

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendment or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolution appended below be passed by the Members through postal ballot or electronic voting (e-voting). The explanatory statement pertaining to the appended resolution setting out the material facts and the reasons thereof is annexed hereto along with a postal ballot form for your consideration.

The Board of Directors of the Company has appointed Mr. Ravi Kapoor, Practicing Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (Membership No. FCS 2587), as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the postal ballot form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed postal ballot form(s) should reach the Scrutinizer not later than 05:00 p.m. on August 27, 2016 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read carefully the instructions in the Notes under the section 'Voting through Electronic Means'. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the postal ballots. The result of postal ballot shall be declared on or before August 29, 2016 and communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent and shall also be displayed on the Company's website at www.sadbhaveng.com

RESOLUTION

1. To approve and ratify Related Party Transactions

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

"RESOLVED THAT pursuant to provisions of Section 188 of Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014 and such other rules as may be applicable and amended from time to time and Securities and Exchange Board of India (LODR) Regulations, 2015, ("**Regulations**") , consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to ratify and enter into Related Party Transactions as defined under section 188 of the Companies Act, 2013 with related party as mentioned in explanatory statement annexed to the notice which were executed prior to the applicability of Regulations and are still under execution and other transactions to be entered into by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to determine and finalize the terms & conditions related thereto from time to time and all other matters arising out of the incidental to the transactions and generally to do all acts, deeds, matters and things including variation in amount that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

Registered Office:

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

Place: Ahmedabad

Date: 15.07.2016

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

Sd/-

**Tushar Shah
Company Secretary
M. No. F7216**

NOTES

1. The explanatory statement pursuant to Section 102 of Companies Act, 2013 relating to special business is annexed.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from NSDL and CDSL as on July 15, 2016. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self addressed Business Reply Envelop.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on July 15, 2016 will be considered for the purpose of voting.
4. Resolution passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the names of the Members as on July 15, 2016.
7. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by CDSL. The instructions for electronic voting are annexed to this Notice.
8. A Member cannot exercise his vote by proxy on postal ballot.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to August 27, 2016.
10. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not

later than close of working hours (i.e. 05:00 p.m.) on August 27, 2016. If any postal ballot is received after 05:00 p.m. on August 27, 2016, it will be considered that no reply from the Members has been received.

- 11 The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
- 12 Pursuant to the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members.

Instructions for Members for e-voting are as under :

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot indicated in the PAN field.</p> <p>Enter your Date of Birth in dd/mm/yyyy format.</p>
DOB OR Dividend Bank Details	<p>Enter your Date of Birth in dd/mm/yyyy format.</p> <p>OR</p> <p>Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No.</p> <p>Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held on cut off date i.e. July 15, 2016 in the Bank Account Number field.</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. Members holding shares in physical form will then reach directly the EVSN selection screen.
- (ix) 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.
- (x) Click on the EVSN (160719002) for Sadbhav Engineering Limited.
- (xi) 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.
- (xii) Click on the "Resolution File Link" if you wish to view the entire Resolution.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- I. 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 in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions :

- I. The e-voting period commences on July 28, 2016 @9.00 a.m. and ends on August 27, 2016 @ 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on July 15, 2016, 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 July 15, 2016.
- 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 Postal Ballot and e-voting process in a fair and transparent manner.
- IV. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or Managing Director or any Director of the Company duly authorized, on or before August 29, 2016.
- V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sadbhaveng.com and on the website of CDSL www.evoting.cdsl.com and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 110 OF COMPANIES ACT, 2013

Item No.1

Pursuant to the erstwhile equity listing agreements ("Listing Agreement") entered into by the Company with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and applicable circulars and regulations issued by the Securities and Exchange Board of India ("SEBI"), any material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of a special resolution.

Considering the above required, your Company had taken the approval of some material related party transactions, as per clause 49 of the Listing Agreement in its 26th Annual General Meeting held on 29th September, 2015.

Subsequently Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("**Regulations**") were notified on 2nd September, 2015, and became effective from 1st December, 2015. Pursuant to Regulation 23 of the said Regulations, all existing material related party contracts or arrangements entered into prior to the date of notification of Regulations and which continue beyond such date shall be placed for approval/ratification of the shareholders in the first General Meeting subsequent to notification of these Regulations.

Your Company has some material related party transactions which are in existence and likely to continue in the financial year 2016-17 or beyond for which your approval is required as per SEBI (LODR) Regulations, 2015.

