

**Ref: SEL/2024-25/028**

**May 08, 2024**

To,

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

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

**Equity Scrip Code:532710**

**Equity Scrip Name: SADBHAV**

**Subject: Notice of Extra-Ordinary General Meeting No. 01/2024-25 (“EGM”) of  
Sadbhav Engineering Limited (“the company”).**

Dear Sir/Madam,

This is to inform that an Extra-Ordinary General Meeting No. 01/2024-25 (“EGM”) of the Company will be held on Thursday, 30<sup>th</sup> May, 2024 at 03:30 p.m. through Video Conferencing (“VC”)/ Other AudioVisual Means (“OAVM”) in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we are submitting herewith the Notice of EGM which is being sent through electronic mode to the Members.

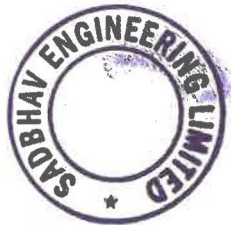
The Notice of EGM is also uploaded on the Company’s website and can be accessed at [www.sadbhaveng.com](http://www.sadbhaveng.com).

This is for your information and records.

Thanking You,

**For, Sadbhav Engineering Limited**

**Shashin V. Patel**  
**Chairman and Managing Director**  
**DIN: 00048328**



**Encl: As above**

**Sadbhav Engineering Limited**

Regd Office: “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006

T : +91 79 26463384 F : +91 79 26400210 E : info@sadbhav.co.in Web : www.sadbhav.co.in CIN : L45400GJ1988PLC011322

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**NOTICE OF EXTRA-ORDINARY GENERAL MEETING**

**NOTICE** is hereby given that an Extra-Ordinary General Meeting (“**EGM**”) No. 1/2024-25 of the members of Sadbhav Engineering Limited (“**the Company**”) will be held on Thursday, 30<sup>th</sup> day of May, 2024 at 03:30 p.m. (Indian Standard Time) through Video Conferencing (“**VC**”) or Other Audio Visual Means (“**OAVM**”) to transact the following business:

**SPECIAL BUSINESS:**

**1. ISSUANCE OF EQUITY SHARES ON A PREFERENTIAL BASIS (“PREFERENTIAL ISSUE”) TO THE PERSON BELONGING TO PROMOTER GROUP FOR CASH CONSIDERATION:**

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 Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Act**”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”), as amended from time to time, the listing agreement entered into by the Company with the BSE Limited (the “**Stock Exchange**”) on which the Equity Shares of the Company having Face Value of Rs. 1/- each (“**Equity Shares**”) are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“**MCA**”), the Securities and Exchange Board of India (“**SEBI**”) and/or any other competent authorities (hereinafter referred to as “**Applicable Regulatory Authorities**”) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, 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 mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Members of the Company (“**Members**”) be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time up to 90,00,000 (Ninety Lakh Only) fully Paid up Equity Shares of the Company having a Face Value of Rs. 1/- (Rupees One Only) each at a price of Rs. 32/- (Rupees Thirty Two Only) per Equity Share (including a premium of Rs. 31.00 (Rupees Thirty One Only) per share (‘**Preferential Allotment Price**’), aggregating to not exceeding Rs. Rs. 28,80,00,000/- (Rupees Twenty Eight Crores Eighty Lakhs Only) which is not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations (hereinafter referred to as the “**Price**”), to the below mentioned Proposed Allottees, on a preferential issue basis (“**Preferential Allotment**”) on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws.

**List of Proposed Allottee (s):**

<b>Name of the Proposed Allottee (s)</b>	<b>Address</b>	<b>Class or classes of person(s)</b>	<b>No. of Equity Shares to be allotted</b>
Shruti Shashin Patel	11 ,Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad City, Ahmedabad-380009, Gujarat	Promoter Group	90,00,000

**RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the Relevant Date for determining the price for the Preferential Issue of the Equity Shares be and is hereby fixed as Tuesday, 30<sup>th</sup> April 2024 being the working day preceding 30 days prior to the date of the Extra Ordinary General Meeting on which this special resolution is proposed to be passed.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of the Equity Shares under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a. The Equity Shares to be issued and allotted pursuant to the Preferential Issue shall be listed and traded on the Stock Exchange subject to receipt of necessary regulatory permissions and approvals as the case maybe.
- b. The Equity Shares allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations.
- c. The Equity Shares to be issued and allotted shall be fully paid up and rank pari passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- d. The Equity Shares shall be allotted in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.
- e. The allottees shall be required to bring in the entire consideration for the Equity Shares to be allotted to such allottee, on or before the date of allotment thereof.
- f. The Consideration for allotment of Equity Shares shall be paid to the Company from the Bank accounts of the allottees; and
- g. The Equity Shares so offered, issued and allotted shall not exceed the number of Equity Shares as approved herein above.

Without prejudice to the generality of the above, the issue of the Equity Shares shall be subject to the terms and conditions as contained in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof.

**RESOLVED FURTHER THAT** the minimum price of the equity shares so issued shall not be less than the price arrived at in accordance with Chapter V of the SEBI ICDR Regulations. The equity shares of the company have been frequently traded as on the relevant date and considering that the allotment to the proposed allottees not exceeding five percent of the post issue fully diluted share capital of the issuer. However, the company has obtained valuation report dated April 30 2024 issued by Mrs. Sejal Ronak Agrawal, Chartered Accountant, Registered Valuer (IBBI Registration No. IBB I/RV/06/2020 /13106, Registered Valuer and the price of the equity shares has been determined taking into account the valuation report of the registered valuer. (The valuation report is available for inspection at the Registered Office of the company during the business hours on any working days and the same can also access at Company's website i.e. [www.sadbhaveng.com](http://www.sadbhaveng.com)).

**RESOLVED FURTHER THAT** subject to SEBI (ICDR) Regulations and other applicable laws, the Board be and is hereby authorized to decide, approve, vary, modify and alter the terms and conditions of the issue of the Equity Shares, as it may, in its sole and absolute discretion deem fit within the scope of this approval of Members and expedient and to make an offer to the Proposed Allottees through private placement offer letter (in Form PAS-4 as prescribed under the Companies Act, 2013), without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** the monies received by the Company from the allottees for application of the Equity Shares pursuant to this preferential issue shall be kept by the Company in a separate bank account.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** the Company hereby takes note of the certificate from the Practicing Company Secretary certifying that the above issue of the Equity Shares is being made in accordance with the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose and for the purpose of giving effect to this resolution, including without limitation (i) to vary, modify or alter any of the relevant terms and conditions, attached to the Equity Shares to be allotted to the Proposed Allottees for effecting any modifications, changes, variations, alterations, additions and/or deletions to the preferential allotment as may be required by any regulatory or other authorities or agencies involved in or concerned with the issue of the equity shares, (ii) making applications to the stock exchanges for obtaining in-principle approvals, (iii) listing of shares, (iv) filing requisite documents with the Ministry of Corporate Affairs ("MCA") and other regulatory authorities, (v) filing of requisite documents with the depositories, (vi) to resolve and settle any questions and difficulties that may arise in the preferential allotment, (vii) issue and allotment of the Equity Shares, and (viii) to take all other steps which may be incidental, consequential, relevant or ancillary in relation to the foregoing without being required to seek any further consent or approval of the members of the Company, and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and the decision of the Board in relation to the foregoing shall be final and conclusive.

