

February 20, 2020

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex,
Mumbai - 400 051

Company Code No. 531120

Company Code: PATELENG/EQ

Dear Sir/Mam,

Sub: Notice of the Extra Ordinary General Meeting ("EGM")

Pursuant to Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other applicable provisions, please find enclosed herewith a copy of the Notice for convening the EGM of the shareholders of the Company to be held on Friday, March 20, 2020 at 10.30 a.m. at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102.

You are requested to take note of the same.

Thanking you,

Yours truly,
For Patel Engineering Ltd.

Shobha Shetty

Shobha Shetty
Company Secretary
Membership No. F10047



Encl:

- 1) Notice of EGM



PATEL ENGINEERING LTD.

CIN:L99999MH1949PLC007039

Regd. office: Patel Estate Road, Jogeshwari (West), Mumbai - 400 102
Tel No: +91(22) 26767500 Fax: +91(22) 26782455 Website: www.pateleng.com

NOTICE is hereby given that an **Extra Ordinary General Meeting** of the Members of Patel Engineering Limited will be held on Friday, **March 20, 2020 at 10.30 am** at **Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102**, to transact the following Special Business:-

SPECIAL BUSINESS:

1. Re-appointment of Ms. Geetha Sitaraman (DIN: 07138206) as an Independent Director for second term.

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

“Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act (including any Statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Ms. Geetha Sitaraman (DIN: 07138206), who fulfils the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended from time to time and who is eligible for re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director to hold office for two years effective from March 26, 2020.”

2. Alteration to Capital Clause of the Memorandum of Association:

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

“Resolved that pursuant to the provisions of Section 61 read with Section 13, 64 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby partly modified to sub-divide the existing 80 (Eighty) Zero Coupon Optionally Convertible Preference Shares of ₹ 1,00,00,000 (Rupees One Crore Only) each to 80,00,00,000 (Eighty Crore) Zero Coupon Optionally Convertible Preference Shares of ₹ 1 (Rupee One Only) each.

Resolved further that consequently to the said modification, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Capital Clause (Clause V) with the following:

V. The Authorised Share Capital of the Company is ₹ 355,00,00,000 (Rupees Three Hundred and Fifty Five Crores Only) divided into:

- 275,00,00,000 (Two Hundred and Seventy Five crores) Equity shares of face value ₹ 1 (Rupee One Only) each;
- 80,00,00,000 (Eighty Crores) Zero Coupon Optionally Convertible Preference shares of ₹ 1 (Rupee One only) each.

Resolved further that the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any of its duly constituted Committee) or any officer/ executive/representative and/or any other person so authorized by the Board, be and is hereby authorized severally, on behalf of the Company, to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution, including to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company but not limited to settle any questions or resolve difficulties that may arise in this regard.”

3. Preferential issue of Optionally Convertible Preference Shares (“OCPS”)

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

“Resolved that pursuant to the provisions of Sections 42, 55, 62 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 as amended (“SEBI (SAST) Regulations”) and all other applicable laws including the Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, various rules, regulations, press notes, notifications, any other guidelines and clarifications issued by the Government of India, all applicable circulars, notifications issued by the Securities and Exchange Board of India (“SEBI Regulations”), the Reserve Bank of India (“RBI”), stock exchanges on which the Equity Shares of the Company are listed and also by any other statutory/regulatory authorities and subject to all such other approvals, permissions, consents and/ or sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company, consent of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (the “Board”) which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to create, offer, issue and allot 53,99,66,397 (Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven) Zero Coupon Optionally Convertible Preference Shares at face value of ₹ 1 (Rupee One only) (“OCPS”) each fully paid-up, aggregating upto ₹ 53,99,66,397 (Rupees Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven only) (“Preferential Issue”) convertible into Equity Shares of the Company to Prahm India LLP (“the Promoter”) on terms and conditions as set out hereunder on Preferential basis (hereinafter referred to as the “proposed allottee”), with an option to the proposed allottee to convert, either partially or entire OCPS, in one or more tranches, in one or more financial year.

