



PATEL ENGINEERING LTD.

CIN: L99999MH1949PLCOO7039

July 01, 2020

To,

Bombay Stock Exchange Ltd.,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

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

Company Code No. 531120

Company Code: PATELENG/EQ

Dear Sirs,

Subject: Submission of Notice of Postal Ballot

Please find enclosed the Postal Ballot Notice dated June 30, 2020 seeking approval of the Members for the business mentioned therein.

Kindly take the same on record.

Thanking you.

For Patel Engineering Limited

Shobha Shetty
Company Secretary
Membership No. F10047

Encl : as above

REGD. OFFICE:

Patel Estate Road, Jogeshwari (W), Mumbai – 400 102. India
Phone +91 22 26767500, 26782916 Fax +91 22 26782455, 26781505
Email headoffice@pateleng.com Website www.pateleng.com



PATEL ENGINEERING LTD

CIN: L99999MH1949PLC007039

Registered office: Patel Estate Road, Jogeshwari (West), Mumbai – 400102

Tel No: +91(22) 26767500 Fax: +91(22) 26782455 Website: www.pateleng.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of 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 with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) and General Circulars No.14/2020 dated April 8, 2020 and No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“the MCA Circulars”), in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19” and subject to any other applicable laws and regulations, to transact the special business mentioned below by the members of Patel Engineering Limited (“the Company”) by passing resolutions through postal ballot (“Postal Ballot”) **ONLY** through remote e-voting:

1. Preferential issue of Equity Shares to lenders pursuant to conversion of loan into equity shares:

Considering the current threat posed by COVID-19 pandemic situation, the Company is sending the Postal Ballot Notice only in electronic form to all its members who have registered their e-mail addresses with the Company / Registrar & Transfer Agents / Depository Participants. In compliance with the provisions of Section 108 of the Act, the Company is providing remote e-voting facility to its Members for voting on the resolutions contained in this Postal Ballot Notice. The communication of assent / dissent of the members can only be given through the remote e-voting system, in accordance with the MCA Circulars. The Company is also extending the facility to register the email addresses of the members (please refer to the Notes to the Notice) who have not yet registered the same with the Company/ Depository Participants/the Registrar & Transfer Agents (RTA), in order to enable the members to cast their votes through e-voting facility.

The Explanatory Statement setting out the material facts is annexed to this Notice as required under Sections 102 and 110 of the Act.

The Board of Directors of the Company has appointed M/s. Makarand M. Joshi & Co, Practising Company Secretaries, as scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final.

Please read the instructions provided in the Notes to the Notice and record your assent or dissent by means of remote e-voting facility provided by the Company from 09:00 a.m. on Thursday, July 2, 2020 - till 05.00 p.m on Friday, July 31, 2020. The resolutions shall be deemed to have been passed on the last date specified by the Company for casting the votes through electronic means.

The members are requested to consider and if thought fit, pass the following resolution as Special Resolution:

1. Preferential issue of Equity Shares to lenders pursuant to conversion of loan into equity shares:

“Resolved that pursuant to Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and applicable provisions of other laws, rules, regulations and guidelines, and provisions of the Memorandum of Association and Articles of Association of the Company, various rules, regulations, press notes, notifications, any other guidelines and clarifications issued by the Government of India, Central Government, State Governments, all applicable regulations, 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 regulatory approvals, permissions, consents and/or sanctions of any regulatory authorities (including but not limited to approvals of the stock exchanges where the equity shares of the Company are listed) that may be required under applicable laws, 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(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), approval of the Members of the Company be and is hereby accorded for the Company undertaking a one-time settlement (“the OTS” / “the settlement”) with the Rupee Term Loan lenders of Dirang Energy Private Limited (“DEPL”), the wholly owned subsidiary of the Company, viz. Axis Bank Limited, IDBI Bank Limited, PTC India Financial Services Limited and Canara Bank (collectively, the “Lenders”), and the Company acquiring and taking over certain liabilities and obligations of DEPL towards the Lenders, by way of DEPL transferring, conveying, assigning and novating certain identified liabilities owed by DEPL to the Lenders, aggregating up to ₹1,00,00,00,000 (Rupees Hundred cores) (“Facilities”), in consideration of the Company’s liability to pay / repay the debt / liability owed by it to DEPL being proportionally reduced / extinguished, along with the option for the Lenders to convert the whole or part of the Facilities, into equity shares of the Company, as per the terms of the OTS and the terms contained in the respective underlying loan documents executed/to be executed between the Company and/or DEPL and the Lenders and shall be subject to the applicable statutory and regulatory guidelines for conversion of loans into shares, or convertible instruments or other securities, of the Company and each such Lender shall be allotted such number of equity shares as may be decided by the Board of Directors of the Company, upon conversion of a part of the Facilities;

