PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

January 29, 2018

To,

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code No. 531120

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

Company Code No. PATELENG/EQ

Dear Sir(s),

Sub – Adopted Annual Report for F.Y. 2016-2017

In terms of the Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2016-2017 adopted at the 68th Annual General Meeting of the Company held on December 30, 2017 at 11:00 a.m. at Shree Saurashtra Patel Samaj, Patel Estate road, Jogeshwari (West), Mumbai – 400 102

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

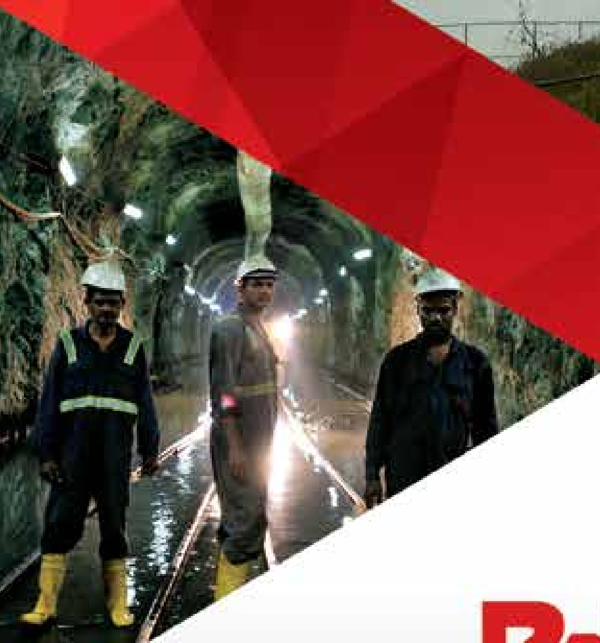
Shobha Shetty

Shobha Shetty
Company Secretary

PATEL ENGINEERING LTD. MUMBAI 400

Encls: 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
Since 1949

ANNUAL REPORT 2016-17

PATEL ENGINEERING LTD.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pravin Patel, Chairman

Mr. Rupen Patel, Managing Director

Mr. Khizer Ahmed, Independent Director

Mr. Srinivasa Jambunathan, Independent Director

Mr. K. Ramasubramanian, Independent Director

Ms. Geetha Sitaraman, Independent Director

Mr. Chittaranjan Kumar Singh, Whole time Director -Operations

Ms. Kavita Shirvaikar–Whole time Director & CFO

Ms. Sunil Sapre, Whole time Director

REGISTERED OFFICE

Patel Estate Road, Jogeshwari (West),
Mumbai - 400 102
Tel : +91 22 267 67500
Fax : +91 22 2678 2455
Email: investors@pateleng.com
Website: www.pateleng.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel No : +91 22 49186270
Fax : +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

M/s. Vatsaraj & Co.
Chartered Accountants
First Floor, Fort Chambers,
"C" Block, 65, Tamarind Lane,
Fort, Mumbai - 400 023

CONSORTIUM LENDERS

ICICI Bank Ltd

Bank of India

Dena Bank

Canara Bank

Bank of Baroda

Industrial Development Bank of India Ltd

Union Bank of India

Corporation Bank

State Bank of Patiala

Axis Bank Ltd

Standard Chartered Bank

Bank of Maharashtra

DBS Bank Ltd

Societe Generale

RBL Bank Ltd

IndusInd Bank Ltd

SREI Equipment Finance Ltd

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel: +91-22-4080 7000
Email: itsl@idbitrustee.com

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai – 400025
Tel: +91-22-62260054
Email: debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited
Office No. 83 – 87, 8th floor,
'Mittal Tower', 'B' Wing, Nariman Point,
Mumbai – 400021
Tel+91-22-49220555
Email: umesh.salvi@ctltrustee.com

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholder,

It is my pleasure to present to you, our performance for the fiscal year 2016–17 and major events after the end of the said fiscal year during which your Company has crossed one of the biggest hurdles in its history of more than 6 Decades presence in EPC sector. Over the years we have continually worked on expanding our capabilities and horizons, moving closer every year to our vision of becoming a leader in EPC sector.

The legacy of stalled infrastructure projects due to delay in land acquisition, mandatory clearances, lack of coordination between various authorities and delay in payments to construction companies had been looming over the sector - for quite some time and such delay had depleted the companies in the sector including yours' and made them starve for financial liquidity to sustain day to day expenses of the large workforce and machinery deployed all over the country coupled with debt with ever mounting interest burden making it impossible for almost all companies in the sector to sustain.