Resolved further that subject to applicable laws, the terms of issue of the OCPS are as follows:

- (a) The proposed allottee may opt, by giving in writing 2 days advance notice to the Company, to convert OCPS, partially or fully, into Equity Shares of ₹ 1 each, within a period of 18 months from the date of allotment of OCPS, in one or more tranches, in one or more financial years, at a price of ₹ 18.12 (including securities premium of ₹ 17.12) determined as per Regulation 164 of SEBI ICDR Regulation. The balance remaining, if any, after exercise of all the options before the expiry of 18 months, shall be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than the Optionally Convertible Debentures issued to the lenders of the Company as Part B debt under the S4A Scheme are fully repaid or converted into equity shares;
- (b) OCPS/Equity shares to be issued on conversion of OCPS, to be issued as above, shall be locked-in for a period as prescribed in the SEBI ICDR Regulations. On conversion of any OCPS into Equity Shares, such shares shall also be locked-in for a period of 3 years/1year as prescribed under SEBI ICDR Regulations. However, the lock-in period, of such, Equity shares allotted pursuant to the conversion of OCPS issued on Preferential Basis, shall be reduced to the extent OCPS have already been locked-in;
- (c) The Equity Shares issued on opting for conversion, shall rank pari passu in all respects with the then existing Equity Shares of the Company;
- (d) The OCPS so issued and allotted to the proposed allottee are being issued for consideration other than cash, in lieu of the compensation payable to the proposed allottee/Promoter;
- (e) Upon receipt of the conversion notice, the Board/Committee shall allot appropriate number of Equity shares to the proposed allottee;
- (f) OCPS by itself do not give to the proposed allottees any rights of the Equity Shareholders of the Company unless converted into Equity Shares of the Company;
- (g) OCPS shall carry a preferential right vis-à-vis equity shares of the Company with respect to repayment of capital and there shall be no dividend payable on these OCPS;
- (h) No dividend shall be payable to the holder of OCPS as the said OCPS are issued against the compensation (non-interest bearing) payable to the Promoter for the loss incurred by the said Promoter on account of invocation of shares pledged by the Promoter under S4A Scheme (debt- restructuring Scheme) implemented by the lenders of the Company;
- (i) OCPS shall be non-participating in the surplus funds;
- (j) OCPS shall be non-participating in surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
- (k) OCPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended;
- (l) the Relevant Date for the purpose of determination of price of Equity Shares upon conversion of the OCPS in terms of SEBI ICDR Regulation will be February 19, 2020, being the date 30 (thirty) days prior to the date on which the meeting of shareholders is held to consider this proposed preferential issue;
- (m) The Board be authorised to decide and approve the other terms and conditions of the issue of OCPS, and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to compliance with the Listing Regulations, other applicable SEBI Regulations and applicable laws.

Resolved further that for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing resolution (including any modifications to the terms of the issue), to allot such number of securities in one or more tranches to the Promoter pursuant to this resolution, as may be thought fit or decided by the Board, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of the OCPS without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution.

By Order of the Board

Shobha Shetty
Company Secretary
Membership No. F10047

February 18, 2020
Registered Office
Patel Estate Road,
Jogeshwari (West),
Mumbai-400102.

Notes:

- 1) The Statement, pursuant to Section 102 of the Companies Act, 2013 (“the Act”), with respect to the business under Item Nos. 1 to 3 forms part of this Notice.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be received at the Registered Office of the Company at Patel Estate Road, Jogeshwari (West), Mumbai - 400102 not less than 48 hours prior to the commencement of the Extraordinary General Meeting (“Meeting”). A Proxy Form is being sent along with this Notice. Proxies submitted on behalf of Bodies corporate, societies, etc. must be supported by an appropriate resolution or authority as applicable.
- 3) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.
- 4) In case of joint holders attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
- 5) Members/Proxies/Authorized Representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
- 6) Section 20 of the Act permits service of documents on Members by a company through electronic mode. Hence, in accordance with the Act read with the rules framed thereunder, the Notice of this Meeting is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participant unless any Member has requested for a physical copy of the Notice. For Members who have not registered their e-mail addresses, physical copies of the said Notice are being sent by the permitted mode. Members may note that the said Notice will also be available on the Company’s website i.e. www.pateleng.com.
- 7) Route map of the venue of the Meeting forms part of this Notice.

