

**Ref: SIPL/2019-20/0064**

**19<sup>th</sup> October, 2019**

To,  
The Manager (Listing)  
Corporate Relationship Dept.  
**BSE Limited**  
P J Tower,  
Dalal Street,  
Mumbai - 400 001

The Manager (Listing)  
**National Stock Exchange of India Limited**  
"Exchange Plaza",  
Plot No C/1, G Block  
BandraKurla Complex, Bandra (E)  
Mumbai - 400 051

**Company Code: 539346 (BSE)**

**NSE Symbol: SADBHIN (NSE)**

Dear Sir/ madam,

**Sub: Outcome of the Meeting of the Board of Directors of the Company held on 19<sup>th</sup> October, 2019.**

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 Infrastructure Project Limited ("the Company" or "SIPL") at its meeting held today, 19<sup>th</sup> October, 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 Engineering Limited ("SEL"), a Holding 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.

Information required to be disclosed pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulation) read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015 are enclosed as Annexure A.



**Sadbhav Infrastructure Project Limited**

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

T : +91 79 26463384 F : +91 79 26400210 E : [investor@sadbhavinfra.co.in](mailto:investor@sadbhavinfra.co.in) Web: [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in) CIN: L45202GJ2007PLC049808

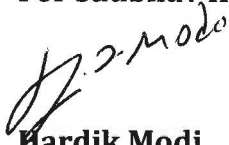
The meeting of Board of Directors commenced at 05:30 p.m. and concluded at 09:30 p.m.

You are requested to take the same on record.

Thanking You,

Yours Faithfully,

**For Sadbhav Infrastructure Project Limited**



**Hardik Modi**  
**Company Secretary**  
**Membership No. F9193**  
**Encl: a.a.**



## Annexure-A

### A. Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.;

**Transferor Entity:** Sadbhav Infrastructure Project Limited 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.

**Transferee Entity:** Sadbhav Engineering Limited 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.

Set out below are brief details of the net worth and total revenue of the Transferor Company and the Transferee Company.

#### As on 31<sup>st</sup> March, 2019 (Rs. in Million)

Particulars	Standalone Net Worth	Standalone Total Revenue
Transferee Company	20,336.70	35,492.32
Transferor Company	14,373.75	2,950.27

Particulars	Consolidated Net Worth	Consolidated Total Revenue
Transferee Company	8,350.01	52,238.11
Transferor Company	(5,485.94)	35,415.18

### B. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length";

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.

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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.

**C. Area of business of the entity(ies);**

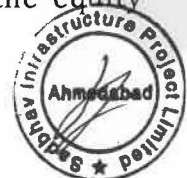
The Transferor Company is engaged in the promotion and development of projects in the infrastructure sector on a commercial basis and also providing project development management services for infrastructure projects especially in the highways sector and providing infrastructure facilities.

The Transferee Company is engaged in Construction of Roads & Highways, Bridges, Mining and Irrigation supporting infrastructure. Transferee Company is engaged infrastructure.

**D. Rationale for amalgamation/ merger;**

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:

- a) 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.
- b) 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.
- c) Benefits of complementary skills of the combined management team which will enhance overall corporate capability, focused strategic leadership and better supervision of the business.
- d) 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.



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**E. In case of cash consideration - amount or otherwise share exchange ratio;**

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:

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.

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.

**F. Brief details of change in shareholding pattern (if any) of listed entity:**

Shareholding Pattern of SEL:

Category	Pre-Merger Shareholding No. of shares	Percentage (%)	Post-Merger Shareholding No. of shares	Percentage (%)
Promoter & Promoter Group	7,98,63,723	46.55%	8,05,39,551	38.74%
Public	9,17,07,077	53.45%	12,73,68,462	61.26%
<b>Total</b>	<b>17,15,70,800</b>	<b>100.00%</b>	<b>20,79,08,013</b>	<b>100.00%</b>

Shareholding Pattern of SIPL:

Category	Pre-Merger Shareholding No. of shares	Percentage (%)	Post-Merger Shareholding
Promoter & Promoter Group	24,52,41,061	69.63%	-
Public	10,69,84,155	30.37%	-
<b>Total</b>	<b>35,22,25,216</b>	<b>100.00%</b>	<b>-</b>



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