

**PATEL ENGINEERING LTD.**

February 24, 2014

**Bombay Stock Exchange Ltd.,**  
Phiroze Jeejeebhoy 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,

Please find enclosed herewith six copies of the Notice of the Extraordinary General Meeting of the Company to be held on March 19, 2014 at 3.30 pm at Shree Saurashtra Patel Samaj, Patel Estate road, Jogeshwari (west) Mumbai - 400102, in terms of Clause 31 (b) and Clause 33 of the Listing Agreement entered with the Stock Exchange.

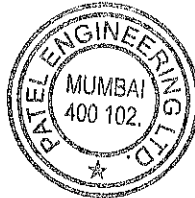
Kindly acknowledge receipt of the same.

Thanking you,

Yours truly,  
for Patel Engineering Ltd.

*Shobha Shetty*

*Shobha Shetty*  
*Company Secretary*



Encl: As above

REGD OFFICE :

Patel Estate Road, Jogeshwari (W), Mumbai - 400 102. India  
Phone +91 22 26767500, 26782916 • Fax +91 22 26782455, 26781505  
E-mail headoffice@pateleng.com www.pateleng.com



**PATEL ENGINEERING LTD.**

**Regd. Office :** Patel Estate Road, Jogeshwari (West), Mumbai - 400 102.

**NOTICE**

**NOTICE** is hereby given that an Extra Ordinary General Meeting of the Members of Patel Engineering Limited will be held on Wednesday, **March 19, 2014** at **3.30 pm** at **Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102**, to transact the following Special Business:-

**SPECIAL BUSINESS:**

**1. Alteration to capital clause of the Memorandum of Association:**

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

**“RESOLVED that** pursuant to Sections 16, 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby divided into 23,00,00,000 Equity Shares of ₹ 1 each aggregating to ₹ 23,00,00,000 (Rupees Twenty Three Crore Only) and 2,00,00,000 Redeemable Preference Shares of ₹ 1 each aggregating to ₹ 2,00,00,000 (Rupees Two Crore Only) and consequently the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by substituting in place thereof, the following as new Clause V.

V. The Authorised Share Capital of the Company is ₹ 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 23,00,00,000 Equity Shares of ₹ 1 each aggregating to ₹ 23,00,00,000 (Rupees Twenty Three Crore Only) and 2,00,00,000 Redeemable Preference Shares of ₹ 1 each aggregating to ₹ 2,00,00,000 (Rupees Two Crore Only).”

**2. Alteration to the Articles of Association:**

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

**“RESOLVED that** pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby divided into 23,00,00,000 Equity Shares of ₹ 1 each aggregating to ₹ 23,00,00,000 (Rupees Twenty Three Crore Only) and 2,00,00,000 Redeemable Preference Shares of ₹ 1 each aggregating to ₹ 2,00,00,000 (Rupees Two Crore Only) and consequently the existing Article 4 of the Articles of Association of the Company relating to Share Capital be and is hereby altered by substituting in place thereof, the following as new Article 4.

**“Article 4:**

The Authorised Share Capital of the Company is ₹ 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 23,00,00,000 Equity Shares of ₹ 1 each aggregating to ₹ 23,00,00,000 (Rupees Twenty Three Crore Only) and 2,00,00,000 Redeemable Preference Shares of ₹ 1 each aggregating to ₹ 2,00,00,000 (Rupees Two Crore Only) with a power to increase or reduce the capital and to divide and sub-divide shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided by the Articles of Association of the Company for the time being.

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

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

**“RESOLVED that** pursuant to the provisions of Sections 80, 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the **“Companies Act”**) (including any statutory modification or re-enactment thereof for the time being in force), read with the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company’s Equity Shares are listed, Regulations for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or re-enacted from time to time (hereinafter referred to as **“SEBI Regulations”**) the applicable Rules, Notifications, Regulations issued by the Government of India, Securities and Exchange Board of India (**“SEBI”**) and subject to the approvals, consents, permissions, sanctions of the Stock Exchanges, SEBI or all concerned statutory and other authorities as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (hereinafter referred to as **“the Board”**), which term shall be deemed to include any Committee of the Directors for the time being, exercising the power conferred to the Board, be and is hereby authorised on behalf of the Company to create, offer, issue and allot upto 69,79,131 Zero Coupon Optionally Convertible Preference Shares (**“OCPS”**) of ₹ 1 each fully paid-up aggregating upto ₹ 69,79,131 convertible into Equity Shares of the Company on terms and conditions mentioned hereinafter in this Resolution to the Promoters of the Company as set out hereunder on Preferential basis (hereinafter referred to as the **“proposed allottees”**), with an option to the proposed allottees to convert, either partially or entire OCPS, in one or more tranches, in one or more financial year.”

Sr. No.	Name	Address	Maximum No. of OCPS proposed to be issued
1	Praham India LLP	201, Hamara Building, opp. Gurunanak Park, Off Turner Road, Bandra (W), Mumbai – 400050.	26,17,174
2	Patel Corporation LLP	201, Hamara Building, opp. Gurunanak Park, Off Turner Road, Bandra (W), Mumbai – 400050.	43,61,957
	<b>TOTAL</b>		<b>69,79,131</b>

**“RESOLVED FURTHER that** OCPS shall be issued by the Company on Preferential basis on the following terms and conditions:

- (i) The proposed allottees 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 year, at a price of ₹ 57.50 each (including securities premium of ₹ 56.50) determined as per Regulation 76 of the SEBI (ICDR) Regulations, 2009. 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 7 years from the date of allotment.
- (ii) 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 / 1 year as prescribed under the 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.
- (iii) The Equity Shares issued on opting for conversion, shall rank pari passu in all respects with the then existing Equity Shares of the Company.
- (iv) The entire amount of consideration payable towards subscription of OCPS shall be appropriated out of the amount already brought-in by the proposed allottees by way of unsecured loan.
- (v) Upon receipt of the conversion notice, the Board/ Committee shall allot appropriate number of Equity Shares to the proposed allottees.
- (vi) Subject to applicable statutes, in the event of the proposed allottees not opting to convert, OCPS will 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 7 years from the date of allotment.
- (vii) 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.”

**“RESOLVED FURTHER that** the Relevant Date for the purpose of calculating the minimum price for OCPS under Chapter VII of the SEBI (ICDR) Regulations, 2009 will be February 17, 2014, being the date 30 days prior to the date of passing of this Resolution.”

**“RESOLVED FURTHER that** the Equity Shares, if allotted on the conversion of OCPS, shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

**“RESOLVED FURTHER that** for the purpose of giving effect to this Resolution, the Board of Directors/ Committee thereof be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds and things as it may, in its absolute discretion, deem necessary, desirable or expedient with respect to the issue or allotment of the aforesaid OCPS and Equity Shares, if allotted upon exercise of rights attached to such OCPS and to list such Equity Shares with the Stock Exchanges, as may be appropriate, and to resolve and settle all questions or difficulties or doubts that may arise in connection with the proposed offer, issue and allotment of the said OCPS and / or Equity Shares, if allotted upon exercise of rights attached to such OCPS and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, 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 of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee or to any individual so authorised by the Board.”