**RESOLVED FURTHER THAT** any Member of the Board and/ or Company Secretary of the Company be and are hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s) or any Officer(s) of the Company including making necessary filings with the Stock Exchange and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

**2. ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY ON PREFERENTIAL BASIS TO NON-PROMOTER ENTITIES FOR CASH CONSIDERATION:**

To consider and if thought fit, to pass the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section(s) 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (**“the Act”**) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (**“ICDR Regulations”**), including the provisions of Chapter V of the ICDR Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (**“Listing Regulations”**) and any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**), Ministry of Corporate Affairs (**“MCA”**), stock exchanges where the shares of the Company are listed namely, Bombay Stock Exchange Limited and National Stock Exchange of India Limited (collectively, **“Stock Exchanges”**), and/or any other statutory / regulatory authority, provisions under Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder, Memorandum of Association and Articles of Association of the Company, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities (including regulatory or statutory authorities), institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board Of Directors of the Company (hereinafter referred to as the **“Board”** which terms shall be deemed to include any committee(s) which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this resolution) and subject to any other alteration(s), modification(s), condition(s), correction(s), change(s) and variation(s) that may be decided by the Board in its absolute discretion, the consent and approval of the Members of the Company (**“Members”**) be and is hereby accorded to the Board to (i) offer, issue, and allot, from time to time in one or more tranches, up to 51,47,124 (Fifty One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) warrants, each convertible into 1 (one) fully paid-up equity share of the Company having face value of Rs. 1/- (Rupee One Only) each (hereinafter referred to as **“Warrants”**) at a price (including the Warrant Subscription Price and the Warrant Exercise Price) of Rs. 32.00/- (Rupees Thirty Two Only) including premium of Rs. 31.00 (Rupees Thirty One Only) each payable in cash (**“Warrant Issue Price”**), aggregating up to Rs. 16,47,07,968/- (Rupees Sixteen Crores Forty Seven Lakhs Seven Thousand Nine Hundred Sixty Eight Only) on a preferential basis, during the period commencing from the date of allotment of the Warrants until expiry of 18 (Eighteen) months from the said date of allotment, to such non-promoter investors / entity(ies) as listed below (**“Warrant Holder(s)”/“Proposed Allottee(s)”**) in accordance with the terms of the Warrants as set out herein, and in the explanatory statement to this notice calling EGM, and on such other terms and conditions as set out herein subject to applicable laws and regulations, including the provisions of Chapter V of the ICDR Regulations and the Act, as the Board may determine (the **“Preferential Issue”**).

S No.	Name of Proposed Allottee(s)/Warrant Holder(s)	Category	Maximum number of warrants to be issued and allotted	**Total Amount (In Rs.)

1.	ISAF III Onshore Fund (“ <b>Proposed Allottee 1</b> ”)	Non-Promoter, Alternate Investment Fund Category II	2552974	8,16,95,168
2.	IE India Special Asset Fund III IFSC LLP (“ <b>Proposed Allottee 2</b> ”)	Non- Promoter, Alternative Investment Fund Category III set up in International Financial Services Centre (i.e. Gift City AIF)	2594150	8,30,12,800
<b>Total</b>			<b>5147124</b>	<b>16,47,07,968</b>

Refer point no. 5 under Item No. 2 of the explanatory statement to the EGM notice for the basis on which price has been arrived.

*\*\* Twenty Five percent of the total consideration amount shall be paid by the respective Proposed allottees on or before the allotment Warrants and balance consideration i.e. Seventy-Five Per Cent shall be paid at the time of exercise of option attached to the Warrants.*

**RESOLVED FURTHER THAT** in accordance with the provisions of Regulation 161 of the ICDR Regulations, the “Relevant Date” for the purpose of calculating the floor price for the issue and allotment of the Warrants is Tuesday, 30 April 2024 being the working day preceding the date that is 30 (thirty) days prior to the scheduled date of this EGM.

**RESOLVED FURTHER THAT** the minimum price of the Warrants so issued shall not be less than the price arrived at in accordance with Chapter V of the ICDR Regulations. The equity shares of the company have been frequently traded as on the Relevant Date. The proposed Preferential Issue to the Proposed Allottees is not exceeding 5% (five per cent) of the post issue fully diluted share capital of the Company, the Company has obtained valuation report dated April 30 2024 (“**Valuation Report**”) issued by Mrs. Sejal Ronak Agrawal, Chartered Accountant, Registered Valuer (IBBI Registration No. IBBI/RV/06/2020/13106) (“**Registered Valuer**”). The price of each warrant that has been determined taking into account the Valuation Report is Rs. 32 (Please refer to the explanatory statement for the details of the Valuation Report obtained in relation to the Company). The Valuation Report is available for inspection at the Registered Office of the Company during the business hours on any working days and the same can also access at Company’s website i.e. [www.sadbhaveng.com](http://www.sadbhaveng.com)).

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the Preferential Issue of the Warrants and allotment of equity shares on the exercise of the Warrants shall be subject to the following terms and conditions, apart from others as detailed in the explanatory statement to this notice and as prescribed under applicable laws and as per the warrant subscription agreement to be executed between the Company and each of the Proposed Allottees:

- a) the Warrant Holder(s) shall, subject to the ICDR Regulations and other applicable rules and regulations, be entitled to apply for and be allotted 1 (One) equity share against each Warrant;
- b) the tenure of the Warrant(s) in accordance with the Regulation 162 of ICDR Regulations shall not exceed 18 (Eighteen) months from the date of their allotment.
- c) the equity shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association

of the Company and shall rank pari-passu with then existing equity shares of the Company in all respects including dividend and voting rights. The Warrant(s) may be converted into equity shares of the Company by the Warrant Holder(s) at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants.

- d) subject to maximum entitlement of each Warrant Holder as specified in the table above, the minimum amount of Rs. 8/- (Rupees Eight Only), which is equivalent to 25% (twenty-five per cent) of the Warrant Issue Price (“**Warrant Subscription Price**”), shall be paid by the respective Warrant Holders to the Company on or before allotment of the Warrant(s). The balance consideration of Rs. 24/- (Rupees Twenty-Four Only) which is equivalent to 75% (seventy-five per cent) of the Warrant Issue Price (“**Warrant Exercise Price**”) shall be paid by the respective Warrant Holder(s) to the Company at the time of exercise of the rights attached to the Warrant(s), to convert the Warrant(s) into fully paid up equity shares of the Company.
- e) the Warrant Holders shall be entitled to exercise the option to convert any or all of the Warrants into equity shares of the Company, in one or more tranches, at any time on or before the expiry of 18 (eighteen) months from the date of allotment of the Warrants by issuing a written notice (“**Conversion Notice**”) to the Company, specifying the number of Warrants proposed to be converted and the date designated as the specified conversion date (“**Conversion Date**”). The Company shall accordingly, without any further approval from the Members, allot the corresponding number of equity shares in dematerialized form on the Conversion Date mentioned in the Conversion Notice, subject to receipt of the relevant Warrant Exercise Price from the respective Warrant Holder into the designated bank account of the Company.
- f) the respective Warrant Holders shall make payment of Warrant Subscription Price and Warrant Exercise Price from their own bank account into the designated bank account of the Company and in the case of joint holders, the Warrant Subscription Price and Warrant Exercise Price shall be received from the bank account of the person whose name appears first in the application.
- g) the tenure of Warrants shall not exceed 18 (eighteen) months from the date of allotment of the Warrants. In the event the right attached to the Warrants to apply for the equity shares of the Company is not exercised by the Warrant Holder(s) within 18 (eighteen) months from the date of allotment of the Warrants, the unexercised Warrants shall lapse, and the amount paid by the Warrant Holder(s) in relation to such Warrants, at the time of subscription, shall stand forfeited by the Company.
- h) in terms of Regulation 166 of the ICDR Regulations, the price of Warrants determined above and the number of equity shares of the Company to be allotted on exercise of the Warrants shall be subject to appropriate adjustments, if applicable. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the Warrants shall continue to be locked- in till the time such amount is paid by the Warrant Holder.
- i) the Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of rights attached to such Warrants shall be subject to lock-in (if applicable) as specified in the provisions Chapter V of the ICDR Regulations;
- j) upon exercise of the option by Warrant Holder(s) to convert the Warrant(s) into the equity shares of the Company, the Company shall issue and allot appropriate number of equity shares and perform all such actions as are required including to credit the same to the designated demat account of the respective Warrant Holders.

