of entire equity shareholding in seven of its subsidiary companies i.e. Bikaner Mangrol Railway Private Limited, Aurangabad Jalna Tollway Limited, Mysore Badger Tollway Private Limited, Dhule Passenger to Nagpur Limited, Nagpur Semi Expressway Limited, Sreeneshji Udaipur Tollway Private Limited, Bikaner Rajmoud Tollway Private Limited and Mysore Bellary Highway Private Limited, a subsidiary of Parent company i.e. Sadbhav Engineering Limited pursuant to the definitive share purchase agreement dated July 01, 2019 (the agreement).
- Further, the condition covenants mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".
- The Group has carrying value of intangible assets of INR 26,909.40 million in its 2 subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of these subsidiary companies has fully eroded as per their latest financial results. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of INR 37,953.48 million lodged in terms of conditions of concession agreements which is backed by legal opinion on tenancy of the claim, debt financing, internal plan of revival to meet its dues and obligations and the strategic nature of these investments, the Company's management believes that the net worth of these entities would become positive in due course. Considering the same, no provision/adjustment to the carrying value of intangible assets as at September 30, 2020 is considered necessary at this stage.
 - Maharashtra Border Check Post Network Limited (MBCPNL) one of the 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 September 30, 2020 is INR 2,228.84 million (March 31, 2020: INR 2,228.84 million). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variation is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited (the Project Authority) which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
 - Operating expenses include provision for Periodic Major Maintenance of INR 49.83 million, INR 49.83 million and INR 77.49 million for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 99.66 million and INR 175.61 million for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 753.59 million for the year ended March 31, 2020.
 - The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Group has resumed operations in a phased manner in line with the directives of the Government of India. This has an impact on the revenue from toll collection and construction services for the quarter however, the Company's management has made assessment of possible impact of COVID 19 on business / operation of group and believes that the impact may not be significant over the terms of its contracts. The group has also filed / is in the process of filing of claims for appropriate relief as per the terms of concession agreements with NHAI/Local Authority and has also availed the relief provided by its lenders by way of moratorium on certain principal / interest payment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company's management, as at date of approval of these consolidated financial results has used corroborative information. As on date, the Company's management has concluded that the impact of COVID-19 is not material based on the evaluations. Due to the nature of the pandemic, the group will continue to monitor developments to identify significant uncertainties in future periods, if any. The Company's management does not see any long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

1) Key numbers of standalone financial results of the Company for the quarter, half year and year ended are as under:-

Sr. No.	Particulars	Quarter ended		Half Year ended		Year ended
		September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
1	Income from operations	389.41	488.95	648.20	877.76	1,098.06
2	Profit before tax	12.16	9.84	(54.78)	104.52	(23.74)
3	Profit after tax	7.71	65.05	(2.78)	72.48	37.11

The Standalone financial results are available at the Company's website www.sadbhavinfra.co.in and on the web site of the stock exchanges www.bseindia.com and www.nseindia.com.



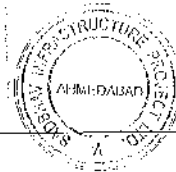
Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808

13. The Group has certain subsidiaries having accumulated losses, which has resulted into erosion in net-worth of these subsidiaries. Such operational subsidiaries are expected to achieve adequate profitability as per the future traffic projections by way of increase in traffic and reduction in finance costs through repayment/releasing of loan during their respective project tenure. There have also been favourable arbitration claims received by these subsidiaries in the past and have further lodged claim amounting to INR 17,063.48 Million, the tenability of which, as per concession agreement, is backed up by a legal opinion. As mentioned in the note 6 above, the Company has completed sale of seven SPVs at a value higher than their carrying cost and also is in the process of closing sale of one more on similar terms. Although the Group has negative working capital at the reporting period, considering the above reasons, internal plan of revival and the continuing unconditional financial support offered to the Group from the holding company i.e. Sadbhav Engineering Limited (SEL) including proposed plan for its merger with SEL, the Group will be able to meet/will continue to meet their financial obligations in the ordinary course of the business.
14. The Board of Directors at their meeting dated October 10, 2019 have approved a scheme of merger and arrangement with Sadbhav Engineering Limited (SEL - the holding company) under Section 230 to 232 of the Companies Act, 2013.
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 group 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. Statement of unaudited Cashflow for the half year ended September 30, 2020 and September 30, 2019 are given in Annexure - 2
17. Figures for the previous periods have been regrouped / rearranged, wherever necessary. Figures for the quarter and half year ended September 30, 2019 and year ended March 31, 2020, includes figures of seven subsidiaries which have been sold during the quarter ended March 31, 2020 as mentioned in note 6 above. Consequently, the results for the quarter and half year ended September 30, 2020 are not comparable with previous period to that extent.

Place: Ahmedabad
Date: November 30, 2020



For and on behalf of the Board of Directors of
Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director (DIN: 00048324)

Sadbhav Infrastructure Project Ltd.

