



SADBHAV INFRASTRUCTURE PROJECT LIMITED (SIPL)

Corporate Presentation

June 2018

SIPL is India's only listed dedicated road holding and operating company with a proven track record of development, operation and maintenance



Geographically diverse road assets located in high economic growth areas

Location Advantage



Matured assets with proven track record of cash flow generation and growth

Portfolio Advantage



12

Stabilized Cash Flow Generating Projects



12

Assets Under Construction (All Low Risk HAM¹)



Integrated business model right from bidding, financial closure to execution including O&M



Prudent bidding strategy with focus on reasonable but sustainable returns while minimizing risk



Highly experienced and professional management team with continuous oversight from an expert BOD



Financial strength backed by strong relationships with leading financial institutions helps with smooth project execution



Track record of delivering high-quality projects on a timely basis



Significant growth opportunities in the road sector with increasing number of projects

One of India's largest road projects portfolio covering 24 road projects across Toll, Annuity and Hybrid Annuity Model (HAM) with combined lane kms of c.5,800 and total project cost of c.INR 219 Bn

Sadbhav Group Overview

Overview

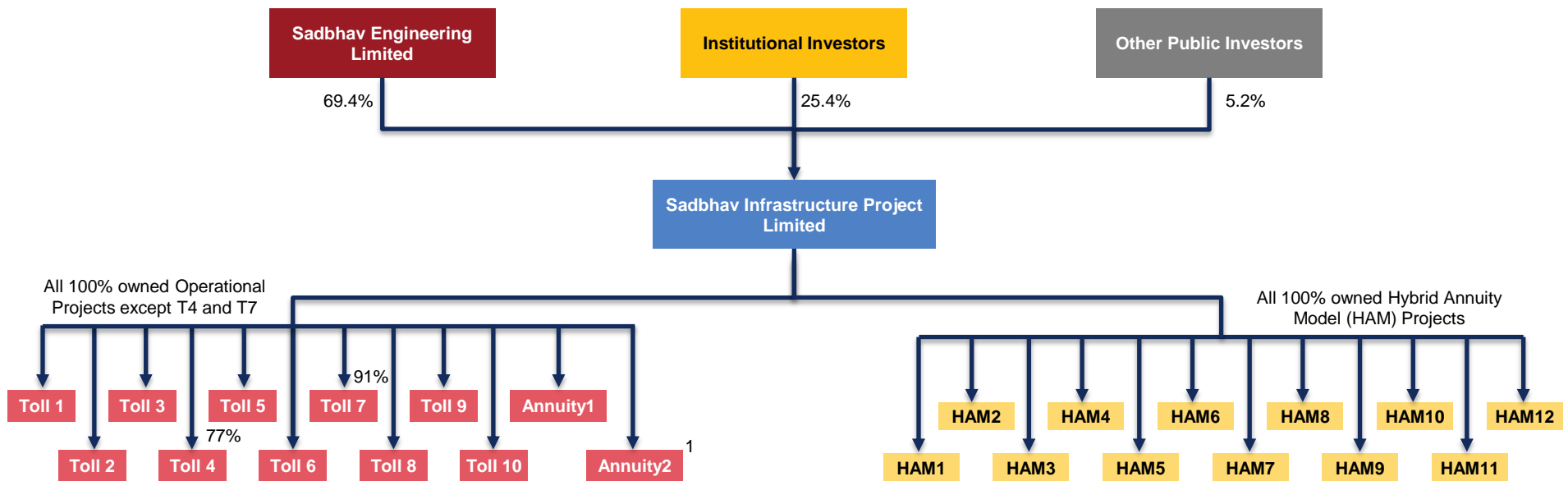
- Founded by Mr. Vishnubhai Patel in 1988, Sadbhav has been his exclusive business ensuring alignment of Promoter's interest
 - The family has only focused on Sadbhav Engineering Limited (SEL) and Sadbhav Infrastructure Project Limited (SIPL)
- The Sadbhav Group is focused on infrastructure segment; entered into irrigation in 1988, road construction in 1992, mining in 1994, Build-Operate-Transfer (BOT) roads in 2005 and metro in 2012
 - Employee base of 6,000+ in SEL and 2,100 in SIPL across various workstreams including engineering, toll management, project management, finance, skilled labour, human resources and other support functions
- Sadbhav Engineering Limited (SEL) has 30+ years of experience in the Engineering, Procurement and Construction (EPC) business and has executed 7,550+ lane kms of road projects
- Sadbhav Infrastructure Project Limited (SIPL), promoted by SEL, is an asset holding company; currently holds 24 road assets consisting of BOT Toll, BOT Annuity and Hybrid Annuity Model (HAM) road projects for the Sadbhav Group
- Significant competitive advantage to SIPL on leveraging the capability of SEL in construction and engineering landscape
 - ✓ Ability to track and identify opportunities nationally with robust technical appraisal skills
 - ✓ Strong Parentage leading to successful projects with on-time completion; 10 out of 12 operational projects ahead of schedule

Sadbhav Engineering Limited Projects

- Largest NHAI EPC Project: Multai-Chindwara-Seoni section NH69A and Narsinghpur-Amarwara-Chindwara-Saoner on NH 26B, in MP and Maharashtra
 - Length 422 km and completion value of c. INR 17 Bn
- Eastern Peripheral Expressway: India's landmark project completed recently
 - Length: 21km and completion value of c. INR 8 Bn