With infrastructure development being the major focus of the current government, EPC sector's outlook has started to look encouraging again. India's 2016-2017 Union Budget has provided a significant outlay for infrastructure expenditure which was further boosted in the budget for FY 2017-18. This spending is seen as a key component of the government's plans to boost India's growth levels to projections ranging between 7 and 9 percent. The allocation of ₹ 3.96 lakh crore for the sector and a newly liberalized foreign direct investment (FDI) policy further underline the government's commitment in this regard. The implementation of GST, consolidating Rail and Fiscal budget, pushing in Make in India, Digital India, Skill India, Start-up India and Swachh Bharat Abhiyan (Clean India Mission) and the introduction of Bullet Trains etc. reflect the better quality of life that government wants for its people.

The current government has undertaken steps by giving faster clearances and removal of hurdles by regular monitoring of projects by key officials. This outlook change by the government has been reflected in NITI Aayog Initiatives, where the government has taken the initiative to address liquidity crunch by early disbursement of 75% of receivables against margin free bank guarantees, stuck in various legal forums even after Arbitral Awards in favour of the contractors. The amendment to Arbitration act, reducing the arbitration timeline and formation of separate commercial courts are few examples of initiatives to bring in ease of business and much required liquidity in the sector. Measures taken by Reserve Bank of India (RBI) with Debt Restructuring schemes like Strategic Debt Restructuring (SDR) which was introduced in the previous year and Scheme for Sustainable Restructuring of Stressed Assets (S4A) introduced in 2016 further enabled various companies to resolve debt repayment issues by aligning it with cash flows generated from operations.

As you are aware that the lenders of the Company had invoked SDR on May 26, 2016. The Company allotted equity shares and converted ~ ₹ 418 crore of debt to equity for a 51.08% stake in the Company taken by the lenders in November, 2016 as part of the said SDR Scheme. The company had also undertaken to sell various non-core assets including actionable claims, real estate etc. to reduce its debt burden and hold back all investments in Asset Ownership projects while concentrating on the core EPC Business.

It gives me immense pleasure to inform you all that we have been successful in implementing the above plan –

1. We have merged and amalgamated Patel Realty (India) Ltd., a wholly owned subsidiary of the Company to reduce costs and concentrate more on core EPC business.
2. We have successfully completed transfer/assignment of certain actionable claims for various projects undertaken by the Company in the present and past and certain rights

of real estate assets together with corresponding debts including debts, liabilities and obligations related thereto valuing approximately ₹ 2,020 crore from its books to its wholly owned subsidiary viz Hitodi Infrastructure Limited whose 51% equity has been taken by an Eight Capital Group Entity and change of management has been affected in November 2017.

3. Lodha Developers, one of the prominent builders in Mumbai, has acquired 100% equity of wholly owned subsidiary of the Company, viz Patel Land Developers Limited (PLDL), to whom the company has transferred ~ 5 acres of Jogeshwari property along with its corresponding liability and debt of ₹ 376 crore, in November 2017.

4. Apart from the above, the Company has also entered into Joint Development Agreements and sold certain other non-core land assets in Electronic City, Bengaluru.

With the above transactions, the total debt of the company has been reduced by more than ₹ 2,500 crore.

In addition to the above transactions, the Company has received approvals from majority of lenders under JLF (as required under RBI guidelines) for its debt resolution plan under the S4A Scheme as mandated by the overseeing committee of RBI in November 2017. Under the scheme, the total debt of the company shall split into Sustainable PART A Debt ~ ₹ 1,724 crore (Fund Based) and unsustainable PART B debt ~ ₹ 1,240 crore. Further, all non-fund based limits, both current and additional limits approved under the scheme forms part of Sustainable Debt.

Under the Scheme, the Part B debt is converted into Optionally Convertible Debentures (OCDs) issued to the said lenders with balance Part A debt to be serviced as per the existing terms. After repayment of debts as mentioned above the Company has till date issued ~ ₹ 715 crore of OCDs with a 0.01% Coupon rate payable annually and 7% IRR payable at the time of redemption over a period of 10 years. As part of the Scheme, the Promoters of the Company have also pledged Shares held by them to the extent of 10% of the total Equity capital of the Company to a Trustee appointed by the lenders out of which pledge on shares equivalent to 3.93% of the total equity capital of the Company has been invoked and credited to the lenders @ Re. 1 per share who have approved and signed the OCD documents as part of the said S4A Scheme.

