Ref: SEL/2019-20/42

October 19, 2019

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

Dear Sir/ Madam,

Sub: Media Release

With reference to above, please find enclosed herewith Media Release on Merger announcement of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited.

You are requested to take the same on record.

Thanking You,

Yours Faithfully,

For Sadbhav Engineering Ltd.

Tushar Shah
Company Secretary
Mem. No. F7216

Encl : As Above
Media Release on Merger Announcement of Sadbhav Infrastructure Project Limited with Sadbhav Engineering Limited
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Sadbhav Engineering Limited (SEL), the flagship company of the group, is engaged in the engineering, procurement & construction (EPC) business for Transport, Mining & Irrigation sector.

- Order book of ₹10,809.7 cr as on 30th June 2019
  - Transport: ₹8,287.7 cr
  - Irrigation: ₹392.7 cr
  - Mining: ₹2,129.3 cr
- 1 Operational Annuity project*

### Standalone Financials (₹ cr)

<table>
<thead>
<tr>
<th></th>
<th>FY 19</th>
<th>1Qtr FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Operations</td>
<td>3,584.9</td>
<td>837.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>427.9/12.06%</td>
<td>104.6/12.49%</td>
</tr>
<tr>
<td>PAT</td>
<td>186.9/5.26%</td>
<td>39.5/4.71%</td>
</tr>
<tr>
<td>Networth</td>
<td>2,033.7</td>
<td>-</td>
</tr>
<tr>
<td>Debt</td>
<td>1,587.3</td>
<td>-</td>
</tr>
</tbody>
</table>

- Listing  BSE & NSE
- CMP/ Face Value  ₹139.35/Re. 1
- Market Capitalization (₹ crs)  ₹2,390.84
- 52 Week High/Low  ₹274.45/₹109.20
- Shares Outstanding  17,15,70,800

Sadbhav Infrastructure Project Limited (SIPL), subsidiary of SEL, is engaged in development, construction as well as operation & maintenance of infrastructure projects. SIPL undertakes infrastructure development projects directly or indirectly through SPVs.

- 11 Operational BOT Asset*
- 8 Under Construction HAM Projects
- 2 HAM projects yet to start construction

* On 1st July 2019, SIPL has signed a definitive agreements to sell 9 operational BOT projects (including one held under SEL) to IndInfravit

### Consolidated Financials (₹ cr)

<table>
<thead>
<tr>
<th></th>
<th>FY 19</th>
<th>1Qtr FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Operations</td>
<td>3,547.9</td>
<td>795.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,230.4/34.68%</td>
<td>331.0/41.58%</td>
</tr>
<tr>
<td>PAT</td>
<td>(247.9)</td>
<td>(71.4)</td>
</tr>
<tr>
<td>Networth</td>
<td>(550.5)</td>
<td>-</td>
</tr>
<tr>
<td>Debt</td>
<td>9,853.0</td>
<td>-</td>
</tr>
</tbody>
</table>

- Listing  BSE & NSE
- Mkt Price / Face Value  ₹44.05/₹10
- Market Capitalization (₹ crs)  ₹1,551.55
- 52 Week High/Low  ₹113.00/₹37.60
- Shares Outstanding  35,22,25,216
Current Corporate Structure

Sadbhav Engineering Limited (SEL)

• Promoter holding - 46.6%
• Public holding - 53.4%

EPC Business

- Transport
  • Order Book of ₹ 8,287.7 cr
  - BOT/HAM: ₹ 5,208.5 cr
  - EPC: ₹ 3,079.2 cr
- Irrigation
  • Order Book of ₹ 392.7 cr
- Mining
  • Order Book of ₹ 2,129.3 cr
- 1 Operational BOT Assets**
  • 1 Annuity project
  • 387 lane kms

Sadbhav Infrastructure Project Ltd (SIPL)

• Promoter holding - 69.6%
• Public holding - 30.4%

- 3 Operational BOT Assets
  - MBCPNL: 24 check posts with balance concession of 14 years & 1 month
  - RPTPL - 323 lane kms. Bal life of 16 years & 6 months. TPC of ₹ 11.61 bn
  - RHTPL - 395 lane kms. Bal life of 16 years & 3 months. TPC of ₹ 12.71 bn

- 8 Operational BOT Assets**
  - 7 Toll & 1 Annuity projects
  - 2,232 lane km

- 10 Under Construction HAM Projects
  • 2,387 lane km
  • TPC of ₹ 99.29 bn
  • Equity Invested of c. ₹ 5.4 bn

- Maintenance of roads
  • Continue routine maintenance and major maintenance of 9 transaction assets (₹ 40 bn contract over the asset life) along with continuing assets

** On 1st July 2019, SIPL has signed a definitive agreements to sell 9 operational BOT projects (including one held under SEL) to IndInfravit

* Order book is on 30th June 2019

Business Division

Subsidiary Company
SIPL - Asset Monetisation

Transaction
- SIPL has entered into definite agreements to sell 9 operational BOT projects (including one held under SEL) to IndInfravit Trust on 1st July 2019. Equity invested of INR 15.0 bn

Consideration
- Base amount of ₹ 25.5 bn
  - ₹ 19 bn in cash
  - ₹ 6.5 bn as upto 10% of units of IndInfravit Trust
- Additional upsides from car compensation of ARRIL & AJTL, extension in concession in AJTL and arbitration award