- k) the equity shares to be allotted on exercise of Warrants shall be listed on the Stock Exchanges where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals, as may be required;
- l) the Warrant(s) shall not carry any voting rights until they are converted into equity shares of the Company and the Warrants by itself, until exercised and converted into equity shares, shall not give to the Warrant Holders thereof any rights with respect to that of an equity shareholder of the Company;

**RESOLVED FURTHER THAT** the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the ICDR Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and ICDR Regulations, without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable laws, the consent of the Members be and is hereby accorded to record the name and address of the Warrant Holders and issue a private placement offer cum application letter in Form **PAS-4** to the Warrant Holders inviting them to subscribe to the Warrants.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board (including any Person authorized by the Board) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deems necessary or desirable for such purpose, without being required to seek any further consent or approval of the Members, including but not limited to the following:

- (i) to offer, issue and allot the Warrants and such number of equity shares of the Company as may be required to be issued and allotted upon exercise/conversion of the Warrants held by the Warrant Holder(s);
- (ii) to issue certificates/ clarifications on the issue and allotment of Warrants and thereafter allotment of equity shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), to negotiate, finalize and execute the necessary documents and enter into contracts, arrangements, agreements, memorandum, documents to give effect to the resolutions above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants and listing and trading of equity shares issued on exercise of rights attached to Warrants), including making applications to Stock Exchanges for obtaining of in-principle approval, filing of requisite documents with the ROC, Stock Exchanges, National Securities Depository Limited (“NSDL”), Central Depository Services (India) Limited (“CDSL”) and/ or such other authorities as may be necessary for the purpose of this resolution as per the terms and conditions of the ICDR Regulations, Listing Regulations and other applicable guidelines, rules and regulations;
- (iii) to take all such steps as may be necessary for the admission of the Warrants and equity shares of the Company (to be issued on exercise of the rights attached to the Warrants) with NSDL and CDSL and for the credit of such Warrants / equity shares of the Company to the respective dematerialized securities account of the Warrant Holders;
- (iv) to delegate all or any of the powers conferred on it by this resolution, to any director(s) or officer(s) or committee(s), executive(s), company secretary or authorized signatory(ies) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, in its absolute direction, to give effect to the above resolutions including making necessary filings with



the Stock Exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint consultants, professional advisors and legal advisors to give effect to the aforesaid resolutions, and also to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

**3. TO CONSIDER AND APPROVE THE DIVESTMENT BY THE COMPANY OF ITS SHAREHOLDING AND BENEFICIAL INTEREST IN ITS MATERIAL SUBSIDIARY I.E. SADBHAV GADAG HIGHWAY PRIVATE LIMITED (“SGHPL”) AND APPROVE SALE, DISPOSAL, AND LEASE OF ASSETS HAVING VALUE EXCEEDING 20% OF THE ASSETS OF SGHPL ON AN AGGREGATE BASIS DURING A FINANCIAL YEAR PURSUANT TO THE PROVISIONS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 24 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( **LISTING** Regulations’) and other applicable Securities Exchange Board of India (“SEBI”) regulations, applicable provisions of the Companies Act, 2013 (“**Act**”) read with the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable laws, notifications, clarifications, circulars, rules and regulations issued by the Government of India or other governmental or statutory authorities, the consent of the Members of the Company (“**Members**”) be and is hereby accorded to the Board of Directors of the Company (“**Board**”) to (1) create pledge or any other security or encumbrance over the shareholding of the Company in SGHPL to secure the obligations of the Company and/or SGHPL and/or any other affiliates in respect of any borrowings availed by them and disposal by way of enforcement of any such security and consequent sale, transfer, alienation, appropriation, exchange of Company’s shareholding in SGHPL, whether or not such action results in reduction of the Company’s shareholding to less than 50% (fifty percent) or ceasing to exercise of control by the Company over SGHPL pursuant to the terms and conditions set out in any financing document and in which case, neither the Members nor the Board shall be required to provide any further consent in relation to such action; (2) create charge, mortgage, hypothecation or any other encumbrance to secure the obligations of the Company and/or SGHPL and/or any other affiliates in respect of any borrowings availed by them (and disposal upon enforcement of such security or other encumbrance), and/or by way of slump sale, asset sale or through other contractual arrangements having value more than 20% of the assets of SGHPL on an aggregate basis, present or future, during a financial year, in favour of potential investors / lenders / buyers/ security agents / trustees for securing or providing comfort in relation to financial indebtedness of the Company and/or SGHPL and/or any other affiliates, for any purpose in connection with the business activities of the Company and/or SGHPL and/or any other affiliates, including but not limited to the borrowing availed / proposed to be availed by the Company and/or SGHPL and/or any other affiliates, in one or more tranches, on such terms and conditions (including timing, manner and extent of creation of lien or encumbrance) as the Board and / or the Board of SGHPL and/or Board of any other affiliates may in their absolute discretion decide or deem fit in the best interest of the Company and / or SGHPL and/or any other affiliates and neither the Members nor the Board shall be required to provide any further consent in relation to such action.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and any of the committee thereof as may be delegated by the Board from time to time be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary or incidental thereto and to settle, approve, ratify and finalize all issues, questions, difficulty or doubt that may arise in this regard, without further referring to and/or requiring any further consent from the Members, including without limitation, settle, negotiate, finalize, sign and execute any deed(s) of assignment/transfer, documents, undertakings, agreements, papers, writings, memoranda and/or such other document(s) as may be required in this regard at their own discretion and to file applications, make representations, seek approvals and consents as may be necessary or expedient in this regard and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary and to do all necessary and incidental acts to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or any committee or any other official of the Company or any other officer(s)/authorized representative(s) of the Company or any advisor, consultant, agent or intermediary authorized pursuant to the above resolution, duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects as may be deemed necessary and to do all necessary and incidental acts to give effect to this resolution.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and any Director of the Company or the Company Secretary be and are hereby authorized to issue a certified true copy of the aforesaid resolution wherever necessary.”

Date: 30-04 2024  
Place: Ahmedabad  
Registered Office:  
“Sadbhav House”,  
Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad – 380006  
CIN : L45400GJ1988PLC011322

By Order of the Board of Directors  
**Sadbhav Engineering Limited**  
Sd/-  
Shashin V. Patel  
Chairman and Managing Director  
DIN: 00048328

**NOTES:**

1. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by MCA (hereinafter collectively referred to as “MCA Circulars”), and Securities and Exchange Board of India (“SEBI”) vide its Master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, have permitted companies to conduct EGM through VC or other audio-visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the EGM of the Company is being convened and conducted through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the Members is not available for this EGM. However, the body corporates are entitled to appoint authorised representatives to attend the EGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. An explanatory statement setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
4. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 (ten) days before the date of meeting to enable Management to keep information ready.
6. In line with the aforesaid MCA Circulars, the notice of EGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice has been uploaded on the website of the Company at [www.sadbhaveng.com](http://www.sadbhaveng.com) and weblink of the same is <https://www.sadbhaveng.com/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The Members can join the EGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM without restriction on account of first come first served basis.
8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Share Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this matter. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20th April, 2018, it has been mandated the Company/ RTA to obtain copy of PAN Card and Bank Account details from all the shareholders holding shares in physical form. Accordingly, shareholders who are holding shares in physical mode are requested to kindly furnish self-attested copy of your PAN card and original cancelled Cheque leaf/Attested Bank Passbook showing the name of Account holder along with an application. With effective from 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.  
  
Therefore, all shareholders who are holding shares in physical mode are requested to kindly dematerialize the equity shares of the Company at the earliest.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website through weblink <https://www.sadbhaveng.com/> (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in

case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.

10. Voting through electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the Members, the facility to exercise their right to vote at the EGM by electronic means and the business may be transacted through remote e-voting. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the EGM will be provided by Central Depository Services (India) Ltd. (CDSL)

**The procedure and instructions for voting through electronic means are as follows:**

- **SECTION A - E-VOTING PROCESS:**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company. Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- **If you are a first time user follow the steps given below:**

6. After entering these details appropriately, click on “SUBMIT” tab.
7. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN of Sadbhav Engineering Limited.
10. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

11. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
12. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
13. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
15. If Demat account holder has forgotten the same password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
16. Shareholders can also use mobile app – “m-Voting” for e-voting. Shareholders may log in to m – Voting using their e voting credentials to vote for the Company resolution(s).

**17. Note for Non – Individual Shareholders and Custodians:**

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**18. Process for those shareholders whose email ids are not registered:**

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [selinfo@sadbhav.co.in](mailto:selinfo@sadbhav.co.in), on or before Friday, 17<sup>th</sup> May, 2024.
- b) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**19. Note for Non – Individual Shareholders and Custodians.**

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**20. Process for those shareholders whose email ids are not registered:**

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [selinfo@sadbhav.co.in](mailto:selinfo@sadbhav.co.in) , on or before Friday, 17<sup>th</sup> May, 2024.
- b) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
- d) which is mandatory while e-Voting & joining virtual meetings through Depository.

**SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:**

- i. The facility for voting through electronic voting system shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting earlier shall be able to exercise their right at the meeting through e-voting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- ii. The remote e-voting period commences on Monday, 27<sup>th</sup> May, 2024 (9:00 a.m. IST) and ends on, Wednesday, 29<sup>th</sup> May, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 23<sup>rd</sup> May, 2024 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
- iii. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- iv. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and

password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evotingindia.com](http://www.evotingindia.com).

- v. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (M. No.: FCS 2587; CP No: 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad: 380006) has been appointed as a scrutinizer for this EGM and Electronic Voting Process.
- vi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- vii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**21. The instructions for shareholders voting on the day of the EGM one-voting system are as under:**

- i. The procedure for e-Voting on the day of the EGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the EGM.
- iii. If any Votes are cast by the members through the e-voting available during the EGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- iv. Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the EGM.