Resolved further that upon allotment of the equity shares to the respective Lenders pursuant to conversion of a part of their Facilities into equity shares, the loans/Facilities of each Lender shall stand reduced to the extent of conversion thereof into equity shares;

Resolved further that the Equity Shares to be issued pursuant to this resolution shall rank pari passu with the existing Equity Shares of the Company in all respects;

Resolved further that the pricing for conversion of debt into Equity shares shall be higher of the following:

- (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the date thirty days prior to the date on which Shareholder's resolution is passed for conversion of loan into Equity shares; or
- (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the date thirty days prior to the date on which Shareholder's resolution is passed for conversion of loan into Equity shares.

Resolved further that subject to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and subject to all applicable circulars, notifications, regulations, guidelines issued by the Securities and Exchange Board of India, Reserve Bank of India, stock exchanges and such other statutory/regulatory authorities, and all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, the Board be and is hereby authorized to offer, issue and allot from time to time to the Lenders such number of equity shares of the Company, upon conversion of the outstanding portion of the Facilities extended by the Lenders, into equity shares of the Company in accordance with the terms of the OTS / financing agreements subject to the applicable statutory and regulatory guidelines for conversion of loans into shares, or convertible instruments or other securities, of the Company;

Resolved further that the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) be and is hereby authorized to undertake all such acts, deeds, matters and things as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution, and to settle any question, difficulty or doubt that may arise in this regard without requiring the Board to seek any further consent or approval of the Members or otherwise to the end and intent and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution; and

Resolved further that for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any of the Directors, Key Managerial Personnel or any other officer or employee or authorised representative of the Company as it may consider appropriate."

**For and on behalf of the Board of Directors of
PATEL ENGINEERING LIMITED**

Shobha Shetty
Company Secretary
Membership No. F10047

Place: Mumbai
Date: June 30, 2020

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

Notes:

1. The Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 ("the Rules") setting out the material facts in respect of the business set out in the Postal Ballot Notice ("the Notice") is annexed hereto for your consideration.
2. The Notice is being sent to all the members whose names appear in the Register of Members on Friday June 26, 2020 i.e. 'the cut-off date'. Accordingly, the members whose names appear in the Register of Members, has been considered for the purpose of voting. The voting rights of the members shall be in proportion to their equity shares held in the total paid up equity share capital of the Company as on the cut-off date i.e. Friday, June 26, 2020.
3. Pursuant to the provisions of Section 108 of the Act, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), Electronic Voting ("e-voting") facility is provided to all the eligible members of the Company. The facility of casting the vote by the members using e-voting system will be provided by Link Intime India Private Limited ("LI IPL"), Electronic Voting Service Provider ("EVSP") of the Company having its office at C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai - 400 083, (Tel: +91 22 4918 6000; Fax: +91 22 4918 6060) through its 'instavote' platform at the <https://www.instavote.linkintime.co.in>. *Please note that a member who is entitled to vote, can exercise his/her/its vote only through e-votin*. The members are requested to carefully read the instructions given below before casting their vote electronically.
4. The Portal for e-voting will remain open for the Members for exercising their voting from Thursday July 2, 2020 at 09:00 a.m. India Standard Time ("IST") till Friday, July 31, 2020 at 05:00 p.m. (IST), both days inclusive. Please note that e-voting will be disabled by the EVSP after the said date and time. During this period, the Members of the Company holding equity shares either in physical form or dematerialised form, as on the cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by a member, he/ she will not be able to change it subsequently or cast the vote again.
5. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the last date specified by the Company for e-voting i.e. Friday, July 31, 2020, which shall be deemed to have been passed at a general meeting.
6. The Members who have not registered their e-mail addresses either with the Company, RTA of the Company or their Depository Participant (DP) are requested to register the same with the RTA in accordance with the process specified herein below at point no. 11 for generating User Id, to enable them to cast their votes on the Resolutions set out in this Postal Ballot Notice. The Members can also register /update their e-mail address with the Company by sending an e-mail to investors@pateleng.com