Voting by members

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Extra Ordinary General Meeting (the EGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the EGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for casting vote through ballot/polling paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot/polling paper.
- III. The members who had cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period shall commence on Tuesday, March 17, 2020 (from 09.00 a.m.) and close on Thursday, March 19, 2020 (upto 5.00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, March 13, 2020 may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently or cast their vote again.
- V. The instructions for shareholders voting electronically are as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders / Members
 - (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 voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(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 "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.

(xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com or can call on toll free no.: 1800225533 or contact Mr. Rakesh Dalvi, Manager, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013.

Declaration of Results on the Resolutions:

- a. The Scrutinizer shall immediately, after the conclusion of voting at the Meeting, count the votes cast at the Meeting, and 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 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- b. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- c. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.pateleng.com) and on the website of CSDL (www.evotingindia.com) immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Item no. 1 Re-appointment of Ms. Geetha Sitaraman (DIN: 07138206) as an Independent Director for second term.

Ms. Geetha Sitaraman was appointed as an Independent Director at the 66th AGM of the Company held on September 28, 2015 effective from March 26, 2015 and her first term expires on March 25, 2020.

Based on the performance evaluation and recommendation of the Nomination and Remuneration, the Board recommends to the members for passing special resolution in terms of Section 149 (10) of Companies Act, 2013 for re-appointment of Ms. Geetha Sitaraman as Independent Director of the Company as accepted by her for a period of two years effective from March 26, 2020 ("second term"). After considering the given background, experience and contribution, the continued association of Ms. Geetha Sitaraman, it would be beneficial to the Company and further desirable to continue to avail her services as Independent Director.

A brief profile of Ms. Geetha Sitaraman:

Ms. Geetha Sitaraman, has a wide experience of over 45 years with 5 different banks at Senior Management level. Her field of specialization includes all areas of Banking. She worked in State Bank group for 5 years as staff officer grade 1 in various branches. For 27 years she worked for Vijaya Bank in senior management and executive positions both at branch & administrative level and regional head level. She also has experience of looking into audit, vigilance and risk management functions of branches in western and northern India branches of ING Vysya bank on short service contract basis.

The details of Ms. Geetha Sitaraman as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of Secretarial Standard - 2 are provided in Annexure - A to this Notice.

The terms and conditions of appointment of Ms. Geetha Sitaraman shall be open for inspection at the registered office of the company by any member during normal business hours and shall also be posted on the company's website.

The Board recommends the resolution set out in Item no. 1 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives except Ms. Geetha Sitaraman is concerned or interested in item no. 1 of the Notice.

Item no. 2- Alteration of Capital Clause of the Memorandum of Association (MOA)

The existing Authorised Share Capital of the Company is ₹ 355,00,00,000 (Rupees Three Hundred and Fifty Five Crores Only) divided into 275,00,00,000 (Two Hundred and Seventy Five Crores) Equity shares of face value ₹ 1 (Rupee One Only) each and 80 (Eighty) Zero Coupon Optionally Convertible Preference shares of ₹ 1,00,00,000 (Rupee One Crores only) each.

It is proposed to alter the Capital Clause with respect to Preference share capital. The altered preference share capital be 80,00,00,000 (Eighty Crores) Zero Coupon Optionally Convertible Preference shares of ₹ 1 (Rupee One only) each.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, approval of the members is required for alteration to Clause V of the Memorandum of Association.

The Board recommends the Resolution at item No. 2 of this Notice for approval of the Members.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested in the resolution mentioned in Item no. 2 of the Notice.

Item no. 3 - Preferential issue of Optionally Convertible Preference Shares ("OCPS")

Due to the slowdown in the Indian economy and the business of the Company facing cash flow issues due to delay in realization of receivables and awards under certain arbitration proceedings, the lenders pursuant to the Joint Lender's Forum ("JLF") meeting held on August 8, 2017 and subject to certain conditions, commenced a Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme"), as per the circular issued by the RBI dated June 13, 2016. The JLF adopted the S4A Scheme with a reference date of August 8, 2017 (S4A Effective Date). The S4A Scheme was duly approved by the RBI mandated Overseeing Committee ("OC") on November 10, 2017. The S4A Scheme was approved by our shareholders on October 14, 2017 and was implemented on November 24, 2017 with effect from the reference date.