**22. Instructions for members for attending the EGM through VC / OAVM are as under:**

- i. Member will be provided with a facility to attend the EGM through VC/OAVM or view the live webcast of EGM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders’/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before EGM mentioning their name, demat account number / folio number, email id, mobile number at [selinfo@sadbhav.co.in](mailto:selinfo@sadbhav.co.in) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the EGM. Relevancy of question & order of speakers at the meeting will be decided by the Chairman.
- vi. The shareholders who do not wish to speak during the EGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- vii. Since the EGM will be held through VC/OAVM, the Attendance Slip, Proxy form & Route Map is not annexed in this Notice.

**Other Instructions:**

- I. The remote e-voting period commences on Monday, May 27, 2024 @9.00 a.m. and ends on Wednesday, May 29, 2024 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Thursday, May 23, 2024, may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Thursday, May 24, 2024.
- III. Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), has been appointed as the Scrutinizer to scrutinize the Ballot and e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, immediately after the conclusion of voting at the extra-ordinary general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote-e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days from the conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any of the Director or CEO or Company Secretary of the Company.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sadbhaveng.com](http://www.sadbhaveng.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two working days of the passing of the resolutions at the EGM of the Company to be held on Thursday, May 30, 2024 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**SPECIAL BUSINESS:**

**ITEM NO. 1**

In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of shareholders of the Company by way of special resolution is required for issue & allotment of equity shares to proposed allottee(s) belonging to promoters' group / Non-promoters' group on a preferential basis.

The Company is in the process of improving market share and enhancing shareholders' value, implementation of these would require infusion of additional funds in the Company. Further to strengthen the financial position, towards balance construction cost, general corporate purposes including the EPC bills of the Gadag Project of the Company, the management has proposed the preferential issue of Equity Shares. The proceeds of the proposed issue may be utilized for any of the aforesaid purposes to the extent permitted by law. The Company has accordingly proposed the preferential issue of its securities and as a reflection of the confidence that the promoters have in the future of the Company, the proposed allottee(s) belonging to promoters' group and of the Company have agreed to subscribe to and infuse further capital to strengthen its financial position and net worth. The Board of Directors at their meeting held on Tuesday, 30<sup>th</sup> April, 2024 had, subject to the approval of the members of the Company ('Members') and such other approvals as may be required, approved the issue of upto 90,00,000 (Ninety Lakhs Only) Equity Shares on a preferential basis of Face value of Rs. 1/- each at a price of Rs. 32/- (including a premium of Rs.31/- (Rupees Thirty One) per equity share to the proposed allottee(s) belonging to promoter group of the Company, as detailed hereunder, on a preferential basis as may be determined as per the provisions of chapter V of SEBI (ICDR) Regulations, 2018 and in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion;

Pursuant to the above transaction, there would be no change in the management or control or would not result in transfer of ownership of the Company.

Necessary information/details in relation to the Preferential Issue as required under the SEBI ICDR Regulations and the Companies Act, 2013 ("Act") read with the rules issued there under, are set forth below:

**1. Purpose/Objects of the Preferential Issue**

The Company is in the process of improving market share and enhancing shareholders' value, implementation of these would require infusion of additional funds in the Company. Further to strengthen the financial position, towards balance construction cost, general corporate purposes including the EPC bills of the Gadag Project of the Company & to augment the financial resources of the Company, the management has proposed the preferential issue of Equity Shares. The

proceeds of the proposed issue may be utilized for any of the aforesaid purposes to the extent permitted by law. The Company has accordingly proposed the preferential issue of its securities and as a reflection of the confidence that the promoters have in the future of the Company, the proposed allottee(s) belonging to promoters' group of the Company has agreed to subscribe to and infuse further capital to strengthen its financial position and net worth.

**2. Particulars of the Preferential issue including date of passing of Board resolution**

The Board of Directors at its meeting held on Monday, April 30, 2024 has, subject to the approval of the Members and such other approvals as may be required, approved the issuance of upto 90,00,000 (Ninety Lakhs Only) Equity Shares of the face value of Rs. 1/- only per Equity Share, at a price of Rs. 32/- (Rupees Thirty Two Only) per Equity Share at a premium of Rs. 31/- per Equity Share, aggregating up to Rs. 28,80,00,000 (Rupees Twenty Eight Crores Eight Lakhs Only) to the proposed allottee, for cash consideration, by way of a preferential issue.

**3. Kinds of securities offered and the price at which security is being offered and the total / maximum number of shares or other securities to be issued**

Up to 90,00,000 (Ninety Lakhs Only) Equity Shares of the face value of Rs. 1/- only per Equity Share of the Company, at a price of Rs. 32/- (Rupees Thirty Two Only) per Equity Share (at a premium of Rs.31/- per Equity Share), aggregating up to Rs. 28,80,00,000 (Rupees Twenty Eight Crore Eighty Lakhs Only), such price being not less than the minimum price as on the Relevant Date (as set out below) determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

**4. Basis on which the price has been arrived at and justification for the price (including premium, if any).**

The Equity Shares of the Company are listed on BSE Limited and NSE Limited. The Equity Shares of the Company are frequently traded in accordance with Regulation 164(1) of the ICDR Regulations. For the purpose of computation of the price per Equity Share, Trading of Shares in BSE Limited, the stock exchange has been considered.

The Floor Price of Rs. 32/- is determined as per the pricing formula prescribed under SEBI ICDR Regulations for the Preferential Issue of Equity Shares and is higher of the following:

- a. 90 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE Limited ('BSE') preceding the Relevant Date: i.e. Rs. 27/- per Equity Share;
- b. 10 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the BSE Limited ('BSE') preceding the Relevant Date: i.e. Rs. 32/- per Equity Share.

However, the Floor price per Equity Share of Rs.32/- (Rupees Thirty Two Only) is higher than the above Price determined in accordance with Regulation 164 (1) of SEBI ICDR Regulations.

**5. The price or price band at/within which the allotment is proposed**

The Floor price per Equity Share to be issued is fixed at Rs. 32/- (Rupees Thirty Two Only) which consists of Rs.1/-- (Rupees One Only) as Face Value and Rs. 31/- (Rupees Thirty One Only) as premium per Equity Share. Kindly refer to the abovementioned point no. 4 for the basis of determination of the price.

**6. Relevant Date with reference to which the price has been arrived at**

In terms of the provisions of Chapter V of the SEBI ICDR Regulations and in accordance with the explanation to Regulation 161 of the SEBI ICDR Regulations, the relevant date for determining the price for the Preferential Issue is Tuesday, April 30, 2024, being the working 30 day preceding prior to the date of this EGM, which happens to be May 30, 2024.

**7. The class or classes of persons to whom allotment is proposed to be made:**

Name of the Proposed Allottee (s)	Address	Class or classes of person(s)	No. of Equity Shares to be allotted
Shruti Shashin Patel	11, Hindu Colony, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad City, Ahmedabad-380009, Gujarat	Promoter Group	9000000

**8. Intention/Proposal of promoters, directors or key managerial personnel or Senior Management to subscribe to the offer**

The Promoters of the Company have conveyed to the Company in writing of their respective intention that to grow our business, they are desirous to support the business and therefore the person belonging to promoter and promoter group is intending to subscribe to the offer being proposed under special resolution under Item no. 1 of the notice for shareholders' approval at this meeting. However, none of the Directors / Key Managerial Personnel or Senior Management are intending to subscribe to this offer.

