



Sadbhav Engineering Limited

Registered Office: Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380 006
Tel No: +91 79 2646 3384 Fax No: +91 79 2640 0210; **Contact Person:** Mr. Vijay Kalyani, Company Secretary and Compliance Officer.
Email: sel_rights@sadbhaveng.com; **Website:** www.sadbhaveng.com

Subject: Voluntary Conversion of Detachable Warrants

Dear Warrant Holder(s)

The Company vide its Letter of Offer dated August 4, 2010, had offered Equity Shares along with Detachable Warrant on rights basis. The Company had issued and allotted 18,75,000 Detachable Warrants convertible into equal number of Equity Shares on September 16, 2010, which are due for conversion into Equity Shares between December 16, 2010, to March 15, 2012 ('Warrant Exercise Period') at an exercise price of Rs.425/- (Rupees Four Hundred Twenty Five only).

NOTE: AS PER THE LETTER OF OFFER DATED AUGUST 4, 2010, THE BOARD OF DIRECTORS ('BOARD') OF THE COMPANY HAVE A ONE TIME CALL OPTION FOR COMPULSORY CONVERSION OF DETACHABLE WARRANTS INTO EQUITY SHARES. THE SAID CALL OPTION CAN BE EXERCISED BY THE BOARD ANYTIME DURING THE WARRANT EXERCISE PERIOD.

IF THE CALL OPTION IS EXERCISED BY THE BOARD, THEN THE LAST DATE FOR CONVERSION OF DETACHABLE WARRANTS INTO EQUITY SHARES SHALL BE PRIOR TO MARCH 15, 2012 AND THE SAME SHALL BE NOTIFIED TO THE WARRANT HOLDERS BY WAY OF A NOTICE IN THE NEWSPAPERS. FURTHER, WARRANT EXERCISE APPLICATION FORMS SHALL BE SENT SEPARATELY TO SUCH WARRANT HOLDERS WHO ARE IDENTIFIED AS WARRANT HOLDERS ON THE RECORD DATE FIXED IN THIS BEHALF.

IN CASE, THE CALL OPTION IS EXERCISED BY THE BOARD, THEN THE WARRANT EXERCISE APPLICATIONS UNDER THE VOLUNTARY CONVERSION SHALL BE ACCEPTED UPTO THE RECORD DATE FIXED FOR ASCERTAINING WARRANT HOLDERS FOR THE CALL OPTION AND TO WHOM WARRANT EXERCISE FORMS SHALL BE SENT. WARRANT EXERCISE APPLICATION FORMS RECEIVED AFTER THE SAID RECORD DATE SHALL BE CONSIDERED FOR ALLOTMENT UNDER THE CALL OPTION PROCESS.

Further, pursuant to Ordinary Resolution passed by the shareholders through Postal Ballot process on November 17, 2010, the face value of Equity Shares has been split from Rs.10/- to Re.1/- per share. Accordingly, as on Record Date fixed in this behalf i.e. December 8, 2010, the warrant holder holding 1 (One) Detachable Warrant convertible into 1 (One) Equity Share of Rs.10/- each at a price of Rs.425/- per share, has been divided into 10 Detachable Warrant each convertible into 1 Equity Share of Re.1/- each at a price of Rs.42.50 per share ("Warrant Exercise Price").

Procedure for Conversion of Detachable Warrant into Equity Share:

Application should be made on the Warrant Exercise Application Form ("Application Form" / "Application") downloaded from our website www.sadbhaveng.com. The Application Form would also be available on request with the Registrar to the Issue.

(i) In case of Detachable Warrants held in Physical Mode:

During the Warrant Exercise Period, the Warrant Holder should send his duly filled Application Form for conversion into Equity Shares to Registrar to the Issue, as mentioned below and in General Instructions forming part of the Application Form, along with the Warrant Certificate duly discharged on the reverse. The Application Form should also be accompanied by a cheque/demand draft/pay order payable at Mumbai favouring "SEL-Warrant Issue" for resident Warrant Holder and "SEL-Warrant Issue-NR" for non-resident warrant holder. The Application Form along with the duly discharged Warrant Certificate and cheque/demand draft/pay order shall be deposited with the Registrar to the Issue on or before March 15, 2012.