The details of said Related Party Transactions are given here in below in a tabular format for kind perusal of the members:

Sr. No.	Name of the Related Party	Nature of Relationship	Amount (Rs.) in Crores	Work already Executed Amount (in Crores)	Nature of Transactions
1	Sadbhav Infrastructure Project Limited	Subsidiary Company	1000.00	594.50	Providing of Financial facilities as per MOU dated 20.12.2014
			0.10	-	Office Rent agreement dated 22.09.2010 (Perpetual)
		Total	1000.10	594.50	
2	Mysore Bellary Highway Pvt. Ltd.	Subsidiary Company	684.00	608.13	EPC contract dated 01.07.2014
			0.10	-	Office Rent agreement dated 22.09.2010 (Perpetual)
			100.00	19.60	Loan given
		Total	784.10	627.73	
3	Rohtak Panipat Tollway Pvt. Ltd.	Step Down Subsidiary	950.00	941.26	EPC contract dated 28.10.2014
			0.10	-	Office Rent agreement dated 29.10.2014 (Perpetual)
		Total	950.10	941.26	
4	Hyderabad Yadgiri Tollway Pvt. Ltd.	Step Down Subsidiary	398.80	397.37	EPC contract dated 11.03.2010
			0.10	-	Office Rent agreement dated 29-10.2014 (Perpetual)
		Total	398.90	307.37	
5	Maharashtra Border Check Post Network Ltd.	Step Down Subsidiary	834.00	743.00	EPC contract dated 18.06.2009
			0.10	-	Office Rent agreement dated 29-10.2014 (Perpetual)
		Total	834.10	743.00	
6	SELGKC JOINT VENTURE	Joint Venture	207.97	145.05	Sub-Contract dated 22.03.2011 (SEL Shares 40%)
			209.58	77.24	Sub-Contract dated 22.03.2011 (SEL Shares 60%)

			51.64	36.53	Sub-Contract dated 27.08.2008 (SEL Shares 52%)
			86.77	42.67	Sub-Contract dated 12.11.2007 (SEL Shares 52%)
			122.82	73.96	Sub-Contract dated 02.05.2011 (SEL Shares 52%)
		Total	678.78	375.45	
7	SADBHAV ANNAPURNA	Joint Venture	408.46	55.19	Sub-Contract dated 21.05.2013 (SEL Shares 80%)
		Total	408.46	55.19	
8	SADBHAV VISHNUSHIVA	Joint Venture	84.37	56.71	Sub-Contract dated 25.06.2014 (SEL Shares *98%)
			309.37	-	Sub-Contract dated 25.06.2014 (SEL Shares 75%)
		Total	393.74	56.71	

*w.e.f. 01/08/2015

Further, pursuant to provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

SEBI (LODR) Regulations, 2015, also requires that all material related party transactions shall require approval of the shareholders through ordinary resolution.

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on July 15, 2016 approved related party transactions and now seek approval of the shareholders by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related Party Transactions in one or more tranches. The Company enters all related party transactions, including the transactions under consideration in the ordinary course of business and at arm length basis. However, considering the nature of agreements which are peculiar in nature in respect of each working site, Company as an abundant caution is taking necessary approval of the shareholders under Section 188 also.

Sr. No.	Name of the Related Party	Nature of Relationship	Estimated Amount (Rs.) in Crores	Nature of Transactions
1	Sadbhav Rudrapur Highway Pvt. Ltd.	Step Down Subsidiary	603.00	EPC contract & other related Services
2	Sadbhav Nainital Highway Pvt. Ltd.	Step Down Subsidiary	525.00	EPC contract & other related Services
3	Sadbhav Una Highway Pvt. Ltd.	Step Down Subsidiary	495.00	EPC contract & other related Services
4	Sadbhav Bhavnagar Highway Pvt. Ltd.	Step Down Subsidiary	648.00	EPC contract & other related Services

One of the main business activities of your Company is to carry out EPC work for the Road Projects. These projects are bid by Sadbhav Infrastructure Project Limited (SIPL) which is subsidiary of the Company and asset holding company for our BOT Projects. On successful bid Special Purpose Vehicle (SPV's) are incorporated with SIPL being the holding Company and Company enters into EPC contract with these SPV's (step down subsidiaries) on ongoing basis.

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in Item No.1 to the accompanying Notice as an ordinary resolution.

None of Director, key managerial personnel (KMP) and their relatives, is concerned or interested in the said resolution except to the extent of their directorship and shareholding in Company and stated in the Company.

Registered Office:

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

Place: Ahmedabad
Date: 15.07.2016

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

Sd/-

**Tushar Shah
Company Secretary
M. No. F7216**