

REF:SEL:BSE;2013-14/13168
July 06, 2013

To,
The Dy. Gen. Manager,
Corporate Relationship Dept.,
Bombay Stock Exchange Limited
PJ Tower, Dalal Street,
Mumbai – 400 001
Equity Scrip Code: **532710**
Fax No.022-22722037-39

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

Sub:- Notice of Extraordinary General Meeting

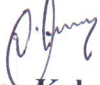
Dear Sir,

In compliance to Listing Agreement, we are enclosing herewith three copies of notice of Extra-ordinary General Meeting of the company to be held on July 29, 2013 at 11.00 A.M. at Lions Hall, Nr. Mithakhali, Six Roads, Ellisbridge, Ahmedabad – 380 006.

Kindly take on record and acknowledge.

Thanking you

For Sadbhav Engineering Limited



Vijay Kalyani
(Company Secretary)

Encl: As above

NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Members of the Company will be held on Monday, the 29th day of July, 2013 at 11.00 a.m., at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006 to transact the following business:

SPECIAL BUSINESS :

1. Preferential allotment of Warrants

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations"), and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act, 1999, Reserve Bank of India (RBI), or any other appropriate authorities, institutions and bodies, enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, the Stock Exchanges, RBI, Foreign Investment Promotion Board (FIPB), Central Government, Registrar of Companies and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder), the consent, authority and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot, from time to time, in one or more tranches, upto 80,00,000 (eighty lacs) fully convertible warrants aggregating upto Rs. 92.60 crores on a preferential basis in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, to one or more persons belonging to promoter and promoter group of the Company, entitling the holder of each warrant, in their sole discretion, to apply for 1 (one) equity share of the face value of Re. 1/- each of the Company against each such warrant (hereinafter referred to as the "Warrant(s)") at any time within 18 months from the date of allotment of the Warrants, in one or more tranches, for cash at an exercise price of Rs. 115.75 per Warrant ("Exercise Price") which is not less than the price calculated in accordance with Chapter VII of SEBI ICDR Regulations for preferential allotment of equity shares/ warrants and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment."

"RESOLVED FURTHER THAT the Exercise Price of the Warrants has been calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations. The "Relevant Date" for the purpose of calculating the Exercise Price of the Warrants is the date 30 days prior to the date of the Extraordinary General Meeting. As the relevant date falls on a weekend, the day preceding the weekend will be reckoned to be the relevant date. Thus, the Relevant Date for the purposes of calculating the Exercise Price for conversion of Warrants into equity shares is June 28, 2013.

"RESOLVED FURTHER THAT the issue of Warrants, if any, shall be subject to the following terms and conditions:

- a. The Warrants shall be allotted within a period of 15 days from the date of shareholders approval on the preferential issue of Warrants provided that where the allotment of the said Warrants is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days

from the date of such approval;

- b. Each Warrant shall be convertible into 1 (one) equity share of nominal value of Re. 1/- each at the Exercise Price of Rs. 115.75 per Warrant which is not less than the price calculated in accordance with the SEBI ICDR Regulations, at the sole option of the warrant holder(s) at any time, within a maximum period of 18 months, in one or more tranches, from the date of allotment of Warrants. The total number of equity shares to be allotted on conversion of the Warrants shall not exceed 80,00,000 (eighty lacs) equity shares.
- c. If the entitlement against the Warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such Warrants shall stand forfeited.
- d. The warrant holder(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to atleast 25% of the total consideration per Warrant.
- e. The warrant holder(s) shall, on or before the date of allotment of equity shares pursuant to the exercise of option against each such Warrant, pay the balance 75% or any other amount, as may be remaining unpaid, of the consideration per Warrant.
- f. The amount referred to in (d) above shall be non-interest bearing.
- g. The Warrants so issued shall be appropriately entitled to benefits, subject to the Companies Act, 1956, SEBI ICDR Regulations, Listing Agreement and any other applicable laws, rules, guidelines for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring. Further, in the event the Company makes a rights issue of equity shares with or without warrants, prior to the allotment of equity shares pursuant to conversion of Warrants, all warrant holder(s) will be entitled to such additional number of equity shares with or without warrants and on such terms as are offered to the shareholders in the rights issue.
- h. The equity shares allotted pursuant to conversion of Warrants will be subject to lock-in for a period of 3 years from the date of allotment of equity shares pursuant to exercise of Warrants.
- i. The Warrants and equity shares to be so created, offered, issued and allotted pursuant to conversions of said Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

