



PATEL ENGINEERING LTD

CIN: L99999MH1949PLC007039

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POSTAL BALLOT NOTICE

Postal Ballot Notice ('PBN') is hereby given pursuant to Section 110 of the Companies Act, 2013, ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and Secretarial Standard-2 (SS-2) to transact the following special business by the Members of 'Patel Engineering Limited' ('the Company') by passing the Resolutions through Postal Ballot.

The proposed resolutions, along with explanatory statement, setting out the material facts and reasons thereto, are appended below and a Postal Ballot Form (PBF) is enclosed for your consideration. Mr. Makarand Joshi, Partner of M/s. Makarand M. Joshi & Co., Company Secretaries in Practice has been appointed by your Company to act as scrutinizer for conducting the postal ballot and e-voting process in fair and transparent manner.

You are requested to carefully read the instructions printed on PBF and PBN and return the completed PBF in the enclosed self-addressed postage pre-paid envelope (if posted in India), so as to reach the Scrutinizer on or before the close of business hours on Wednesday, November 15, 2017, being the last date for receipt of the completed PBF. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

E-Voting Option

In compliance with Regulation 44 of the Securities & Exchange Board of India (Listing Obligation & Disclosures Requirements) Regulations 2015 and Section 108 and other applicable provisions of the Act read with related rules (including statutory modification or re-enactment thereof, for the time being in force), we are pleased to offer e-voting facility also as an alternate for our Members which would enable you to cast your votes electronically, instead of physical PBF. E-voting is optional and all the members (whether holding share in demat form or physical form) may vote either by completing and dispatching the postal ballot form by post or by e-voting. The Company has engaged the services of Central Depositories Services (India) Limited ('CDSL') for the purpose of providing e-voting facility to all its members. Please read carefully and follow the instructions on e-voting printed in this PBN.

The Scrutinizer will submit his report to the Chairman or any other Director of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot / e-voting will be announced on or before Thursday, November 16, 2017 at the Registered Office of the Company. The result of the postal ballot/e-voting will also be posted on the Company's website www.pateleng.com and communicated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The date of announcement of result of postal ballot/ e-voting shall be taken to be the date of passing of the resolutions.

The Members are requested to pass the following Resolutions:-

1. Approval for conversion of Loan by Lenders into Optionally Convertible Debentures (OCDs) of the Company pursuant to implementation of the Reserve Bank of India S4A Scheme for the Company

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

"Resolved that in accordance to the provisions of Companies Act, 2013 and Rules made thereunder, Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and any other applicable regulations, including any statutory modification(s) or re-enactment thereof for the time being in force and any modifications thereto; the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") introduced by Reserve Bank of India ("RBI") pursuant to its Circular dated 13 June 2016 and subsequently revised by RBI vide its circulars dated 10 November 2016 (together, referred to as the "S4A Circulars", including any amendments / modifications or supplements thereto); pursuant to which S4A has been invoked by the Joint Lenders Forum (JLF) on August 8, 2017 (Reference Date) and S4A Scheme in principally adopted by the JLF on September 06, 2017 and September 22, 2017 and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, including approval of Overseeing Committee (OC) of the Lenders and other authorities and subject to such condition(s) and modification(s) as may be imposed or prescribed while granting approvals, consents, permissions sanctions, in respect of the conversion of part of the existing Loan/debt exposure, inter alia, of the following Banks and Financial Institutions as per the terms of Part B Debt of the PEL S4A Scheme,

Sr. No.	Name of the Lenders
1	Axis Bank Limited
2	Bank of Baroda
3	Bank of India
4	Bank of Maharashtra
5	Canara Bank
6	Corporation Bank
7	DBS Bank Limited
8	Dena Bank
9	ICICI Bank Limited
10	IDBI Bank Limited
11	Indusind Bank Limited

Sr. No.	Name of the Lenders
12	RBL Bank Limited
13	Societe Generale
14	SREI Equipment Finance Limited
15	Standard Chartered Bank
16	State Bank of India
17	Yes Bank Limited
18	General Insurance Corporation (GIC)
19	Life Insurance Corporation (LIC)
20	EXIM Bank
21	HDFC Bank Limited