Corporate Structure



Strong Institutional Presence

NORWEST VENTURE PARTNERS

NOMURA

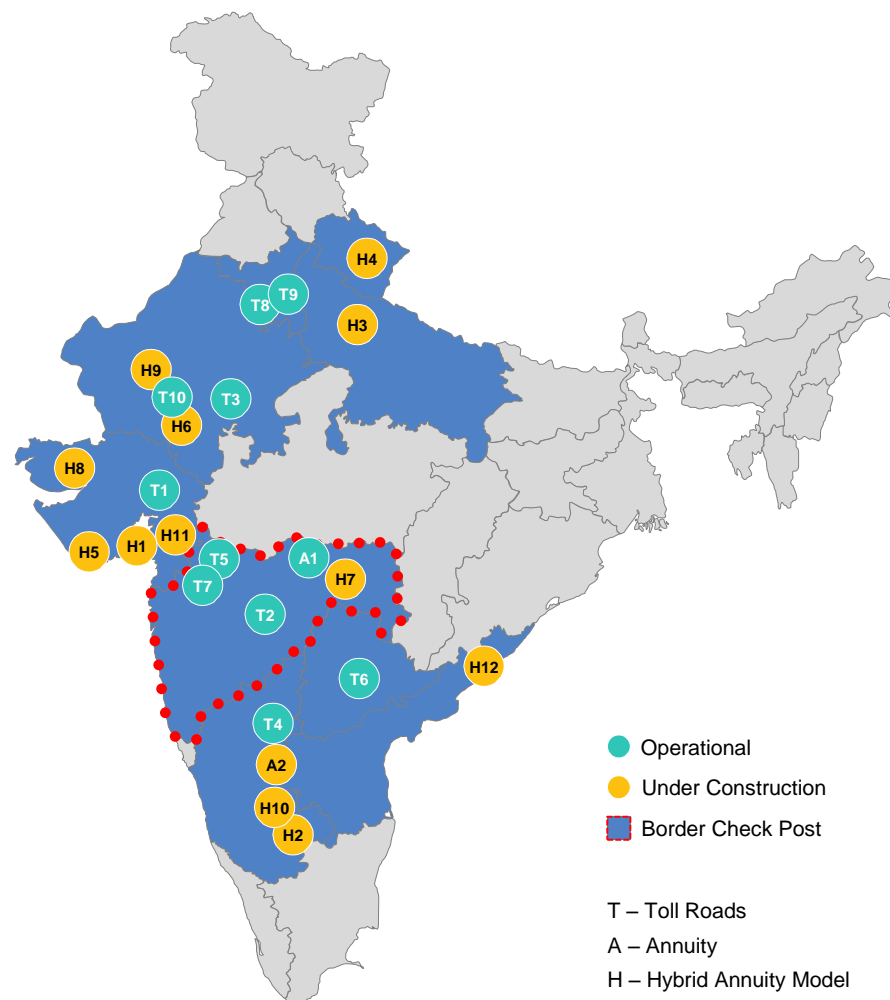


SIPL Overview

Overview

- Only listed Road & Highways BOT company in India with a portfolio of 12 BOT projects and 12 Hybrid Annuity Model (HAM) projects
- Total project cost of c.INR 219 Bn with combined lane kms of c.5,800; current equity invested of c. INR 25 Bn
- Well diversified, low risk road assets portfolio with average operational history of 5 years and average remaining concession life of 15 years
- 8 Operating projects and 7 HAM projects are rated in the 'A' category by credit rating agencies
 - Bhavnagar is the 1st HAM project to be rated in India; also the 1st under-construction project to receive a credit rating of 'A'
- Robust and effective toll collection and toll management systems to protect against revenue leakage
- Disciplined bidding strategy with focus on returns
 - Most prominent player in participation of HAM projects, having participated in bidding for 68 HAM projects
- Long-standing relationship with lenders to finance projects; recent refinancing of 9 projects has reduced debt financing costs
- Project portfolio covers national and state highways with a high proportion of commercial traffic
- Projects located in states with robust execution capabilities
- 7 NHAI operational toll projects have contractual toll rates increasing at 3% + 40% of WPI change¹
- Differentiated project: Maharashtra Border Check Post (MBCPNL) is a first-of-its-kind BOT border check project