(ii) In case of Detachable Warrants held in Electronic Mode (Dematerialized Form):

The Warrant Holder should send his Application for conversion into Equity Shares to the Registrar to the Issue as mentioned below and in General Instructions forming part of the Application Form along with duly acknowledged copy of the Delivery Instruction Slip issued by Depository Participant of the Warrant Holder. The Application Form should also be accompanied by a cheque/demand draft/pay order payable at Mumbai favoring "SEL-Warrant Issue" for resident Warrant Holder and "SEL-Warrant Issue-NR" for non-resident Warrant Holder. During the Warrant Exercise Period, Warrant Holders should first transfer their dematerialized holdings to the special depository account with National Securities Depository Limited ("NSDL") "SEL-Warrant Escrow Account" ('Special Depository Account') with a Depository Participant, details of which are mentioned below by marking this as an "off market" transaction. Warrant Holders/applicants who have depository accounts with the Central Depository Services (India) Limited ("CDSL") must use inter depository delivery instruction slips for the purpose of crediting their Detachable Warrants in favor of the Special Depository Account with the NSDL. **The ISIN of Detachable Warrant is INE226H13021.**

The Company has opened a Special Depository Account with NSDL* titled, "SEL-Warrant Escrow Account". The details of the Depository Account are as under:

DP Name: Ventura Securities Limited	DP Id: IN 303116	Client Id: 10662979
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*Applicants having depository accounts with the CDSL must use inter depository delivery instruction slip for the purpose of crediting their Detachable Warrants in favor of the abovementioned Special Depository Account.

Warrant Holders must submit the Application Form duly complete in all respect along with cheque/Demand draft/Pay order of requisite amount to;

The Registrar to the Issue,

Link Intime India Private Limited

Unit: Sadbhav Engineering Limited - Warrant Conversion
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078
Tel No : +91 22 2596 0320, Fax No: +91 22 2596 0329
Contact Person: Mr Nilesh Chalke
Email: sadbhav.rights@linkintime.co.in

"The Registrar to the Issue will not accept any Application Form for conversion after March 15, 2012. Unexercised Detachable Warrants shall automatically stand lapsed after March 15, 2012. Further, as stated above, if the Call Option is exercised by the Board of Directors of the Company, the last date for conversion of Detachable Warrants shall be prior to March 15, 2012 and the same shall be notified by way of notice in news papers."

For any clarifications, the Warrant Holders may write to: Sadbhav Engineering Limited, Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380 006, Tel No.: +91 79 2646 3384 Fax No.: +91 79 2640 0210, Contact Person: Mr. Vijay Kalyani, Company Secretary and Compliance Officer, Email: sel_rights@sadbhaveng.com.

By the order of Board

For Sadbhav Engineering Limited

Vijay Kalyani
Company Secretary and Compliance Officer

Place: Ahmedabad
Date: December 16, 2010

Encl: Warrant Exercise Application Form (Including General Instructions)



Sadbhav Engineering Limited

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Email: sel_rights@sadbhaveng.com; **Website:** www.sadbhaveng.com

Warrant Exercise Start Date	December 16, 2010
Warrant Exercise End Date	March 15, 2012

Warrant Exercise Application Form

To,

The Board of Directors,
Sadbhav Engineering Limited
Sadbhav House, Opposite Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006

Date: _____

Dear Sirs,

In exercise of my / our right as Warrant Holder(s), I/we hereby apply for the Equity Shares of the Company against the exercise of the Detachable Warrants registered in my/our name on the Register of Warrant Holders of the Company and submit the following particulars, along with the discharged original Warrant Certificates / photocopy of the executed delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the Depository Participant (*strike out whichever is not applicable*) and a cheque/demand draft/pay order payable at Mumbai for the amount of the Exercise Price of Rs.42.50 per Detachable Warrant in relation to which the option is being exercised.

I/We undertake to provide and sign all such documents and do all such acts as may be necessary to enable me/us to be registered as the holder(s) of the Equity Shares that may be allotted to me/us pursuant to this Application Form.

I/We confirm that I/we have all requisite approvals under applicable laws to hold the Equity Shares applied for by me/us and which may be allotted by the Company pursuant to this Application Form.

I/We authorize you to put my/our names on the Register of Members of the Company in respect of the Equity Shares applied for by me/us and which may be allotted by the Company pursuant to this Application Form.

I/We have read the General Instructions forming part of the Application Form and other terms of the Issue as per the Letter of Offer dated August 4, 2010.

I/We understand that neither the Detachable Warrants nor the Equity Shares to be issued upon exercise of the Detachable Warrants have been, and will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act.

For Non Residents (Tick ☒ whichever is applicable)	
☐	I am/We are Non Resident Indian(s) ("NRIs"), Persons of Indian Origin residing abroad and have remitted funds from abroad through approved banking channels from the funds held in my/our Non resident External Account in India ("NRE A/c."), Foreign Currency Non Resident Account ("FCNR A/c.") or Indian Rupee drafts purchased abroad. I am/We are not applying for the Equity Shares as nominee(s) of any person(s) who is/are resident(s) in India.
☐	We are Foreign Institutional Investors ("FIIs") registered with SEBI and have remitted funds from Special Non Resident Rupee Deposit Account. We are not applying for the Equity Shares as nominee(s) of any person(s) who is/are resident in India.
☐	I am/We are Foreign warrant holders not being NRIs/FIIs.
☐	I am/We are Non Resident Warrant Holder(s) applying on a non-repatriation basis and have remitted funds from abroad through approved banking channels or from the funds held in my/our Non Resident (External) Account ("NRE A/c.") or Foreign Currency Non Resident Account ("FCNR A/c.") or Non Resident Ordinary Account ("NRO A/c.") maintained in Mumbai with banks authorized to deal in foreign currency or Indian Rupee drafts purchased outside India and payable in Mumbai or Indian Rupee drafts purchased by debit to my/our NRE/FCNR/NRO Account maintained elsewhere in India and payable in Mumbai. I am/We are not applying for the Equity Shares as nominee(s) of any person(s) who is/are resident in India.