"RESOLVED FURTHER THAT the preferential allotment of the Warrants be made to the below mentioned persons belonging to the promoter and promoter group of the Company:-

Sr. No.	Name of the allottee	No. of Warrants to be allotted
1	Mr. Vishnubhai M. Patel	56,00,000
2	Mr. Vikram R. Patel	12,00,000
3	Mr. Vasistha C. Patel	12,00,000

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Warrants or the equity shares resulting pursuant to conversion of Warrants or instruments representing the same, as described above the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of Warrants and the equity shares resulting pursuant to conversion of Warrants, resolving any difficulties, utilization of the issue proceeds, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaison with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of the equity shares resulting pursuant to conversion of Warrants, to appoint such consultants, legal advisors, advisors and all such

agencies as may be required for the issuance of Warrants and the equity shares resulting pursuant to conversion of Warrants and to pay any fees, remuneration, expenses relating thereto, and with power to settle all questions, difficulties or doubts that may arise in regard to such issue(s), allotment(s) and listing as it may, in its absolute discretion, deem fit.”

“RESOLVED FURTHER THAT the Board is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any such Warrants or as may be necessary in accordance with the terms of the offering, all such equity shares allotted pursuant to conversion of Warrants shall rank pari passu with the existing equity shares of the Company in all respects.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors or any other Officer or Officers of the Company.”

“RESOLVED FURTHER THAT all actions taken by the Board or Committees duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects.”

2. Raising of funds by way of Rights Issue

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81 and 81(1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI ICDR Regulations”), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subject to other applicable rules, regulations and guidelines issued by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Foreign Investment promotion Board (FIPB), Central Government, and any other appropriate authorities, institutions or bodies, enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, the stock exchanges and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder) the consent, authority and approval of the members of the Company be and is hereby accorded to create, offer and issue, equity shares of the Company of face value of Re. 1/- each (“Equity Share(s)”) and warrants convertible into Equity Shares for cash for a sum not exceeding Rs. 125 crores (Rupees one hundred twenty five crores only) on a rights basis (“Rights Issue”) to the Members of the Company as on the Record Date (to be fixed for the purpose) or to such person or persons who may or may not be shareholders of the Company in whose favour (in full or in part), the rights may be renounced by respective shareholders on such terms and conditions, as the Board may in its absolute discretion think fit, in consultation with the Lead Manager to the Rights Issue and/or such other persons as it may think fit.”

“RESOLVED FURTHER THAT the Rights Issue shall be subject to the following terms and conditions:

1. Equity Shares along with detachable warrants shall be issued to all persons (as per their entitlements) who holds equity shares of the Company on the record date. Record Date will be finalized in consultation with the stock exchanges;
2. The Equity Shares shall be issued at a price of Rs. 100/- per Equity Share (including a premium of Rs. 99/- per Equity Share);
3. Rights Issue will be made in the ratio of 1 (one) Equity Share alongwith 1 (one) detachable warrant for every thirty equity shares held on the record date (to be fixed later for the Rights Issue purpose);

4. Each detachable warrant issued alongwith the Equity Shares shall be convertible into 1 (one) equity share of face value of Re. 1/- each of the Company at an exercise price of Rs.100/-. Further, the Board shall be free to determine the terms of the Rights Issue and conversion of the warrants on which the warrants will be convertible into equity shares within a maximum period of 12 months, in one or more tranches, from the date of allotment of warrants;
5. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 12 months, such entitlement shall lapse;
6. The monies to be called for, from the shareholders, for the issue and allotment of Equity Shares alongwith detachable warrants shall be in such a manner as the Board may determine in its own discretion. Further, the Board shall ensure that the full amount payable in the Rights Issue is called within twelve months from the date of allotment in the Rights Issue;
7. Every equity shareholder who is eligible to apply under Rights issue shall have a right to renounce their rights entitlement being offered, in favour of any other person(s). Every equity shareholder(s) including renouncee(s) shall be entitled to apply for additional Equity Shares alongwith detachable warrants and the allotment of the additional Equity Shares alongwith detachable warrants shall be made in the proportion to be decided by the Board in consultation with stock exchanges;
8. The Equity Shares issued pursuant to the Rights Issue and on conversion of warrants as aforesaid shall rank pari passu with the existing equity shares of the Company in all respects;
9. The Equity Shares and detachable warrants shall be issued on such other terms and conditions as the Board may determine and as may be mentioned in the offer documents to be issued by the Company in respect of the Rights Issue and the Board be and is hereby authorized to finalize the same;
10. Treatment of fractional entitlements will be finalized in consultation with stock exchanges and disclosed in the offering documents.