#### 4. Increase in the Borrowing powers of the Board of Directors:

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

**“RESOLVED that** in supersession of all the earlier resolution passed in this regard, consent of the Company be and is hereby accorded, pursuant to Section 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company or any Committee thereof as may be authorised by the Board in this behalf for borrowing from time to time , any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security , in Indian/Foreign Currency, as the Board of Directors or any Committee thereof as may be authorised by the Board in this behalf may in its absolute discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed ₹ 7,500 crores (Rupees seven thousand five hundred Crores only).”

#### 5. Payment of Minimum Remuneration to Mr. Rupen Patel, Managing Director for the FY 2013-14 :

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

**“RESOLVED that** pursuant to the provisions of Sections 198 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of Minimum Remuneration, as set out below, to Mr. Rupen Patel, Managing Director, for financial year 2013-14.

(Amount in ₹)

Financial Year	Salary (p.a.)	Perquisites & Allowances (p.a.)	Total (p.a.)
2013 - 14	53,62,500	68,55,063	1,22,17,563

**RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above Minimum Remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according their approval;

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

**6. Payment of Minimum Remuneration to Mr. Nimish Patel, Whole time Director for the FY 2013-14:**

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

"**RESOLVED that** pursuant to the provisions of Sections 198 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of Minimum Remuneration, as set out below, to Mr. Nimish Patel, Whole time Director, for financial year 2013-14;

(Amount in ₹)

Financial Year	Salary (p.a.)	Perquisites & Allowances (p.a.)	Total (p.a.)
2013 - 14	39,93,000	53,04,035	92,97,035

**RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above Minimum Remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according their approval;

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

**7. Payment of Minimum Remuneration to Ms. Silloo Patel, Whole time Director for the FY 2013-14:**

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

"**RESOLVED that** pursuant to the provisions of Sections 198 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of Minimum Remuneration, as set out below, to Mr. Silloo Patel, Whole time Director, for financial year 2013-14;

(Amount in ₹)

Financial Year	Salary (p.a.)	Perquisites & Allowances (p.a.)	Total (p.a.)
2013 - 14	39,93,000	33,07,535	73,00,535

**RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above Minimum Remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according their approval;

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

**8. Re-Appointment of Mr. Rupen Patel as the Managing Director :**

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

"**RESOLVED that** subject to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and any amendment, re-enactment thereof, the Rules, Regulations, Guidelines and Circulars thereto, Mr. Rupen Patel be re-appointed as Managing Director of the Company for a period of five years effective from April 1, 2014, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice convening the meeting, including remuneration to be paid in the event of no profit or inadequacy of profits in any financial year, with a liberty to Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rupen Patel."

**9. Re-Appointment of Mr. Nimish Patel as a Whole time Director :**

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

“**RESOLVED** that subject to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and any amendment, re-enactment thereof, the Rules, Regulations, Guidelines and Circulars thereto, Mr. Nimish Patel be appointed as a Whole-Time Director of the Company for a period of three years effective from April 1, 2014, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice convening the meeting, including remuneration to be paid in the event of no profit or inadequacy of profits in any financial year, with a liberty to Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Nimish Patel.”

**10. Appointment of Mr. Ashwin Parmar as a Whole time Director :**

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

“**RESOLVED** that subject to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and any amendment, re-enactment thereof, the Rules, Regulations, Guidelines and Circulars thereto, Mr. Ashwin Parmar be appointed as a Whole-Time Director of the Company for a period of three years effective from April 1, 2014, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice convening the meeting, including remuneration to be paid in the event of no profit or inadequacy of profits in any financial year, with a liberty to Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ashwin Parmar.”

**By Order of the Board**

February 14, 2014

**Registered Office**

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

**Shobha Shetty**  
**Company Secretary**

**NOTES:**

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102(1) of the Companies Act, 2013 are appended herein below and the relevant details pursuant to the provision of Clause 49 of the Listing Agreements executed with the Stock Exchanges are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. Members/ Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting.
4. Kindly email your grievances to investors@pateleng.com.
5. The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliance by Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, the Company has already sent a communication to all the Members that various notices/documents meant for them shall be sent electronically to their respective email address as obtained from Depositories, unless specially requested to be sent in physical form. The Members, who have not registered/updated their email address so far, are requested to register/update their email address, in respect to electronic holdings with the Depository through their concerned Depository Participant. Members who hold their shares in physical form and who are desirous of receiving the communications/documents in electronic form are requested to promptly register their email addresses with the Company.
6. Details of Directors seeking appointment / re-appointment at the Extraordinary General Meeting (pursuant to Clause 49 of the Listing Agreement):

Name of Director	Mr. Rupen Patel	Mr. Nimish Patel	Mr. Ashwin Parmar
Age	48 years	44 years	54 years
Qualifications	B.Com. from Mumbai University and Masters degree in Business Administration from Babson College, US.	B.S. (Finance) from Bentley College, USA.	B.E. Civil from VJT Institute, Bombay University and Post Graduate Diploma in Construction Management from NICMAR.
Expertise	Experience of over 19 years in the construction industry. Under his leadership, the Company has ventured into owning and operating assets in the infrastructure sector such as independent power producer of thermal and hydro power and BOT road projects in India as well as overseas. He supervises all projects of the Company in a planned and periodical manner.	Experience of over 13 years in execution of the contracting and ownership projects of the Company in the North and North Eastern region and handle the industrial relations, quality accreditation and other matters.	Has a total experience of over 31 years possessing sound business acumen and specific knowledge of the Infrastructure sector.

Name of Director	Mr. Rupen Patel	Mr. Nimish Patel	Mr. Ashwin Parmar
Directorships held in other public companies (excluding Foreign and private companies)	<ol style="list-style-type: none"> <li>Patel Engineers Pvt. Ltd.</li> <li>Patel Patron Pvt. Ltd.</li> <li>Michigan Engineers Pvt. Ltd.</li> <li>Patel Realty (India) Ltd.</li> <li>Energy Design Pvt. Ltd.</li> <li>Patel Hydro Power Pvt. Ltd.</li> <li>Patel Thermal Energy Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Patel Energy Ltd.</li> <li>PEL Power Ltd.</li> <li>Patel Energy Resources Ltd.</li> <li>Dirang Energy Pvt. Ltd.</li> <li>Meyong Hydro Power Pvt. Ltd.</li> <li>Patel Energy Operations Pvt. Ltd.</li> <li>Patel Energy Projects Pvt. Ltd.</li> <li>West Kameng Energy Pvt. Ltd.</li> <li>Digin Hydro Power Pvt. Ltd.</li> <li>Patel Hydro Power Pvt. Ltd.</li> <li>Raichur Sholapur Transmission Company Ltd.</li> <li>Patel Urjaa Vyapaar Pvt. Ltd.</li> <li>Saskang Rong Energy Pvt. Ltd.</li> <li>Energy Design Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Michigan Engineers Pvt. Ltd.</li> <li>Patel KNR Infrastructures Ltd.</li> <li>Patel KNR Heavy Infrastructures Ltd.</li> <li>Patel Engineering Infrastructure Ltd.</li> </ol>
Memberships / Chairmanships of committees across public companies	Nil	Nil	Nil
Shareholding in the Company	13,52,600 (1.94%)	2,42,500 (0.35%)	6,997 (0.01%)