Portfolio of Strategically Located Projects



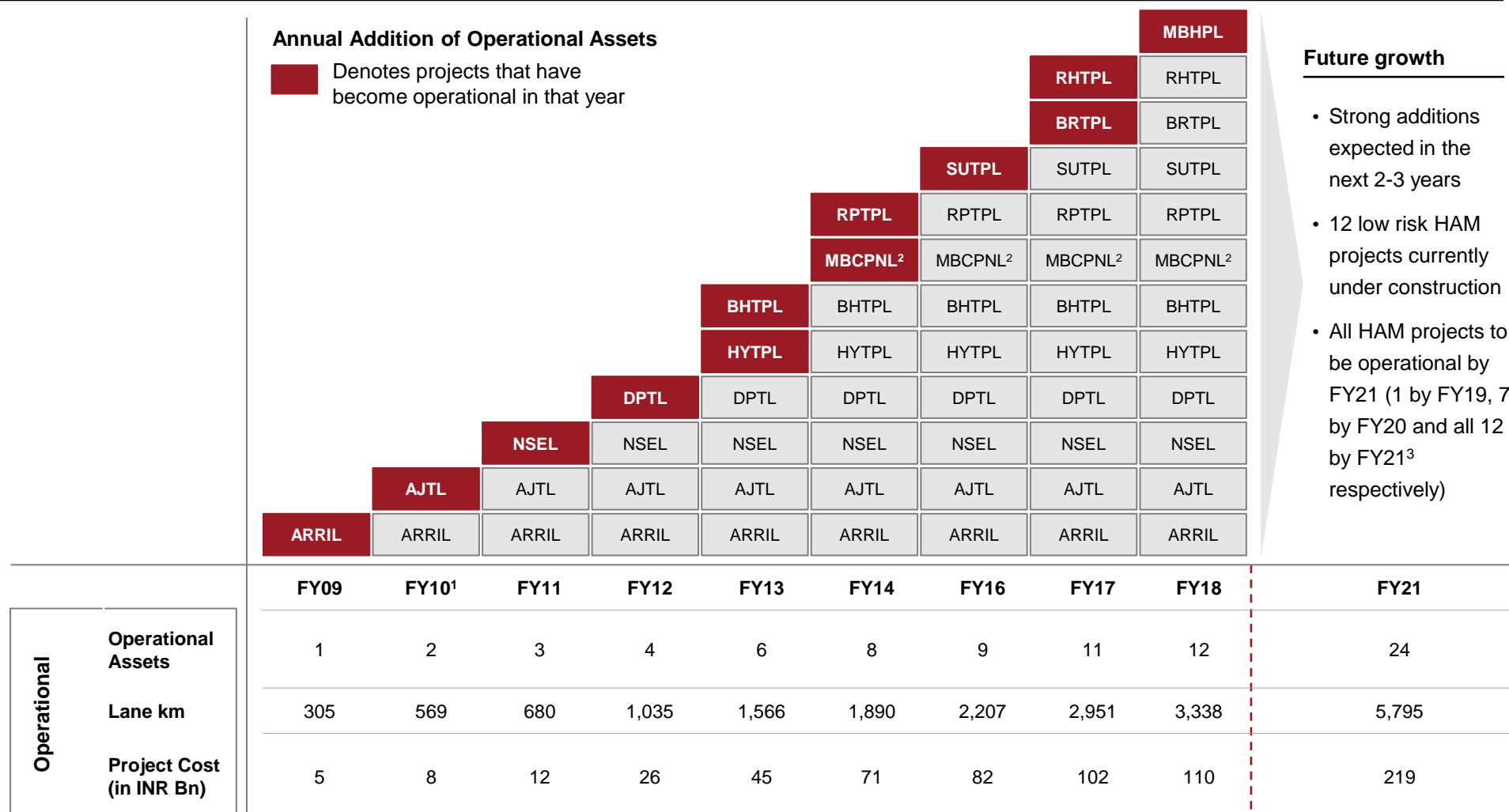
Notes

1. Aurangabad Jalna and MBCPNL have rates increasing at 5% p.a. effective every three years; Ahmedabad Ring Road has rates increasing with increase in WPI every year

The Road So Far

Sustained Growth in Asset Base

Consistent Asset Addition to Portfolio Indicating a Strong Operational and Executional Capability













Notes

1. The company had divested its stake in Mumbai Nasik Expressway Limited (MNEL) in FY16. The same has not been included above
2. MBCPNL had 6, 9, 13, 16 and 18 check posts operational in FY14, FY15, FY16, FY17 and FY18 respectively
3. 1 HAM project is becoming operational in Apr 21