(hereinafter collectively referred as "Lenders") of the Company as specified in the Financing documents executed/to be executed by the Company with, inter alia, the Lenders for the purpose of implementation of the PEL S4A Scheme as detailed in Information Memorandum (hereinafter referred as PEL S4A Scheme/S4A Information Memorandum) and subject to the rights of the Company to prepare the financial facilities availed, as per the terms of Part B Debt of PEL's S4A Scheme, consent of the Company be and is hereby accorded to the Board (hereinafter which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the S4A Information Memorandum, inter alia, to convert part of the outstanding loans/debt of the Company (whether disbursed on or prior to or after the date of this resolution and whether then due or payable or not), at the option of the Lenders, the loans or any other financial assistance categorized as loans in foreign currency or Indian Rupees, which have already been availed from the Lenders or as may be availed from the Lenders, together with accumulated interest, not exceeding ₹ 1,240 crores (Rupees One thousand two hundred and forty crores only) (hereinafter "Financial Assistance"), consistent with the existing borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013, each such Financial Assistance being separate and distinct from the other, into fully Optionally Convertible Debentures (OCDs) of the Company, which OCDs shall be issued in separate series as per the existing security structure, on mutually agreed terms and on such terms and conditions as may be stipulated in the S4A Information Memorandum and subject to applicable law (including extant guidelines in force), and to authorise the Board to offer, issue and allot in one or more tranches, such number of OCDs of the company of ₹ 1,000 (Rupee One thousand only) at a price as determined in accordance with the applicable laws, to the Lenders which shall not exceed the amount of principal and interest outstanding as per the terms of Part B Debt of PEL's S4A Scheme, as the case may be applicable, as on the date of conversion of such loan/debt.

Resolved further that for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient as found appropriate and the Board / Committee be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation thereto including issuing clarifications to the concerned statutory and regulatory authorities, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, including without limitation, to execute necessary documents and enter into contracts, arrangements, and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that the Board and any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any advisors, consultants for the purpose of implementation of the aforesaid resolution."

2. Approval for offer and Issue of Optionally Convertible Debentures (OCDs) on Preferential Basis / Private Placement:

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

"Resolved that pursuant to provisions of Section 42, 62, 71 and any other applicable provisions of Companies Act, 2013 read with Companies (Prospectus and Allotment) Rules, 2014, Companies (Share Capital and Debentures) Rules 2014 and any other applicable rules thereto, read with all the amendments, enactments, made thereto, SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 and pursuant to "Scheme for Sustainable Structuring of Stressed Assets" (S4A) introduced by the Reserve Bank of India (RBI) vide. circular dated June 13, 2016 and further modified on November 10, 2016, in principally adopted by Joint Lender's Forum (JLF) on September 06, 2017 and September 22, 2017 and subject to approval of Overseeing Committee (OC) of the lenders and all the necessary approvals from SEBI, Central Government, Stock Exchanges, Registrar of Companies, other statutory authorities, Financial Institutions, lenders and others required if any, consent of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, on Preferential basis upto such number of Optionally Convertible Debentures (OCDs) of the Company of ₹ 1000 each, in one or more tranches, for a value not exceeding ₹ 1,240 crores (Rupees One thousand two hundred and forty Crores only) inter alia, to the proposed Allottees / Lenders as mentioned in Item No. 1 & 2 of the Explanatory Statement attached herewith and in the event any of the proposed Allottees / Lenders doesn't wishes to convert its portion of Debt into OCDs, any other proposed Allottee will have the option to increase their conversion amount subject to the overall value not exceeding ₹ 1,240 Crores (Rupees One thousand two hundred and forty crores only), the OCDs shall be issued in separate series as per the existing security structure, in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Information Memorandum executed/ to be executed by the Company as per the PEL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the respective Individual Lender's subscription to the OCDs of the Company, entitling the debenture holder, on the date which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the Company's S4A Scheme but before the expiry of 18 (eighteen) months (or such other date as may be extended by RBI and/or SEBI) from the date of allotment of such OCDs ("Entitlement Date"), subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per PEL S4A Scheme as on the Entitlement Date, to apply for such number of fully paid equity shares of the Company of face value Re. 1 each, at an issue price not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