As part of the Scheme, the promoters of the Company have also infused ₹ 75 crore (first tranche) as an interest-free unsecured loan in the Company by raising a loan against pledge of their shares aggregating to 13.37% of the total Equity capital of the Company held by them to bring in required liquidity in the company.

Our Company is one of the few entities to come out and stand tall after undergoing debt restructuring schemes of SDR and S4A. With the implementation of the above, the interest burden of the company is expected to reduce substantially and with an additional non-fund based limits, especially, bank guarantees availability after this implementation shall boost and enable the company to bid for new projects and enhance the much required Order Book of the Company.

- The company is already L1 with ~ ₹ 3,500 crore of work, which is expected to turn into firm orders and now the focus of the Company shall be to double the current order book of ~ ₹ 7,415 crore by end of FY 18-19.

The Consolidated Performance of the Company: –

- The Revenues from Operations reduced by 4% from ₹ 4,040.87 crore to ₹ 3,883.84 crore. The net loss of the Company for the year FY17 however, was ₹ 102.89 crore as compared to ₹ 196.19 crore in the previous year.

The performance of the company's operations out of its core engineering & construction business reflected in standalone results were as follows after implementation of Ind AS and merger of PRIL :-

- Revenue of the Company registered a growth of 5.85%, where revenue increased from ₹ 2,764 crore in FY 2015-16 to ₹ 2,925.55 crore in FY 2016-17.
- PBT of the company stood at ₹ 107.31 crore in FY 17 as compared to ₹ (39.14) crore in FY 16.
- PAT of the company for FY 17 was ₹ 41.83 crore viz. a viz. a loss of ₹ (29.91) crore in FY 16.

As the Managing Director of the company, I see a bright and glooming future ahead and would say that with all courage and hope we look forward to grow the company back again and roaring much ahead than ever before and even if there are more hurdles we shall be able to overcome the same with the support of you all shareholders and lenders of the Company.

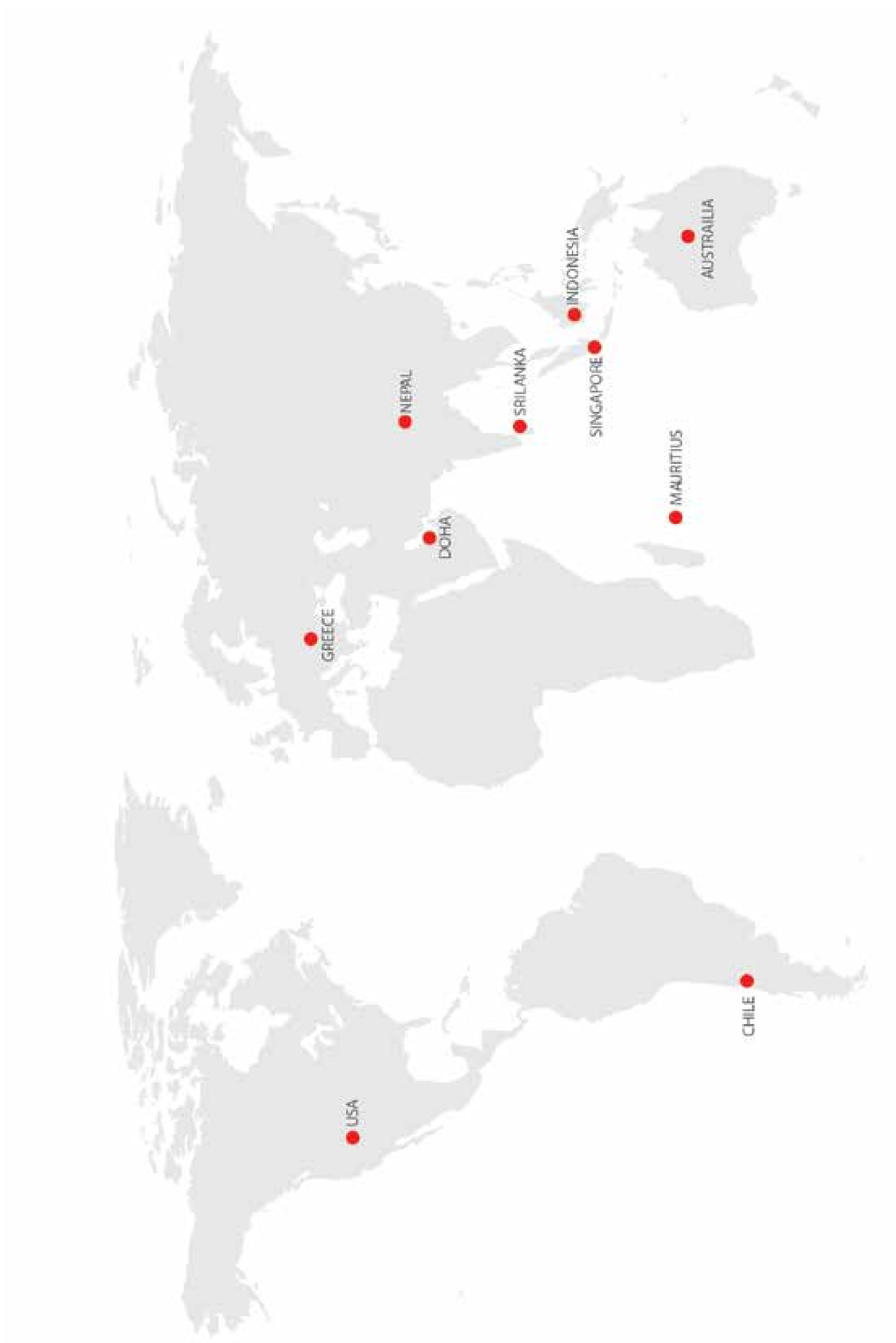
Thank you all for your much needed support and co-operation.