High Quality Operational Portfolio

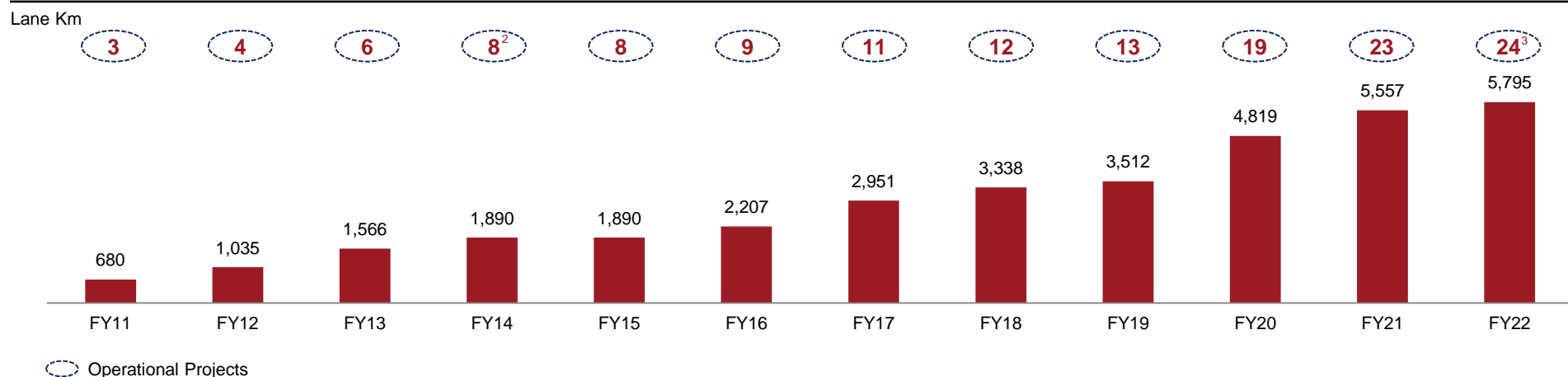
Large Operational Assets

ARRIL 	<ul style="list-style-type: none"> • Cargo originating from Kandla and Mundra, two of the largest Indian ports uses ARRIL to connect to central and western India • Crosses 19 major roads of Ahmedabad and connects 5 National Highways • Due to timing restrictions in Ahmedabad city, vehicles prefer to use ring road instead 	HYTPL 	<ul style="list-style-type: none"> • Carries majorly car traffic due to proximity to Hyderabad city • Also large number of tourist ply on this road due to proximity of Yadgirigutta temple called as Second Tirupathi • It provides connectivity between Hyderabad and Warangal • Project road has become critical post separation of A.P. and Telangana
AJTL 	<ul style="list-style-type: none"> • This road provides connectivity for traffic plying between Mumbai and Nagpur • Aurangabad is a hub for Auto ancillary industries and is highly freight intensive due to which three-fourth of the traffic is owing to freight. MIDC is located in center of the project • Shendra region falls under DMIC Phase 1 which is in the center of the project 	MBCPNL 	<ul style="list-style-type: none"> • Involves integrated checkpoints at 24 locations in Maharashtra • Facilitates RTO checks for checking of vehicles and checking of documents. Provides data of e-way bill to GSTN • Maharashtra state contributes c.15% to India's GDP • Caters to commercial vehicles only and it's a monopolistic project
BRTPL 	<ul style="list-style-type: none"> • Rajsamand district is one of the major Marble Clusters in India • Connects 2 major national highways i.e. NH-8 and NH-79 	RHTPL 	<ul style="list-style-type: none"> • Project road passes thru many towns such as Rohtak, Hissar, Meham, Hansi, etc. • Rohtak is a very industrialized town; there are many large and medium scale industries such as textiles, sugar among others
BHTPL 	<ul style="list-style-type: none"> • Commercial traffic is generated due to automobile industry located near Chennai. More than 90% traffic is commercial in nature • Also, multiple steel manufacturing units are located nearby • Provides long distance north-south connectivity • Traffic flow to improve with nearby stretches to be upgraded in near future 	RPTPL 	<ul style="list-style-type: none"> • Caters to long distance traffic, originating from Rajasthan, Maharashtra and Gujarat to the northern states • Panipat region is famous for textiles and IOC refinery • Caters to long distance traffic between NH-8 and towards Chandigarh; also acts as a bypass to Delhi city
DPTL 	<ul style="list-style-type: none"> • Commercial traffic is generated due to automobile industry near Chakan / Pune • Dhule is a center for textile manufacturing in Maharashtra • Projects part of NH-3 which is one of the longest national highways in India provides connectivity between Mumbai to Delhi via Central India 	SUTPL 	<ul style="list-style-type: none"> • Caters to North-West traffic, originating from Delhi to Mumbai • It is part of one of the busiest highways, NH8 • Region is mineral-rich and hence transportation of major and minor minerals is a key traffic growth driver • Many tourists ply on this road due to Nathdwara temple

One of the Largest Road Portfolios in India

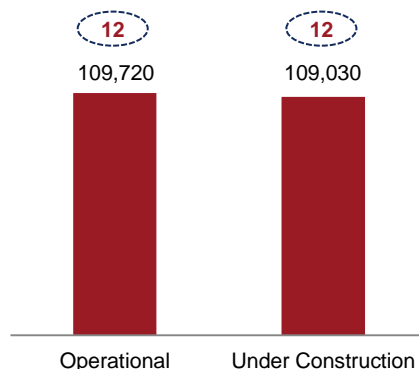
Well-balanced Portfolio of Operational Assets and New Projects under Low Risk HAM Model

Demonstrated Superior Growth Year on Year¹



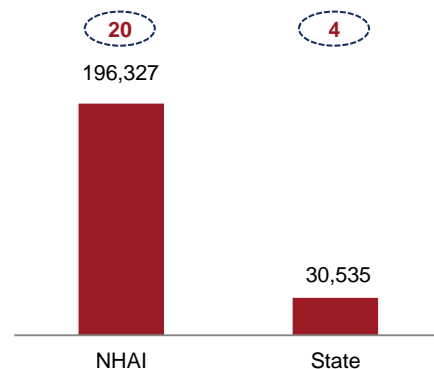
Mix of Operational and Under-Construction Projects

Project Cost, INR MM



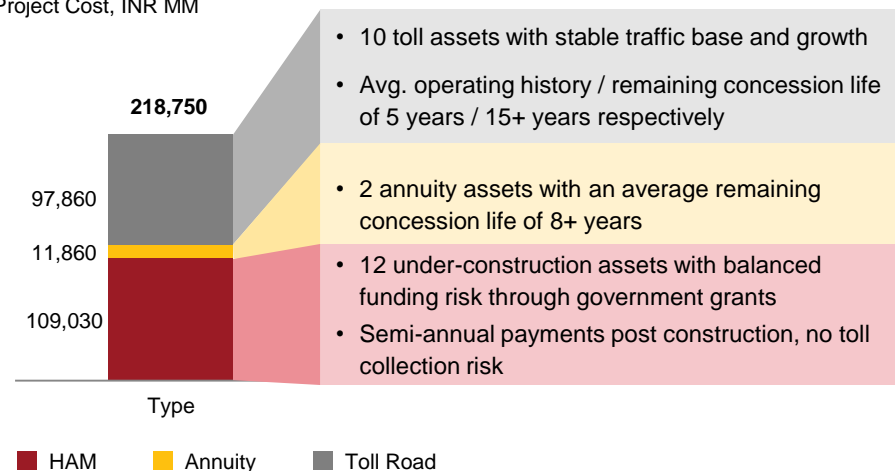
High Proportion of Projects with NHA as Client

Project Cost, INR MM



Assortment of Toll, Annuity and HAM

Project Cost, INR MM







Notes

1. It is assumed that no new projects are earned till FY21
2. MBCPNL has been operational since FY14. However, it does not form part of the total lane km calculation
3. 1 HAM project to be operational in Apr'21

Highly Professional and Experienced Management

Independent Board for Best-in-Class Governance Practices

Experienced Management Team

Name	Brief Profile
 Shashin V. Patel <i>Chairman & Non-Executive Director</i>	<ul style="list-style-type: none"> Over 12 years experience in human resources and IT Business Leadership Award for Industrial Development by the All India Achievers Foundation Bachelor's degree and Master's degree in Business Administration
 Vasistha C. Patel <i>Managing Director</i>	<ul style="list-style-type: none"> Responsibilities: Business development, tendering, project planning management of organizational finances and project execution Diploma in Civil Engineering
 Nitin R. Patel <i>Non-Independent and Non-Executive Director</i>	<ul style="list-style-type: none"> 15 years experience in strategy / corporate finance as director of SEL Bachelor's degree in Commerce; Chartered Accountant Responsible for fund raising and coordination with clients
 Varun Mehta <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> Responsibilities: Company strategy including mergers and acquisitions, fund raising and project bidding Bachelor's degree in Commerce; Chartered Accountant; Financial Risk Manager; Chartered Financial Analyst