Number of Detachable Warrants held	Number of Detachable Warrants being exercised	Number of Equity Shares applied	Total Amount Payable (at a Warrant Exercise Price of Rs.42.50 per Detachable Warrant)
A	B	C	D = C x 42.50

Details of Detachable Warrants being Exercised (Physical Form)

Number of Detachable Warrants held	Number of Detachable Warrants being exercised	Warrant Certificate Numbers	Distinctive Numbers	
			From	To

Sadbhav Engineering Limited

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ACKNOWLEDGEMENT SLIP

(To be completed by the Sole/First Applicant)

Received from Mr./Mrs./Ms./M/s.....
an application for the exercise of Detachable Warrants into Equity Share(s) of Re.1/-each along with
a Cheque/Demand Draft/Pay Order No.dateddrawn onfor Rs.....
..... (in words), being the total amount payable at the Warrant Exercise Price.
(Please preserve this acknowledgement slip carefully, in case the Application Form is sent by post)

Registrar Stamp
Date <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
(Cheques/Demand Drafts/Pay Orders are subject to realization)

Note: This must be accompanied by the delivery instruction slip duly executed by the Warrant Holder (in case the Detachable Warrants are held in electronic mode) or by the discharged warrant certificate (in case the Detachable Warrants are held in physical mode).

Details of Detachable Warrants being exercised (Dematerialized Form)

Number of Detachable Warrants held	Number of Detachable Warrants being exercised	DP ID	Client ID	Delivery Instruction Slip Number	Delivery Instruction Date

Full Name of Warrant Holder		Age	PAN	Specimen Signature
Sole/First Applicant				
Second Applicant				
Third Applicant				

Occupation of Sole/First Applicant	:	
Address of Sole/First Applicant	:	
Contact No. of Sole/First Applicant	:	
Email ID of Sole/First Applicant	:	

Details of Payment:

Amount (at a Warrant Exercise Price of Rs. 42.50 per Detachable Warrant exercised) paid by cheque/demand draft/pay order no.	
Dated	
Drawn on (Name of the Bank)	
Branch	
Type of A/c. (Please specify along with A/c. number)	
NRE/FCNR/NRO/ Special Non Resident Rupee Deposit Account / Savings/Current Account	
Name of the Nominee	
Address	
If minor, date of birth	
Guardian	
PAN	

I/We want the Equity Shares to be allotted in: (Tick ✓ in appropriate box)

☐ **Dematerialized Form :**

DP ID:	Client ID:
DP Name:	Depository: NSDL ☐ CDSL ☐

☐ **Physical Form** : Existing Folio Number _____

I/We understand that:

- (i) in case of allotment of Equity Shares to me/us in electronic mode, my/our Beneficiary Account with the DP as mentioned above would get credited to the extent of the Equity Shares allotted.
- (ii) in case of a request for allotment of Equity Shares to me/us in electronic mode, if the Equity Shares cannot be credited to my/our Beneficiary Account with the DP for any reason whatsoever, including my/our names in this Application Form not being identical to the Beneficiary Account details, I/We shall be given physical Share Certificate(s) in respect of the Equity Shares allotted to me/us.