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated February 14, 2014**

**Item No. 1 & 2 - Alteration to capital clause of the Memorandum of Association and Alteration of Articles of Association:**

Consequent to the proposed resolution for issue of Optionally Convertible Preference Shares (OCPS) as explained in Resolution No.3 hereunder, it is proposed to alter the capital clause of Memorandum and Articles of Association as set out in the Resolution No.1 & 2 proposed in the Notice. There is a need to change the Authorised Equity share capital to ₹ 23,00,00,000 and include Authorised Preference Share Capital of ₹ 2,00,00,000 to enable the Company to issue & allot OCPS to the Promoters of the Company. Hence, the consequential changes are being effected in the capital Clause / Article of the Memorandum and Articles of Association of the Company.

The Directors recommend passing the Resolution set out in Item No. 1 & 2 of the Notice as an Ordinary and a Special Resolution respectively.

None of the Directors/Key Managerial Personnel/their relatives of the Company are concerned or interested in this item of the Business.

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

To meet the fund requirements of the Company and increase in the credit limit to support the future developments, the Promoters have infused from time to time interest free unsecured loan to the extent of ₹ 40.13 Crores in the Company as mentioned hereunder. Further, as a part of current borrowing arrangement with Consortium of banks, the said amount infused as unsecured loans required to be subordinated to the borrowing arrangement with the Consortium, which is for next 7 years.

Sr. No.	Name of the Promoters	Unsecured Loan (₹)
1.	Praham India LLP	15,13,00,033
2.	Patel Corporation LLP	25,00,00,000

In view of the above, to improve the financial position of the Company, it is proposed to issue upto 69,79,131 Zero Coupon Optionally Convertible Preference Shares ("OCPS") of ₹ 1 fully paid-up each aggregating upto ₹ 69,79,131 @ a price of ₹ 57.50 per equity share to the proposed allottees, with an option to convert into Equity Shares, either partially or entire OCPS, in one or more tranches, in one or more financial year. The entire amount of consideration payable towards subscription of OCPS shall be appropriated out of the amount already brought-in by the proposed allottees by way of unsecured loan. The proposed allottees have agreed to subscribe for the same.

The proposed allottees 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 year, at a price of ₹ 57.50 each (including securities premium of ₹ 56.50) determined as per Regulation 76 of the SEBI (ICDR) Regulations, 2009. The balance remaining, if any, after exercise of all the options on 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 7 years from the date of allotment.

**The disclosures pursuant to Regulation 73(1) of the SEBI (ICDR) Regulations, 2009 are given hereunder:**

**Objects of the Preferential Issue**

To strengthen the financial position of the Company and to comply with the conditions of the Consortium of lending banks as explained above.

**Proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer**

The proposed allottees, who have consented to subscribe, are Promoters of the Company. No Director or Key Management Personnel of the Company or their relatives intends to subscribe to the Zero Coupon Optionally Convertible Preference Shares.

**Identity of the Proposed Allottees**

Sr. No.	Name	Address	Present shareholding	*Post-Conversion shareholding
1	Praham India LLP	201, Hamara Building, Opp. Gurunanak Park, Off Turner Road, Bandra (W), Mumbai – 400050.	1,41,27,250 (20.23%)	1,67,44,424 (21.80%)
2	Patel Corporation LLP	201, Hamara Building, Opp. Gurunanak Park, Off Turner Road, Bandra (W), Mumbai – 400050.	1,43,03,300 (20.48%)	1,86,65,257 (24.30%)
	<b>TOTAL</b>		<b>2,84,30,550</b>	<b>3,54,09,681</b>

\* Assuming all OCPS are converted, in more than one financial year, but within a period of 18 months of the date of allotment.

**Consequential changes, if any, in the Management Control of the Company**

The proposed preferential allotment shall not result in any change in Management Control of the Company even on exercising the entire conversion of OCPS.

**Pricing of Equity Shares:**

Where OCPS are issued on a preferential basis with an option to apply for Equity Shares, the Company has determined the price of the resultant Equity Shares, which is not less than the higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares quoted on Stock Exchange during the twenty six (26) weeks preceding the relevant date; **or**
- The average of the weekly high and low of the closing prices of the related equity shares quoted on Stock Exchange during the two weeks preceding the relevant date.

**Relevant date:**

In the present case, the relevant date is February 17, 2014, being 30 days prior to the date of passing of the Special Resolution by the Members.

**Lock - in period**

The entire pre-preferential allotment shareholding of the above mentioned proposed allottees shall be under lock-in from the relevant date till the completion of the period of 6 months from the date of preferential allotment. The proposed allottees have declared that they have not sold any shares during the 6 months period prior to relevant date of the proposed preferential issue. OCPS / Equity Shares issued on conversion of OCPS shall be subject to lock-in for three (3) years / one (1) year from the date of allotment in accordance with SEBI (ICDR) Regulations, 2009. The lock-in of the Equity Shares acquired by conversion of the Convertible Preference Shares shall be reduced to the extent the Convertible Preference Shares have already been locked in from the date of allotment thereof. The locked-in shares may be transferred to and amongst the promoter / promoter group or to a new promoter/s or person/s in control of the Company, subject to continuation of lock-in in the hands of transferee/s for the remaining period as per the compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, as applicable.

**Proposed time limit within which the allotment shall be completed**

The allotment of such preferential issue of OCPS shall be completed within a period of 15 days either from the date of passing of the Special Resolution or from the date of receipt of the approvals from the Stock Exchanges or SEBI, wherever necessary.

**Auditors Certificate**

The Statutory Auditors of the Company shall certify that the Preferential Issue is being made as per SEBI Regulations. A copy of the certificate obtained from M/s. Vatsaraj & Co, Chartered Accountants, certifying that the issue of OCPS is being made in accordance with the requirement of SEBI Regulations for preferential issue, shall be available at the Registered Office of the Company between 2:00 pm and 4:00 pm for inspection on any working day after relevant date upto the date of Extra ordinary general meeting.