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

T: +91 79 26463384 F: +91 79 26400210 E: investor@sadbhavinfra.co.in Web: www.sadbhavinfra.co.in CIN: L45202GJ2007PLC049808

Annexure 2 Consolidated Cash Flow Statement for the half year ended on September 30, 2020

Particulars	September 30, 2020 INR in Million	September 30, 2019 INR in Million
(A) Cash flows from operating activities		
Profit / (Loss) before tax	(1,547.11)	(1,384.17)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	581.41	1,537.49
Finance cost	4,228.50	6,650.12
Profit on sale of units of mutual funds (net)	(1.41)	(82.67)
Provision of Periodic maintenance expenses	99.60	497.10
Notional Interest income from deposit with bank	-	(6.50)
Operating Profit before working capital changes	3,360.99	7,206.38
Movement in working capital:		
(Increase) in trade receivables (including receivable under service concession)	(2,365.58)	(3,051.99)
Decrease / (Increase) in other financial assets	189.17	(636.93)
(Increase) in other assets	(603.46)	(140.31)
(Decrease) / Increase in trade payables	513.61	(1,085.92)
Increase in other financial liabilities	1,460.91	1,841.54
(Decrease) in other liabilities	25.16	(1,244.62)
Increase in Loans	722.29	-
Increase / (Decrease) in provisions	88.94	(131.20)
Cash generated from operating activities	3,392.03	2,756.94
Direct taxes paid (net of refund received)	161.75	(126.17)
Net cash flows generated from operating activities	3,553.78	2,630.77
(B) Cash flows from investing activities		
Purchase of PPE and other intangible assets (including Intangible asset under development)	(161.14)	(178.52)
Purchase of investment property	(9.40)	-
Assets held for sale	(437.11)	-
Redemption / (purchase) from sale of units of mutual fund (net) (including realised gain)	1.41	172.13
Interest received	-	5.50
Net cash flows from / (used in) investing activities	(606.24)	(0.89)
(C) Cash flows from financing activities		
Proceed from compound financial instruments	(232.37)	-
Net Proceeds / Repayment of non-current borrowings	443.26	2,423.52
Net Proceeds / Repayment of current borrowings	212.57	1,882.95
Dividend paid on equity shares (including dividend distribution tax)	-	(105.67)
Interest and other borrowing cost paid	(3,768.78)	(6,837.22)
Net cash flows (used in) / from financing activities	(3,345.32)	(2,636.42)
Net increase in cash and cash equivalents	(397.78)	(6.54)
Cash and cash equivalents at beginning of the year	812.93	-
Cash and Cash equivalent classified as Asset Held for Sale at end of the period	33.09	494.80
Cash and cash equivalents at end of the year	448.24	488.26

Notes:

1	September 30, 2020	September 30, 2019
Components of cash and cash equivalents		
	INR in Million	INR in Million
Cash on hand	236.59	69.78
Balances with banks:		
- In current accounts	211.65	519.73
- In current accounts earmarked for unpaid share application / refund money	-	-
- In fixed deposits for less than three months	-	135.70
- Bank overdraft	-	-
Cash and cash equivalents	448.24	725.21

2 The cash flow statement has been prepared under indirect method as per Ind AS -7 "Statement of Cash Flows".



Sadbhav Infrastructure Project Ltd.

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

T : +91 79 26463384 F : +91 79 26400210 E : investor@sadbhavinfra.co.in Web : www.sadbhavinfra.co.in CIN : L45202GJ2007PLC049808



SADBHAV ENGINEERING LIMITED
[CIN: L45400GJ1988PLC011322]

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

Tel:-079-40400400; Fax:-079-40400444; Email :- selinfo@sadbhav.co.in; Website: www.sadbhaveng.com

UNAUDITED FINANCIAL RESULTS (STAND ALONE) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

(Rs.in Lakhs except for Share data)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30/09/2020 (Unaudited)	30/06/2020 (Unaudited)	30/09/2019 (Unaudited)	30/09/2020 (Unaudited)	30/09/2019 (Unaudited)	
1	Revenue From operations	41221.13	22969.03	56510.68	64190.16	140275.17	225166.02
2	Other income	478.12	137.46	635.02	615.56	1048.68	2222.46
3	Total Income (1+2)	41,699.25	23106.49	57145.70	64805.72	141323.85	227388.48
4	Expenses						
	Construction Expenses	25859.41	12566.95	35744.23	38426.36	92277.37	135665.26
	Cost of Material Consumed	6595.78	4876.2	8290.17	11471.98	19144.99	37837.17
	Employee benefits expenses	2942.13	2569.03	4264.52	5511.16	8469.20	14715.31
	Finance costs (Refer Note No.3)	2717.46	2397.86	2065.06	5115.31	4795.76	10049.47
	Depreciation and amortization expenses	2451.62	2494.43	2770.6	4946.05	5571.70	10844.88
	Other expenses	842.62	1011.75	1254.53	1854.37	2967.61	9002.89
	Total Expenses	41409.02	25916.22	54389.11	67325.23	133226.63	218114.98
5	Profit before exceptional Items and tax (3-4)	290.23	(2,809.73)	2756.59	(2,519.51)	8097.22	9273.50
6	Exceptional Items (Refer Note No 8)	-	-	-	-	-	1701.44
7	Profit before tax (5-6)	290.23	(2,809.73)	2756.59	(2,519.51)	8097.22	10974.94
8	(1) Tax Expense	0.00	0	1,177.63	0.00	2,548.00	3,621.74
	(2) Deferred Tax	(233.82)	(151.75)	(1,006.47)	(385.57)	(982.65)	(1,162.30)
9	Profit for the Period/Year (7-8)	524.05	(2,657.98)	2585.43	(2,133.94)	6531.87	8515.50
10	Other Comprehensive Income (OCI)						
	(i) Items that will not be reclassified to profit or loss						
	Remeasurement gains/losses on defined benefit plans	(86.48)	-	99.93	(86.48)	91.90	334.49
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	0	0	0	0	0
11	Total comprehensive Income (9+10)	437.57	(2,657.98)	2685.36	(2,220.42)	6623.77	8849.99
12	Paid up Equity share Capital (face value of Re. 1 each)	1715.71	1715.71	1715.71	1715.71	1715.71	1715.71
13	Other Equity excluding Revaluation Reserves	-	-	-	-	-	208682.77
14	Basis EPS (Rs.) before extra ordinary items (*not annualized)	0.31*	-1.55*	1.51*	-1.24*	3.81*	4.96
15	Diluted EPS (Rs.) before extra ordinary items (*not annualized)	0.31*	-1.55*	1.51*	-1.24*	3.81*	4.96
16	Non Convertible Debenture				14500.00	40748.96	15000
17	Debenture Redemption Reserve				1950.00	4950.00	4950.00
18	Network				208178.07	208274.98	210398.48
19	Debt Equity Ratio (refer Note No.17)				0.29	0.45	0.27
20	Debt Service Coverage Ratio (refer Note No.17)				1.01	1.10	0.96
21	Interest Service Coverage Ratio (refer Note No.17)				1.47	3.85	2.12