The S4A Scheme implemented with effect from the S4A Effective Date based on OC Approval inter alia included the following:

- a. A portion of the debt as on the S4A Effective date (including additional NFB Limits as proposed under the S4A scheme) owed by the Company until the S4A Effective Date to the Lenders, amounting to Fund Based debt of ₹ 1,724 cr was classified as Part A debt, with the original repayment schedule and at existing interest rates, including entire non fund based debt (₹ 3,855 cr); and
- b. The balance debt owed by the Company, including the interest outstanding on the total debt as on S4A Effective date, owed by the Company to the Lenders, has been classified as “Part B Debt” and converted into Optionally Convertible Debentures (OCDs).

As per the S4A Scheme, Promoter’s stake were to be diluted equivalent to Part B debt conversion ratio of total debt and passed on to the lenders, as a compensation for the sacrifice undertaken by the lenders in respect of change in repayment schedule and reduction in return for Part B debt. Hence, a portion of the Part B Debt was retired by the Lenders by invoking pledge on equity shares of the Company provided by the promoters of the Company in favour of such Lenders as directed by the OC. The balance portion of the Part B Debt outstanding until the S4A Effective date has been settled by the Company, by allotting OCDs to the respective Lenders of the Company with 0.01% coupon and 7% YTM, repayable over a period of 10 years, starting 6th year onwards, as per the terms of the S4A Scheme, against existing interest rate of around 11.80 – 12.00%. For the said gain due to de recognition of existing financial liability, due to reduction of interest obligations and increased repayment period, the company recorded a profit of ₹ 73.21 cr as required under IND-AS accounting standards in the audited books of accounts in FY 18.

The lenders have till date invoked pledge on the Promoter’s shares held in the Company being 63.48 lakhs at a credit of ₹ 1 per share to the Company (proportionately done by lenders based on their approval of the S4A scheme). On account of invocation of the pledge of these shares for the purpose of enabling the company to restructure debt to sustainable levels, the promoters had incurred a loss equivalent to the market value of the invoked shares amounting to ₹ 53,99,66,397, based on the average of then prevailing price of such invoked shares listed on the stock exchange.

The Company had agreed to indemnify the promoters who had pledged their shares in favour of the lenders, against all the losses, as may be suffered due to parting with the shares held by the promoters. Hence, a compensation payable to promoters, in respect of the above loss on account of the restructuring of debt of the company was accounted for in the audited books of accounts in FY 18. The said amounts continues as payable by the Company to Prahm India LLP, one of the promoter entity whose shares were invoked by the lenders of the Company.

The Board of Directors at its meeting dated February 10, 2020 approved issue of Optionally Convertible Preference Shares against the said compensation payable to the Promoter on such terms and conditions more specified herein.

In terms of Sections 42 and 55 of the Act, read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company making an allotment of preference shares on private placement basis is required to obtain the approval of the Members by way of a special resolution for each such offer or invitation.

It is proposed to obtain approval of the Members under Sections 42, 55 and other applicable provisions, if any, of the Act, read together with the rules made thereunder (to the extent applicable), to enable the Company (hereinafter also called “Issuer”) to make a private placement of Optionally Convertible Preference Shares (“OCPS”) for an amount of ₹ 53,99,66,397 (Rupees Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven only) to Prahm India LLP, on the terms and conditions set out hereunder.

Disclosures:

- 3.1 As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, the material facts relating to the aforementioned issue of preference shares (“the OCPS Issue”) are as follows:

a.	The size of the issue and number of preference shares to be issued and nominal value of each share	53,99,66,397 (Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven) Optionally Convertible Preference Shares (OCPS) of ₹ 1 each.
b.	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	The OCPS will be non-cumulative, non-participating and optionally convertible.
c.	The objectives of the issue	To issue OCPS to Prahm India LLP, the Promoter/ proposed allottee against the compensation outstanding and payable to them in the books of the Company.
d.	The manner of issue of shares	Private placement basis
e.	The price at which such shares are proposed to be issued	The OCPS are proposed to be issued at a nominal value of ₹ 1 each.
f.	The basis on which the price has been arrived at	The OCPS are issued at par based on the valuation of the Compensation due to the Promoter as per report of registered valuer dated February 10, 2020
g.	The terms of issue, including terms and rate of dividend on each share, etc.	It’s a Zero Coupon OCPS for a period not exceeding 10 years from the date of allotment.