RESOLVED FURTHER THAT the holders of any outstanding convertible securities as on the record date fixed for the purpose of rights issue, including warrants, issued by the Company, if any, shall, in addition to equity shares arising out of conversion of any outstanding convertible securities (including warrant) be entitled to such number of equity shares alongwith detachable warrants as have been issued under this Rights Issue. However, any such right over the entitlements shall only be exercisable upon conversion of the outstanding convertible securities (including warrants) in equity shares of face value of Re. 1 each of the Company and in the same manner as if the holders of any outstanding convertible securities (including warrant) were holding equity shares on the record date fixed for the purpose of rights issue. In case the outstanding convertible securities (including warrant) are not converted for any reason whatsoever, the holder of the outstanding convertible securities (including warrant) shall lose any such right over the rights entitlement.

RESOLVED FURTHER THAT:

- I. all monies received out of Rights Issue shall be transferred to separate bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956 and the Company shall have recourse to the proceeds of the Rights Issue only after the finalization of the basis of allotment;
- II. the details of all monies utilised out of the Rights Issue referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and
- III. details of all unutilised monies out of the Rights Issue, if any, referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and / or warrants, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things

as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into arrangements for managing, marketing, listing, trading and to issue any documents and writing and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the company to settle all questions, difficulties or doubts that may arise in regard to such offer (s) or issue (s) or allotment (s) as it may, in its absolute discretion, deem fit.”

Registered Office:

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

Place: Ahmedabad
Date: July 04, 2013

**By Order of the Board
For, Sadbhav Engineering Limited**

Sd/-

**(Vijay Kalyani)
Company Secretary**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANISATION.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of resolutions set out hereinabove is annexed hereto and forms part of this notice.
3. For the convenience of the members and for proper conduct of the meeting, members are requested to bring their copy/ printout of notice along with the attendance slips to the meeting and hand over the slips at the entrance duly signed by them.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESSES:**ITEM NO. 1****MATERIAL FACTS RELATING TO THE PREFERENTIAL ISSUE OF WARRANTS**

The Company is engaged in the business of infrastructure development like roads & highways, bridges, irrigation and mining operations. To support its growth plans the Company proposes to issue convertible warrants to one or more members belonging to the promoter and promoter group of the Company for any one or combination of the following objects:

1. Capital expenditure
2. Financial assistance to its subsidiaries by way of loan or by way of investment in equity
3. Repayment of loans
4. General corporate purposes

It is therefore proposed to issue upto 80,00,000 (eighty lacs) convertible warrants to one or more members belonging to the promoter and promoter group of the Company for cash at an exercise price of Rs. 115.75 per Warrant for an aggregate issue size of upto Rs. 92.60 crores. The Board has approved the same at its meeting held on July 4, 2013. The investment will be subject to customary conditions including receipt of shareholders approval, compliance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations"), Listing Agreement, Memorandum and Articles of Association of the Company, other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act, 1999, Reserve Bank of India (RBI), or any other appropriate authorities, institutions and bodies.

The equity shares allotted pursuant to conversion of such Warrants shall rank pari passu with all other equity shares of the Company in respect of all rights including dividend.

The Board has the necessary authority to issue, offer and allot upto 80,00,000 (eighty lacs) convertible Warrants and equity shares allotted pursuant to conversion of such Warrants. It may be noted that in terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of allottees and certain other

terms to the shareholders while seeking their approval for issuing Warrants on preferential basis, which are given below:

a) Object of the preferential issue :

To support its growth plans the Company proposes to issue convertible warrants to one or more members belonging to the promoter and promoter group of the Company for any one or a combination of the following objects:

1. Capital expenditure
2. Financial assistance to its subsidiaries by way of loan or by way of investment in equity
3. Repayment of loans
4. General corporate purposes

Type of security offered and the number of security offered

The Company proposes to offer, issue and allot upto 80,00,000 convertible Warrants each at an Exercise Price of Rs. 115.75 per Warrant for an aggregate issue size of upto Rs. 92.60 crores.