Sole / First Applicant	Second Applicant	Third Applicant

General Instructions

1. Blank Warrant Exercise Application Form ("Application Form") can be downloaded from the Company's website www.sadbhaveng.com. Application Form can also be obtained from the Registrar to the Issue.
2. Each Application Form shall be accompanied by a single instrument of payment. Clubbing of folios/securities for the purpose of making a consolidated payment is not permitted.
3. Cheques/demand drafts/pay orders should be payable at Mumbai for the full amount and outstation cheques/demand drafts/pay orders or payments for less than the full amount will be rejected. Cheques/demand drafts/pay orders should be drawn in favour of "SEL-Warrant Issue" in case of Resident Warrant Holders applicants and Non Resident Warrant Holders applicants applying on a non-repatriation basis and "SEL-Warrant Issue - NR" in case of Non Resident Warrant Holders applicants applying on a repatriation basis. Post dated cheques will not be accepted. The Company will not accept payment in cash. Detachable Warrants that are not exercised on or prior to 5:00 p.m., on March 15, 2012, shall lapse and cease to be valid. **Further, as stated above, if the Call Option is exercised by the Board of Directors of the Company, the last date for conversion of Warrants shall be prior to March 15, 2012 and the same shall be notified by way of notice in news papers.**
4. Documents required for the exercise of Detachable Warrants:
 - (i) A duly completed and signed Application Form.
 - (ii) A Cheque/demand draft/pay order payable at Mumbai for the requisite amount.
 - (iii) The Warrant Certificate duly discharged on the reverse of the certificate in case the Detachable Warrants are held in physical form. A photocopy of the delivery instruction slip duly acknowledged by the Depository Participant, evidencing the transfer of the Detachable Warrants to the special depository account "SEL-Warrant Escrow Account" in case the Warrants are held in dematerialized form.
 - (iv) Photocopy of PAN card of the Warrant Holder(s).
 - (v) A Foreign Inward Remittance Certificate in case of Indian Rupee drafts purchased outside India or fund remitted from outside India.
 - (vi) Documentary evidence in support of the remittance where payments are made by debits to NRE/FCNR Accounts, in case of applications from Non Residents on a repatriation basis.
 - (vii) Account debit certificate from the banks issuing the demand drafts confirming debits to NRE/FCNR/NRO Accounts, in case applications from Non Residents on a non-repatriation basis.
5. The Warrant Holders having a Depository Account with the CDSL must use the inter depository delivery instruction slip for the purpose of crediting their Warrants in favour of the Special Depository Account "SEL-Warrant Escrow Account" with NSDL.
6. In case of the Detachable Warrants held in electronic (demat) form, the Equity Shares pursuant to the exercise of the Detachable Warrants shall be credited only to the Depository Account from which the Detachable Warrants have been tendered.
7. In case of an Application Form in physical mode under a power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Application Form and to sign the Application Form and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar to the Issue along with the Application Form.
8. In case of Non Resident Warrant Holders applicants applying on a non-repatriation basis, the payment may be made by way of a cheque/demand draft/pay order drawn on a Non Resident Ordinary Account (NRO A/c.) payable at Mumbai or Indian Rupee demand drafts purchased out of an NRO A/c. maintained elsewhere in India but payable at Mumbai.
9. In case of Non Resident Equity Shareholders/applicants applying on a repatriation basis, the payment may be made by Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad submitted along with a Foreign Inward Remittance Certificate or by cheque/demand draft/pay order remitted through or out of funds held in a Non Resident External Account ('NRE A/c') or Foreign Currency Non Resident Account ('FCNR A/c') payable at Mumbai or by Indian Rupee demand drafts purchased by debit to an NRE A/c /FCNR A/c maintained anywhere in India and payable at Mumbai. FIs registered with SEBI must remit funds from Special Non Resident Rupee Deposit Accounts.
10. All Application Forms irrespective of the value or in case of Application Forms in joint names, each of the applicants, should specify the PAN numbers allotted to such applicants under the Income Tax Act, 1961 and also submit a copy of PAN card or a communication from the Income Tax Authorities indicating allotment of a PAN ("PAN Communication") along with the Application Form.
11. Investors are advised not to close or transfer their demat accounts between the period of application for the exercise of the Detachable Warrants until the time of allotment or receipt of credit of Equity Shares in their accounts so as to avoid rejection of credit from the Depositories and resultant delay in receiving the intimation of allotment.
12. All communications in connection with the Application Form for the exercise of the Detachable Warrants, including any change in the address should be addressed to the **Registrar to the Issue - Link Intime India Private Limited**, Unit: Sadbhav Engineering Limited - Warrant Conversion, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078, Tel No : +91 22 2596 0320, Fax No: +91 22 2596 0329, Contact person: Mr Nilesh Chalke, Email: sadbhav.rights@linkintime.co.in, prior to the allotment of the Equity Shares pursuant to the exercise of the Detachable Warrants.
13. In case of joint holders, all joint holders must sign the relevant part of the Application Form in the same order and as per specimen signature(s) recorded with the Company. Further, in case of joint applicants, the reference, if any, will be made to the first applicant's name and all communications will be addressed to the first applicant.
14. Allotment of Equity Shares to Non Residents shall be subject to the conditions as may be imposed from time to time under any foreign exchange laws in India, including the Foreign Exchange Management Act and any regulations issued by the Reserve Bank of India thereunder, in the matter of refund of application money, export of share certificates, etc.
15. Exercise of the Detachable Warrants shall not be applied for from the United States of America or by or on behalf of a U.S. Person (as defined in Regulation S of the Securities Act of 1933, as amended).
16. The Equity Shares arising from the exercise of the Detachable Warrants shall be subject to the Memorandum and Articles of Association of the Company.

These General Instructions should be read together with, and are qualified in their entirety by, the Letter of Offer dated August 4, 2010.