Yours truly,

Rupen

Rupen Patel
Managing Director

OUR GLOBAL PRESENCE



COMPARATIVE CONSOLIDATED FINANCIALS

(₹ in million)

		2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
A.	**FINANCIAL POSITION**										
	Share Capital	156.99	76.81	76.81	76.81	69.83	69.83	69.83	69.83	59.66	59.66
	Reserves & Surplus	21,231.46	17,049.00	18,850.22	17,851.55	16,205.76	15,497.55	14,739.93	13,557.69	10,112.63	8,399.33
	Shareholders Funds	**21,388.45**	**17,125.81**	**18927.03**	**17928.36**	**16,275.59**	**15,567.38**	**14,809.76**	**13,627.52**	**10,172.29**	**8,458.99**
	Minority Interest	696.19	1,457.36	1247.37	1,293.29	988.98	834.06	704.27	615.24	215.77	405.41
	Deferred Tax Liability (Net)	0	0	139.76	171.54	113.32	216.03	131.95	114.88	148.36	150.94
	Loan Funds	50,970.06	54,154.92	51,633.58	44,780.38	34,754.22	28,379.91	24,744.88	18,300.18	12,812.62	9,764.01
	Total Funds Employed	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**	**40,390.86**	**32,657.82**	**28,003.34**	**20,957.35**
	Fixed Assets (Net)	14,977.11	14,587.57	16,402.35	14,606.70	12,509.61	10,532.09	8,530.20	7,591.16	5,700.97	6,702.43
	Investments	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88	780.35	698.17	504.65	360.81
	Deferred Tax Assets (Net)	937.98	301.48	-	-	-	-	-	-	-	-
	Net Current Assets & Non Current Assets	55,757.68	56,205.34	53,727.58	48,227.89	38,491.43	33,679.41	30,997.87	24,301.52	21,738.32	13,871.26
	Miscellaneous Expenditure	-	-	-	-	-	-	82.44	66.97	59.40	22.85
	(To the extent not written off or adjusted)										
	Total Application of Funds	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**	**40,390.86**	**32,657.82**	**28,003.34**	**20,957.35**
B.	**OPERATING RESULTS**										
	Income from Operations	38,838.37	40,408.66	34,153.87	37,011.31	41,148.74	35,920.91	34,759.09	31,909.33	24,598.45	18,596.43
	Other Income	**2,541.16**	**1,528.39**	**1,159.22**	**1,067.37**	**817.47**	**910.92**	**229.75**	**630.12**	**144.59**	**36.87**
	Total Income	41,379.52	41,937.05	35,313.09	38,078.68	41,966.21	36,831.83	34,988.84	32,539.45	24,743.04	18,633.30
	Total Expenditure	**41,200.70**	**42,809.05**	**35,149.52**	**37,541.04**	**40,707.37**	**35,532.45**	**33,141.67**	**29,489.55**	**22,372.74**	**16,778.20**
	Profit before Tax	178.82	-872.01	163.57	537.64	1,258.84	1,299.38	1,847.17	3,049.90	2,370.30	1,855.10
	Profit after Tax	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87	1,307.26	2,120.57	1,934.02	1,628.12
	Minority Interest and other adjustments	-441.81	-84.77	12.04	83.49	92.27	35.99	81.21	138.96	129.24	109.07
	Net Profit	**-594.00**	**-1,885.52**	**84.69**	**163.69**	**650.03**	**665.88**	**1,226.05**	**1,981.61**	**1,804.78**	**1,519.05**
C.	**EQUITY SHARE DATA**										
	Earning per share (₹)	-9.83	-24.30	1.10	2.15	9.31	9.54	17.56	30.96	30.25	24.74
	Number of Shares	156,994,691	76,806,282	76,806,282	76,244,325	69,827,151	69,827,151	69,827,151	69,827,151	59,659,090	59,659,090
	Dividend %	-	-	-	-	-	30%	100%	200%	175%	150%