22 Details of Secured Non-Convertible Debentures are as follows:

ISIN No.	Previous due dates From 1st April 2020 to 30th September 2020		Next due dates From 1st October 2020 to 31st March 2021	
	Principal	Interest	Principal	Interest
INE226H07072	-	22-06-2020	-	-
INE226H07080	-	22-06-2020	-	-
INE226H07098	-	22-06-2020	-	-



Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



Notes :

- 1 The above results were reviewed by the Audit Committee and were approved & taken on record by the Board of Directors at their meeting held on November 13, 2020.
- 2 In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have carried out Limited Review of the above results.
- 3 Finance cost for the quarter and half year ended 30th September, 2020 includes interest of Rs 5031.81 lakhs and Rs 7556.02 lakhs (Rs. 4275.23 and Rs 8318.94 lakhs for the quarter and half year ended 30th September, 2019 and Rs. 2524.21 lakhs for the quarter ended 30th June, 2020 and Rs 16101.71 lakhs for the year ended 31st March, 2020) on long term loans after netting of amount of interest income of Rs. 2661.84 lakhs and Rs 4031.99 lakhs respectively (Rs 2280.53 lakhs and Rs 4773.60 for the quarter and half year ended 30th September, 2019 and Rs 1370.16 lakhs for the quarter ended 30th June, 2020 and Rs 9362.27 lakhs for the year ended 31st March, 2020) on loans given to subsidiaries.
- 4 The segment reporting is in accordance with its internal financial reports derived from ERP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
- 5 The Company has decided not to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
- 6 During the previous financial year, pursuant to the definitive share purchase agreement dated July 1, 2019 between the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary company with Indinfravit Trust, the entire equity shareholding in seven of its subsidiary companies and Mysore Bellary Highway Private Limited (MBHPL) (a subsidiary of the Company) have been transferred to Indinfravit Trust with effect from 14th Feb, 2020. This has resulted into profit of Rs. 1701.44 lakhs which has been disclosed as exceptional item.
- 7 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE/NSE have been received. Now the Company has made application to National Company Law Tribunal (NCLT) for its approval. On receipt of approval of NCLT and filing of copy of order of NCLT with Registrar of Companies, the scheme will become effective from appointed date.
- 8 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The management has made assessment of possible impact of COVID-19 on business / operations of the Company and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at date of approval of these standalone financial results has used corroborative information. As on date, the company has made assessment of recoverability of its assets such as Trade Receivable, Unbilled Revenue and Inventories using available information, estimates and judgements and has concluded that no material adjustments are required in these Interim Financial Results. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any.
- 9 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.
- 10 The listed non-convertible debentures of the Company aggregating Rs.14,500.00 Lakhs outstanding as on September 30, 2020 which are secured by way of shares of Company's subsidiary. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 11 Statement of unaudited Cashflow for the half year ended September 30, 2020 and September 30, 2019 are given in Annexure - I
- 12 The figures for the previous period have been regrouped/rearranged wherever necessary, to make them comparable with those of the current period.
- 13 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



Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

14

STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	As At September 30,2020 (Unaudited)	As At March 31,2020 (Audited)
Assets		
Non-current Assets		
(a) Property, Plant and Equipments	35468.41	39591.62
(b) Right to use Assets	2350.20	3271.49
(c) Capital Work in Progress	395.75	376.91
(d) Intangible Assets	53.82	172.25
(e) Financial Assets		
(i) Investments	55659.84	55800.80
(ii) Trade receivable	19793.69	18967.25
(iii) Loans	51239.05	47044.38
(iv) Other Financial Assets	1000.33	266.44
(f) Deferred Tax Assets (net)	11486.00	11100.43
(g) Other Non Current Assets	2377.13	4231.03
	179824.22	180822.60
Current Assets		
(a) Inventories	17004.54	14724.75
(b) Financial Assets		
(i) Trade receivables	169031.96	174341.45
(ii) Cash and cash equivalents	5832.33	2130.53
(iii) Bank Balance other than (ii) above	7025.69	10183.78
(iv) Loans	938.93	703.21
(v) Other Current financial assets	44050.51	42509.26
(c) Current Tax Asset	10266.30	11247.33
(d) Other current assets	25218.74	26920.28
	279369.00	282760.59
Assets Held for Sale	0.00	0.00
Total Assets	459193.22	463583.19
Equity and Liabilities		
Equity		
(i) Equity share capital	1715.71	1715.71
(ii) Other Equity	206462.36	208682.77
	208178.07	210398.48
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	33986.31	38883.16
(ii) Other financial liabilities	1964.64	1597.21
	35950.95	40480.37
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	68295.15	68022.57
(ii) Trade Payable	51010.25	55292.34
(iii) Other financial liabilities	52682.24	41960.75
(b) Other current liabilities	42620.70	47088.98
(c) Provisions	455.86	339.70
	215064.20	212704.34
Liabilities Held for Sale		
Total Liabilities	251015.15	253184.71
Total Equity Liabilities	459193.22	463583.19