**Shareholding Pattern of the Company before and after Preferential Issue\***

69,79,131 Equity Shares arising on exercising the conversion right by the proposed allottees in respect of the entire OCPS, the shareholding pattern giving pre-conversion and post conversion position may be as under:

Category code	Category of Shareholder	Total Holders	Pre-Conversion Holdings		*Post-Conversion Holdings	
			Total Shares	%	Total Shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>					
<b>1</b>	<b>Indian</b>					
(a)	Individuals/ Hindu Undivided Family	7	34,73,750	4.97	34,73,750	4.52
(b)	Central Government/ State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	2	2,84,30,550	40.72	3,54,09,681	46.10
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-
	<b>Sub Total (A) (1)</b>	<b>9</b>	<b>3,19,04,300</b>	<b>45.69</b>	<b>3,88,83,431</b>	<b>50.63</b>
<b>2</b>	<b>Foreign</b>					
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	0	-
(b)	Bodies Corporate	-	-	-	0	-

Category code	Category of Shareholder	Total Holders	Pre-Conversion Holdings		*Post-Conversion Holdings	
			Total Shares	%	Total Shares	%
(c)	Institutions	-	-	-	0	-
(d)	Any Others(Specify)	-	-	-	0	-
	<b>Sub Total(A)(2)</b>	-	-	-	0	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>9</b>	<b>31904300</b>	<b>45.69</b>	<b>38883431</b>	<b>50.63</b>
<b>(B)</b>	<b>Public shareholding</b>					
<b>1</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	2	12258	0.02	12258	0.02
(b)	Financial Institutions / Banks	12	2123374	3.04	2123374	2.76
(c)	Central Government/ State Government(s)	-	-	-	0	-
(d)	Venture Capital Funds	-	-	-	0	-
(e)	Insurance Companies	1	2266764	3.25	2266764	2.95
(f)	Foreign Institutional Investors	5	277000	0.40	277000	0.36
(g)	Foreign Venture Capital Investors	-	-	-	0	-
(h)	Any Other (specify)	-	-	-	0	-
	<b>Sub-Total (B)(1)</b>	<b>20</b>	<b>4679396</b>	<b>6.70</b>	<b>4679396</b>	<b>6.09</b>
<b>2</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	736	3614397	5.18	3614397	4.71
(b)	Individuals	-	-	-	0	-
I	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	61605	15143848	21.69	15143848	19.72
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	15	4648836	6.66	4648836	6.05
(c)	Any Other (specify)	-	-	-	0	-
(c-i)	Clearing Member	278	1093236	1.57	1093236	1.42
(c-ii)	Market Maker		-	-	0	-
(c-iii)	Office Bearers		-	-	0	-
(c-iv)	Foreign Nationals		-	-	0	-
(c-v)	Non Resident Indians (Repat)	792	716149	1.03	716149	0.93
(c-vi)	Non Resident Indians (Non Repat)	198	283223	0.41	283223	0.37
(c-vii)	Directors / Relatives	17	1697159	2.43	1697159	2.21
(c-viii)	Trusts	6	6046607	8.66	6046607	7.87
	<b>Sub-Total (B)(2)</b>	<b>63647</b>	<b>33243455</b>	<b>47.61</b>	<b>33243455</b>	<b>43.28</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>63667</b>	<b>37922851</b>	<b>54.31</b>	<b>37922851</b>	<b>49.37</b>
	<b>TOTAL (A)+(B)</b>	<b>63676</b>	<b>69827151</b>	<b>100.00</b>	<b>76806282</b>	<b>100.00</b>

\* Assuming all OCPS are converted, in more than one financial year, but within a period of 18 months of the date of allotment.

#### Undertaking

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that :

- the Company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;
- if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

The Directors recommend passing the Resolution set out in Item No. 3 of the Notice as a Special Resolution.

None of the Directors/key Managerial Personnel/their relatives of the Company, except Mr. Pravin Patel and Mr. Rupen Patel, is concerned or interested in the proposed Special Resolution to the extent of the existing shareholding and fresh Equity Shares to be issued and allotted to the said LLPs.

#### Item No. 4 – Increase in the borrowing power of the Board of Director:

The Members of the Company at the Annual General Meeting held on September 29, 2005 had authorised the Board of Directors of the Company to borrow monies upto ₹ 5,000 Crores. To meet its financial requirements, the Board may be required to borrow monies which may exceed the limits of ₹ 5,000 crores as approved by the Members. Under Section 180(1)(c) and 2 of the Companies Act, 2013, approval of the Members is required by way of Special resolution for the monies to be borrowed together with the monies already borrowed by the Company(apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) if such borrowing exceed the aggregate of the paid up capital and free reserves. Approval of Members is therefore sought for borrowing powers of the Board in excess of the paid up share capital and free reserves, upto ₹ 7,500 Crores.

The Directors recommend passing the Resolution set out in Item No. 4 of the Notice as a Special Resolution.

None of the Directors/key Managerial Personnel/their relatives of the Company are in any way concerned or interested in this item of the business.

**Item No. 5, 6, and 7:**

- (a) The Members had, at the 60th Annual General Meeting of the Company held on July 31, 2009 approved by way of Ordinary resolution, the re-appointment of Mr. Rupen Patel as the Managing Director of the Company for a period of 5 years with effect from September 1, 2009 on a salary upto ₹ 6,00,000 p.m.
- (b) The Members had, at the 62nd Annual General Meeting of the Company held on October 17, 2011 approved by way of Ordinary resolution, the re-appointment of Mrs. Silloo Patel as the Whole time Director of the Company for a period of 3 years with effect from September 1, 2011 on a salary in the scale of ₹ 45,000 to ₹ 5,00,000 p.m.
- (c) The Members had, at the 62nd Annual General Meeting of the Company held on October 17, 2011 approved by way of Ordinary resolution, the re-appointment of Mr. Nimish Patel as the Whole time Director of the Company for a period of 3 years with effect from September 1, 2011 on a salary in the scale of ₹ 45,000 to ₹ 5,00,000 p.m.

The aforementioned resolutions and the accompanying explanatory statements approved by the Members, inter alia stated that if the Company has no profits or its profits are inadequate in any financial year, during the currency of their tenure, the Company shall pay, to the Managing Director and the Whole time Directors respectively, the remuneration as approved by them as "minimum remuneration" as per the relevant applicable provisions as contained in Schedule XIII to the Companies Act, 1956 including any amendments thereto to any modifications or statutory re-enactment thereof and/or any rules or regulations framed there under.

The Company's unaudited reviewed net profit for nine months ended December 31, 2013 is around Rs. 9 Crores. The profits of the Company may be inadequate to pay the remuneration for the financial year 2013-14 to the aforesaid Directors as approved by the Remuneration Committee/Board of Directors which is well within the limit of minimum remuneration as approved by the Members of the Company.

Approval for payment of minimum remuneration to the aforesaid Directors as set out in resolution nos. 5, 6 & 7 is being sought by way of **Special Resolutions** in accordance with Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII of the Companies Act, 1956 which inter alia, includes seeking approval from shareholders by way of Special resolution for payment of minimum remuneration subject to approval of Central Government.