Boards' Report

To the Members of Patel Engineering Limited,

The Directors hereby present their 68th Annual Report on the business, operations and state of affair of the Company together with the audited financial statement for the year ended March31, 2017:

FINANCIAL HIGHTLIGHTS

Standalone and Consolidated Financial Performance **(₹ in millions)**

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Total Income	41,379.52	41,937.05	32,959.12	30,496.26
Total expenditure	41,200.70	42,809.05	30,806.23	30,414.94
Profit before depreciation, prior period and exceptional items	959.18	(322.23)	1,692.79	(373.84)
Depreciation	(780.36)	(549.78)	(460.10)	(455.16)
Exceptional Item#	(889.78)	(1,292.09)	1,079.77	472.58
Profit before tax	**(710.96)**	**(2,164.10)**	**1,073.12**	**(391.26)**
Tax expenses	(317.93)	(202.17)	(654.88)	(92.27)
Net Profit after tax	**(1,028.89)**	**(1,961.93)**	**418.23**	**(298.97)**
Other Comprehensive Income (Net)	(6.91)	(8.36)	(5.79)	(8.68)
Total comprehensive income for the year	**(1,035.81)**	**(1,970.29)**	**412.12**	**(307.65)**
Attributable to:				
Minority Interest	**(441.81)**	**(84.77)**	-	-
Owners of the Parent	**(594.00)**	**(1,885.52)**	-	-
Add: Opening Balance in Profit & Loss A/c	4,745.02	6,915.35	6,217.96	6,029.05
Appropriations / adjustments##	459.53	(29.32)	(339.39)	489.10
Surplus carried to the Balance sheet	**4,617.47**	**4,745.02**	**6,296.80**	**6,217.96**
Earnings per equity shares				
(face value ₹ 1)				
- Basic (₹)	(9.83)	(25.54)	3.99	(3.89)
- Diluted (₹)	(9.83)	(25.54)	3.99	(3.89)

 # Refer Note No. 27 of Financial Statements

Refer to note (B) of Statement of changes in Equity of the Financial Statements

Consolidated

The Consolidated total income stood at ₹ 41,379.52 million as against ₹ 41,937.05 million for the previous year.

The profit before depreciation was at ₹ 959.18 million as against loss of ₹ 322.23 million for the previous year. The net loss is at
₹ 1,028.89 million as against loss of ₹ 1,961.93 million for the previous year.

Standalone

On Standalone basis, the total income stood at ₹ 32,959.12 million as against ₹ 30,496.26 million for the previous year. The profit before depreciation was at ₹ 1,692.79 million as against loss of ₹ 373.84 million for the previous year. The Company has incurred Net Profit of ₹ 418.23 million as against the loss of ₹ 298.97 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2016-17.

Share Capital

- During the year under review, pursuant to implementation of Strategic Debt Structuring scheme (SDR), 80,188,409 equity shares of Re. 1 each were allotted on November 25, 2016 @ ₹ 51.08 per share to the lenders of the Company against conversion of ₹ 4,186 million debt.
- Post-merger of Patel Realty India Limited with the Company, the Authorized share capital of the Company has increase to 27,50,00,000 (Twenty Seven Crores Fifty lacs) Equity shares of face value Re. 1 (Rupee One Only) each and 80 (Eighty) Zero Coupon Optionally Convertible Preference shares of ₹ 1,00,00,000 (Rupees One Crore) each aggregating to ₹ 355,00,00,000 (Rupees Three Hundred and Fifty Five

Patel Since 1949

Crores Only). There is no change in the paid up capital of the Company post merger.