7. For any query connected with the Resolution(s) proposed to be passed by means of the Postal Ballot, the Members may send an e-mail to investors@pateleng.com.
8. The relevant documents, if any, pertaining to the above resolutions will be available for inspection on the website of the Company from Friday, July 2, 2020 to Friday, July 31, 2020 i.e. up to completion of postal ballot process.
9. As required by Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the MCA Circulars and the Regulations, the details pertaining to the Postal Ballot will be published in one English daily Newspaper circulating in Mumbai (in English language) and one Marathi (vernacular) daily Newspaper circulating in Mumbai (in vernacular language, i.e. Marathi) in their electronic versions.
10. A copy of the Postal Ballot Notice is available on the website of the Company – www.pateleng.com Link Intime India Private Limited - EVSP to the event - www.linkintime.co.in and on the website of BSE Limited- www.bseindia.com and the National Stock Exchange of India Limited - www.nseindia.com (“the Stock Exchanges”) on which the Equity Shares of the Company are listed.

11. Procedure for registration of e-mail address by the Members of the Company:-

- i. **For Temporary Registration:** The Members of the Company holding Equity Shares of the Company in Demat Form or Physical Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the RTA / LIPL, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Address, DPID, Client ID/ Folio No., PAN. Post successful registration of the e-mail address, the member would get soft copy of the Postal Ballot Notice and the procedure for e-voting along with the user-id to enable e-voting for the Postal Ballot. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in and/ or to the Company at investors@pateleng.com.
- ii. **For Permanent Registration:** It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) and in respect of physical holdings, with the RTA of the Company by following the procedure prescribed by the Depository Participant or the RTA, respectively.
- iii. **Validation of e-mail ids :** Those members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their Depository Participants / the Company’s RTA, to enable servicing of notices / documents / Annual Reports electronically to their e-mail address.

Procedure / Instructions for Members to cast votes for Postal Ballot through e-voting

The procedure as prescribed by LIPL/EVSP are as under:

1. Visit the e-voting system of Link Intime India Private Limited (LIPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.

For Members already registered with LIPL

If you are holding shares in demat form and had registered on to e-voting system of LIPL then you can use your existing password to log-in and cast your vote.

For Members using e-voting system of LIPL for the first time

If you are using e-voting system of LIPL for the first time or if you are holding shares in physical form, you need to follow the steps given below:

For USER ID, please refer the following table:

Manner of holding equity shares i.e. Demat (NSDL or CDSL) or Physical Your User ID		Your User ID
a)	For Members who hold equity shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b)	For Members who hold equity shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
c)	For Members holding equity shares in Physical Form.	Event Number followed by Folio Number registered with the Company For example, if folio number is A00005 and Event Number is 200059, then User ID is 200059A00005

For use of Password-

Click on "Sign Up" tab available under 'Shareholders' section to register your details and set the password of your choice and confirm (*The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter*).

For Members holding shares in Demat Form or 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 depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none">Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field.

Steps for Members who have forgotten password (both demat and physical):

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT". In case, the Member is having valid e-mail address, password will be sent to the Member's registered e-mail address. Else, Member can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and atleast one capital letter).

It is strongly advised not to share your password with any other person and take utmost care to keep your password confidential.

How to cast your vote electronically on e-voting System of LIPL ?

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No." of the Company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
You may also choose to abstain from voting and the shares held will not be counted 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for Members:

- Institutional Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to e-voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- Institutional Members are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same. The same can be sent to enotices@linkintime.co.in.
- A member can log in any number of times till the votes are cast on all the resolutions or till the end of the voting period, whichever is earlier.
- Members holding multiple Folios/Demat Accounts shall choose the voting process separately for each of the Folio/Demat Account.
- In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-voting manual available at <https://instavote.linkintime.co.in> under Help Section. Members may also mail their queries relating to e-voting at enotices@linkintime.co.in.

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.pateleng.com and on the website of LIPL www.linkintime.co.in after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE Limited and National Stock Exchange of India Limited ("the Exchanges").

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

As required under Section 102 and 110 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the item mentioned in the Notice dated June 30, 2020.