**9. The proposed time frame within which the allotment shall be completed**

As required under the SEBI ICDR Regulations, the Equity Shares shall be allotted by the Company within a maximum period of 15 days from the date of passing of this Resolution, provided that where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

**10. The pre issue and post issue shareholding pattern of the Company**

The pre issue shareholding pattern of the Company as on March 31, 2024 and the post-issue shareholding pattern (considering full allotment of shares issued on preferential basis) is mentioned herein below:

No.	Category	Pre Issue		Post Issue	
		No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
<b>A</b>	<b>Promoters Holding:</b>				
<b>A1</b>	Indian:				
<b>1.</b>	Individuals / HUF	49549481	28.88%	58549481	32.42%
<b>2.</b>	Bodies Corporate	12588500	7.34%	12588500	6.98%

<b>3.</b>	Financial Institutions/Banks	-	-	-	-
<b>4.</b>	Trust	-	-	-	-
<b>5.</b>	Others	-	-	-	-
	<b>Sub Total (A1)</b>	62137981	36.22%	71137981	39.40%
<b>A2</b>	Foreign Promoters	-	-	-	-
	<b>Sub Total (A2)</b>	62137981	36.22%	71137981	39.40%
	<b>TOTAL A (A1+A2)</b>	62137981	36.22%	71137981	39.40%
<b>B</b>	<b>Non-Promoters holding:</b>				
<b>B1</b>	<b>Institutions</b>				
	Financial Institutions / Banks	15814732	9.22%	15814732	8.76%
	<b>Sub Total (B1)</b>	-	-	-	-
<b>B2</b>	<b>Non-Institution:</b>				
	Bodies Corporate	20380141	11.88%	20380141	11.29%
	Individuals	68075264	39.68%	68075264	37.70%
	Clearing Members	43	0.00%	43	0.00%
	HUF	2393902	1.40%	2393902	1.33%
	LLP	815096	0.48%	815096	0.45%
	Indian Public	-	-	-	-
	Others (Including NRIs)	1953641	1.14%	1953641	1.08%
	<b>Sub Total (B2)</b>	93618087	54.56%	93618087	51.85%
	<b>TOTAL B (B1+B2)</b>	109432819	63.78%	109432819	60.60%
	<b>GRAND TOTAL (A+B)</b>	171570800	100.00%	180570800	100.00%

\*Note:

- The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottee would have subscribed to and been allotted all the Equity Shares. In the event for any reason, the Proposed Allottee does not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
- It is further assumed that shareholding of the Company in all other categories will remain unchanged.

The Company will ensure compliance with all applicable laws and regulations including the SEBI ICDR Regulations at the time of allotment of Equity Shares of the Company.

#### **11. Material terms of raising such securities**

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

#### **12. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price**

During the year, no preferential allotment has been made to any person as of the date of this Notice.

#### **13. The names of the proposed allottee(s) and the percentage of post preferential offer of Equity Shares that may be held by them:**

Proposed Allottee (s)	Prior holding		Equity Shares to allot	Post holding (assuming all the Equity Shares are allotted)	
	No. of Shares held	% of Shareholding		No. of Shares held	% of Shareholding
Shruti Shashin Patel	-	-	9000000	9000000	4.98%

**14. Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue:**

Proposed Allottee(s)	Category	Name of the natural persons who are the ultimate beneficial owners	Prior Holding		New Equity Shares to be allotted	Post holding (assuming all the Equity Shares are allotted)	
			No. of Shares Held	% of shareholding		No. of Shares Held	% of shareholding
Shruti Shashin Patel	Promoter Group	Shruti Shashin Patel	-	-	9000000	9000000	4.98%

**15. The change in control, if any, in the Company that would occur consequent to preferential offer**

There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential allotment however there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment.

**16. Valuation and Justification for the allotment proposed to be made for consideration other than cash**

Not Applicable as the allotment shall be made against cash

**17. The Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.**

During the year Company has not made any allotment on preferential basis.

**18. Name and Address of Valuer who performed valuation:**

The Valuation Report dated April 30, 2024 issued by M/s Sejal Ronak Agrawal, a Registered Valuer (Chartered Accountants having office at 7, Ritu Apartment, Bhairavnath Road, Maninagar, Ahmedabad-380008, Gujarat.

**19. Lock-in Period**

The Equity Shares to be allotted on a preferential basis shall be locked-in for such period as specified under Regulations 167 of the SEBI ICDR Regulations.

## **20. Listing**

The Company will make an application to BSE Limited and National Stock Exchange of India Ltd. at which the existing shares are already listed, for listing of the equity shares being issued. Such Equity Shares, once allotted, shall rank pari passu with the existing equity shares of the Company in all respects, including dividend.

## **21. Undertakings**

- a. None of the Company, its Directors or Promoters has been declared as wilful defaulter or fraudulent borrower as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- b. The Company is eligible to make the Preferential Issue to its Investor under Chapter V of the SEBI ICDR Regulations.
- c. As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164 (1) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- d. The Company shall re-compute the price of the Equity Shares to be allotted under the Preferential Allotment in terms of the provisions of SEBI ICDR Regulations where it is required to do so.
- e. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Equity Shares to be allotted under the Preferential Allotment shall continue to be locked-in till the time such amount is paid by the allottees.
- f. The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchanges and the Listing Regulations, as amended and circulars and notifications issued by the SEBI thereunder.

## **22. Principle terms of assets charged as securities: Not Applicable**

## **23. Company Secretary's Certificate**

The certificate from Ravi Kapoor & Associates, Practicing Company Secretary, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting and will also be made available on the Company's website and will be accessible at link: <https://www.sadbhaveng.com/>

## **24. Other disclosures**

- a. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of Equity Shares under the Preferential Issue is for a cash consideration.
- b. The proposed allottee have confirmed that they have not sold any Equity Shares of the Company during the 90 trading days preceding the Relevant Date.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to proposed allottees is being sought by way of a special resolution as set out in the said item no. 1 of the Notice. Issue of the Equity Shares pursuant to the Preferential Issue would be within the Authorized Share Capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the resolution at **Item No. 1** of the accompanying Notice for approval by the Members of the Company as a Special Resolution.

Except Mr. Shashin Patel None of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 1 of this notice except and to the extent of their shareholding in the Company.

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company during the business hours from Monday to Friday between 11.00 a.m. to 01.00 p.m. upto the date of EGM.

## **ITEM No. 2**

Pursuant to provisions of Section(s) 23(1)(b), 42 and 62(1)(c) and other provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the rules made thereunder and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (“**Listing Regulations**”) as amended from time to time, any preferential allotment of securities on private placement basis need to be approved by the shareholders of the Company (“**Members**”) by way of special resolution.

The Board of Directors of the Company (“**Board**”) at their meeting held on April 30, 2024 approved raising of funds aggregating up to Rs. 16,47,07,968/- (Rupees Sixteen Crores Forty-Seven Lakhs Seven Thousand Nine Hundred Sixty -Eight Only) by way of issuance of up to 51,47,124 (Fifty One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of Rs. 1/- (Rupees One Only) each (“**Warrants**”) at a price of Rs. 32.00/- (Rupees Thirty- Two Only) each including premium of Rs. 31/- (Rupees Thirty One Only) payable in cash (“**Warrant Issue Price**”), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months, to such non promoter investors/ entity (ies) as listed below (referred to as the “**Warrant Holder(s)**” or “**Proposed Allottee(s)**”), by way of a preferential issue through private placement offer (the “**Preferential Issue**”).

The Proposed Allottees have also confirmed their eligibility in terms of Regulation 159 of ICDR Regulations to subscribe to the Warrants to be issued pursuant to the Preferential Issue.

The consent of the Members is being sought to raise funds by issuance of Warrants for cash consideration as may be permitted under applicable laws in accordance with the provisions of the Act and rules made thereunder, ICDR Regulations and Listing Regulations , as amended from time to time till date.

The Company is eligible to make the Preferential Issue in terms of the provisions of Chapter V of the ICDR Regulations. There will be no change in the control or management of the Company pursuant to the proposed Preferential Issue, upon allotment of Warrants (including equity shares upon conversion of the Warrants).

The salient features of the Preferential Issue, including disclosures in terms of Rule 13 of Companies (Share Capital and Debentures) Rule, 2014 and Chapter V of ICDR Regulations SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, required to be made in the explanatory statement to the EGM notice are set out below:

**Disclosures required in terms of Rule 13 of Companies (Share Capital and Debentures) Rules, 2014**

**1. Objects of the Preferential Issue:**

The Company intends to utilize the proceeds raised through the Preferential Issue (“**Issue Proceeds**”) primarily towards the following objects

- (a) For meeting the working capital requirements of the Company; and
- (b) General Corporate Purposes  
(collectively referred to as the “**Objects**”)

By addressing these Objects, the Company seeks to strengthen its financial position, improve operational capabilities, and pursue growth opportunities.