The information as required under Part II of Schedule XIII is furnished below:

**I. GENERAL INFORMATION:**

1. Nature of Industry : Construction & Engineering
2. Date of commencement of commercial production : N.A
3. In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: N.A.
4. Financial Performance  
Financial parameters of the Company for the last five financial years:

(₹ in Crores)

Sr. No.	Particulars	Year				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	Paid-up Capital	5.97	6.98	6.98	6.98	6.98
2	Reserves & Surplus	972.90	1,278.93	1,326.98	1,407.32	1,451.25
3	Turnover	1,784.00	2,425.00	2,537.21	2,549.64	3,103.21
4	Net Profit as per Section 198 (read with Section 349 & 350 of the Companies Act, 1956)	169.20	132.85	107.59	59.13	35.68
4a	Maximum permissible limit under Section 309 of the Companies Act, 1956 (10% of Net Profit)	16.92	13.29	10.76	5.91	3.57
4b	Actual remuneration paid to managerial persons	2.87	5.46	6.27	4.20	3.11
5	Amount of Dividend paid including DDT	12.21	16.38	8.11	2.43	NIL
6	Rate of Dividend declared - in % - ₹ per share	175 0.75	200 2.00	100 1.00	30 0.30	NIL

5. Export Performance, Net Foreign Exchange Collaborations: N. A
6. Foreign investments or collaborators, if any :

During the financial year ending March 31, 2013, the Company has made foreign investments of ₹ 1.12 Crores in its wholly owned subsidiary abroad.

## II. INFORMATION ABOUT THE APPOINTEE (Present Directors):

	Mr. Rupen Patel	Ms. Silloo Patel	Mr. Nimish Patel
(a) <b>Background Details:</b>	Mr. Rupen Patel, Managing Director of the Company. Mr. Patel is a commerce graduate from Mumbai University and holds a Masters degree in Business Administration from Babson College, US. Mr. Patel was appointed as the Managing Director of the Company in 1999 and has an experience of over 19 years in the construction industry. The Company under Mr. Patel's leadership has ventured into owning and operating assets in the infrastructure sector such as independent power producer of thermal and hydro power and BOT road projects in India as well as overseas. He supervises all projects of the Company in a planned and periodical manner.	Ms. Silloo Patel, is the Whole time Director of the Company. Ms. Patel joined the Company on October 19, 1992 and was elevated as a Whole Time Director on September 1, 1999. She has over 35 years of experience in construction industry and looks after Corporate Finance and Administration of the Company.	Mr. Nimish Patel is the Whole time Director of the Company. Mr. Patel is a finance graduate from Bentley College in Massachusetts, USA. He joined on February 1, 1999 as Director, and on September 1, 1999 was appointed as a Whole Time Director. Mr. Patel has experience of over 13 years in execution of the contracting and ownership projects of the Company in the North and North Eastern region and handle the industrial relations, quality accreditation and other matters.
<b>Past Remuneration (p.a)</b>			
2010 - 2011	1,60,48,900	* 2,10,61,400	* 2,56,06,250
2011 - 2012	1,18,20,850	* 1,34,03,100	* 1,68,12,400
2012 - 2013	1,32,76,850	78,92,560	98,89,060
		<i>* remuneration includes value of Employee stock options exercised amounting to ₹ 1,09,19,400 and ₹ 64,06,000 for the year 2010-11 and 2011-2012 respectively</i>	<i>remuneration includes value of Employee stock options exercised amounting to ₹ 1,36,49,250 and ₹ 80,07,500 for the year 2010-11 and 2011-2012 respectively</i>
<b>Recognition/Awards</b>	None	None	None
<b>Job Profile &amp; Suitability:</b>	Mr. Rupen Patel, being Managing Director of the Company provides leadership and strategic inputs to the Company in addition to carrying out such duties and exercise such powers as is entrusted to him from time to time by the Board of the Company including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.	Ms. Silloo Patel handles Corporate Finance and Administration of the Company. She works under the superintendence, control and directions of the Board of Directors and carry out such duties as may be entrusted to her by Managing Director or Board from time to time including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.	Mr. Nimish Patel, handles contracting and ownership projects of the Company in the North and North Eastern region. He works under the superintendence, control and directions of the Board of Directors and carry out such duties as may be entrusted to him by Managing Director or Board from time to time including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.
<b>Remuneration proposed</b>	As per details in resolution no. 5 to 7 of the EGM Notice.		
<b>Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the position and person:</b>	The remuneration payable to the Managing Director and whole time Directors is reasonable, justified and is commensurate with the remuneration levels prevailing in the industry.		
<b>Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any:</b>	Mr. Rupen Patel is Promoter and is related to Mr. Pravin Patel, Chairman of the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any other managerial personnel besides the remuneration set out in the resolution and except to the extent of his shareholding in the Equity Share Capital of the Company. Mr. Nimish Patel and Ms. Silloo Patel are not related to any managerial personnel in the Company. They do not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution of this Notice except to the extent of their shareholding in the Equity Share Capital of the Company.		

## III. OTHER INFORMATION:

### 1. Reason for inadequate profits:

The Company specializes in EPC work for technology intensive segments such as hydroelectric and irrigation. Further the Company has diversified into BOT/BOOT projects in the road and hydroelectric sectors. The sector is currently facing liquidity issues due to weak order inflow, slow execution of projects on account of delay in regulatory clearances and other issues and delay in receipt of payments. This has led to a build up of receivables and inventory and the Company had availed short term debt for funding of this asset build up which may drain the profitability of the Company on account of the higher interest cost. The Company had adequate profits in the previous financial years. The profits for the FY 2013-14 may not be adequate for payment of remuneration to Mr. Rupen Patel, Ms. Silloo Patel and Mr. Nimish Patel. Therefore approval of members is being sought in the event of inadequacy of profit in the FY 2013-14.

## 2. Steps taken or proposed to be taken for improvement:

- a. The Company is all geared up to face a challenging business environment. The order backlog from engineering & construction business as on March 31, 2013 stood at around ₹ 13,350 crores. The Company continues to scale up its asset-ownership business.
- b. The Company has taken steps for improving its fund flow, including divesting its non-core assets including investments.
- c. The Company has implemented various cost reduction measures.
- d. The Company has majorly shifted to long term loans from short term loans in order to reduce the interest costs.
- e. The Company is taking proactive steps to reduce its debtors and recover claims from clients / authorities.
- f. Steps are being taken to recover claims in respect of arbitration matters where the arbitration award has been awarded in Company's favour.

All these proactive steps are aimed at improving profitability in the face of a challenging environment in the construction industry.

## 3. Expected increase in productivity and profits in measurable terms:

As the Company is gearing up for getting large projects, the Company expects increase in profits in line with its activity and market penetration.

## IV. DISCLOSURES:

1. **Remuneration package of the managerial person:** As detailed in resolution no. 5, 6 and 7 of the Notice.

2. **Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report:** The requisite details of remuneration etc of the Directors are/will be included in the Corporate Governance Report, forming part of the Annual Report of the Company.