h.	The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The proposed allottee may opt, by giving in writing 2 days advance notice to the Company, to convert the OCPS partially or fully into Equity Shares of ₹ 1 each by the proposed allottee, within a period of 18 months from the date of allotment of OCPS, in one or more tranches, in one or more financial year, at a price of ₹ 18.12 (including securities premium of ₹ 17.12) determined as per Regulation 164 of SEBI ICDR Regulation. The balance remaining, if any, after exercise of all the options before the expiry of 18 months, shall be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than the Optionally Convertible Debentures (OCDs) issued to the lenders of the Company as Part B debt under the S4A Scheme are fully repaid or converted into equity shares.
i.	The manner and modes of redemption	The OCPS shall be redeemed in accordance with the provisions of the Companies Act, 2013 read with the relevant rules and applicable SEBI Guidelines/ Regulations.
j.	The current shareholding pattern of the company	The current shareholding pattern of the Company forms part of pre holding table in Annexure B of this Notice.
k.	The expected dilution in equity share capital upon conversion of preference shares	The Promoter & Promoter Group holds 59.84% of the Equity share capital of the Company, while the balance 40.16% is held by public. Should the Promoter & Promoter Group exercise the option of conversion of the entire OCPS of ₹ 53,99,66,397 into Equity shares at a conversion price of ₹ 18.12 per shares, the resultant Promoter & Promoter Group shareholding would be 62.71% and the balance 37.29% Shares would be with Public.

3.2 Further, as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, additional disclosure for issue of preference shares on private placement basis are as follows:

(a)	Particulars of the offer including date of passing of Board resolution	The Board of Directors of the Company at its meeting held on February 10, 2020 approved the issue 53,99,66,397, Zero coupon OCPS of nominal value ₹ 1 each aggregating upto ₹ 53,99,66,397.
(b)	Kinds of securities offered and the price at which security is being offered	Optionally Convertible Preference shares at nominal value of ₹ 1 per share
(c)	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Optionally Convertible Preference Shares ("OCPS") is being made towards the conversion of the compensation due to the promoter /proposed allottee. The OCPs are issued for consideration other than cash, the valuation of the compensation in consideration for which the shares are issued is done by a Registered valuer as per the provisions of ICDR Regulations and Companies Act, 2013 is available for inspection.
(d)	Name and address of valuer who performed valuation	Sanka Hari Surya, ACA, ACS Registered valuer with IBBI Registration No. IBBI/RV/07/2019/12576 Shree Mahavir Sadhana CHS, D-602 Plot no. 18EFG, Sector -14, Navi Mumbai, Sanpada – 400705.
(e)	Amount which the Company intends to raise by way of such securities	No amount is raised by issue of OCPS. The OCPS is issued against compensation payable to Prahm India LLP.
(f)	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities.	<ul style="list-style-type: none"> - The Company proposes to issue Optionally Convertible Preference Shares at a nominal value of ₹ 1 per share to Prahm India LLP (Promoter) on a private placement basis. - The OCPS are unsecured and do not carry any charge on the assets of the Company. - The OCPS are proposed to be issued for a period not exceeding 10 years from the date of allotment. - The OCPS are convertible at the option of Prahm India LLP during the first 18 months from the date of allotment, at a price of ₹ 18.12 per share, (subject to compliance with all applicable laws). - The OCPS may be redeemed early at the option of the Company but not earlier than the Optionally Convertible Debentures issued to the lenders of the Company as Part B debt under the S4A Scheme are fully repaid or converted into equity shares.