Important terms and conditions

- a. Each Warrant shall be convertible into 1 (one) equity share of nominal value of Re. 1/- each at the Exercise Price of Rs. 115.75 which is not less than the price calculated in accordance with the SEBI ICDR Regulations, at the sole option of the warrant holder(s) at any time within a maximum period of 18 months, in one or more tranches, from the date of allotment of Warrants. The total number of equity shares to be allotted on conversion of the Warrants shall not exceed 80,00,000 (eighty lacs) equity shares.
- b. If the entitlement against the Warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such Warrants shall stand forfeited.
- c. The warrant holder(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to atleast 25% of the total consideration per Warrant.
- d. The warrant holder(s) shall, on or before the date of allotment of equity shares pursuant to the exercise of option against each such Warrant, pay the balance 75% or any other amount, as may be remaining unpaid, of the consideration per Warrant.
- e. The amount referred to in (c) above shall be non-interest bearing.
- f. The Warrants so issued shall be appropriately entitled to benefits, subject to the Companies Act, 1956, SEBI ICDR Regulations, and Listing Agreement and any other applicable laws, rules, guidelines for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring. Further, in the event the Company makes a rights issue of equity shares with or without warrants prior to the allotment of equity shares pursuant to conversion of Warrants, all warrant holder(s) will be entitled to such additional number of equity shares, with or without warrants, and on such terms as are offered to the shareholders in the rights issue.
- g. The Warrants and equity shares to be so created, offered, issued and allotted pursuant to conversion of

said Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

The allotment of Warrants is subject to the condition that none of the person belonging to promoter(s) or the promoter group has sold his equity shares in the Company during the six months preceding the Relevant Date (defined below).

Under Chapter VII of the SEBI ICDR Regulations, issue of Warrants on a preferential basis shall be made at a price not less than higher of: (a) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the twenty six weeks preceding the Relevant Date or (b) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the two weeks preceding the Relevant Date;

The "Relevant Date" for determining the Exercise Price of Warrants shall be June 28, 2013 being the date which is 30 days prior to the date of passing of shareholders resolution i.e. July 29, 2013.

In our case, since the day 30 days prior to the date of passing of shareholders resolution falls on June 29, 2013, which is a Saturday (weekend), the day preceding has been reckoned to be the relevant date, i.e. June 28, 2013.

b) Intention of promoter/ directors/ key management personnel to subscribe to the offer :

Persons belonging to the promoter and promoter group of the Company intend to subscribe to the offer.

c) Pre-issue and Post-issue Shareholding Pattern of the Company :

Shareholder Category	% of shareholding before the proposed preferential allotment (as on June 30, 2013)		% of shareholding after the proposed preferential allotment*	
	No. of shares	%	No. of shares	%
Promoter and Promoter Group	7,38,35,880	48.92	8,18,35,880	51.49
Public	7,71,09,920	51.08	7,71,09,920	48.51
Total	15,09,45,800	100.00	15,89,45,800	100.00

**Assuming full conversion of Warrants into equity shares. While exercising the option for conversion of Warrants into equity shares, allottees will comply with applicable regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

d) Proposed time within which the allotment shall be complete :

As required under the SEBI ICDR Regulations, the Warrants shall be allotted within a period of 15 days from the date of shareholders approval on the preferential issue of Warrants provided that where the allotment of the said Warrants is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

e) Identity of the proposed allottees and percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer, consequent to the preferential issue :

Sr. No.	Name of the allottees	The maximum number of Warrants proposed to be allotted	Shareholding post conversion of Warrants into equity shares (%)*
1	Mr. Vishnubhai M. Patel	56,00,000	11.77
2	Mr. Vikram R. Patel	12,00,000	2.90
3	Mr. Vasistha C. Patel	12,00,000	2.01

**While exercising the option for conversion of Warrants into equity shares, allottees will comply with applicable regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

There will be no change in control of the Company consequent to the preferential issue.

f) The Company hereby undertakes that :

- It would re-compute the Exercise Price of the Warrants in terms of the provisions of the SEBI ICDR Regulations, if it is required to do so; and
- If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the equity shares allotted pursuant to conversion of Warrants shall continue to be locked in till the time such amount is paid by allottees.

Lock in

The equity shares allotted pursuant to conversion of Warrants will be subject to lock-in for a period of 3 years from the date of allotment of equity shares pursuant to exercise of Warrants.

The entire pre preferential allotment shareholding of the allottees, shall be locked in from the relevant date up to a period of six months from the date of preferential allotment of Warrants.

Auditor's Certificate

The Company is in the process of obtaining a certificate from M/s. Surana Maloo & Co., Statutory Auditors of the Company, certifying that the issue of the Warrants is being made in accordance with requirements of SEBI ICDR Regulations. A copy of this certificate shall be placed before the shareholders' at the extra-ordinary general meeting and the same will also be made available for inspection at the registered office of the Company during the hours between 10.00 a.m. and 5.00 p.m. until 15 days after the date of EGM.