15 ESCR=Earning before interest and tax / Interest expenses. DSCR=Earning before interest and tax / (Interest + Principal Repayment of long term debt during the period). Debt Equity Ratio=Loan Fund / Share Capital & Reserves (excluding revaluation reserve)

For, SADBHAV ENGINEERING LIMITED

Nitin H. Patel
Executive Director & Chief Financial Officer
DIN : 00166330
Place : Ahmedabad
Date : 13/11/2020

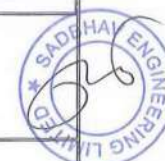


Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

Sadbhav Engineering Limited			
CIN : L45400GJ1988PLC011322			
ANNEXURE-1. STAND ALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30.09.2020			
(Rs. in Lakhs)			
Particulars	30.09.2020	30.09.2019	
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit after Tax as per Profit and loss account	(2133.94)		6531.87
Adjustments For :			
Interest Income	(4575.50)	(5037.95)	
Interest Expenses	9147.31	9569.36	
Depreciation & Amortisation	4946.05	5571.70	
Profit on sale of Property, Plant & Equipments	(17.93)	142.04	
Loss on sale of Property, Plant & Equipments	2.62	(40.96)	
Assets Written off	0.00	1.87	
Actuarial Gain/Loss	(86.48)	91.90	
Exceptional Item	0.00	0.00	
Income Tax Provision	0.00	2548.00	
Foreign Exchange Loss	0.00	0.00	
Deferred Tax Liabilities/(Assets) including MAT Credit	9416.07	(982.65)	11863.31
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7282.13		18395.18
Adjustment For :			
(Increase)/Decrease of Long Term Trade Receivables	(826.44)	0.00	
(Increase)/Decrease of Trade Receivables	5309.49	(33027.40)	
(Increase)/Decrease of Other Current Assets	1701.54	(399.88)	
(Increase)/Decrease of Other Current Financial Assets	(1541.21)	(3119.34)	
(Increase)/Decrease of Other Non Current Assets	1879.37	(4884.11)	
(Increase)/Decrease of Other Non Current Financial Assets	(733.89)	320.64	
(Increase)/Decrease of Inventories	(2279.79)	803.75	
(Increase)/Decrease of Other Bank Balances	949.60	(4266.85)	
Increase/(Decrease) of Other Long Term Financial Liabilities	367.43	0.00	
Increase/(Decrease) of Trade Payables	(4282.09)	22965.63	
Increase/(Decrease) of Other Current Liabilities	(4855.19)	28464.06	
Increase/(Decrease) of Other Non Current Liabilities	0.00	0.00	
Increase/(Decrease) of Other Current Financial Liabilities	2397.91	(1732.65)	
Increase/(Decrease) of Long Term Provision	0.00	0.00	
Increase/(Decrease) of Short Term Provision	116.16	(149.69)	
	(1797.11)		4974.16
Cash generated from Operations	5485.02		23369.34
Tax Paid	595.46	(2144.14)	(2144.14)
Net Cash From Operating Activities	6080.48		21225.20
B. CASH FLOW FROM INVESTMENT ACTIVITIES :			
Purchase of Property, Plant & Equipments and Intangible Assets	(22.35)	(1824.90)	
Sales of Property, Plant & Equipments	210.24	380.91	
Investments in Subsidiary Companies (Net)	(56.04)	0.00	
Proceeds from the sale of Investments in Subsidiary Company	0.00	0.00	
Proceeds from sale of Non Current Investments	197.00	0.00	
Loan to/recd back from Subsidiary Companies	(4430.39)	(19597.48)	
Interest Received	4575.50	5037.95	(16003.52)
Net Cash From Investing Activities	473.96		(16003.52)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from Issue of Fresh Capital including Premium	0.00	9764.65	
Proceeds From Long Term Borrowings (Net)	3426.73	(6916.07)	
Proceeds/(Repayment) of Short Term Borrowings (Net)	1603.27	0.00	
Net Increase in Working Capital Loan	(943.78)	3719.63	
Payment of Lease Liability	(161.39)	0.00	
Interest Paid	(8985.92)	(9342.40)	
Dividend Paid	0.00	(1715.71)	
Dividend Tax Paid	0.00	0.00	
	(5061.09)		(4489.90)
Net Cash From Financing Activities	(5061.09)		(4489.90)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1493.35		731.78
OPENING BALANCE OF CASH & CASH EQUIVALENTS	988.20		1797.61
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	2481.55		2529.40
COMPONENTS OF CASH & CASH EQUIVALENTS			
CASH ON HAND	33.48		51.93
BALANCE IN CURRENT ACCOUNT WITH BANKS	2448.03		2477.47
BALANCE IN FIXED DEPOSITS (Refer Note 3 below)			
COMPONENTS OF CASH & CASH EQUIVALENTS			
CASH ON HAND	33.48		
BALANCE IN CURRENT ACCOUNT WITH BANKS	2448.03		
BALANCE IN FIXED DEPOSITS	3350.82		
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	5832.33		
Notes:			
1. All figures in bracket are outflow.			
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities			
3. Fixed Deposits are pledged with central and various state govt/undertakings and local bodies , hence not considered in Components of			
4. The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".			
The accompanying notes are an integral part of the financial statements.			



