

Message From Chairman



Dear Stakeholders,

Sadbhav Engineering Limited is an excellence endeavour where we strive to attain new zeniths and materialise the aspirations and dreams of our stakeholders by creating a better tomorrow. At Sadbhav, “Today is Tomorrow” and all our thoughts, actions and manifestations are the direct upshot of our pursuit of excellence to attain this common vision. We strongly believe that, to achieve the 4th E - Excellence, we must have an optimum mix of 3Es - Experience, Expertise and Exemplary performance. During this endeavour, we stride ahead on our positively accelerated learning curve and we are quick to adapt at the opportunities and the changes in macro-economic environment. Sadbhav is a learning organisation that continuously benchmarks its processes, technologies and people skills with the best in the industry.

With prestigious Engineering, Procurement and Construction (EPC) projects on fast track in Transport, Mining & Irrigation sectors across 15 states of the country, Sadbhav today has become a stalwart in the industry within a short span of 30 years. With a well-diversified order book of ₹ 13,249.34 crores as on March 31, 2018 with order book to sales ratio of 3.7 x FY18 revenue providing good revenue visibility.

Your Company has been appreciated by many clients for before-time or on-time execution of its projects. Eastern Peripheral Expressway project which is India’s first smart expressway project of National Highway Authority of India (NHAI) was inaugurated by Hon. Prime Minister, Shri Narendra Modi on May 27, 2018 and Sadbhav was felicitated by Hon. Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga

“ An organisation’s ability to learn and translate that learning into action rapidly, is the ultimate competitive advantage. ”

- Jack Welch

Rejuvenation, Government of India, Mr. Nitin Gadkari for exemplary execution of Eastern Peripheral Expressway project during a felicitation ceremony held by NHAI. With our aggressive approach to achieve project milestones and surpass expectations, we are contributing to fulfill the dream of government to place the country on path to progress. "Bharatmala Project" of Government of India is one such ambitious project in which private sector plays a key role to build, own and operate the large infrastructure projects. Your Company being the industry leader is an important catalyst of change that endeavours to bring in the inclusive growth for the society in environment-friendly manner by executing many such projects.

The coming years are going to be the golden years for our country's infrastructure. During 2017-18, NHAI has awarded 7,400 kms of road projects worth ₹ 1,22,000 crores as compared to 4,335 kms of road projects in the last financial year and this is going to further improve with plans such as Bharatmala on the cards. There is a lot of optimism in the market, and the banks have regained interest in financing HAM projects, where we are the market leaders.

Environment care and ethics are the two values intrinsic to our DNA since the inception of your Company. Sadbhav complies with all the statutes and we undertake mass-afforestation and try for lesser impact to the bio-diversity while executing large projects. Thus, Sadbhav is equally responsible towards people and planet while accruing more profits.

I am glad to share this report of Sadbhav Engineering Limited for the financial year 2017-18 that encompasses financial statements, facts

and figures and testifies your Company's strong financial health. Your Company has steadily posted CAGR of ~23%, ~26% & ~21% in net revenue, net profit and order book respectively over last 11 years and has market cap of ₹ 6,681.82 crores as on March 31, 2018. Your Company has been making profits since inception in its standalone business and has paid regular dividend over the last 16 years, while our profits rose by 17.47% over previous year. Adding value to your stakes, the higher performance of your Company has resulted in Earning Per Share ₹ 12.86 during 2017-18 from ₹ 10.95 in 2016-17. For the year 2017-18, Sadbhav Engineering Limited has generated net revenue of ₹ 3,505.06 crores, net profit of ₹ 220.66 crores and net worth of ₹ 1,866.79 crores.

The areas of business of your Company - transport, mining and irrigation are vital to the country's growth and hence the good performance and growth of the Company in these sectors is also an indicator of Country's growth in these sectors. Your Company is committed to contribute to nation's progress in times to come and materialise the Government's visions and missions like Make in India, Per Drop More Crop (Pradhanmantri Krishi Sinchai Yojana), connecting the remotest areas of country with all its borders under Bharatmala Project and making country energy efficient through clean energy.