3.3 As required under Regulation 163(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ('ICDR') disclosures for preferential issue of OCPS are as follows:

(a)	Objects of the Issue	To issue OCPS to Prahm India LLP. Promoter, against compensation payable to them as accounted in the books of accounts of the Company.																		
(b)	maximum number of specified securities to be issued:	53,99,66,397 (Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven) Zero Coupon Optionally Convertible Preference Shares at face value of ₹ 1 (Rupee One) each, in one or more tranches at par, aggregating up to ₹ 53,99,66,397 (Rupees Fifty three crores ninety nine lakhs sixty six thousand three hundred ninety seven only).																		
(c)	Intent of the promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Allotment:	Prahm India LLP, Promoter of the Company intends to subscribe to the offer.																		
(d)	Shareholding pattern of the Company, before and after the preferential issue	The shareholding pattern of the Company as on February 14, 2020 and post conversion of OCPS is annexed as Annexure B.																		
(e)	Time within which the Preferential Allotment shall be completed:	15 (fifteen) days from the date of passing of special resolution for issuance.																		
(f)	The 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, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue	<p>The majority of the equity shares of Prahm India LLP, the proposed allottee are held by Mr. Rupen Patel, Promoter of the Company.</p> <p>There shall be no change in management or control of the Company pursuant to the aforesaid issue of OCPS.</p> <p>Post-Preferential issue capital held by Prahm India LLP:</p> <table border="1" data-bbox="868 820 1485 1031"> <thead> <tr> <th rowspan="3">Particulars</th> <th colspan="2">Pre-Preferential Allotment</th> <th colspan="2">*Post-Preferential Allotment</th> </tr> <tr> <th colspan="2">As on December 31, 2019</th> <th colspan="2"></th> </tr> <tr> <th>No.</th> <th>%</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Equity Shares</td> <td>1,03,95,882</td> <td>2.68</td> <td>4,01,95,352</td> <td>9.63</td> </tr> </tbody> </table> <p><i>*Assuming all OCPS are converted, in more than one financial year, but within a period of 18 months of the date of allotment.</i></p>	Particulars	Pre-Preferential Allotment		*Post-Preferential Allotment		As on December 31, 2019				No.	%	No.	%	Equity Shares	1,03,95,882	2.68	4,01,95,352	9.63
Particulars	Pre-Preferential Allotment			*Post-Preferential Allotment																
	As on December 31, 2019																			
	No.	%	No.	%																
Equity Shares	1,03,95,882	2.68	4,01,95,352	9.63																
(g)	Undertakings/other disclosure:	<p>a. None of the Company, its Directors or Promoters have been declared as wilful defaulter as defined under SEBI ICDR Regulations. None of its Directors or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.</p> <p>b. The Company is eligible to make the Preferential Allotment to its Promoter under Chapter V of SEBI ICDR Regulations.</p> <p>c. As the Ordinary shares have been listed for a period of more than twenty-six weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.</p> <p>d. The proposed allottee or any Person in the Promoter group have not sold or transferred any Ordinary Shares of the Company during the six months preceding the relevant date.</p>																		
(h)	Relevant Date and Issue Price	The 'Relevant Date for the purpose of determination of price of Equity Shares upon conversion of the OCPS in terms of SEBI ICDR Regulation will be February 19, 2020, being the date 30 (thirty) days prior to the date on which the meeting of shareholders is held to consider this proposed preferential issue																		
(i)	Lock-in period:	The Ordinary shares (including those arising from conversion of OCPS into Equity) shall be locked in for such period as may be specified under Regulations 167 and 168 of SEBI ICDR Regulations.																		

As required in Regulation 163(2) of the ICDR, a certificate from the statutory auditors of the Company, certifying that the OCPS issue is being made in accordance with the requirements of the ICDR, will be placed at the Extraordinary General Meeting of the Company.

The Board of Directors recommends passing of the Special Resolution at Item No. 3 of the Notice.

Except Mr. Rupen Patel and his relatives, none of the other Directors and Key Managerial Personnel of the Company, and their relatives are in any way concerned or interested in the said Resolution, except and to the extent of their shareholding in the Company.

By Order of the Board

Shobha Shetty
Company Secretary
Membership No. F10047

February 18, 2020

Registered Office

Patel Estate Road,
 Jogeshwari (West),
 Mumbai-400102.