**Schedule of Implementation and Deployment of Issue Proceeds**

<b>Warrants</b>
The proceeds equivalent to 25% (Twenty Five Per cent) of the Warrants Issue Price convertible into Equity Shares will be received by the company at the time of subscription of the Warrants. The balance 75% (Seventy Five Per Cent) of the Warrant Issue Price shall be received by the Company upon exercise of rights attached to the Warrants by the Warrant Holders (within eighteen months from the date of allotment of the warrants) and as estimated by our management, the entire proceeds received from the Preferential issue would be utilized for all the above-mentioned objects, in phases, as per the Company’s business requirements and availability of issue proceeds. Up to 25% (Twenty-Five Percent) amount by December 2024 and remaining 75% (Seventy Five percent) amount by 15 <sup>th</sup> December, 2025, (if the Warrants are converted into equity shares of the Company

**Monitoring of Utilization of Funds**

Appointment of monitoring agency in terms of Regulation 262 (1) of the ICDR Regulations is not applicable as the Preferential Issue is less than Rs. 100,00,00,000/- (Rupees One Hundred Crores Only).

**2. Maximum number of specified securities to be issued:**

The Board intends to issue securities of the Company in the following manner:

Issue and allot up to 51,47,124 (Fifty One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) warrants, each convertible into equity shares, or exchangeable for, 1 (one) fully paid-up equity share of the Company presently of face value of Rs. 1/- (Rupee One Only) each.

Thus, based on the assumption that all the warrants will be converted in the equity shares of the Company, the Company intends to issue a maximum of 51,47,124 (Fifty One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) equity shares of face value Rs. 1/- (Rupees One Only) per share at a price as determined under Regulation 164 of ICDR Regulations.

**3. The price or price band at/within which the allotment is proposed:**

**In relation to Warrants to be issued to Proposed Allottee 1:** As the Proposed Allottee 1 is a ‘qualified institutional buyer’ under the ICDR Regulation, the minimum issue price or floor price for issue of each Warrants Warrant to the Proposed Allottee 1 as determined in accordance with



Regulation 164(4) read with Regulation 161 of Chapter V of the ICDR Regulations is arrived at Rs. 32.00 (Rupees Thirty-Two Only) including premium of Rs. 31.00 (Rupees Thirty-One Only).

This Conversion price is higher than the minimum price prescribed in accordance with Regulation 164(4) of Chapter V of the ICDR Regulations with the relevant date for the computation of the aforesaid price being April 30, 2024 (viz. 30 (Thirty) days prior to the scheduled date of this EGM)

**In relation to Warrants to be issued to Proposed Allotee 2:** The minimum issue price or floor price for issue of each Warrants to the Proposed Allotee 2 as determined in accordance with Regulation 164(1) read with Regulation 161 of Chapter V of the ICDR Regulations is arrived at Rs. 32.00 (Rupees Thirty-Two Only) including premium of Rs. 31.00 (Rupees Thirty-One Only).

This Conversion price is higher than the minimum price prescribed in accordance with Regulation 164(1) of Chapter V of the ICDR Regulations with the relevant date for the computation of the aforesaid price being April 30, 2024 (viz. 30 (Thirty) days prior to the scheduled date of this EGM)

**4. Date of Board Resolution:**

Date of passing of Board resolution for approving the Preferential Issue: Tuesday, April 30, 2024

**5. Relevant Date:**

In accordance with the provisions of Regulation 161 of the ICDR Regulations, the “Relevant Date” for the purpose of calculating the floor price for the issue of Warrants is Tuesday, April 30, 2024 being the working day preceding the date that is 30 (thirty) days prior to the date of this EGM.

**6. Basis on which the minimum issue price has been arrived at and justification for the price (including premium, if any) along with report of the Independent registered valuer:**

**Justification for the pricing of the Warrants to be issued to Proposed Allotee 1:**

As the Proposed Allotee 1 is a ‘qualified institutional buyer’ under the ICDR Regulation, in terms of Regulation 164(4) of the ICDR Regulations, preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days’ volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date. Pursuant to the above, the minimum issue price for the Warrants to be allotted to Proposed Allotee 1 determined in accordance with regulation 164(4) read with regulation 161 of Chapter V of ICDR Regulations is Rs. 32/- (Rupees Thirty-Two only).

The pricing certificate dated April 30, 2024 issued by M/s Sejal Ronak Agrawal, a Registered Valuer Chartered Accountants having office at 7, Ritu Apartment, Bhairavnath Road, Maninagar, Ahmedabad-380008, Gujarat. certifying the computation of price of Rs.32/- (Rupees Thirty- Two only) in accordance with regulation 164(4) of Chapter V of ICDR Regulations is available on the Company’s website at link: [www.sadbhaveng.com](http://www.sadbhaveng.com).

**Justification for the pricing of the Warrants to be issued to Proposed Allotee 2:**

The equity shares of the Company are listed and traded on BSE and NSE and the equity shares of the Company are frequently traded in accordance with regulation 164(5) of the ICDR Regulations. The trading volume of the equity shares of the Company was higher on NSE during the preceding 90 (ninety) trading days prior to the Relevant Date for computation of price of equity shares including equity shares to be issued and allotted upon exercise of right attached to the Warrants. Therefore, the trading volume of the equity shares on NSE has been considered to determine the issue price of the Warrants.

In terms of the provisions of regulation 164(1) of ICDR Regulations, the price at which the Warrants to be issued to Proposed Allottee 2 (including the equity shares of the Company arising on exercise of the rights attached to the Warrants) shall be allotted shall not be less than higher of the following:

- (a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- (b) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Pursuant to the above, the minimum issue price for the Warrants to be issued to Proposed Allottee 2 as determined in accordance with regulations 164(1) read with regulation 161 of Chapter V of ICDR Regulations is Rs. 32/- (Rupees Thirty-Two only).

The pricing certificate dated April 30, 2024 issued by M/s Sejal Ronak Agrawal, a Registered Valuer Chartered Accountants having office at 7, Ritu Apartment, Bhairavnath Road, Maninagar, Ahmedabad-380008, Gujarat. certifying the computation of price of Rs.32/- (Rupees Thirty Two only) in accordance with regulation 164(1) of Chapter V of ICDR Regulations is available on the Company's website at link: [www.sadbhaveng.com](http://www.sadbhaveng.com).

In view of the above, the minimum price for each Warrants to be issued to the Proposed Allottee is arrived at the Rs.32/-(Rupees Thirty Two only).

The Board has fixed the price of Rs.32/- (Rupees Thirty -Two only) being the price not less than the minimum price as mentioned above.

It is to be noted that the Articles of Association of the Company does not provide any condition for the valuation of equity shares of the company.

There is no change in control upon Preferential Issue to the Proposed Allottees.

**7. The class or classes or persons to whom the allotment is proposed to be made:**

The Preferential Issue of Warrants is proposed to be made to Proposed Allottees who are (i) Alternate Investment Fund Category II; and (ii) Alternative Investment Fund Category III set up in International Financial Services Centre (i.e. Gift City AIF) both being the non promoter entities.

**8. Intention of the Promoters/ Promoter Group, Directors, Key Managerial Personnel or Senior Management to subscribe to the preferential issue:**

No promoters or directors or key managerial personnel or senior management of the Company will subscribe to the proposed Preferential Issue, and they will not be making any contribution as part of the offer.

**9. Names of the proposed allottees to whom allotment is proposed to be made and the percentage (%) of post-preferential offer capital that may be held by them and Change in Control, if any, consequent to the Preferential Allotment:**

Sr. No.	Name of the Proposed Allottees	Category	Pre- Preferential Allotment		Maximum Number of equity shares proposed to be issued	Maximum Number of warrants proposed to be issued	*Post-Preferential Allotment	
			No. of Shares	% of voting rights			No. of Shares	% of voting rights
1	ISAF III Onshore Fund	Non-Promoter, Alternate Investment Fund Category II	--	--	2552974	2552974	2552974	1.37%
2	IE India Special Asset Fund III IFSC LLP	Non-Promoter, Alternative Investment Fund Category III set up in International Financial Services Centre (i.e. Gift City AIF)	--	--	2594150	2594150	2594150	1.40%

*Assuming all the Warrants issued pursuant to this issue are converted into equity shares of the Company*

There shall be no change in the management or control of the Company pursuant to the abovementioned Preferential Issue or consequent allotment of equity shares of the Company upon conversion of Warrants. However, voting rights will change in accordance with the shareholding pattern. Further, the proposed Preferential Issue to the proposed allottees is more than five percent of the post issue fully diluted share capital of the Company.

**10. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not applicable. The allotment of Warrants is made for consideration payable in cash.

**11. Proposed time frame within which the preferential issue shall be completed:**

Pursuant to Regulation 170 of ICDR Regulations, preferential allotment of the Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the special resolution of the Members of the Company or within such other statutory time limits as may be prescribed by the regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority(ies) for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.