SADBHAV ENGINEERING LIMITED
[CIN: L45400GJ1988PLC011322]

Corp. Office: "Sadbhav", Near Havmor Restaurant, B-H Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat
Tel:-079 40400400; Fax:-079 40400444; Email :- selinfo@sadbhav.co.in; Website: www.sadbhaveng.com



UNAUDITED FINANCIAL RESULTS (CONSOLIDATED) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

(Rs.in Lakhs except for Share data)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30/09/2020 (Unaudited)	30/06/2020 (Unaudited)	30/09/2019 (Unaudited)	30/09/2020 (Unaudited)	30/09/2019 (Unaudited)	31/03/2020 (Audited)
1	Revenue From operations	54071.80	38364.92	93813.14	92436.72	217628.68	348705.08
2	Other income	8008.23	7278.26	9695.22	15286.49	20140.33	37510.46
3	Total Income (1+2)	62080.03	45643.18	103508.36	107723.21	237769.01	386215.54
4	Expenses						
	Construction Expenses	25504.28	20064.84	43930.29	45569.12	113337.98	159089.42
	Cost of Material Consumed	6595.78	4876.20	8290.17	11471.98	19147.69	37839.87
	Employee benefits expenses	3700.93	3267.73	5889.12	6968.66	11468.70	19671.81
	Finance costs	23815.18	23459.16	36279.26	47274.34	72091.96	141083.41
	Depreciation and amortization expenses	6468.02	4292.13	10410.90	10760.15	20947.00	40118.08
	Other expenses	1925.72	1744.25	2868.33	3669.97	6030.06	17883.25
	Total Expenses	68009.92	57704.31	107668.07	125714.23	243023.39	415685.84
5	Profit before exceptional items and tax (3-4)	(5,929.88)	(12,061.13)	(4,159.71)	(17,991.01)	(5,254.38)	(29,470.30)
6	Exceptional items (refer Note No 8)	0.00	-	-	-	-	1,50,101.34
7	Profit before tax (5-6)	(5,929.88)	(12,061.13)	(4,159.71)	(17,991.01)	(5,254.38)	1,20,631.04
8	(1) Tax Expense	348.20	427.30	918.13	775.50	3163.50	5,235.34
	(2) Deferred Tax	-236.82	(142.85)	(524.37)	(379.67)	(792.15)	4,771.10
	(3) Adjustment for short or excess Provision of the previous year	0.00	-	(564.10)	-	(631.40)	-
9	Profit for the Period/Year from containing operations (7-8)	(6,041.26)	(12,345.58)	(3,989.37)	(18,386.84)	(6,994.33)	1,10,624.60
	Share of profit/ (loss) of associates	0.00	-	-	-	-	-
	Share of of profit (loss) of Joint Ventures	0.00	-	-	-	-	-
10	Net Profit/(Loss) for the period after taxes Before Non-controlling Interest	(6,041.26)	(12,345.58)	(3,989.37)	(18,386.84)	(6,994.33)	1,10,624.60
11	Other Comprehensive Income (OCI)						
	A. (i) Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	-86.48	-	99.93	(86.48)	91.90	336.69
12	Total Comprehensive Income for the Period/Year (10+11)	(6,127.74)	(12,345.58)	(3,889.44)	(18,473.32)	(6,902.43)	1,10,961.29
	Profit/(Loss) for the period/year attributable to:						
	Owners of the Company	-4,137.21	(9,412.22)	(1,594.36)	(13,549.43)	(2,400.89)	79,282.97
	Non-controlling Interest	-1,990.53	(2,933.36)	(2,395.01)	(4,923.89)	(4,593.44)	31,341.63
13	Other Comprehensive Income for the period/year attributable to:						
	Owners of the Company	-	-	99.93	-	91.90	336.69
	Non-controlling Interest	-	-	-	-	-	-
14	Total Comprehensive Income for the period/year attributable to:						
	Owners of the Company	-4,137.21	(9,412.22)	(1,494.43)	(13,549.43)	(2,308.99)	79,619.66
	Non-controlling Interest	-1,990.53	(2,933.36)	(2,395.01)	(4,923.89)	(4,593.44)	31,341.63
	Total Income (including other comprehensive income)	(6,127.74)	(12,345.58)	(3,889.44)	(18,473.32)		1,10,961.29
15	Paid up Equity share Capital (face value of Re. 1 each)	1715.71	1715.71	1715.71	1715.71	1715.71	1715.71
16	Other Equity excluding Revaluation Reserves	-	-	-	-	-	158352.78
17	Basis EPS (Rs.) before extra ordinary items (*not annualized)	-2.41*	-5.49*	-0.93*	-7.9*	-1.4*	46.21*
18	Diluted EPS (Rs.) before extra ordinary items (*not annualized)	-2.41*	-5.49*	-0.93*	-7.9*	-1.4*	46.21*



Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

ISIN No.	Previous due dates From 1st April 2020 to 30th September 2020		Next due dates From 1st October 2020 to 31st March 2021	
	Principal	Interest	Principal	Interest
INE226H07072	-	22-06-2020	-	-
INE226H07080	-	22-06-2020	-	-
INE226H07098	-	22-06-2020	-	-
INE764L07082	13-04-2020	13-04-2020	-	-
INE764L07116	-	20-09-2020	-	-
INE764L07124	-	20-09-2020	-	-
INE764L07140	28-04-2020	28-04-2020	-	-
INE764L07157	-	-	-	-
INE764L07165	-	-	-	-
INE764L07173	-	-	-	-
INE764L07181	# 23-04-2020	# 23-04-2020	-	-

Note: ISIN: INE764L07181 has been partially repaid on 23/04/2020.