Resolved further that

- The payment of consideration for the allotment of OCDs shall be by appropriation of the outstanding loan/ debt due to the proposed allottees / Lenders payable by the Company under Part B Debt, as per the terms of the PEL S4A Scheme;
- The OCDs and Equity shares allotted pursuant to conversion of OCDs shall be made only in dematerialised form;
- The Equity Shares pursuant to conversion of OCDs to be issued and allotted shall be listed and traded on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- The OCDs and the Equity Shares allotted pursuant to conversion of OCDs shall remain locked in as per the provisions of SEBI ICDR

Regulations from the date of trading approval (which shall mean the latest date when trading approval has been granted by BSE and NSE) granted for the Equity Shares allotted pursuant to exercise of conversion option attached to OCDs, as the case may be applicable;

- The Equity Shares pursuant to conversion of OCDs to be issued and allotted shall rank pari passu with the then existing Equity Shares of the Company in all respects including that of payment of dividend;
- The Board/Committee be and is hereby authorised to decide and/or modify the terms and conditions of conversion of OCDs into equity shares of the Company in accordance with the provisions of extant Regulations.

Resolved further that for the purpose of giving effect to the above, the Board /Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid OCDs and listing of the Equity shares upon conversion with the Stock Exchange(s) as appropriate and for the purpose of giving effect to the above, the Board/Committee be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said OCDs and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned statutory and regulatory authorities, issue and allotment of the OCDs, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that the Board and any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and/or regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

**By Order of the Board of Directors
For Patel Engineering Limited**

Sd/-

**Shobha Shetty
Company Secretary
Membership No. A17228**

October 5, 2017

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposal set out above, is annexed hereto. A postal ballot form is also enclosed
2. Mr. Makarand Joshi, partner of M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, has been appointed as the Scrutinizer to conduct the postal ballot process in a fair and transparent manner.
3. The PBN is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, the October 6, 2017 (“cut- off date”). Accordingly, the Members whose names appear on the Register of Members / List of Beneficial Owners (received from NSDL and CDSL on ‘cut- off date’ will be considered for the purpose of voting).
4. The PBN is also being sent to the Directors and Auditors of the Company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified recipients.
5. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Members as on the cut -off date.
6. In accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013, read with Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014, the PBN is being sent by email to those members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company’s Registrar and Share Transfer Agents (in case of shares held in physical form). For Members whose email IDs are not registered, physical copies of the PBN are being sent by permitted mode, along with a postage-prepaid self-addressed Business Reply Envelope.
7. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rules framed there under, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical ‘PBF’ by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members.
8. Please note that e-voting is an alternate mode to cast votes and is optional.
9. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical PBF will be treated as invalid. The instructions for electronic voting are annexed to this PBN.
10. In case a Member is desirous of obtaining a printed PBF or a duplicate, he or she may send an e-mail to rnt.helpdesk@linkintime.co.in. The Registrar and Share Transfer Agent of the Company shall forward the same along with postage pre-paid self-addressed Business Reply Envelope to the Member.

11. A Member cannot exercise his / her vote through proxy on Postal Ballot.
12. Members desiring to exercise their vote by physical Postal Ballot, are requested to read carefully the instructions printed in the PBF and return the form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours i.e. 5 p.m. on Wednesday, November 15, 2017 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.
13. The postage will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the members, will also be accepted. The PBF(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
14. The PBN shall be uploaded on the Company's website viz., www.pateleng.com and on the website of CDSL viz., www.evotingindia.com.
15. In case of joint-holding, the PBF must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/ her absence, by the next named Member.
16. Unsigned, incomplete, improperly or incorrectly ticked PBF shall be treated as invalid.
17. The Scrutinizer will submit his report to the Chairman or any other Director of the Company as authorised by the Board, after the completion of scrutiny of the Postal Ballots (including e-voting). The result of the Postal Ballot / e-voting will be announced by the Chairman or any other director of the Company as authorised by the Board, as the case may be, on or before Thursday, November 16, 2017 at the Registered Office of the Company and will be intimated to the Stock exchanges where the shares of the Company are listed and will also be displayed on the website of the Company viz., www.pateleng.com.
18. Resolutions passed by the Members through Postal Ballot/e-voting shall be deemed to have been passed as if they have been passed at a General Meeting of the Members.
19. The date of declaration of results of the Postal Ballot/e-voting shall be the date on which the resolution shall be deemed to have been passed, if passed by the requisite majority.
20. All the material documents referred to in the Explanatory Statement, shall be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the PBN.