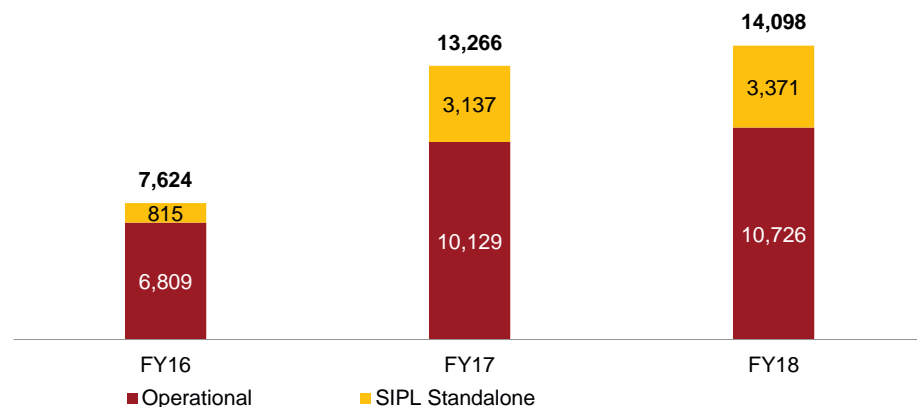
Key Board Committees in Place

Audit Committee	<ul style="list-style-type: none"> Consists of Chairman (independent) and 2 members (1 independent and 1 non-independent) Reviews internal audit reports as well as the internal control systems and financial disclosures
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Comprises of Chairman (independent) and 3 members (1 independent and 2 non-executive) Formulates policies to determine nomination, evaluation and remuneration of directors, key managerial personnel and other employees
Stakeholders' Relationship Committee	<ul style="list-style-type: none"> Consists of Chairman (independent) and 3 members (2 independent and 1 executive) Looks into redressal of shareholders' / investors' grievances
Risk Management Committee	<ul style="list-style-type: none"> Consists of Chairman (executive) and 2 members (1 independent and 1 non-executive) Monitor and review risk management plans to recognize and mitigate risks as well as identify business opportunities

