

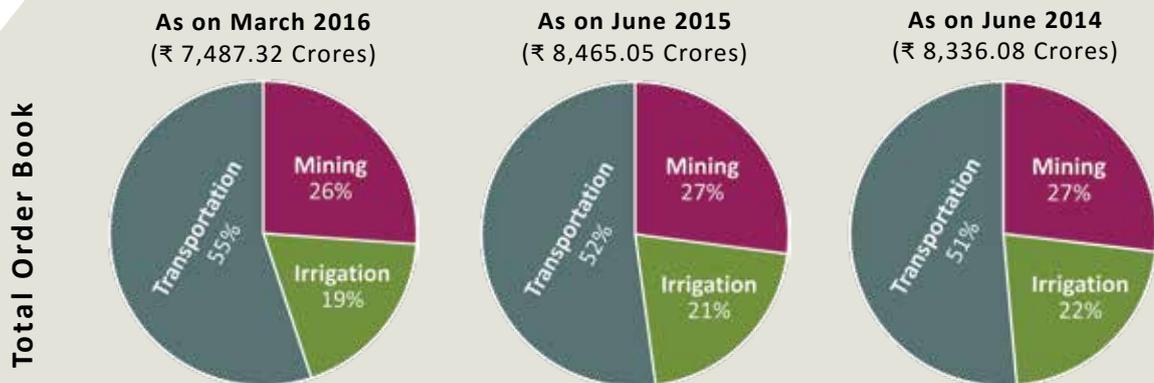
# Chairman's Message

Dear Stakeholders,

Over several years of perseverance, Sadbhav Engineering Limited has anchored itself as a pillar in the field of engineering & infrastructural development. Dealing with myriad aspects of engineering, construction, and infrastructural developmental activities across transport, mining, and irrigation sectors in India; today Sadbhav has successfully constructed more than 7300 Lane Kms. of Roads and Highways (both National and State Highways) while 2300 Lane Kms. are under various stages of construction. But amidst all this, your company has been responsible with its active contribution towards the society and environment. It has always believed in connecting life and enhancing its quality and will continue to do so with the same zeal in future.



***“ Our vision is to continually deliver profitability and maximum value to all stakeholders and achieve to maintain a leadership position through an ethical and sustainable means.”***



It, therefore, gives me a great pleasure to present the financial report of your company for the year 2015-2016. Given the present economic scenario in India and in general over the world, your company has continued to perform well on the outset. SADBHAV is a composite business which provides it the efficacy to create a stable equation. With various implications towards 'Make in India' policy being the face of developmental revolution, huge investments pertaining to all the segments are flowing in the direction of Indian economy. The all-important reform of Goods and Service Tax (GST) also no longer has remained a mere legislative limbo but has been approved to be implementing from the next financial year. With a special focus towards infrastructure, it has burgeoned the sector and converted them into imperative for a cumulative growth towards excellence. The Union budget has allocated ₹ 2.21 lakh crore for the entire infrastructure sector. Such opportunities have propelled the augmentation of the present circumstances in favour by increasing the pace of projects being sanctioned for the construction of highways. Also, in the Budget, roads have been earmarked ₹ 97,000 crore with a plan to award 10,000 kms. of new road projects in 2016-17, including ₹ 19,000 crore for rural roads. It, therefore, has had a great impact on the order book of your company while setting a standard for a result oriented performance. Your company has created value addition to, previously held, important portfolios by grabbing various important contracts and projects. With an aim accentuate its name with overall development your company creates new opportunities without compromising on work quality and punctuality.

SADBHAV Engineering Limited has engaged itself in Engineering, Procurement, and Construction (EPC) business for Transport, Mining, and Irrigation sector. Hence, your company has proudly reached a net worth of ₹ 1471.46 crores which reckons for a plunging growth. The order book stands at staggering ₹ 7487.33 crores with presence in 11 different states, as on 31st March, 2016. Your Company achieved success with a standalone turnover of FY 16 at ₹ 3186.25 crores. Your company has been a regular payer of dividends in the last 14 years with ₹ 14.45 crores as the Dividend pay-out for FY16. The standalone business has displayed profits since its inception in 1988. SADBHAV has strong in-house integrated execution capabilities with highly qualified human resource and state-of-the art equipments. Our Net Profit rose up to 17.57 % and Profit after Tax stands at ₹ 133.71 crores. The net worth of your company rose from ₹ 125.4 crores in 2006 to a solid ₹ 1,471.5 crores. These figures are an outcome of our dedication and focus towards delivering the best.

With an increase in the order book by 19% (CAGR 2006-2016), this current financial year, 55 % of SADBHAV's revenues are derived from the Transport segment which includes the upheaval of roads and highways. This development is executed on Build, Operate and Transfer (BOT) through SADBHAV Infrastructure Project Limited (SIPL). Your company currently executes 15 EPC contracts. With a captivating order book status of ₹ 3,692.14 crores it contributes to 1.8 x of the current year's transport revenue.

The overall contribution of irrigation and mining sector to sales ratio is 19% and 26% respectively. Providing a good revenue visibility, your company already has 20 on-going projects with the order book status of ₹ 1,441.93 crores as on 31st March, 2016 which translates to 2.7 x of FY16's irrigation revenue. Similarly, during this financial year, order book status for mining sector stands at the valuation of ₹ 1,974.76 crores which translates to 4.7 x of the revenue with 11 on-going projects.

Sadbhav's philosophy envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions. Through this it achieved a plethora of projects. These were optimally executed due to a winning alchemy of our Engineering and Management staff.

Your Company believes that the best way to give back to the society is in the form of education. It has the potential to transform the lives of both current and future generations. Hence, we have undertaken the Corporate Social Responsibility (CSR) of 'promotion of education' and girl-empowerment by conserving and renovating the government school in Chakkarpur, Gurgaon, Haryana and development of convent school for girls in Insanpur, Ahmedabad.

'Quality is an unending quest, an ideal to be pursued constantly. It begins in the mind, extends into systems and processes, and finds its expressions in the products

and services and consequents as a reliable solution in the hands of the end users.' Thereby, I take this opportunity to thank every stakeholder of Sadbhav Engineering Limited who plays an important role in establishing our ground in contributing towards building a nation. We also uphold our appreciation for our customers, shareholders, lenders and customers for joining us in this continuous effort to make a difference. Hence, on your as well as on behalf of the Board of Directors, I laud the support extended by the employees of Sadbhav Engineering to exhibit yet another exuberant display of impressive performance. I encourage them to keep pursuing our objective of binding trust in the capabilities of one-self and the team, during FY 2016-2017. I would like to thank you all for your constant and esteemed presence and congregated interest in the Company.

Regards,



Vishnubhai Patel