Notes:

- The aforesaid unaudited consolidated financial results of Sadbhav Engineering Limited ('the Company') and its subsidiaries including step-down subsidiaries (together referred to as 'Group') for the quarter and half year ended September 30, 2020 have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meetings held on November 13, 2020. The results are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013. The statutory auditors have carried out limited review of the same.
 - The segment reporting is in accordance with its internal financial reports derived from ERP system which is reviewed by Chief Operating Decision Maker (CODM). Consequently, the company has considered business as whole as a single operating segment in accordance with Indian Accounting Standard ('Ind AS') 108.
 - Depreciation on Plant & machinery other than those used for mining sites has been provided at higher rate by considering lower useful life compared to useful life prescribed under schedule II to the Companies Act, 2013, hence depreciation charged for the quarter ended on 30/09/2020 is higher by Rs. 257.39 Lakhs (Rs. 258.98 Lakhs).
 - In case of Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the step down subsidiary, Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017. In this connection AUDA, relying on legal opinion, in its board meeting has passed resolution to assess claims and make payments as per actual traffic. ARRIL has raised the claims as per the directions of the Board of AUDA. Pending final decision on claim assessment by AUDA, ARRIL has recognised revenue of toll collection of INR 178.10 lakhs, INR 173.60 lakhs and INR 170.70 lakhs for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 351.70 lakhs and INR Rs 337.20 lakhs for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 686.30 lakhs for the year ended March 31, 2020 based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017. During the quarter ARRIL has received amount of Rs 2030.00 lakhs from AUDA as adhoc amount against the claim.
 - The revenue from operation includes revenue from construction contracts of INR 14,682.50 lakhs, INR 15,186.50 lakhs and INR 25006.70 lakhs for quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 29869.00 lakhs and INR 72030.50 lakhs for the half year ended September 30, 2020 and September 30, 2019 and INR 107084.40 lakhs for the year ended March 31, 2020 related to intangible assets under development and development of Hybrid Annuity Model (HAM) assets as per concession arrangements which are recognised in accordance with the requirements of Appendix-D of Ind AS 115 "Revenue from contracts with customers."
 - Maharashtra Border Check Post Network Limited ('MBCPNL') a one of the step down subsidiary, has accepted and accounted certain project related costs variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project ('BCP Project'). Such costs variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to September 30, 2020 is Rs. 22,288.40 lakhs (March 31, 2020 Rs. 22,288.40 lakhs). The costs have been accounted as intangible assets/ intangible assets under development. Further, such costs variations 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 has 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 variations claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
 - Operating expenses include provision for Periodic Major Maintenance of INR 498.30 lakhs, INR 498.30 lakhs and INR 778.90 lakhs for the quarter ended September 30, 2020, June 30, 2020 and September 30, 2019 respectively and INR 996.60 lakhs and INR 1766.10 lakhs for the half year ended September 30, 2020 and September 30, 2019 respectively and INR 7535.90 lakhs for the year ended March 31, 2020.
 - The exceptional item amounting to INR 1,50,101.34 Lakhs for the year ended March 31, 2020 was towards the profit on sale of entire equity shareholding in seven of its step down subsidiary companies i.e. Bijapur Hungund Tollway Private Limited, Aurangabad Jalna Tollway Limited, Hyderabad Yadgiri Tollway Private Limited, Dhule Palesner Tollway Limited, Nagpur Seoni Expressway Limited, Shreenathji Udaipur Tollway Private Limited, Bhilwara Rajsamand Tollway Private Limited and Mysore Bellary Highway Private Limited (MBHPL), a subsidiary of the Company pursuant to the definitive share purchase agreement ('the agreement') dated July 1, 2019.
- Further, the condition precedents mentioned in the agreement such as regulatory approvals, lender's consent, other customary approvals with respect to one entity i.e. Ahmedabad Ring Road Infrastructure Limited (ARRIL), has been received as at the reporting date. However transfer of shareholding in pursuance of agreement is yet not done. Accordingly, investments in this subsidiary company has been classified as assets held for sale in accordance with Ind AS 105 - "Non-Current Assets Held for Sale and Discontinuing Operations".
- The Group has carrying value of intangible assets of Rs. 26,60,037.00 lakhs in its 2 step down subsidiaries engaged in construction, operation and maintenance of infrastructure projects under concession agreement with National Highways Authorities of India. The net worth of such companies has fully eroded based on their latest financial results. Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims of Rs. 1,70,634.80 lakhs lodged and served cure period notice in terms of conditions of respective concession agreements, backed by legal opinion on tenability of the claim, debt refinancing and the strategic nature of these investments and internal plan for revival, no provision/adjustment to the carrying value of above mentioned intangible assets as at September 30, 2020 is considered necessary by the Management at this stage.