Instructions for Remote E-voting

- i. The voting period begins on Monday, October 16, 2017 (09:00 am IST). and ends on Wednesday, November 15, 2017 (05:00 pm IST).
- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders -
- iv. Now enter your User ID as under:
 - 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
 - v. Next, enter the image verification Code as displayed and click on "Login" tab.
 - vi. 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.
 - vii. If you are first time user, then fill up the following details in the appropriate boxes:

	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) Members who have not updated their PAN with the Company/Depository Participant are advised to contact registrar and transfer agent for the specific sequence number for log-in purposes
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. 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).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily change 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 remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this notice.
- xi. Now select the relevant Electronic Voting Sequence Number (EVSN) along with "PATEL ENGINEERING LIMITED" on which you choose to vote.
- xii. 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" 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.

- xiii. Click on the "Resolutions File Link" if you wish to view the entire resolutions.
- xiv. After selecting the resolution you have decided to vote on, click the "SUBMIT" tab. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. 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.
- xix. 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.

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

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No.1 and 2:

As the members are aware that due to liquidity issues and challenges in debt servicing, the Lenders to company had invoked SDR in the Company in May 2016. After the invocation of SDR, the Company hasn't been able build order book due to lack of bank guarantees for bidding. Consequent to the divestment of beneficial interest in certain actionable claims and real estate, after approval of respective lenders, the residual debt in the Company would be INR 3,000 Crores approximately. After the said carve out, the Company would still continue to hold significant assets in form of Awards/Claims and Real Estate. The timing of monetization of these assets is uncertain, and it has resulted in a strain on the core Engineering and Construction (E & C) business of the Company. Due to the timing difference, the company would have challenges in debt servicing at current levels. In current form, it is difficult for the company to sustain its operations and bid for new projects due to lack of Non Fund Based support from lenders.

The lenders in the Company deliberated other options for a way forward on resolution plan for Residual debt. The Lenders discussed the implementation of Scheme for Structuring of Stressed assets (S4A) in Residual debt with the current promoter group.

It was agreed in the Joint Lender Forum dated 08 August, 2017 (Reference Date) for implementation of S4A scheme without change in management as per RBI guidelines. Pursuant to the implementation of the S4A Scheme which has been in principally adopted by the Joint Lenders Forum of the Lenders (JLF) on September 06, 2017 and September 22, 2017 and in terms of the S4A Information Memorandum, it is proposed to consider the offer and issue OCDs on Preferential Basis as per applicable laws and extant regulations in the manner set out in the Resolution at Item No. 2, to be allotted to the Individual Lenders, based on the respective Lender's subscription for the OCDs of the Company.

The Company has a competent operating team and has demonstrated capabilities in execution of large E&C contracts. It has over six decades of experience and track record encompassing all the sectors of infrastructure industry from dams, tunnels, micro-tunnels, hydroelectric projects, irrigation projects, highways, roads, bridges, railways, refineries to real estates and townships.

The proposed structuring of debt under S4A would be beneficial to the Company and all the stakeholders as debt serviceability of the Company may be aligned to generation of funds by the Company

As per Section 62 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, in order to enable the Lenders to convert the outstanding loans or any other financial assistance already availed from the Lenders or as may be availed from the Lenders, from time to time, by the Company, at their option, into OCDs and then into Equity of the Company, approval vide special resolution has to be sought from the shareholders of the Company.

Further, as per Sections 42 and 71 of the Act, the issue of debentures with option to convert such debentures into shares, wholly or partly, requires to be approved by a special resolution.

The special resolution, if passed, will have the effect of allowing the Board/Committee to issue and allot OCDs /Equity pursuant to conversion of OCDs to the above mentioned proposed allottees / Lenders, on a preferential basis, who may or may not be the existing members of the Company.

Since the proposed Special Resolution at Item No. 2 would result in issue of OCDs by the Company to proposed allottees/ Lenders on a preferential basis, who may or may not be the members of the Company, in the manner laid down under Section 62 of the Companies Act, 2013, the consent of the shareholders is being sought pursuant to the provisions of Section 62, 42, 71 and all other applicable provisions of the Act, SEBI ICDR Regulations, the Listing Agreement and the SEBI LODR Regulations.