Item no.1 Preferential issue of Equity Shares to lenders pursuant to conversion of loan into Equity Shares:

Dirang Energy Private Limited (hereinafter referred to as DEPL), the Wholly Owned Subsidiary is a Special Purpose Vehicle (SPV) promoted by the Company for development of 144 MW Gongri Hydroelectric Power Project in West Kameng district of Arunachal Pradesh (herein after referred to as the Project). For the Project, DEPL had availed Rupee Term Loan (RTL) from consortium of lenders (herein after referred to as the Lenders) vide Underwriting and Facility Agreement dated February 14, 2013, total sanctioned RTL Facility was ₹ 894 crore.

DEPL had awarded the Engineering, Procurement and Construction (EPC) contract to the Company due to its expertise in north east region & power segment track record comprising with good PQ Qualifications for the Project's execution) through the International Competitive Bidding (ICB) process. An EPC contract was executed in December 2011 of the total contract value of ₹ 989.59 Crore which included all works of Design & Engineering, Civil works, Electro-Mechanical works, Hydro-Mechanical works. The Company has availed mobilization and machinery advances from DEPL for the Project of ₹ 183.44 crore, which stands outstanding and payable by the Company to DEPL.

The project has been stalled due to various hurdles faced by the Company in getting timely approval from local authorities and timely disbursement from project lenders and other local disturbances.

In the various meetings held with consortium lenders of DEPL, the Company had proposed for resolution of the outstanding debt as the project is on halt and terminated by the Government Authority, which termination has been stayed by the court and is under sub-judice.

DEPL and the Company has proposed for One Time Settlement (herein after referred to as OTS) of the debt to the lenders of DEPL as a resolution of debt.

DEPL has availed OTS from IDBI Bank and Axis Bank proposing part settlement in cash and part by way of issue of fresh equity shares of the Company. DEPL is also expecting OTS from PTC India Financial Service and Canara Bank, the other consortium members/Lenders of DEPL's RTL facility for a similar settlement. The Members may note that these liabilities/debt of the Lenders are to be settled by the Company are in lieu of part settlement of amounts which were payable by the Company to DEPL against contract advances of ₹ 183.44 crore received by the Company from DEPL for the EPC contract awarded by DEPL, as mentioned above.

The Members resolution is proposed for the Company acquiring and taking over certain liabilities and obligations of DEPL, by way of DEPL transferring, conveying, assigning and novating certain identified liabilities owed by DEPL to its term loan lenders viz. Axis Bank Limited, IDBI Bank Limited, PTC India Financial Services Limited and Canara Bank (the Lenders), aggregating up to ₹1,00,00,00,000 (Rupees One hundred crore) ("Facilities"), in consideration of the Company's liability to pay / repay the debt / liability owed by it to DEPL being proportionally reduced / extinguished, along with the option for the Lenders to convert the outstanding of such Facilities into equity shares of the Company, pursuant to the terms of the OTS arrived at / proposed to be arrived at by the Company and DEPL with the Lenders, and for the Lenders to convert the whole or part of the Facilities, into equity shares of the Company, as per the terms of the OTS and the terms contained in the respective underlying loan documents executed/to be executed between the Company and/or DEPL and the Lenders and each such Lender shall be allotted such number of equity shares as may be decided by the Board of Directors of the Company, upon conversion of a part of the Facilities.

As and when the debt converts into Equity shares, the same shall be converted at higher of following price:

- (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the date thirty days prior to the date on which Shareholder's resolution is passed for conversion of loan into Equity shares; or
- (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the date thirty days prior to the date on which Shareholder's resolution is passed for conversion of loan into Equity shares.

The Board recommends the resolution to enable the said Banks/Financial Institution, in terms of the OTS arrangements as may be specified by the Banks/Financial Institution under the OTS documents in respect of the debt availed/being availed, at their option, to convert the whole or part of their debt outstanding into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the OTS documents and prevailing applicable laws.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in this resolution.

Consent of the Members is being sought by way of Special Resolution in terms of Section 62(3) and all other applicable provisions of the Companies Act, 2013. The Board recommends the resolution set forth at Item No. 1 for the approval of the Members.

**For and on behalf of the Board of Directors of
PATEL ENGINEERING LIMITED**

Place: Mumbai
Date: June 30, 2020

Shobha Shetty
Company Secretary
Membership No. F10047

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