Highlights
- ROFO option to IndInfravit Trust for all current and future operational assets
- Continue routine maintenance and major maintenance of 9 transaction assets (₹ 40 bn contract over the asset life) along with continuing assets
- SIPL to get Project Management fees (linked to toll collections) for 9 transaction assets
- Partnership with best-in class roads platform and its marquee investors
- De-consolidation of net debt of INR 40.6 bn and further debt reduction at standalone level is planned from sales proceeds
Merger Rationale

Significant Value Creation

**Combined Entity**
- Facilitating simplified corporate structure & economies of scale
- Reduction in overheads and other expenses
- Reduced inter-company transactions
- Reduction in the multiplicity of legal and regulatory compliances
- Productive utilization of combined resources, operational and administrative efficiencies

**Complimentary Skills**
- Focused strategic leadership
- Better supervision of the business
- Strong execution capability combined with successful development and operations of infrastructure projects

**Stronger Financial Muscle**
- Increased networth due to consolidation of profits, enabling to bid for larger & more complex infrastructure projects
- Likely better credit rating due to better combined financial position
- Access to growth capital without dilution as a result of ROFO for all current and future operational projects
- Access to larger pool of funds due to increase in size

**Resources**

**Culture**

**Enhanced Shareholder Value**
- Direct holding for stakeholders
- Larger & diversified shareholder base
- Better trading & liquidity position of equity shares
- Relatively higher market capitalization
- Increased analyst coverage
- Elimination of Holding company discount

**Scale**

**Market Power**
Transaction Details

- **Appointed Date**: 1st April 2019

- **Merger of SEL with SIPL**: Sadbhav Infrastructure Project Limited to amalgamate into Sadbhav Engineering Limited subject to regulatory & statutory approvals

- **Swap Ratio**: Fair Equity Share Exchange Ratio of 1 (One) share of SEL of face value of INR 1 each (fully paid up) for every 3 (Three) shares of SIPL of face value of INR 10 each (fully paid up)
  - Shares of SIPL held by SEL will be cancelled

- **Shareholding Pattern**

<table>
<thead>
<tr>
<th>Category</th>
<th>Pre-Merger Shareholding No. of shares</th>
<th>Pre-Merger Shareholding Percentage</th>
<th>Post-Merger Shareholding No. of shares</th>
<th>Post-Merger Shareholding Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter &amp; Promoter Group</td>
<td>7,98,63,723</td>
<td>46.55%</td>
<td>8,05,39,551</td>
<td>38.74%</td>
</tr>
<tr>
<td>Public</td>
<td>9,17,07,077</td>
<td>53.45%</td>
<td>12,73,68,462</td>
<td>61.26%</td>
</tr>
<tr>
<td>Total</td>
<td>17,15,70,800</td>
<td>100.00%</td>
<td>20,79,08,013</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

- **Expected Closing**: 6 to 9 months

- **SIPL Shareholding Pattern**

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<tr>
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<th>Pre-Merger Shareholding Percentage</th>
<th>Post-Merger Shareholding No. of shares</th>
<th>Post-Merger Shareholding Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter &amp; Promoter Group</td>
<td>24,52,41,061</td>
<td>69.63%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public</td>
<td>10,69,84,155</td>
<td>30.37%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>35,22,25,216</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Proposed Corporate Structure

Sadbhav Engineering Limited (SEL)

EPC Business
- Transport
- Irrigation
- Mining

• Order Book of ₹ 8,287.7 cr
  - BOT/HAM: ₹ 5,208.5 cr
  - EPC: ₹ 3,079.2 cr

• Order Book of ₹ 392.7 cr
• Order Book of ₹ 2,129.3 cr

Maintenance of roads Business
- Routine maintenance
- Major maintenance

• Order Book of ₹ 392.7 cr

Asset Business
- 3 Operational BOT Assets
- 10 Under Construction HAM Projects

• MBCPNL: 24 check posts with balance concession of 14 years & 1 month
• RPTPL - 323 lane kms. Bal life of 16 years & 6 months. TPC of ₹ 11.61 bn
• RHTPL - 395 lane kms. Bal life of 16 years & 3 months. TPC of ₹ 12.71 bn
• 2,387 lane km
• Project Cost of ₹ 99.29 bn
• Equity Invested upto 30.06.19 of c. ₹ 5.4 bn
• Balance equity investment of 6.4 bn

Proposed Transaction
- Promoter holding - 38.74%
- Public holding - 61.26%

* The above asset scenario is post the asset sale deal with IndInfravit

* Order book is on 30th June 2019
## Merger Advisors

<table>
<thead>
<tr>
<th>Role</th>
<th>Names and Details</th>
</tr>
</thead>
</table>
| Independent Valuers| • BSR & Associates LLP, Chartered Accountants  
                     • Deloitte Haskins & Sells, Chartered Accountants  |
| Registered Valuer  | • Vikram Kailash Jain (Partner, SSPA & Co., Chartered Accountants)               |
| Fairness Opinion Provider | • Inga Ventures Pvt Ltd                 |
| Legal Counsel      | • Cyril Amarchand Mangaldas                                                      |
THANK YOU