Accordingly, the Board recommends the resolution as set out in Item Nos. 1 and 2, to enable the Lenders, in terms of the lending arrangements, entered/to be entered, and as may be specified under the financing documents already executed or to be executed in respect of the Financial Assistance availed/to be availed, at their option, to convert the whole or part of their respective outstanding Financial Assistances into OCDs of the Company, and to permit the Company to issue the said OCDs otherwise than to the members of the Company in the manner and upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the SEBI Regulations. Equity Shares to be issued and allotted (including arising from conversion of OCDs), would be listed on BSE and NSE, subject to obtaining necessary regulatory approvals, if any.

Disclosures in terms of the provisions of the Companies Act, 2013 read with Rules there under, SEBI ICDR Regulations and other applicable provisions of the law, relevant disclosures / details are given below:

a. Objects of the Issue:

Pursuant to implementation of the S4A Scheme for the Company, Lenders of the Company have the right to convert part of their entire debt exposure ('Part B Debt of PEL S4A Scheme') to Optionally Convertible Debentures (OCDs) of the Company on the terms contained in the PEL S4A Scheme. Hence it is proposed to issue these OCDs on a preferential basis, in accordance with the PEL S4A Scheme and the applicable laws in force including extant regulations

b. Total number of OCDs to be issued

To offer, issue and allot from time to time in one or more tranches, on preferential basis upto such number of Optionally Convertible Debentures of the Company of ₹ 1,000 each, in one or more tranches, for a value not exceeding ₹ 1,240 crores, inter alia, to the aforesaid proposed allottees / lenders which OCDs shall be issued in separate series as per the existing security structure, as mentioned and in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Information Memorandum executed/to be executed by the Company with the Lenders, in terms of the PEL S4A Scheme approved for implementation by the Company pursuant to the S4A Circulars.

Sr. No.	Name of the Proposed Allottees / lenders	Amount of loan to be converted in OCD's (in ₹)	No. of OCDs of ₹ 1,000 each
1	Axis Bank	1,02,36,40,000	10,23,640
2	Bank of Baroda	59,27,40,000	5,92,740
3	Bank of India	75,30,40,000	7,53,040
4	Bank of Maharashtra	67,74,40,000	6,77,440
5	Canara Bank	84,29,40,000	8,42,940
6	Corporation Bank	53,75,40,000	5,37,540
7	DBS Bank	72,58,40,000	7,25,840
8	Dena Bank	2,66,90,40,000	26,69,040
9	ICICI Bank Ltd	93,17,40,000	9,31,740

Sr. No.	Name of the Proposed Allottees / lenders	Amount of loan to be converted in OCD's (in ₹)	No. of OCDs of ₹ 1,000 each
10	IDBI Bank	39,80,40,000	3,98,040
11	Indusind Bank Ltd	12,89,40,000	1,28,940
12	RBL Bank	8,97,40,000	89,740
13	Societe Generale	27,71,40,000	2,77,140
14	SREI Equipment Finance Ltd	10,23,40,000	1,02,340
15	Standard Chartered Bank	43,51,40,000	4,35,140
16	State Bank of India	24,35,40,000	2,43,540
17	Yes Bank Ltd	72,82,40,000	7,28,240
18	General Insurance Corporation (GIC)	5,15,40,000	51,540
19	Life Insurance Corporation (LIC)	86,09,40,000	8,60,940
20	EXIM Bank	26,96,40,000	2,69,640
21	HDFC Bank Ltd	5,43,40,000	54,340
	Total	12,39,35,40,000	1,23,93,540

In the event any of the proposed Allottees / Lenders doesn't wishes to convert its portion of Debt into OCDs, any other proposed Allottee will have the option to increase their conversion amount subject to the overall value not exceeding ₹ 1,240 Crores (Rupees One thousand two hundred and forty crores only)

c. Intention of the Promoters, Directors, Key Managerial Personnel of the Company to subscribe to the Offer:

The preferential issue of the OCDs of the Company will not be subscribed by the Promoters, Directors and Key Managerial Personnel of the Company

d. Relevant Date

The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares arising on conversion of OCDs, has been reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the S4A Scheme but before the expiry of 18 (eighteen) months (or such other date as may be extended by RBI and/or SEBI) from the date of allotment of such OCDs) subject to the continuation/subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per S4A Information Memorandum as on the Entitlement Date.

e. Pricing of Preferential Issue

The equity shares (arising out of conversion of OCDs) shall be issued at an issue price (including premium) not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

f. Terms for Issue of OCDs of the Company as per the S4A Documents executed / to be executed by the Company

