

Ref: SEL/2019-20/41

October 19, 2019

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

To,
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

Dear Sir/Madam,

Sub: Outcome of Board Meeting

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly take note that the Board of Directors of Sadbhav Engineering Limited ("the Company or SEL") at its meeting held today i.e. Saturday, October 19, 2019, have considered and approved a scheme of merger and arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), subject to the approvals as required, between the Company and Sadbhav Infrastructure Project Limited ("SIPL"), a Subsidiary Company of the Company engaged in the business of infrastructure activities. The Scheme is subject to necessary statutory and regulatory approvals including the approval of the National Company Law Tribunal.

In consideration for the merger of SIPL with SEL, in terms of the Scheme and based on the Valuation Report issued jointly by Independent Chartered Accountants, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants and fairness opinion provided by M/s. Inga Ventures Private Limited, a Category-I Merchant Banker, SEL will issue and allot 1 (One) equity share of SEL of Re.1/- fully paid up for every 3 (Three) equity shares of SIPL of Rs.10/- each fully paid up held in SIPL and whose names are recorded in the register of members on the Record Date and on the Scheme becoming effective, the equity shares held by SEL in SIPL shall stand cancelled.

The disclosure in respect of the above Scheme of Amalgamation as required under Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 is attached herewith as **Annexure - A**.

The meeting of Board of Directors commenced at 5:30 p.m. and concluded at 09:30 p.m.

You are requested to take note of the same.

Thanking You,
Yours Faithfully,

For, Sadbhav Engineering Ltd.



Tushar Shah
Company Secretary
Mem. No. F7216
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

Annexure A

Disclosure in terms of Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI circular No. CIR/ CFD/CMD/4/2015 dated September 09, 2015.

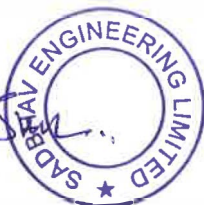
Sr. No.	Details of Events need to be provided	Information of such Events																		
1.	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as size, turnover, etc.	<p>Name of the entity(ies) with details in Brief: Sadbhav Engineering Limited (Transferee Entity) is a public limited company incorporated under the Companies Act, 1956, having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmdabad-380006, Gujarat (the "Transferee Company"). The equity shares of the Transferee Company are listed on the BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and the debentures issued by the Transferee Company are listed on the BSE under the debt market segment.</p> <p>Sadbhav Infrastructure Project Limited (Transferor Entity) is a public limited company incorporated under the Companies Act, 1956, having its registered office at Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmdabad-380006, Gujarat (the "Transferor Company"). The equity shares of the Transferor Company are listed on the BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and the debentures issued by the Transferor Company are listed on the BSE under the debt market segment.</p> <p>Sadbhav Engineering Ltd. (SEL) - Transferee Company (In Rs. Millions)</p> <table border="1"> <thead> <tr> <th>SEL</th> <th>Net Worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>Standalone</td> <td>20,336.69</td> <td>35,394.03</td> </tr> <tr> <td>Consolidate</td> <td>8,350.01</td> <td>52,238.11</td> </tr> </tbody> </table> <p>Sadbhav Infrastructure Project Limited (SIPL) - Transferor Company (In Rs. Millions)</p> <table border="1"> <thead> <tr> <th>SEL</th> <th>Net Worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>Standalone</td> <td>14,373.75</td> <td>2,950.27</td> </tr> <tr> <td>Consolidate</td> <td>(5,485.94)</td> <td>35,415.18</td> </tr> </tbody> </table>	SEL	Net Worth	Turnover	Standalone	20,336.69	35,394.03	Consolidate	8,350.01	52,238.11	SEL	Net Worth	Turnover	Standalone	14,373.75	2,950.27	Consolidate	(5,485.94)	35,415.18
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2.	Whether the acquisition would fall within related party transaction(s)? If yes, whether the same is done at "arm's length";	<p>The Transferor Company is a Subsidiary of the Transferee Company and hence related party as per section 2(76)(viii) of the Companies Act, 2013 and this transaction is done at arm's length. However, the proposed merger does not fall within the purview of proviso to Section 188 of the Companies Act, 2013 as clarified vide general circular No. 30/2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs.</p> <p>Further, pursuant to Regulation 23(5)(b) of the Listing Obligations and Disclosure Regulation, 2015 the relevant related party provisions are not applicable to the proposed scheme.</p>																		

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3.	Area of business of the entity(ies)	<p>SEL is engaged in Construction of Roads & Highways, Bridges, Mining and Irrigation supporting infrastructure. Transferee Company is engaged infrastructure.</p> <p>SIPL engaged in the promotion and development of projects in the infrastructure sector on a commercial basis and also providing project development management services for infrastructure projects especially in the highways sector and providing infrastructure facilities</p>
4.	Rationale for amalgamation / merger	<p>The Transferor Company is a subsidiary of the Transferee Company, the proposed amalgamation will be beneficial to both the Transferor Company and the Transferee Company, their shareholders, creditors and other stakeholders as follows:</p> <ol style="list-style-type: none"> The amalgamation will enable consolidation of the businesses into one combined entity - facilitating simplified corporate structure, productive utilization of combined resources, operational and administrative efficiencies, economies of scale, reduction in overheads & other expenses, reduced inter-company transactions and reduction in the multiplicity of legal and regulatory compliances. Improvement in competitive position of the Transferee Company as the combined entity will have expanded business pre-qualifications, increased network to enable bid for larger and more complex infrastructure projects, improved credit rating due to better combined financial position, and better access to funds for growth opportunities. Benefits of complementary skills of the combined management team which will enhance overall corporate capability, focused strategic leadership and better supervision of the business. Further amalgamation will result in direct shareholding by all the shareholders in the combined business leading to larger and diversified shareholder base, better trading and liquidity position in the equity shares, relatively higher market capitalization.
5.	In case of cash consideration - amount or otherwise share exchange ratio	<p>The consideration is in the form of issue of equity shares. The share exchange ratio based on the Valuation Report issued jointly by Independent Chartered Accountants, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants which is confirmed by the fairness opinion issued by Inga Ventures Private Limited, a Category-I Merchant Banker, the consideration is as follows:</p> <p>1 (One) equity share of Sadbhav Engineering Limited of Re. 1/- fully paid up for every 3 (Three Only) equity shares of Sadbhav Infrastructure Project Limited of Rs. 10/- each fully paid up.</p>



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		The aforesaid Joint Valuation Report and Fairness Opinion have been duly considered, approved and recommended for Board's approval by the Audit Committee, pursuant to which the Board of Directors of the Company have also considered and accorded their approval for the same.																							
6.	Brief details of change in shareholding pattern (if any) of listed entity	Sadbhav Engineering Limited (SEL) Shareholding Pattern:																							
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T. Kumar Suresh