Overview of SIPL's Financial Performance

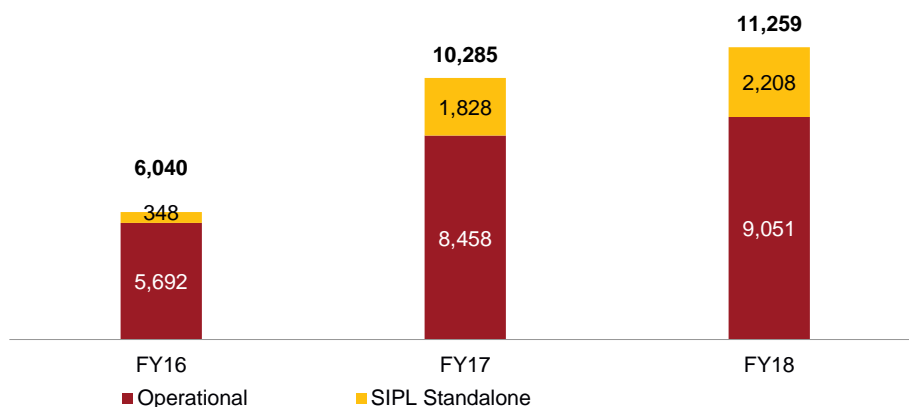
Total Cash Income from Operations¹

INR MM



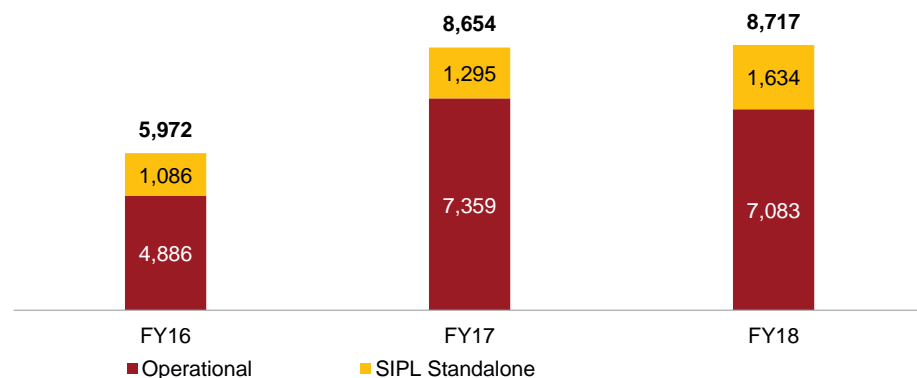
Cash EBITDA²

INR MM



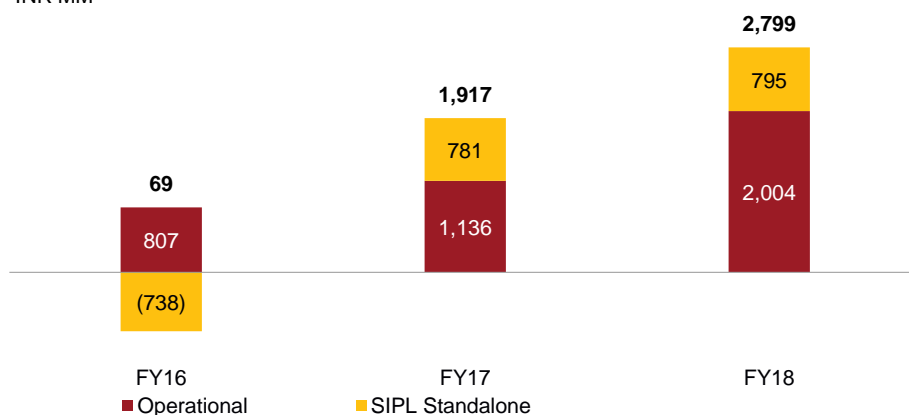
External Finance Cost

INR MM



Cash Profit^{2,3}

INR MM



Notes

1. Includes annuity income and arbitration amount received by RPTPL from NHAI

2. Includes O&M cost, employee benefit and other operating expenses

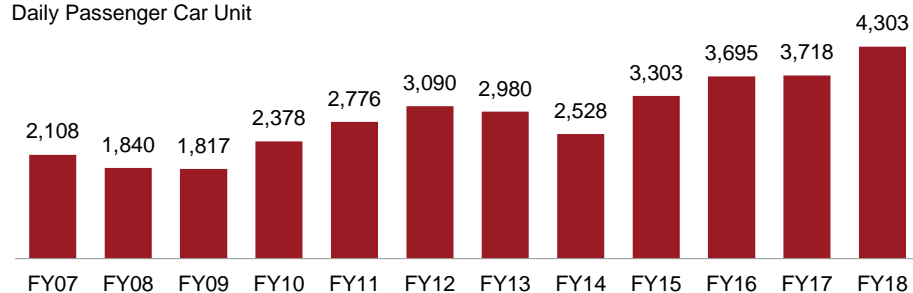
3. Cash Profit calculated as PAT excluding non-cash finance costs, depreciation and amortization, provision for MMR and non-cash income, but including claim for suspension of toll collection in MBCPNL

Superior Traffic Growth

Ahmedabad Ring Road

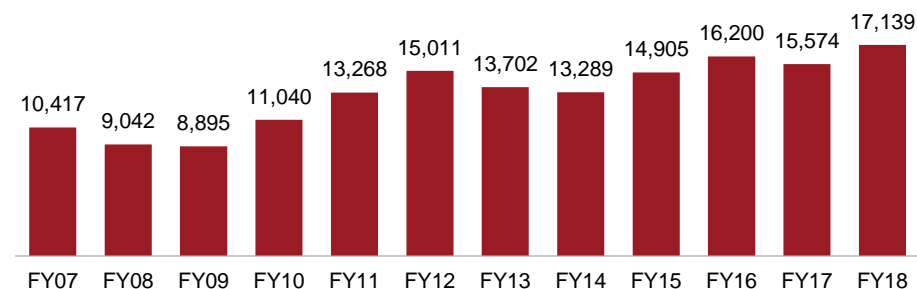
Light Commercial Vehicle

Daily Passenger Car Unit



Multi Axle Vehicle

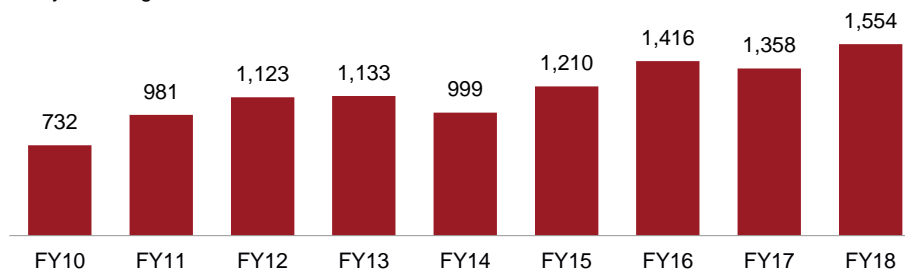
Daily Passenger Car Unit



Aurangabad Jalna

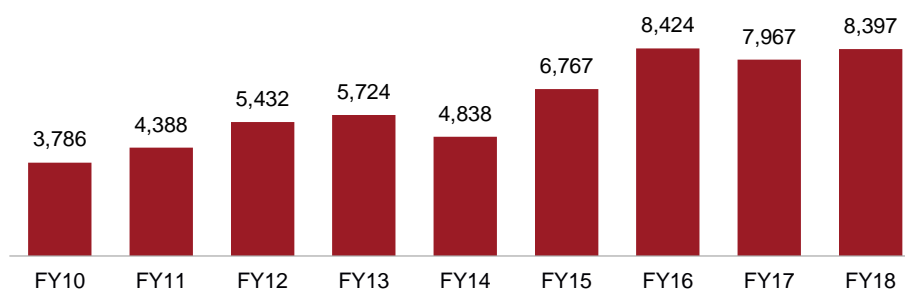
Light Commercial Vehicle

Daily Passenger Car Unit



Multi Axle Vehicle

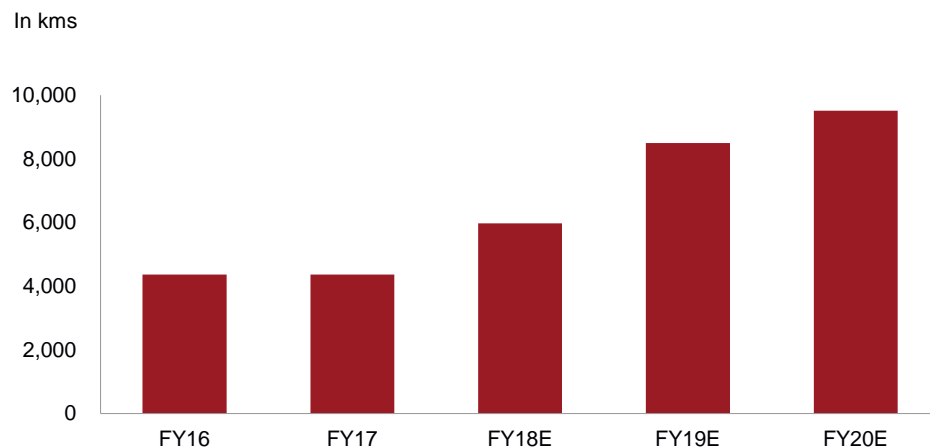
Daily Passenger Car Unit



- Ahmedabad ring road and Aurangabad Jalna are two operational projects with longest operational history
- During the strong growth period of the Indian economy (2010-12), Ahmedabad ring road and Aurangabad Jalna saw a growth of c.15% and c.20% respectively in both LCV & MAV traffic
- Although during 2013-15, Indian economy was going through a slowdown, ARRIL and AJTL had a traffic growth of c.5% in commercial traffic
- In the recent years, all toll roads had been impacted by demonetization in FY17 and GST in FY18
- Given robust GDP growth expected in the coming years, traffic on roads is poised to grow at above average levels