- (i) The portion of Part B Debt of the Company as per the terms of PEL S4A Scheme, will be converted into Optionally Convertible Debenture (OCD) of ₹ 1,000 each which shall be issued in separate series as per the existing security structure.
- (ii) The OCDs shall have a coupon @ 0.01% p.a. payable annually on 31st March of each year from August 08, 2017. The OCDs shall also have a Yield to Maturity (YTM) @ 7.00% p.a. (including coupon). YTM shall be paid along with principal instalment payment. In case of prepayment, YTM shall be calculated on the amount prepaid for the tenure from the Date of Allotment till the date of prepayment.
- (iii) Debenture holders will have a right to convert up to a period of 18 months as per SEBI ICDR guidelines. The conversion option is available only for 18 months, whereas the tenure of proposed OCD is 10 years. In light of SEBI restriction, it is proposed that any one the following treatment would be given to the OCD after expiry of 18 months subject to approval of RBI and/or SEBI
 - a) The conversion option will be extended for the complete tenure of 10 years.
 - b) The conversion option will be rolled over after 18 months.
 - c) The OCD will be converted into NCD with clauses, entitling Lenders to convert defaulted amount into Equity.
- (iv) In case of any event of default or default of payment of Part A or Part B by the Company, the holders of OCD will be entitled to apply, on the date, which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the S4A Information Memorandum but before the expiry of 18 (eighteen) months (or such other date as may be extended by RBI and/or SEBI) from the date of allotment of such OCD ("Entitlement Date"), subject to the continuation/ subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per S4A Scheme as on the Entitlement Date, for such number of fully paid equity shares of the Company of face value Re. 1/- each, at an issue price (including premium) as on the Relevant Date (which shall be) 30 days prior to the Entitlement Date, being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.
- (v) If the OCDs are not converted into Equity shares, the same shall be repaid over a tenor of 10 years subject to RBI / SEBI approval, as required. The repayment of the OCDs shall be in five structured annual instalments starting at the end of 6th year from the date of allotment.
- (vi) Promoter to have the right to buy OCD/shares (if converted) in case the lenders decide to sell in the open market as per extant guidelines.
- (vii) Existing security of the Company to continue was available to the original debt (being converted into OCD) with the respective lenders along with personal guarantee of Mr. Rupen Patel and Mr. Pravin Patel. The Company to take all steps including to execute any documentation required to ensure that the charge is continued effectively. In event of conversion of OCD into Equity by the Lender(s) or repayment of OCD, the proportionate security shall be available for Part A debt.
- (viii) SEBI registered Trustee to be appointed as the Debenture Trustee for the Company.

g. Shareholding Pattern of the Company (Pre and *Post Preferential Allotment of the OCDs)

Sr. No.	Particulars	Pre- Preferential Allotment as on September 30, 2017	
		No. of Equity Shares	% of Total Shareholding
A.	Shareholding of Promoters & Promoter Group:		
I	Indian:		
	Individuals:		
1	Pravin Arjun Patel	40,800	0.03
2	Chandrika Pravin Patel	1,49,900	0.10
3	Rupen Pravin Patel	13,52,600	0.86
4	Alina Rupen Patel	12,90,000	0.82
5	Ryan Rupen Patel	90,000	0.06
	Non- Individual :		
6	Patel Corporation LLP	1,86,65,257	11.89
7	Praham India LLP	1,67,44,424	10.67
II	Foreign:		
	Individuals:		
1	Sonal Patel	3,50,500	0.22
2	Rianna Batra	1,99,950	0.13
Total (A)		3,88,83,431	24.77
B.	Public Shareholdings:		
I	Institutions		
1	Foreign Portfolio Investors	7,11,825	0.45
2	Financial Institutions/ Banks	8,15,35,833	51.93
3	Insurance Companies	22,66,764	1.44
4	Central Government/ State Government(s)	282	0.00
II	Non-Institutions		
1	Individuals	21,72,72,100	13.54
2	Others	62,95,838	4.01
Total (B)		11,20,82,360	71.39
C.	Non Promoter- Non Public shareholder		
1	Employee Benefit Trust	60,28,900	3.84
Total (C)		60,28,900	3.84
Grand Total (A+B+C)		15,69,94,691	100.00