**12. The numbers of persons to whom allotment on preferential basis have already been made during the year, in terms of securities as well as price: Not Applicable**

**13. The pre issue and post issue shareholding pattern of the Company:**

The pre issue shareholding pattern of the Company as on March 31, 2024 and the post-issue shareholding pattern (*subject to conversion of all the Warrants by the Proposed Allotees into equity shares of the Company*) is mentioned herein below:

No.	Category	Pre Issue		Post Issue	
		No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
<b>A</b>	<b>Promoters Holding:</b>				
<b>A1</b>	Indian:				
<b>1.</b>	Individuals / HUF	49549481	28.88%	58549481	31.52%
<b>2.</b>	Bodies Corporate	12588500	7.34%	12588500	6.78%
<b>3.</b>	Financial Institutions/Banks	-	-	-	-
<b>4.</b>	Trust	-	-	-	-
<b>5.</b>	Others	-	-	-	-
	<b>Sub Total (A1)</b>	62137981	36.22%	71137981	38.30%
<b>A2</b>	Foreign Promoters	-	-	-	-
	<b>Sub Total (A2)</b>	62137981	36.22%	71137981	38.30%
	<b>TOTAL A (A1+A2)</b>	62137981	36.22%	71137981	38.30%
<b>B</b>	<b>Non-Promoters holding:</b>				
<b>B1</b>	<b>Institutions</b>				
	Financial Institutions /MF Banks	15814732	9.22%	20961856	11.29%
	<b>Sub Total (B1)</b>	-	-	-	-
<b>B2</b>	<b>Non-Institution:</b>				
	Bodies Corporate	20380141	11.88%	20380141	10.97%
	Individuals	68075264	39.68%	68075264	36.66%
	Clearing Members	43	0.00%	43	0.00%
	HUF	2393902	1.40%	2393902	1.29%
	LLP	815096	0.48%	815096	0.44%
	Indian Public	-	-	-	-
	Others (Including NRIs)	1953641	1.14%	1953641	1.05%
	<b>Sub Total (B2)</b>	93618087	54.56%	93618087	50.40%
	<b>TOTAL B (B1+B2)</b>	109432819	63.78%	114579943	61.70%
	<b>GRAND TOTAL (A+B)</b>	171570800	100.00%	185717924	100.00%

\*Note:

- (i) The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allotees would have subscribed to and been allotted all the equity shares of the Company upon conversion of the Warrants. In the event for any reason, the Proposed Allottee(s) does not or are unable to exercise the option attached to the Warrants and/or are not allotted the equity shares of the Company, the shareholding pattern in the above table would undergo corresponding changes.
- (ii) It is further assumed that shareholding of the Company in all other categories will remain unchanged.

**14. The change in control or allotment of more than five percent to an allottee or to allottees acting in concert if any, of the Company that would occur consequent to preferential offer:**

There shall be no change in the management or control of the Company upon issuance and allotment of the Warrants and conversion of Warrants to the equity shares of the Company upon exercise of the rights attached to the Warrants by the Proposed Allotees.

**15. Undertakings**

- a. None of the Company, its Directors or Promoters has been declared as wilful defaulter or fraudulent borrower as defined under the ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the ICDR Regulations.
- b. The Company is eligible to make the Preferential Issue to the Proposed Allotees under Chapter V of the ICDR Regulations.
- c. As the Equity Shares of the Company have been listed for a period of more than 90(Ninety) days as on the Relevant Date, the provisions of Regulation 164 (1) of the ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- d. The Company is in compliance with the conditions for continuous listing of its Equity Shares as specified in the listing agreement with the Stock Exchanges and the Listing Regulations, as amended and circulars and notifications issued by the SEBI thereunder.

**The additional disclosures/terms related to the Preferential Issue of Warrants are as follows:**

**A. Principle terms of assets charged as securities:** Not Applicable

**B. Tenure**

The Warrants shall be convertible into equity shares of the Company within a period of 18 (eighteen) months from the date of allotment of the Warrants. Upon exercise of the option by the allottee to convert the Warrants within the tenure as specified above, the Company shall ensure that the allotment of equity shares is completed within 15 (fifteen) days from the date of such exercise by the Proposed Allottee(s).

**C. Conversion and other related matters:**

- (i) The Warrant Holders shall, subject to the ICDR Regulations and other applicable rules, regulations and laws, shall have the right to convert the Warrants into fully paid up equity shares of the Company of face value of Rs. 1/- (Rupees One Only) each in one or more tranches, by delivering a notice of conversion (“**Conversion Notice**”) to the Company requesting the conversion of the relevant number of Warrants into equity shares of the Company, on the date designated as the specified conversion date in the Conversion Notice (“**Conversion Date**”).
- (ii) The conversion ratio is 1 (one) equity share in lieu of 1(one) warrant;
- (iii) Prior to the Conversion Date, the Warrant Holder shall pay the Warrant Exercise Price for the relevant Warrant (s) it proposes to convert, and the Company shall, upon receipt of such payment in the designated bank account, on the conversion Date, in accordance with applicable law to issue and allot equity shares (free and clear of all encumbrances other than lock in prescribed under applicable law) to the Warrant holder in lieu of the relevant Warrants.
- (iv) The Company shall issue and allot the equity shares to the Warrant Holder in dematerialized form and seek final approval from the Stock Exchanges for listing the equity shares allotted to the Warrant Holders pursuant to conversion of the Warrants.
- (v) The Warrant Holders shall make the relevant disclosures required under applicable law, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, in relation to the Preferential Issue and conversion of the Warrants. In the event, a Warrant Holder does not exercise the right attached to Warrant(s) within a period of 18 (Eighteen) months from the date of allotment of such Warrant(s), the unexercised Warrants shall lapse and the amount paid by the Warrant Holders on such Warrants shall stand forfeited by the Company.

**D. Lock – in:**

The Warrants and the equity shares issued upon conversion of the Warrants shall be locked in, in accordance with Chapter V of the SEBI ICDR Regulations.

**E. Rights**

The Warrants shall not carry any voting rights until they are converted into equity shares of the Company.

**Disclosures required in terms of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:**

**1. Name and address of valuer who performed valuation:**

The valuation was performed by independent valuer, Mrs. Sejal Ronak Agrawal, a Registered Valuer (Reg. IBBI/RV/06/2020/13106) having office at 7, Ritu Apartment, Bhairavnath Road, Maninagar, Ahmedabad-380008, Gujarat. The Valuation Report dated April 30, 2024 is available for inspection at the registered office of the Company during the business hours on any working days and further shareholders can also access the valuation report from the Company's website i.e. [www.sadbhaveng.com](http://www.sadbhaveng.com)

**2. Practicing Company Secretary Certificate:**

The certificate dated April 30, 2024 pursuant to Regulation 163(2), Part III of Chapter V of the ICDR Regulations is issued by M/s. Ravi Kapoor and Associates, Practicing Company Secretary having office at 4<sup>th</sup> Floor, Shaival Plaza, Gujarat College, Ellisbridge, Ahmedabad-38006, Gujarat, certifying that the preferential issue is being made in accordance with the requirements contained in the ICDR Regulations, will be placed before the Members at the Extra Ordinary General Meeting and is also available for inspection at the Registered Office of the company during the business hours on any working days, such certificate is hosted on the Company's website and is accessible at link [www.sadbhaveng.com](http://www.sadbhaveng.com)

**3. Objects of the preferential issue:**

The company intends to utilize the proceeds raised through the Preferential Issue primarily towards the following objects:

- (a) For meeting the working capital requirements of the Company; and
- (b) General Corporate Purposes

(Collectively referred to as the “**Objects**”)

By addressing these Objects, the Company seeks to strengthen its financial position, improve operational capabilities, and pursue growth opportunities.

**4. Maximum number of specified securities to be issued:**

51,47,124 (Fifty One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) warrants, each convertible into equity shares, or exchangeable for, 1 (one) fully paid-up equity share of the Company.

Thus, based on the assumption that all the Warrants will be converted in the equity shares of the Company, the Company intends to issue a maximum of 51,47,124 (Fifty-One Lakhs Forty Seven Thousand One Hundred Twenty Four Only) equity shares of face value Rs. 1/- (Rupees One Only) per share at a price as determined under Regulation 164 ICDR Regulations.

**5. Intent of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer:**

No other promoters, directors or key managerial personnel or senior management of the Company will subscribe to the proposed Preferential Issue, and they will not be making any contribution as part of the offer.

**6. Shareholding pattern of the issuer before and after the preferential issue:**

Same as above.