Sadbhav Engineering Limited

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

T: +91 79 26463384 F: +91 79 26400210 E: info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322



- 10 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown across the country. The Group has resumed operations in a phased manner in line with the directives of the Government of India. This has an impact on the revenue from toll collection and construction services for the quarter however, the Company's management has made assessment of possible impact of COVID-19 on business / operation of group and believes that the impact may not be significant over the terms of its contracts. The group has also filed / is in the process of filing of claims for appropriate relief as per the terms of concession agreements with NHAI/Local Authority and has also availed the relief provided by its lenders by way of moratorium on certain principal / interest payment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company's management, as at date of approval of these consolidated financial results has used corroborative information. As on date, the Company's management has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the group will continue to monitor developments to identify significant uncertainties in future periods, if any. The Company's management does not see any long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

- 11 Key numbers of standalone financial results of the Company for the quarter, half year and year ended are as under:-

S. No.	Particulars	Quarter ended			Half Year Ended		Year ended
		30/09/2020 (Unaudited)	30/06/2020 (Unaudited)	30/09/2019 (Unaudited)	30/09/2020 (Unaudited)	30/09/2019 (Unaudited)	31/03/2020 (Audited)
1	Income from operations	41,221.13	22,969.03	56,510.68	64,190.16	1,40,275.17	2,25,166.02
2	Profit before tax	290.23	(2,809.73)	2,756.59	(2,519.51)	8,097.22	10,974.94
3	Profit after tax	524.05	(2,657.98)	2,585.43	(2,133.94)	6,531.87	8,515.50
4	Total other comprehensive income for the period / year	437.57	(2,657.98)	2,685.36	(2,220.42)	6,623.77	8,849.99

- 12 The Group has certain step down subsidiaries having accumulated losses, which has resulted into erosion net-worth of those step down subsidiaries. Such operational step down subsidiaries are expected to achieve adequate profitability as per the future traffic projections by way of increase in traffic and reduction in finance costs through repayment/refinancing of loan during their respective project tenure. There have also been favourable arbitration claims received by these step down subsidiaries in the past and have further lodged claim amounting to INR 1,70,634.80 lakhs, the tenability of which, as per concession agreement, is backed up by a legal opinion. As mentioned in the note 8 above, the Company has completed sale of seven SPV's at a value higher than their carrying cost and also is in the process of closing sale of one more on similar terms. Basis these and further complimented by the continuing unconditional financial support offered to the step down subsidiaries from the Company, the group will be able to meet/will continue to meet their financial obligations in the ordinary course of the business. Further, the management has also evaluated on annual basis and concluded that BOT/Annuity assets value are in excess of carrying value based on certain parameters like cash flow projections, future projected traffic, growth rate etc.
- 13 The Board of Directors at their meeting dated October 19, 2019 have approved a scheme of merger and arrangement under Section 230 to 232 of Companies Act 2013, subject to the regulatory approvals required whereby, the Sadbhav Infrastructure Project Limited (SIPL), a subsidiary will merge into the Company. The appointed date of merger is 1st April, 2019. Approval of SEBI and BSE/NSE have been received. Now the Company has made application to National Company Law Tribunal (NCLT) for its approval. On receipt of approval of NCLT and filing of copy of order of NCLT with Registrar of Companies, the scheme will become effective from appointed date.
- 14 The listed non-convertible debentures of the Group aggregating Rs.49,500.00 Lakhs outstanding as on September 30, 2020 which are secured by way of shares of Company's subsidiary. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 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 group 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 Statement of unaudited Cashflow for the half year ended September 30, 2020 and September 30, 2019 are given in Annexure - I
- 17 The figures for the previous period have been regrouped/rearranged wherever necessary, to make them comparable with those of the current period.
- 18 The above Financial Results are available on company's website www.sadbhaveng.com and on the websites of the stock exchange viz www.bseindia.com and www.nseindia.com



Sadbhav Engineering Limited

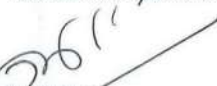
Regd Office : "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380006.

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

19. STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	CONSOLIDATED	
	As At September 30, 2020	As At March 31, 2020
Assets		
Non-current Assets		
(a) Property, Plant and Equipments	36150.41	40265.72
(b) Right to use Assets	2350.20	3271.49
(c) Capital Work in Progress	395.75	376.91
(d) Investment Property	94.00	83.80
(e) Goodwill	2653.00	2653.00
(f) Intangible Assets under Development	9602.90	9552.80
(g) Other Intangible Assets	395545.52	399840.75
(h) Financial Assets		
(i) Investments	72833.89	73030.89
(ii) Trade receivable	19793.69	13192.49
(iii) Loans	40.70	44.50
(iv) Receivable Under Service Concession Arrangement	298818.10	271384.00
(v) Other Financial Assets	2376.73	1654.34
(i) Deferred Tax Assets (net)	11774.70	11318.63
(j) Other Non Current Assets	8490.83	11603.83
	860920.42	838273.15
Current Assets		
(a) Inventories	17004.54	14724.75
(b) Financial Assets		
(i) Investments	0.00	0.00
(ii) Trade receivables	146407.63	147814.05
(iii) Cash and cash equivalents	8949.73	9334.13
(iv) Bank Balance other than (ii) above	8392.49	11113.98
(v) Loans	220.91	9505.41
(vi) Receivable Under Service Concession Arrangement	25447.20	28144.70
(vii) Other Current Financial Assets	48336.34	49280.80
(c) Current Tax Asset	13991.40	12360.13
(d) Other currently assets	78273.65	74582.48
Total Current Assets	347023.89	356860.43
Assets Held for Sale	35673.70	33287.40
Total Assets	1243618.01	1228420.98
Equity and Liabilities		
Equity		
(i) Equity share capital	1715.71	1715.71
(ii) Other Equity	143264.46	158352.78
(iii) Non Controlling Interest	37286.52	42266.45
Total Equity	182266.69	202334.94
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	567139.51	563278.89
(ii) Other financial liabilities	115675.24	113867.51
(b) Provisions	15576.20	13745.00
(c) Deferred tax liabilities (Net)	8090.00	7679.40
(d) Other non-current liabilities	2902.50	2902.50
Total Non-current Liabilities	709383.45	701473.30
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	61236.88	69421.36
(ii) Trade Payable	90695.75	72925.30
(iii) Other financial liabilities	108959.57	87473.91
(b) Other current liabilities	66458.81	69089.37
(c) Provisions	766.66	596.30
(d) Current Tax Liabilities (Net)	1223.80	826.20
Total Current Liabilities	329341.48	300332.44
Liabilities held for Sale	22626.40	24280.30
Total Liabilities	1061351.33	1026086.04
Total Equity Liabilities	1243618.02	1228420.98