Huge Potential in the Indian Roads Sector

Highway Construction Space – Increasing NHAI Awards Present a Large Investment Opportunity



Source: NHAI, Analyst Research

Government Initiatives

- The total length of the national highways is expected to exceed c.200,000 km in next 5 years
 - c.83,700 km of additional roads will be built by 2022, which includes c.34,800 km covered under Bharatmala project
- This equates to c.INR 6.9 Tn (\$ 107.9 Bn) of expenditure in building and expanding highways and constructing expressways across the country
- The Road Ministry recorded the highest ever awarding of c.17,055 km of roads in FY18

Sector on a Revival Mode; Rising Private Sector Participation in India

- May '18: L&T IDPL-sponsored IndInfravit Trust – India's first private InvIT – raised \$ 487 MM with CPPIB and Allianz acquiring 30% and 25% of the units, respectively
- Mar '18: Macquarie won India's first Toll-Operate-Transfer (TOT) bid of 9 national highways for c.\$ 1.5 Bn
- Dec '17: ADIA and Mitsubishi invested c. \$ 700 MM in Cube Highways, a platform setup by I-Squared Capital and IFC
- Apr '17: IRB InvIT Fund raised c.\$ 750 MM
- Aug '15: Brookfield acquired a portfolio of six roads from Gammon Infrastructure for c. \$ 230 MM

Source: News run

New Operational Models

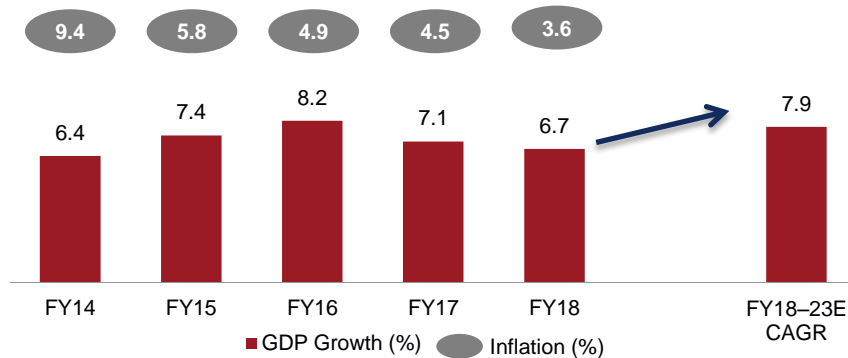
- New TOT model has been introduced for efficient monetization of existing toll roads
 - Monetisation of 82 operating highways with investment potential of INR 340 Bn (\$ 5.3 Bn) to be taken up
- 91 projects worth INR 1,002 Bn were awarded by March 2018 under HAM
 - Going forward, over 70% of road projects are expected to be awarded under EPC and HAM models

Macroeconomic Improvement Expected to Drive Investments in Indian Road Sector

Recent changes in norms including GST and suppression on overloaded trucks along with improving pace of road construction, IIP and quarterly GDP data to enhance traffic on highways

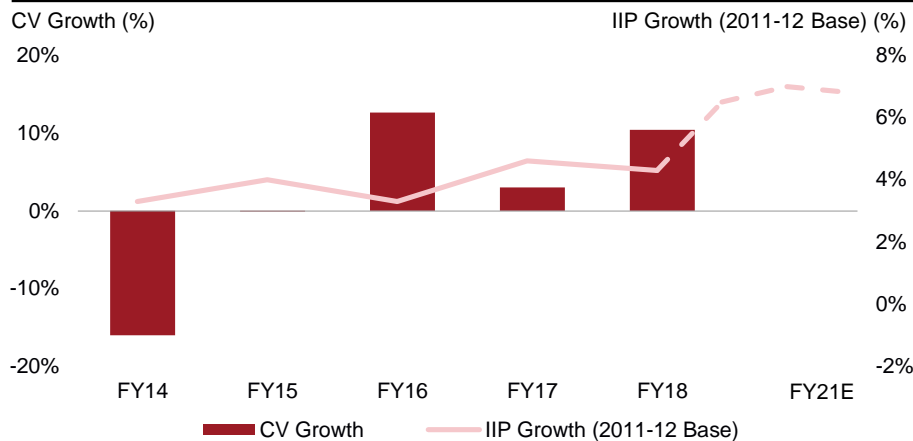
India GDP Growth Expected to Improve Significantly...

GDP Growth and Outlook (%)