The payment of 'minimum remuneration' as set out in resolution nos. 5, 6 and 7 to Mr. Rupen Patel, Managing Director, Ms. Silloo Patel and Mr. Nimish Patel, Whole time Directors for the financial year 2013-14 may exceed the ceiling limit laid down under Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956, member's approval is sought by way of a special resolution for payment of the aforesaid 'minimum remuneration' to each of the Directors for the financial year 2013-14 as specified in the resolution nos. 5,6 and 7. The payment of the aforesaid minimum remuneration is also subject to approval of the Central Government and applications will be made thereto.

The Directors recommend passing the Resolutions set out in Item Nos. 5, 6 and 7 of the Notice as Special Resolutions.

None of the Directors/key Managerial Personnel/their relatives of the Company, except Mr. Rupen Patel, Mr. Pravin Patel, being relative of Mr. Rupen Patel, Ms. Silloo Patel and Mr. Nimish Patel are concerned or interested in the respective Special resolution pertaining to their remuneration.

### Item No. 8, 9 and 10

#### **Re-appointment of Mr. Rupen Patel as the Managing Director**

The Members at the Annual General Meeting held on July 29, 2009, re-appointed Mr. Rupen Patel as the Managing Director of the Company for a period of five years effective from September 1, 2009.

The terms of appointment of Mr. Rupen Patel, the Managing Directors expires on August 31, 2014. The Board of Directors of the Company at its meeting held on February 14, 2014 with the consent of Mr. Rupen Patel, have subject to the approval of the Members reappointed him as the Managing Director of the Company for a period of five years with effect from April 1, 2014.

#### **Terms of appointment of Mr. Rupen Patel:**

- 1) **Period of Appointment:** 5 years with effect from April 1, 2014.
- 2) **Duties :** Mr. Rupen Patel, shall subject to superintendence, control and directions of the Board of Directors devote his whole time to the business of the Company and carry out such duties as may be entrusted to him by Board from time to time, in the best interest of the business of the Company and the business of any one or more of its associated companies, subsidiaries and /or joint ventures, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company. Mr. Rupen Patel shall not be accountable to the Company for any benefits received as Director or Member of such associate, subsidiaries and/or JVs of the Company.
- 3) **Remuneration:**
  - a) **Salary limit:** Not to exceed ₹ 9,00,000 per month with authority to the Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1<sup>st</sup> April.
  - b) **Perquisites:** In addition to salary, Mr. Rupen Patel will also be entitled to following perquisites and allowances:
    - furnished accommodation or house rent allowance, coverage under medical/accident insurance, leave travel allowance, contribution to provident fund, payment of gratuity and such other perquisites and allowance as per the Company rules.
    - In addition to leave travel, Mr. Rupen Patel shall be eligible for a return holiday package (including accommodation) once in a year by first class with his family or the Company shall reimburse the expenses incurred by the Mr. Rupen Patel on such travel.

- Medical expenses incurred by Mr. Rupen Patel and his family shall be reimbursed subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
  - Subscription or reimbursement of Membership fees subject to maximum of 2 clubs.
  - In case of children studying in India or outside India, the Company shall directly pay to the Institutions the amount of donation, fees etc on actual or reimburse the same, for a maximum of two children.
- c) **Other incentives and allowances:** Mr. Rupen Patel shall also be entitled to other incentives and allowances. The specific amount payable will be decided by the Board of Directors subject to the ceiling of an amount not exceeding 150% of basic salary either payable at the end of the year or on a monthly basis.

For the purpose of calculation of the above ceiling, perquisites and allowance will be evaluated as per Income-tax rules wherever applicable. In the absence of any such rules, the perquisites and allowances will be evaluated as per actual cost.

Provisions of use of Company's car for official duty, telephone at residence including payment of local calls and long distance official calls shall not be included in the perquisites and allowances for the purpose of calculating the said limit.

Mr. Rupen Patel shall be allowed to retain any benefits received as Director or Member of such Associate, Subsidiaries and/ or Joint Ventures of the Company as and when the Board of Directors of the Company assigns duties to him to perform on such Associate, Subsidiaries and/ or Joint Ventures.

#### **Re-appointment of Mr. Nimish Patel as a Whole time Director**

The Members at the Annual General Meeting held on October 27, 2011, re-appointed Mr. Nimish Patel as a Whole Time Director for a period of three years effective from September 1, 2011.

The terms of appointment of Mr. Nimish Patel, the Whole Time Director expires on August 31, 2014. The Board of Directors of the Company at its meeting held on February 14, 2014 with the consent of Mr. Nimish Rupen Patel, have subject to the approval of the Members re-appointed him as a Whole-Time Director of the Company for a period of three years with effect from April 1, 2014.

#### **Terms of appointment of Mr. Nimish Patel:**

- 1) **Period of Appointment:** 3 years with effect from April 1, 2014.
- 2) **Duties :** Mr. Nimish Patel, shall subject to superintendence, control and directions of the Board of Directors devote his whole time to the business of the Company and carry out such duties as may be entrusted to him by Board or Managing Director from time to time, in the best interest of the business of the Company and the business of any one or more of its associated companies, subsidiaries and /or joint ventures, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company. Mr. Nimish Patel shall not be accountable to the Company for any benefits received as Director or Member of such associate, subsidiaries and/or JVs of the Company
- 3) **Remuneration:**
  - a) **Salary limit:** Not to exceed ₹ 7,00,000 per month with authority to the Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1<sup>st</sup> April.
  - b) **Perquisites:** In addition to salary, Mr. Nimish Patel will also be entitled to following perquisites and allowances:
    - furnished accommodation or house rent allowance, coverage under medical/accident insurance, leave travel allowance, contribution to provident fund, payment of gratuity and such other perquisites and allowance as per the Company rules.
    - Medical expenses incurred by Mr. Nimish Patel and his family shall be reimbursed subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
    - Subscription or reimbursement of Membership fees subject to maximum of 2 clubs.
    - In case of children studying in India or outside India, the Company shall directly pay to the Institutions the amount of donation, fees etc on actual or reimburse the same, for a maximum of two children.
- c) **Other incentives and allowances:** Mr. Nimish Patel shall also be entitled to other incentives and allowances. The specific amount payable will be decided by the Board of Directors subject to the ceiling of an amount not exceeding 150% of basic salary either payable at the end of the year or on a monthly basis.

For the purpose of calculation of the above ceiling, perquisites and allowance will be evaluated as per Income-tax rules wherever applicable. In the absence of any such rules, the perquisites and allowances will be evaluated as per actual cost.

Mr. Nimish Patel will also be entitled to Stock Options as may be decided from time to time as per Employees Stock Option Scheme of the Company.

Provisions of use of Company's car for official duty, telephone at residence including payment of local calls and long distance official calls shall not be included in the perquisites and allowances for the purpose of calculating the said limit.

Mr. Nimish Patel shall be allowed to retain any benefits received as Director or Member of such Associate, Subsidiaries and/ or Joint Ventures of the Company as and when the Board of Directors of the Company assigns duties to him to perform on such Associate, Subsidiaries and/ or Joint Ventures.