Annexure A

Statement pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 is as follows:

Name of Director	Ms. Geetha Sitaraman
Age	71 Years
Qualification/ Brief Resume	Ms. Geetha Sitaraman, worked in State Bank group for 5 years as staff officer grade 1 in various branches. For 27 years she worked for Vijaya Bank in senior management and executive positions both at branch & administrative level and regional head level. She also has experience of looking into audit, vigilance and risk management functions of branches in western and northern India branches of ING Vysya bank on short service contract basis.
Nature of his/her expertise in specific functional areas	Ms. Geetha Sitaraman has a wide experience of over 45 years with 5 different banks at Senior Management level. Her field of specialization includes all areas of Banking.
Date of first appointment as Director	March 26, 2015
Remuneration last drawn (FY 2018-19)	N.A.
Number of Board meeting attended during the year 2018-19	4
Other directorship / membership / chairmanship of the Committees of other Boards	Nil
Shareholding in the Company	Nil
Disclosure of relationships between Directors inter-se	Not related to any Director of the Company

Shareholding pattern of the Company
(Assuming Prahm India LLP chooses to exercise the option to convert the OCPS into equity shares)

		No. of equity shares held prior to conversion of OCPS	% of equity shares held prior to conversion of OCPS	Total No of Shares held post conversion of OCPS	% of Total Shareholding post conversion of OCPS
(A)	Promoter and Promoter Group (A)	23,19,43,639	59.84	26,17,43,109	62.71
(B)	Public Shareholding				
	Institutional				
	- Financial Institutions / Banks	7,22,16,589	18.63	7,22,16,589	17.30
	- Insurance Companies	23,32,947	0.60	23,32,947	0.56
	- Foreign Banks	24,02,022	0.62	24,02,022	0.58
	Sub-Total (B)(1)	7,69,51,558	19.85	7,69,51,558	18.44
	Non- Institutional				
	- Individuals	5,29,10,543	13.65	5,29,10,543	12.68
	- Others	1,25,39,837	3.24	1,25,39,837	3.00
	Sub-Total (B)(2)	6,54,50,380	16.89	6,54,50,380	15.68
	Total Public Shareholding B1+B2= (B)	14,24,01,938	36.74	14,24,01,938	34.12
(C)	Non Promoter- Non Public shareholder				
	- Employee Welfare Trust (under SEBI (Share based Employee Benefit) Regulations, 2014	1,32,32,715	3.41	1,32,32,715	3.17
	Total Non Promoter- Non Public shareholder (C)	1,32,32,715	3.41	1,32,32,715	3.17
	TOTAL (A)+(B)+ (C)	38,75,78,292	100	41,73,77,762	100



PATEL ENGINEERING LTD.

CIN:L99999MH1949PLC007039

Regd. office: Patel Estate Road, Jogeshwari (West), Mumbai - 400 102
Tel No: +91(22) 26767500 Fax: +91(22) 26782455 Website: www.pateleng.com

PROXY FORM

Name of the Shareholder : _____ Folio No. / Client Id / DP Id: _____

I/We, being the member(s) holding _____ (no. of shares) Equity shares of Patel Engineering Limited hereby appoint:

1.Name	2. Name	3. Name
Address	Address	Address
e-mail id	e-mail id	e-mail id
Signature....., or failing him	Signature or failing him	Signature or failing him

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Extra Ordinary General Meeting of the Company to be held on Friday, March 20, 2020 at 10.30 a.m. at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai - 400102 and at any adjournment thereof in respect of such resolutions as are indicated below;

Sr. No.	Resolutions	For	Against
Special Business			
1.	Re-appointment of Ms. Geetha Sitaraman (DIN: 07138206) as an Independent Director for second term.		
2.	Alteration to capital clause of the Memorandum of Association		
3.	Preferential issue of Optionally Convertible Preference Shares ("OCPS")		

Signed this _____ day of _____ 2020.