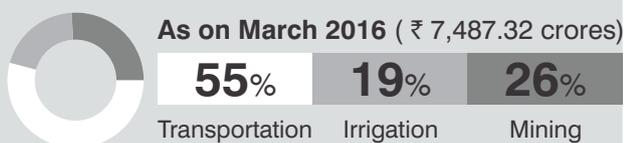
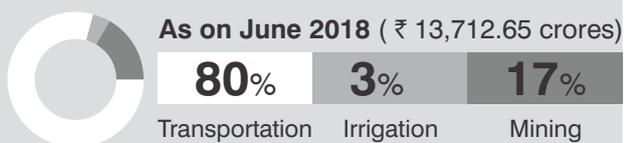
As on March 31, 2018 your Company has constructed roads and highways of over 8,400 lane kms and out of 25 Build, Operate & Transfer (BOT) / Hybrid Annuity Mode (HAM) Projects, 11 were fully operational and 12 projects were under construction while 2 projects were partly operational. SEL's subsidiary Company SIPL has bagged highest number of HAM projects till date



CAGR 2006-18

Net Revenue	Net Profit	Order Book
~23%	~26%	~21%

Total Order Book



Dun & Bradstreet India published-India's Top 500 Companies 2018, has ranked Sadbhav at 257 among Top 500 Companies in terms of Net Profit.

from NHAI. SIPL has a portfolio of 23 projects which consists of 11 BOT and 12 HAM projects. Your Company is mining precious minerals and specialises in the mining of Uranium ore and Coal. Keeping in view the nation's endeavour to switch to clean energy by 2027 and expand nuclear energy infrastructure (20,000 MWe by 2020 from the present capacity of 2770 MWe), Government of India has entrusted your Company to mine these precious minerals. Sadbhav has mined 521 Cubic mt as on March 31, 2018. Irrigation Division of your Company is constructing canals and dams for the surface conveyance of water for the irrigation. Your Company has performed efficiently by completing some of the major projects much before their timelines thus accruing more profits. As on March 31, 2018, your Company has completed work of 669.29 km main canal & branches, 1,852.89 km distributory network and 1,15,770 hectare culturable command area.

Your Company believes in the sustainable growth model and believes that Company's sole aim is not to generate profits and accrue wealth for itself but also believes in its fair distribution among stakeholders. Your Company has been conscious about the positive social impact that it creates through direct generation of employment opportunities and indirect generation of work and occupation opportunities around our projects as economic activities. We also believe in social trusteeship and our CSR activities are aimed at providing the necessary amenities to the communities around our sites of construction. Sadbhav, as our name suggests has been active in community health care, community infrastructure building and need based interventions around our sites on periodic intervals.

Your Company believes in scientific management of its resources to utilise the true potential of all our men, machine and material resources. Your Company is among the early adopters of the state-of-the-art technologies and has invested in SAP S/4HANA that manages the resources across the country in real time and gives us opportunity to make the best use of our resources to meet the objectives. Sadbhav also puts lot of thrust on the talent development and management and has been providing right platform to grow. Your Company has implemented SAP SuccessFactors, an innovative platform to manage human resources. Our well-laid HR policies and practices imbibe the spirit of performance, passion and persistence among the team members to bring out the best out of them. I would like to thank all our employees and stakeholders, for putting up their utmost hard work and being persistent till the goal was accomplished.

You would be glad to know that, Dun & Bradstreet India has published India's Top 500 Companies 2018 list and has ranked Sadbhav Engineering at 257 among Top 500 Companies in terms of Net Profit. This recognition has not only boosted our morale but also made us more determined to pursue the goals. I express the gratitude for your support and encouragement to Sadbhav on behalf of Board of Directors and assure you to take your Company to new heights in times to come.

Regards,



Shashin V. Patel
Chairman & Managing Director

2017-2018 Key Figures

Revenue

₹ **3505.06** crores

▲ 5.56% y-o-y growth

Net Profit

₹ **220.66** crores

▲ 17.47% y-o-y growth

Operating Profit before Tax and Non-recurring Items

₹ **216.27** crores

▲ 14.01% y-o-y growth

Revenue by Business



84%

Roads &
Highway

9%

Irrigation

7%

Mining

Order Book by Business

Transport Sector

₹ **10775.11** crores

Irrigation

₹ **453.87** crores

Mining

₹ **2020.35** crores

Dividend

100%