### **Appointment of Mr. Ashwin Parmar as a Whole time Director**

The Board of Directors of the Company at its meeting dated February 14, 2014 recommended appointment of Mr. Ashwin Parmar as a Whole time Director of the Company w.e.f April 1, 2014, subject to approval of Members of the Company.

Mr. Ashwin Parmar graduated in Civil Engineering in 1982 from VJT Institute, Bombay University followed by Post Graduate Diploma in Construction Management NICMAR in 1985. He has been associated with Projects executed first time in India involving innovative technology such as Tunnel Boring Machine in 1982, Use of No-Dig Technique in 2001 and use of Roller Compacted Concrete for Dam in 2005.

Mr. Ashwin Parmar has been working with the Company for the past 13 years and is presently heading Business Development department of the Company. Before joining the Company, he was working as 'Principal Engineer' with Tata Consulting Engineers. He also has to his credit award of Young Talented Engineer from Indian Concrete Institute. He has presented papers on Durable Concrete using Fly ash, tunneling by Tunnel boring Machine. He has total 31 years of experience possessing sound business acumen and specific knowledge of the Infrastructure sector. He has good market intelligence which enhances his ability to seize and convert business opportunities. He is responsible for formation of Joint Ventures for large Projects with National and International agencies viz. L&T, Gammon, Limac from Turkey, Samsung from Korea, Herrenknecht from Germany and more. He has proficiency in building and maintaining relationships with key clients at the strategic level which assists in developing rapport.

Keeping in view the rich and varied experience of Mr. Ashwin Parmar, the Board is of the view that the Company will be immensely benefited by his appointment as a Director.

### **The Terms and conditions of appointment of Mr. Ashwin Parmar**

- 1) **Tenure:** For a period of 3 years with effect from April 1, 2014;
- 2) **Duties:** Mr. Parmar, shall subject to superintendence, control and directions of the Board of Directors devote his whole time to the business of the Company and carry out such duties as may be entrusted to him by Board or Managing Director from time to time, in the best interest of the business of the Company and the business of any one or more of its associated companies, subsidiaries and /or joint ventures, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.
- 3) **Remuneration:**
  - a) **Salary limit:** Not to exceed ₹ 4,00,000 per month with authority to the Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1<sup>st</sup> April.
  - b) **Perquisites:** In addition to salary, Mr. Parmar will also be entitled to following perquisites and allowances:
    - furnished accommodation or house rent allowance, city compensatory allowance. coverage under medical/accident insurance, leave travel allowance, contribution to provident fund, payment of gratuity and such other perquisites and allowance as per the Company rules.
    - Medical expenses incurred by Mr. Parmar and his family shall be reimbursed subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.

For the purpose of calculation of the above ceiling, perquisites and allowance will be evaluated as per Income-tax rules wherever applicable. In the absence of any such rules, the perquisites and allowances will be evaluated as per actual cost.

Mr. Parmar will also be entitled to Stock Options as may be decided from time to time as per Employees Stock Option Scheme of the Company.

Provisions of use of Company's car for official duty, telephone at residence including payment of local calls and long distance official calls shall not be included in the perquisites and allowances for the purpose of calculating the said limit.

Mr. Parmar shall be allowed to retain any benefits received as Director or Member of such Associate, Subsidiaries and/ or Joint Ventures of the Company as and when the Board of Directors of the Company assigns duties to him to perform on such Associate, Subsidiaries and/ or Joint Ventures.

### **Minimum Remuneration to Mr. Rupen Patel, Mr. Nimish Patel and Mr. Ashwin Parmar:**

The Schedule XIII of the Companies Act 1956, provides that where in any financial year during the currency of the tenure of the aforementioned resolutions, a Company has no profits or its profits are inadequate, it may pay the remuneration upto the limits prescribed therein provided the minimum remuneration payable to such Managing Director and Whole time Director, is approved by the Members by way of Special Resolution limited for the a period of three years.

In accordance with the provisions of Schedule XIII and other applicable provisions of the Act, the Remuneration Committee and the Board of Directors at their respective meetings held on February 14, 2014 have approved that the remuneration as detailed in the resolution no. 8, 9 and 10, be paid as minimum remuneration to Mr. Rupen Patel , Mr. Nimish Patel and Mr. Ashwin Parmar respectively in absence of no profit or inadequacy of profits in any financial year during the period of three years with effect from the effective date of their appointment ie April 1, 2014. The payment of minimum remuneration is subject to necessary consent/sanction of Central Government, if required.

The information as required under Part II of Schedule XIII is given below with respect to resolution no. 8, 9 & 10 of the EGM Notice.

### **I. GENERAL INFORMATION:**

1. Nature of Industry : Construction & Engineering
2. Date of commencement of commercial production : N.A

3. In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: N.A.

4. Financial Performance

Financial parameters of the Company for the last five financial years:

(₹ in Crores)

Sr. No.	Particulars	Year				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	Paid-up Capital	5.97	6.98	6.98	6.98	6.98
2	Reserves & Surplus	972.90	1,278.93	1,326.98	1,407.32	1,451.25
3	Turnover	1,784.00	2,425.00	2,537.21	2,549.64	3,103.21
4	maximum permissible limit under Section 309 of the Companies Act, 1956	169.20	132.85	107.59	59.13	35.68
4a	Maximum permissible limit under Section 309 of the Companies Act, 1956 (10% of Net Profit)	16.92	13.29	10.76	5.91	3.57
4b	Actual remuneration paid to managerial persons	2.87	5.46	6.27	4.20	3.11
5	Amount of Dividend paid including DDT	12.21	16.38	8.11	2.43	NIL
6	Rate of Dividend declared - in % - ₹ per share	175 0.75	200 2.00	100 1.00	30 0.30	NIL

5. Export Performance, Net Foreign Exchange Collaborations: N. A

6. Foreign investments or collaborators, if any :

During the financial year ending March 31, 2013, the Company has made foreign investments of ₹ 1.12 crores in its wholly owned subsidiary abroad.