For, SADBHAV ENGINEERING LIMITED


Nisha R. Patel
Executive Director & Chief Financial Officer
DIN : 00466330
Place : Ahmedabad
Date : 13/11/2020



Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

SADBHAV ENGINEERING LIMITED			
CIN :: L45400GJ1988PLC011322			
ANNEXURE -2 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2020			
(Rs. in Lakhs)			
Particulars	30.09.2019	30.09.2019	30.09.2019
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit after Tax as per Profit and loss account	(18386.84)	TODAY FOR	TOMORROW
Adjustments For :			
Interest Income	0.00	(5037.95)	
Interest Expenses	47274.34	9569.36	
Depreciation & Amortisation	10760.15	5571.70	
Profit on sale of Property, Plant & Equipments	(17.93)	142.04	
Loss on sale of Property, Plant & Equipments	2.62	(40.96)	
Asset Written Off	0.00	1.87	
Actuarial Gain/Loss	0.00	91.90	
Income Tax Provision	775.50	2548.00	
Other comprehensive income	(86.48)	0.00	
Deferred Tax Liabilities/(Assets)	0.00	(982.65)	11863.31
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	40321.36		18395.18
Adjustment For :			
(Increase)/Decrease of Long Term Trade Receivables	(34035.30)	0.00	
(Increase)/Decrease of Trade Receivables	4103.92	(33027.40)	
(Increase)/Decrease of Other Current Assets	(3691.10)	(399.88)	
(Increase)/Decrease of Other Current Financial Assets	944.46	(3119.34)	
(Increase)/Decrease of Other Non Current Assets	3113.00	(4884.11)	
(Increase)/Decrease of Other Non Current Financial Assets	(722.39)	320.64	
(Increase)/Decrease of Inventories	(2279.79)	803.75	
(Increase)/Decrease of Other Bank Balances	2721.49	(4266.85)	
Increase/(Decrease) of Other Long Term Financial Liabilities	1807.83	0.00	
Increase/(Decrease) of Trade Payables	17770.45	22965.63	
Increase/(Decrease) of Other Current Liabilities	(2630.56)	28464.06	
Increase/(Decrease) of Other Current Financial Liabilities	21485.56	(1732.65)	
Increase/(Decrease) of Provision	2001.56	(149.63)	
Increase/(Decrease) in Deferred Tax (net)	(45.47)	0.00	
Cash generated from Operations	10543.66		4974.23
Tax Paid	50865.02		23369.41
Net Cash From Operating Activities	(2009.17)	(2144.14)	(2144.14)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :			
Purchase of Property, Plant & Equipments and Intangible Assets	(1492.15)	(1824.90)	
Sales of Property, Plant & Equipments		380.91	
(Increase)/Decrease of Loans given	9288.30	(19597.48)	
Other Non Current Investments	197.00		
Interest Received	0.00	13795.30	(7246.17)
Net Cash From Investing Activities	7993.15	5037.95	(7246.17)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from Issue of Fresh Capital including Premium		0.00	
Proceeds From Long Term Borrowings (Net)	3860.55	9764.65	
Proceeds/(Repayment) of Short Term Borrowings (Net)	(8184.48)	(3196.44)	
Interest Paid	(47274.34)	(9342.40)	
Dividend Paid (including dividend distribution tax)	0.00	(1715.71)	
Assets held for sale	(4040.20)		
Change in Non controlling interest	4923.89		
Loss/(profit) of subsidiary of Previous year (Net)	(6518.82)	(57233.40)	(4489.90)
Net Cash From Financing Activities	(57233.40)		(4489.90)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(384.39)		731.79
OPENING BALANCE OF CASH & CASH EQUIVALENTS	9334.13		1797.61
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	8949.74		2529.40
COMPONENTS OF CASH & CASH EQUIVALENTS (refer note 17)			
CASH ON HAND			51.93
BALANCE IN CURRENT ACCOUNT WITH BANKS	8949.73		2477.47
BALANCE IN FIXED DEPOSITS			0.00
Notes:			
1. All figures in bracket are outflow.			
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities			
3. The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".			
The accompanying notes are an integral part of the financial statements.			

Sadbhav Engineering Limited

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

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

THIS PAGE INTENTIONALLY LEFT BLANK

If undelivered please return to :



SADBHAV ENGINEERING LIMITED

CIN : L45400GJ1988PLC011322

Corporate Office: "Sadbhav", Nr. Havmor Restaurant, B/H. Navrangpura Bus Stand,
Navrangpura, Ahmedabad: 380 009, Gujarat, India.

Tel No. : +91-79-26463384 • **Fax:** +91-79-26400210

E-mail : investor@sadbhav.co.in • **Website:** www.sadbhaveng.com