**7. Time frame within which the preferential issue shall be completed:**

Pursuant to Regulation 170 of ICDR Regulations, preferential allotment of the Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the special resolution of the Members of the Company or within such other statutory time limits as may be prescribed by the regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority(ies) for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.

**8. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees:**

As provided in the table below

**9. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:**

Same as above

**10. Undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so:**

The Company agrees and undertakes that it shall re-compute the price of the Warrants in terms of the provisions of Chapter V of the ICDR Regulations where it is required to do so

**11. Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees:**

The Company agrees and undertakes if the amount payable on account of the re-computation of price is not paid within the time stipulated in ICDR Regulations, the relevant securities to be allotted under the preferential allotment shall continue to be locked in till the time such amount is paid.

**12. The current and proposed status of the Proposed Allottee(s) post the Preferential Issue namely, promoter or non promoter:**

The Proposed Allotees are non-promoter entities.

**13. Disclosures specified in Schedule VI of the ICDR Regulations if the issuer of any of its promoters or directors is a wilful defaulter:**

(a) Name of the person declared as a wilful defaulter: Nil

(b) Name of the Bank declaring the person as a wilful defaulter: Nil

(c) Year in which the person was declared as a wilful defaulter: Nil

(d) Outstanding amount when the person was declared as a wilful defaulter: Nil

- (e) Steps taken, if any, by the person for removal of its name from the list of wilful defaulters: Nil
- (f) Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision: Nil
- (g) Any other disclosure as specified by the Board. Nil

**14. SEBI Takeover code:**

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchanges.

**15. Other disclosures/undertaking:**

- (a) The Proposed Allottees has confirmed that they have not sold or transferred any equity shares of the Company during the 90 (Ninety) trading days preceding the Relevant Date. The Proposed Allottees have further confirmed that they are eligible under ICDR Regulations to participate in the Preferential issue.
- (b) The equity shares to be allotted by the Company on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects including dividend, and voting rights, with then existing equity shares of the Company.
- (c) The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the (ICDR) Regulations.
- (d) Neither the Company nor any of its directors or promoters are categorized as willful defaulter(s) or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulter(s) issued by the Reserve Bank of India. Consequently, the disclosures required under Regulation 163 of the ICDR Regulations are not applicable.
- (e) Neither the Company nor any of its directors and / or promoters is a fugitive economic offender as defined under the ICDR Regulations.
- (f) The entire pre-preferential allotment shareholding of the Proposed Allottees, if any, shall be locked-in from the Relevant Date up to a period of 90 (Ninety) trading days from the date of trading approval as per the ICDR Regulations.
- (g) The Company is not required to re-compute the price of the equity shares in terms of the provisions of the ICDR Regulations. Since the equity shares of the Company are listed on recognized Stock Exchanges for a period of more 90 (Ninety) trading days prior to the Relevant Date, the Company is neither required to re-compute the price nor is required to submit an undertaking as specified under applicable provisions of ICDR Regulations.
- (h) The Company has obtained the Permanent Account Numbers (PAN) of the Proposed Allottees, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the Stock Exchange(s) where its equity shares are listed;



- (i) The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories;
- (j) The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders approval by way of special resolution.
- (k) The Company has complied with the applicable provisions of the Act. The provisions of Section 62 of the Act (as amended from time to time) and the ICDR Regulations.
- (l) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of equity shares under Preferential Issue is for a cash consideration.

Details required for ultimate beneficial owners (UBO) of proposed allottees in compliance with Regulation 163(1)(f) of ICDR Regulations, 2018 and SEBI Circular CIR/MIRSD/2/2013 dated January 24, 2013.

Details of the beneficial owners of proposed allottees:

Sr. No.	Name of the Allottee	DPID/CLIE NT ID	Category of the Allottee	Name of beneficial owners of proposed allottee	PAN of the beneficial owners of proposed allottee
1	ISAF III Onshore Fund	IN301348 / 20199008	Category II AIF	There is no natural person holding more than 10% for ISAF III Onshore Fund. ISAF III Onshore Fund being a trust has been settled by Edelweiss Alternative Asset Advisors Limited and its trustee is Vistra ITCL (India) Limited, and the fund is represented by its investment manager Edelweiss Alternative Asset Advisors Limited. The senior managing official being Mr. Amit Agarwal.	Not Applicable
2	IE India Special Asset Fund III IFSC LLP*	IN301348/ 20438521	Category III AIF (set up in International Financial Services Centre (i.e. Gift City AIF))	Shirsha Ganguly (S.M.O. Senior Managing Official under PMLA) The fund management entity of this proposed allottee is Edelweiss Alternative Asset Advisors Limited (IFSC Branch).)	ALGPG0620H

The Company shall make adjustment in the price of the relevant securities to be allotted under the preferential issue in terms of the provisions of ICDR Regulations where it is required to do so, including pursuant to Regulation 166 of the ICDR Regulations, if required.

The documents (including Valuation Reports) referred to in the Notice, for which this shareholder's approval is being obtained, will be available for inspection during business hours on all working days

of the Company (Except Saturday, Sundays and Public holidays) without any fee by the members from the date of circulation of this Notice up to the date of EGM i.e. Thursday, May 30, 2024.

Your directors recommend the passing of the Resolution No. 2 as a **Special Resolution** by the Members.

None of the Directors or Key Managerial Personnel and/ or their immediate relatives, are in any way, concerned or interested, financially or otherwise, in the above resolution as set out at Item No. 2 of this Notice.

### **ITEM NO. 3**

#### **a. Introduction and transaction structure**

It has been proposed by the management of the Company, to create security by way of pledge over entire share capital of SGHPL held by the Company and assets of Sadbhav Gadag Highway Private Limited ('SGHPL'), as may be required by the lenders of the Company and/or SGHPL and/or any other affiliates, which (in the event of enforcement/default) may lead to divestment of such shares and assets.

#### **b. Overview of SGHPL**

Sadbhav Gadag Highway Private Limited, a material subsidiary of the Company, was incorporated on 29<sup>th</sup> June, 2018 with an object to construct two laning with paved shoulder of Gadag to Honnali (Km 105.500 to Km 205.290 of SH 57 and Km 215.335 to Km 253.713 of SH 26), 138.2 km in the State of Karnataka under KSHIP3-ADB II-CW-ITB-Package 3 on Hybrid Annuity Mode.

#### **c. Rationale of the Proposed Transaction**

Sadbhav Gadag Highway Private Limited, a material subsidiary of the Company, proposes to issue non-convertible debentures, upto Rs. 267 Crores which is proposed to be utilised *inter alia* towards balance construction cost, general corporate purposes including EPC bills of the Gadag Project (as mentioned above), and for such borrowing and/or any other borrowings availed by the Company and/or SGHPL and/or any other affiliates, the Company being holding company may be required to provide security by way of pledge over entire share capital of SGHPL held by the Company and create charge or other encumbrance on assets of the Company and/or SGHPL subject to approval of the Members.

It has, therefore, been thought prudent by the management of the Company to create pledge/security on the entire share capital of SGHPL held by the Company and on the assets of SGHPL, to secure the obligations of the Company and/or SGHPL and/or any other affiliates. The Company may also be required to provide pledge or other security over shares and assets of SGHPL for the purpose of securing or providing comfort in relation to one or more financial indebtedness that may be availed by the Company and/ or SGHPL and/or any other affiliates.

#### **d. Regulatory Requirement**

Regulation 24(5) of SEBI (Listing Obligations and Disclosure Regulations) 2015 provides that a listed entity shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code. Material subsidiary for the purpose of Regulation 24 of the Listing Regulations shall mean a subsidiary, whose income or net worth exceeds twenty percent of

the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Further, Regulation 24(6) of SEBI (LODR) Regulations, 2015 provides that no company shall sell, dispose and lease of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

Since SGHPL is the material subsidiary of the Company, the proposed transaction will require Shareholders' approval by way of Special resolution in terms of Regulation 24 of the said Regulations.

**e. Recommendation of the Board**

The Board of Directors recommend the special resolution as stated in Item No. 3 of the accompanying Notice for the approval of the Members of the Company.

None of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution except to the extent of their respective shareholding, if any, in the Company.

Date: 30-04-2024  
Place: Ahmedabad

**Registered Office:**  
"Sadbhav House",  
Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad – 380006  
CIN: L45400GJ1988PLC011322

By Order of the Board of Directors  
**Sadbhav Engineering Limited**  
Sd/-  
Shashin V. Patel  
Chairman and Managing Director  
DIN: 00048328