II. INFORMATION ABOUT THE APPOINTEE:

	Mr. Rupen Patel	Mr. Nimish Patel	Mr. Ashwin Parmar
(b) <b>Background Details:</b>	Mr. Rupen Patel, Managing Director of the Company. Mr. Patel is a commerce graduate from Mumbai University and holds a Masters degree in Business Administration from Babson College, US. Mr. Patel was appointed as the Managing Director of the Company in 1999 and experience of over 19 years in the construction industry. The Company under Mr. Patel's leadership has ventured into owning and operating assets in the infrastructure sector such as independent power producer of thermal and hydro power and BOT road projects in India as well as overseas. He supervises all projects of the Company in a planned and periodical manner.	Mr. Nimish Patel is the Whole time Director of the Company. Mr. Patel is a finance graduate from Bentley College in Massachusetts, USA. He joined on February 1, 1999 as Director, and on September 1, 1999 was appointed as a Whole Time Director. Mr. Patel has experience of over 13 years in execution of the contracting and ownership projects of the Company in the North and North Eastern region and handle the industrial relations, quality accreditation and other matters.	Mr. Ashwin Parmar graduated in Civil Engineering in 1982 from VJT Institute, Bombay University followed by Post Graduate Diploma in Construction Management NICMAR in 1985. Mr. Parmar has been working with the Company for the past 13 years and is presently heading Business Development department of the Company.
<b>Past Remuneration (p.a)</b>			
2010 - 2011	1,32,76,850	*2,56,06,250	35,91,000
2011 - 2012	1,18,20,850	*1,68,12,400	37,80,000
2012 - 2013	1,60,48,900	98,89,060	39,69,000
		remuneration includes value of Employee stock options exercised amounting to ₹ 1,36,49,250 and ₹ 80,07,500 for the year 2010-11 and 2011-2012 respectively.	
<b>Recognition / Awards:</b>	None	None	Young Talented Engineer from Indian Concrete Institute in the year 2003

	<b>Mr. Rupen Patel</b>	<b>Mr. Nimish Patel</b>	<b>Mr. Ashwin Parmar</b>
<b>Job Profile &amp; Suitability:</b>	Mr. Rupen Patel, being Managing Director of the Company provides leadership and strategic inputs to the Company in addition to carrying out such duties and exercise such powers as is entrusted to him from time to time by the Board of the Company including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.	Mr. Nimish Patel, handles contracting and ownership projects of the Company in the North and North Eastern region. He works under the superintendence, control and directions of the Board of Directors and carry out such duties as may be entrusted to him by Managing Director or Board from time to time including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies, subsidiaries and/or JVs or any other executing body or any Committee of such a Company.	Mr Ashwin Parmar is heading Tendering and Business Development department. He is responsible for formation of Joint Ventures for large Projects with National and International agencies. He is actively involved in execution of projects including co-ordination of activities amongst different agencies of BMC, MDL, MMRDA projects, and negotiating prices with important suppliers/subcontractors, maintaining relationships with key clients at the strategic level. He has long experience of tunnelling by use of TBM. He oversees operation of few of the subsidiary companies as well
<b>Remuneration proposed</b>	As per details given in the item no. 8, 9 & 10 of the explanatory statement		
<b>Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the position and person:</b>	The remuneration payable to the Managing Director and whole time Directors is reasonable, justified and is commensurate with the remuneration levels prevailing in the industry and as recommended by the Committee/Board of Directors.		
<b>Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any:</b>	Mr. Rupen Patel is Promoter and is related to Mr. Pravin Patel, Chairman of the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any other managerial personnel besides the remuneration set out in the resolution and except to the extent of his shareholding in the Equity Share Capital of the Company. Mr. Nimish Patel and Mr. Ashwin Parmar are not related to any managerial personnel in the Company. They do not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution of this Notice except to the extent of their shareholding in the Equity Share Capital of the Company.		

### III. OTHER INFORMATION:

#### 1. Reason for inadequate profits:

The Company had adequate profit in the previous financial years. As a prudent measure approval of members is being sought for payment of remuneration to Mr. Rupen Patel, Mr. Nimish Patel and Mr. Ashwin Parmar in the event of inadequacy of profit in any financial year.

#### 2. Steps taken or proposed to be taken for improvement:

The Company constantly endeavours to enhance the ambit of its business and maintained stability and meets the challenges with perseverance and determination.

#### 3. Expected increase in productivity and profits in measurable terms:

The company expects increase in profits in line with increase in its activity and market penetration.

### IV. Disclosures:

#### 1. Remuneration package of the managerial person : As detailed in the Explanatory Statement stated above.

#### 2. Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report: The requisite details of remuneration etc of the Directors are/will be included in the Corporate Governance Report, forming part of the Annual Report of the Company.

The terms and conditions of the said Arrangement with the aforementioned Directors may be altered and varied from time to time by the Board as it may, in its discretion deem fit, in accordance with the provisions of the Act or any amendments made hereafter in this regard.

The draft of the Agreements proposed to be entered into between the Company and Mr. Rupen Patel, Mr. Nimish Patel and Mr. Ashwin Parmar respectively are available for inspection by the Members of the Company at its Registered Office between 2 p.m. to 4.00 p.m. on all working days till the date of the Extra Ordinary General Meeting.

This Explanatory Statement together with the accompanying Notice may also be recorded as an Extract under Section 302 of the Companies Act, 1956.

It is proposed to approve the Resolution no. 8,9 & 10 as special resolutions in order to enable the Company to pay minimum remuneration to Mr. Rupen Patel, Mr. Nimish Patel and Mr. Ashwin Parmar as set out in item no. 8,9, 10 of the Explanatory Statement in the eventuality of no profits / inadequacy of profits.

The Directors recommend passing the resolutions set out in item no. 8,9 & 10 of the Notice as Special Resolutions.

None of the Directors/key Managerial Personnel/their relatives of the Company, except Mr. Rupen Patel, Mr. Pravin Patel, being relative of Mr. Rupen Patel, Mr. Nimish Patel and Mr. Ashwin Parmar are concerned or interested in the respective Special resolution pertaining to their appointment and remuneration.

By Order of the Board

February 14, 2014

Registered Office

Patel Estate Road, Jogeshwari (West),  
Mumbai-400 102.

**Shobha Shetty**  
Company Secretary



**PATEL ENGINEERING LTD.**

**Regd. Office :** Patel Estate Road, Jogeshwari (West), Mumbai - 400 102.

**PROXY**

I/We .....  
of ..... in the district .....  
being a Member/Members of **Patel Engineering Limited**, hereby appoint .....  
of ..... in the district of ..... or failing him .....  
of .....in the district of ..... as my / our proxy to vote for me / us on my / our behalf at  
the **Extra ordinary General Meeting** of the Company to be held on Wednesday, March 19, 2014 at 3.30 p.m. and at any adjournment thereof.

Signed this ..... day of ....., 2014.

Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	

Affix  
15 Paise  
Revenue  
stamp

Signature .....

**NOTE:**

The duly completed Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



**PATEL ENGINEERING LTD.**

**Regd. Office :** Patel Estate Road, Jogeshwari (West), Mumbai - 400 102.

**ATTENDANCE SLIP**

(To be filled in and handed over at the entrance of the meeting hall)

I certify that I am a \*registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the **Extra ordinary General Meeting** of the Company at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai 400 102 on Wednesday, March 19, 2014.

Full name of the \*Member/Proxy : \_\_\_\_\_

(in Block Letters)

Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	

\_\_\_\_\_  
Signature of \*Member / Proxy

\* Strike out whichever is not applicable

Note: Please complete this and hand it over at the entrance of the hall.

BOOK - POST

*If undelivered, please return to:*

**Patel**

**PATEL ENGINEERING LTD.**

**Regd. Office :** Patel Estate Road,  
Jogeshwari (West), Mumbai - 400 102.