**Note – The ratio for conversion of OCD's to Equity shares shall depend upon the conversion price under the provisions of Regulation 71(b) which shall be 30 days prior to the Entitlement Date (ie. which date is any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the S4A Scheme but before the expiry of 18 (eighteen) months (or such other date as may be extended by RBI and/or SEBI) from the date of allotment of such OCD's, hence the shareholding pattern post conversion of OCD's into Equity shares will undergo change according to the conversion price and hence not provided*

h. Proposed time within which allotment will be completed

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of OCDs on or before the expiry of 15 days from the date of passing of this resolution by the shareholders of the Company or where allotment of OCDs requires any approval(s) from any regulatory authority or the Central Government, the said allotment will be completed within 15 days from the date of such approval(s) as the case may be applicable.

i. The identity of the natural persons who are the ultimately 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 changes in control, if any, in the Company consequent to the preferential issue:

In terms of the proviso to Regulation 73(e) of Chapter VII of the SEBI ICDR Regulations, no further disclosure is necessary in respect of chain of ownership of the proposed allottee(s), if the said allottee(s) are banks and insurance company.

As the proposed allottees are, inter alia, Lenders of the Company, comprising Banks and Insurance Company, pursuant to the interpretation of the above proviso, no further disclosure is required.

There shall be no change in the management or control of the Company pursuant to the issue and allotment of equity shares of the Company on conversion of OCD's as per the PEL S4A Scheme.

j. The Equity shares to be issued and allotted (including as a result of conversion of OCDs shall rank pari - passu in all respects with, and carry the same rights including dividend, as the then existing Equity Shares of the Company.

k. Auditor's Certificate

A certificate from the Statutory Auditors of the Company, certifying that the proposed preferential issue of the OCDs is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations is available for inspection at the Registered office of the Company.

l. Undertaking of the Company

The Company hereby undertakes that it shall re-compute price of the Securities in terms of provisions of SEBI ICDR Regulations, 2009, wherever it is required to do so.

m. Lock-in

The Equity Shares to be issued and allotted as a result of conversion of OCDs, shall be subject to lock-in in accordance with Chapter VII of SEBI ICDR Regulations.

None of the Directors, Key Managerial Personnel of the Company or their relatives are interested or concerned in the passing of the above resolution except to the extent of the shares held by them in the Company.

Your Directors recommend passing of the special resolution at Item No. 1 and 2 for your approval through Postal Ballot.

**By Order of the Board of Directors
For Patel Engineering Limited**

Sd/-

**Shobha Shetty
Company Secretary
Membership No. A17228**

October 5, 2017



Postal Ballot Form (PBF)

Name of the Company : Patel Engineering Limited
Registered Office Address : Patel Estate Road Jogeshwari (West), Mumbai - 400102
CIN : L99999MH1949PLC007039

Sr. No.	Particulars	Details
1.	Name and Address of the Sole / First named Shareholder as registered with the Company	
2.	Name(s) of the joint Shareholder(s), if any, registered with the Company	
3.	Registered Folio No./DP ID No.* & Client ID No.* : (*Applicable to Investors holding shares in dematerialized form)	
4.	Number of Equity Shares held as on cut off date	

I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated October 05, 2017 by conveying my/our assent or dissent to the said Special Resolutions, by placing the tick [✓] mark at the appropriate box below:

Item No.	Brief description of the Special Resolutions	No. of Shares	I / We assent to the Resolution (for)	I / We dissent to the Resolution (Against)
1	Approval for conversion of Loan by Lenders into Optionally Convertible Debentures (OCDs) of the Company pursuant to implementation of the Reserve Bank of India S4A Scheme for the Company.			
2	Approval for offer and Issue of Optionally Convertible Debentures (OCDs) on Preferential Basis / Private Placement.			

Place :

Date :

Signature of the Member Or Authorised Representative

ELECTRONIC VOTING PARTICULARS

Commencement of E-Voting	End of E-Voting
From 09:00 a.m. (IST) on Monday, October 16, 2017	Upto 05:00 p.m. (IST) on Wednesday, November 15, 2017

- Please read the instructions given in the Notice of Postal Ballot carefully before exercising your vote.
- Members opting to vote through e-voting, instead of voting through the physical Postal Ballot, may access the E-voting facility through the web link: <https://www.evotingindia.com>