Further, under section 81(1A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 1956, and SEBI ICDR Regulations to issue and allot Warrants on preferential basis as stated in the resolutions.

None of the Directors of the Company are in any way concerned or interested in this Resolution except for Mr. Vishnubhai M. Patel, Mr. Vikram R. Patel and Mr. Vasistha C. Patel with their relatives, being members of promoter and promoter group, who shall be allotted convertible Warrants pursuant to this resolution.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Warrants to persons who belong to the promoter and promoter group of the Company.

The Board of Directors of the Company recommends passing of the resolution as set out at item No. 1 of the notice.

ITEM NO. 2

MATERIAL FACTS RELATING TO THE RIGHTS ISSUE OF EQUITY SHARES AND DETACHABLE WARRANTS

It is proposed to raise the capital by issue of equity shares on a rights basis along with issue of detachable warrants from the existing shareholders of the Company, subject to the approval of the shareholders and compliances/approval

required to be obtained under applicable laws. The fund raising is required for any one or combination of the following objects:

1. Capital expenditure
2. Financial assistance to its subsidiaries by way of loan or by way of investment in equity
3. Repayment of loans
4. General corporate purposes.

However, the Board may at its discretion utilize such funds for any other purpose as it may deem fit including.

The resolution contained in the business of the notice relates to a proposal by the Company to create, offer, issue and allot equity shares and warrants convertible into equity shares for cash for a sum not exceeding Rs. 125 crores (Rupees one hundred and twenty five crores only) on a rights basis ("Rights Issue") (in accordance with provisions of applicable law) **(the "Securities")** to the Members of the Company as on the Record Date (to be fixed for the purpose).

Accordingly, the consent of the Members is being sought in accordance with Section 81, Sec 81 (1A) and other applicable provisions of the Companies Act, 1956, SEBI ICDR Regulations, Listing Agreement executed by the Company with the Stock Exchanges where the Company's shares are listed, enabling provisions of the Memorandum and Articles of Association of the Company and other applicable rules, regulations and guidelines.

None of the Directors of the Company is in any way concerned or interested in this Resolution except to the extent of their shareholding in the Company.

The special resolution, if passed, will have the effect of allowing the Board to proceed with the Rights Issue and allot Securities to the existing shareholders. Further, it will also allow the Board to issue and allot equity shares and warrants to the current holders of any outstanding convertible securities (including warrants). However, any such right over the entitlements shall only be exercisable upon conversion of the outstanding convertible securities (including warrants) in equity shares of face value of Re. 1 each of the Company and in the same manner as if the holders of any outstanding convertible securities (including warrant) were holding equity shares on the record date fixed for the purpose of rights issue. In case the outstanding convertible securities (including warrant) are not converted for any reason whatsoever, the holder of the outstanding convertible securities (including warrant) shall lose any such right over the rights entitlement.

The Board of Directors believes that the proposed Rights Issue is in the interest of the Company and therefore recommends the resolution for your approval.

Registered Office:

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

Place: Ahmedabad
Date: July 04, 2013

**By Order of the Board
For, Sadbhav Engineering Limited**

Sd/-

**(Vijay Kalyani)
Company Secretary**

SADBHAV ENGINEERING LIMITED

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

PROXY FORM

DP ID	
Client ID	

FOLIO NO	
NO OF SHARES	

I / We _____ of _____ being a Member / Members of

Sadbhav Engineering Ltd. hereby appoint Mr./ Ms. _____

of _____ or failing him/her Mr./Ms. _____ of _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Extraordinary General Meeting of the Company to be held on Monday, July 29, 2013 at 11.00 A. M. and at any adjournment(s) thereof.

Signed this _____ day of _____, 2013

Affix Re. 1/-
Revenue
Stamp

Signature

PROXY FORM MUST REACH COMPANY'S
REGISTERED OFFICE NOT LATER THAN 48 HOURS
BEFORE THE COMMENCEMENT OF THE MEETING

For Office use only

Date of Receipt

SADBHAV ENGINEERING LIMITED

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

ATTENDANCE SLIP

DP ID	
Client ID	

FOLIO NO	
NO OF SHARES	

Name and address of the Shareholder/Proxy holder

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Extraordinary General Meeting of the Company held on Monday, July 29, 2013 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad- 380006 at 11.00 A.M.

Member's / Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)

BOOK-POST

To,

If undelivered, please return to
SADBHAV ENGINEERING LIMITED

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