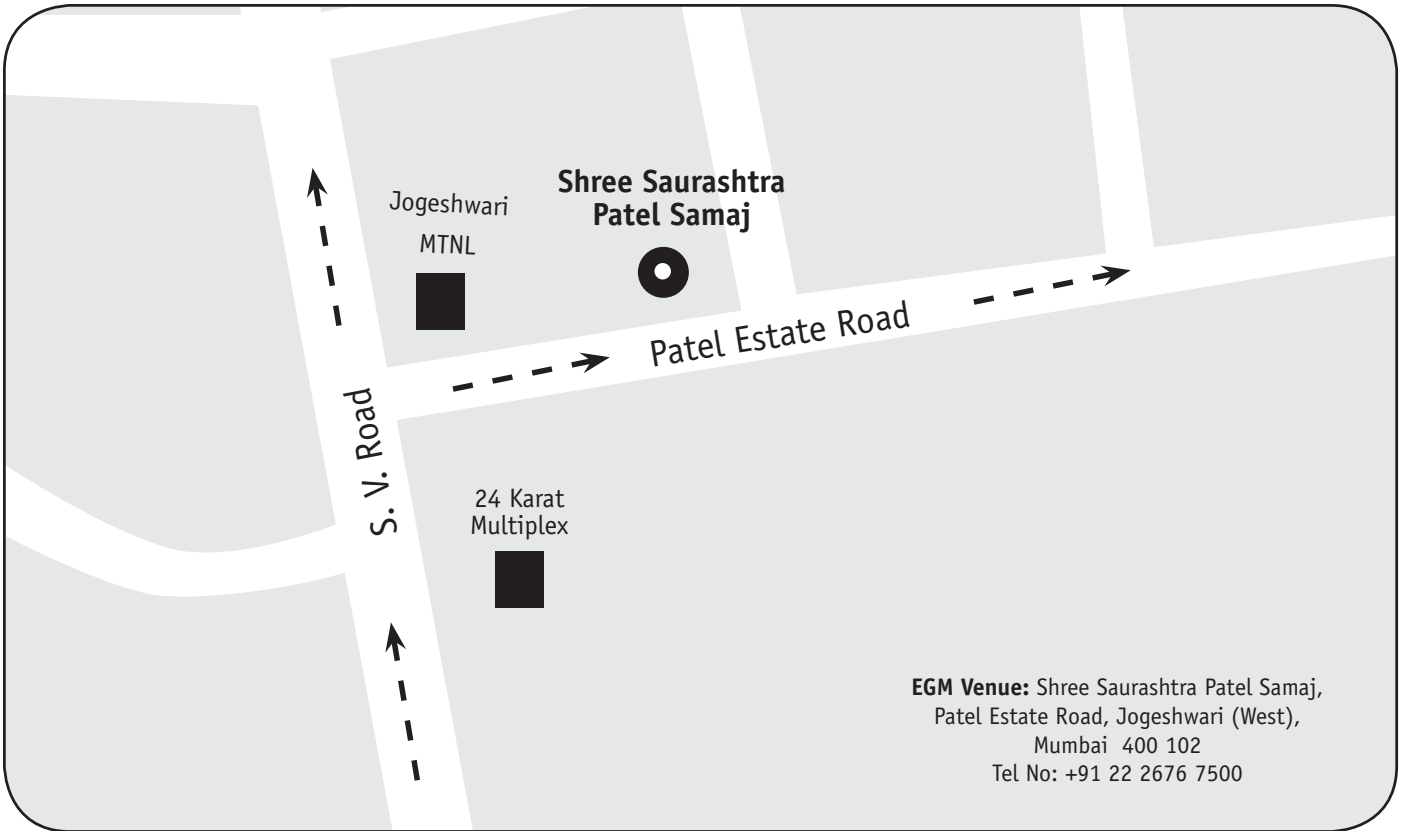
Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp of
₹ 1

Notes: This Form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP





PATEL ENGINEERING LTD.

(CIN: L99999MH1949PLC007039)

Regd. office: Patel Estate Road, Jogeshwari (West), Mumbai – 400102
Tel: +91-22-26767500 Fax: +91-22-26782455 Website: www.pateleng.com

Admission Slip

Please fill and hand it over at the entrance of the Meeting hall.

I hereby record my presence at the Extra Ordinary General Meeting of the Company on Friday, March 20, 2020 at 10.30 a.m., at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai - 400102.

Name and address of the Member(s)	
Registered Folio No./ *DP ID/Client ID	
Joint Holder 1	
Joint Holder 2	

Signature of Member or Proxy or Representative

*Applicable for investors holding shares in electronic form.

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EVSN (Electronic Voting Sequence Number)	**Sequence Number
200217004	

** Only Members who have not updated their PAN with the Company / Depository Participant shall use the above Sequence Number in the PAN field.

Note: Please read the instructions printed in the Notice of Extra Ordinary General Meeting. The remote e-voting period shall commence on Tuesday, March 17, 2020 (from 09.00 a.m.) and close on Thursday, March 19, 2020 (upto 5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.