Source: IMF

IIP Growth is a Leading Indicator for CV¹ Sales Growth

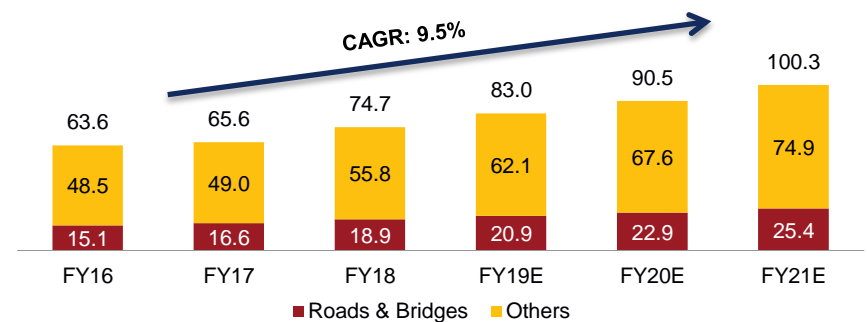


Source: Ministry of Statistics & Programme Implementation, SIAM

Notes
1. Commercial Vehicle

...along with an Expansion in the Infrastructure Industry

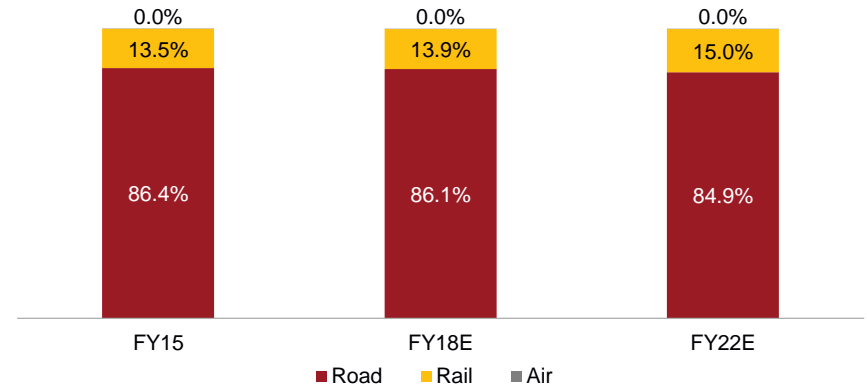
\$ Bn



Source: BMI Research

Roads Continues to be Preferred Mode of Transport for Freight

Share of Freight Tonnes %



Source: BMI Research - India: Freight Transport & Shipping Report Q2 2018

Concluding Thoughts



Strong parentage with focus on roads for over 25 years making Sadbhav one of the most experienced transport infrastructure player in India



Disciplined bidding strategy has led to large portfolio with stabilised returns



Robust and effective toll collection and toll management systems to protect against revenue leakage



Well-balanced Portfolio of Operational Assets and New Projects under low risk HAM Model



Differentiated project: Maharashtra Border Check Post (MBCPNL) is a first-of-its-kind BOT border check project



Revenue and cash EBITDA grew c.35% over last 2 years owing to under-construction projects becoming operational and new projects added to the portfolio



Significant exposure to commercial vehicle sales growth and macroeconomic growth



At current costs of debt, credit rating of 8 operational SPVs is above 'A-'

Appendix

Overview of SIPL Projects

Operational Projects – Mix of Toll and Annuity Assets

Operational Projects

	Project Name	Project Cost	Stake	Equity Investment	FY18 Debt	Revenue ¹		EBITDA ¹		Operational History	Remaining Concession Life
		INR MM		INR MM		FY17	FY18	FY17	FY18	Years	Years
Toll	Ahmedabad RR	5,435	100%	1,037	2,566	941	997	777	810	9.8	8.7
	Aurangabad Jalna	2,724	100%	1,118	2,269	508	528	451	442	8.7	12.3
	Bhilwara Rajsamand	6,761	100%	1,333	2,801	329	438	236	308	1.8	25.5
	Bijapur Hungund	13,689	77%	1,398	7,983	1,158	1,217	1,052	1,094	6.0	12.4
	Dhule Palesner	14,200	100%	3,824	10,531	1,690	,816	1,502	1,642	6.2	9.7
	Hyderabad Yadgiri	4,947	100%	1,190	3,730	569	696	502	629	5.3	15.3
	MBCPNL	14,264	91%	4,566	10,916	1,607	1,858	1,047	1,369	5.0	15.6
	Rohtak Hissar	12,716	100%	1,101	10,476	390	571	326	479	1.7	17.7
	Rohtak Panipat	11,610	100%	2,427	11,315	908	1,073	754	940	4.2	18.0
	Shreenathji Udaipur	11,515	100%	3,115	8,715	1,031	1,076	892	914	2.3	22.0
Annuity	Nagpur Seoni ²	3,748	100%	435	2,578	384	384	358	350	7.9	9.6
	Mysore Bellary ²	8,112	100%	791	4,247	-	712	-	680	0.8	6.7
Total		109,720		22,334	78,128	9,517	11,365	7,898	9,658	5.0 ³	14.5 ³

Notes

1. Includes recurring income (including advertising, rent received), O&M cost, MMR cost, employee benefit and other operating expenses; excludes NHAI grant, construction revenue and costs;
2. For annuity projects: Revenue includes only annuity amount and EBITDA is annuity amount less operating expenses; Stake in Mysore Bellary is currently owned by Sadbhav Engineering Limited
3. Reflects average operational history and remaining concession life across all operational projects

Overview of SIPL Projects (cont'd)

Low-risk Under-construction assets under HAM Model

HAM Projects

Project Name	Project Cost INR MM	Stake	Sources of Funds ¹			Equity Invested till date INR MM	FY18 Debt INR MM	% Completion	Scheduled COD
			Grant INR MM	Equity INR MM	Debt INR MM				
Bhavnagar	8,190	100%	3,596	1,082	4,330	381	1,204	31%	Aug-19
Bangalore	10,080	100%	4,405	1,211	4,846	617	175	12%	Aug-19
Rampur I	7,380	100%	3,278	886	3,543	305	1,449	32%	Mar-19
Rampur II	6,570	100%	2,979	789	3,157	491	156	8%	Oct-19
Una	6,230	100%	2,791	840	3,361	267	731	16%	Aug-19
Udaipur	8,910	100%	3,841	1,075	4,300	442	673	16%	Nov-19
Waranga Mahagaon	10,710	100%	4,682	1,292	5,168	337	-	0%	Mar-20
Bhimasar	10,500	100%	4,598	1,270	5,079	-	-	0%	Apr-21
Jodhpur RR	11,060	100%	4,761	1,333	5,332	-	-	0%	Jul-20
Tumkur III	10,080	100%	4,375	1,216	4,866	-	-	0%	Oct-20
Vadodara	14,040	100%	6,094	1,694	6,777	-	-	0%	Oct-20
Visakhapatnam	5,280	100%	2,252	636	2,545	-	-	0%	Apr-20
Total	109,030		47,652	13,326	53,302	2,841	4,387		

All HAM assets to have an Operational Life of 15 years post construction