Finance

As on March 31, 2017, the Company on Standalone basis has ₹ 2,650 million NCDs. The NCDs are listed on National Stock Exchange of India Limited.

In total, the Company from time to time has raised money through borrowings (long and short terms, including NCD & interest outstanding) and the total amount outstanding on standalone basis as on March 31, 2017 is ₹ 47,565.23 million.

Optionally Convertible Debentures (OCDs)

On account of implementation of the Debt Resolution Plan under the S4A Scheme as mandated by the overseeing committee of RBI with majority of lenders approving and converting PART B (unsustainable) debt into Optionally Convertible Debentures in terms of the Scheme, 71,50,250 OCDs were allotted on November 24, 2017 and December 1, 2017 converting ₹ 7,150.25 million debt.

Information on state of affairs of the Company

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is forming part of the Annual Report and is in accordance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Subsidiaries

As on March 31, 2017, the Company has 76 subsidiaries including step down subsidiaries.

During the year under review, the names of the following non operative subsidiaries were struck off by the Registrar of Companies under the Fast Track Exit (FTE) mode pursuant to guidelines for Fast Track Exit mode for defunct companies under Section 560 of the Companies Act, 1956.

- ASI Rcc India Ltd
- Laksha Infra Projects Pvt. Ltd
- Praval Developers Ltd.
- Hebe Realcon Pvt. Ltd
- Patel Urjaa Vyapaar Pvt. Ltd

Patel Realty (India) Limited, a wholly owned subsidiary of the Company was amalgamated with the Company vide. Order of National Company Law Tribunal (NCLT), Mumbai Bench dated July 06, 2017.The Appointed date of the merger is April 01, 2016.

Step down subsidiaries VIZ. Nirman Construction Pvt. Ltd and Azra Land Projects Pvt. Ltd were sold to reduce the debt of the Company. These companies ceased to be the subsidiaries effective from December 27, 2016.

Pursuant to the Agreement of Merger, the three entities Westcon Micro tunneling Inc, ASI RCC Inc and Patel Engineering Inc, USA companies have merged into a single corporation with Patel Engineering Inc as the surviving corporation effective from March 31, 2017. All three corporations were formed under the laws of the State of Colorado, USA. The purpose of the merger was to consolidate the assets, eliminate the inter-company debts, and reduce the operating expenses of the companies.

The performance and financial position of the subsidiaries and associates as required under the Companies Act, 2013 is provided in **Annexure I** of the Boards' Report. The financial statements of the subsidiary companies will be placed on the website of the Company www.pateleng.com. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the registered office of the Company.

In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries and the same has been disclosed on Company's website at the following link: http://tinyurl.com/nqb2o56

Key Subsidiary / Associate updates

Michigan Engineers Private Limited having presence in urban infrastructure Projects, have during financial year 2016-17 been awarded EPC contract of Mumbai Sewage Disposal Project – Stage – II – Priority Works: Vallabh Nagar Pumping Station (232 MLD) Construction, Operation & Maintenance Contract at Dahisar, Mumbai. Under the Microtunneling contract for total 1372 meter from RSPL, Kanpur, Michigan Engineers has delivered the Longest Microtunneling of 669 metre in 84 days. The achievement is highlighted in the Cover story of the No Dig India Magazine published by the India Society for Trenchless Technology.

Raichur Sholapur Transmission Company Private Limited commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. Project is promoted by Company along with Simplex Infrastructure Ltd and BS Ltd. Project achieved transmission line availability of 99.9% in 2014, 99.9% in 2015 and 96.8% in 2016. Lenders on September 30, 2017 implemented 5/25 scheme as per the RBI guidelines after obtaining approval from Independent Evaluation Committee, with cutoff date on December 30, 2016.

The Joint lenders Forum (JLF) had invoked SDR in **Bellona Estate Developers Limited** with reference date October 25, 2015. Pursuant to SDR, the company allotted shares equity to Lenders to hold 51% stake. A consultant was appointed by the JLF to run the process to sale mall on as is where basis. SDR timelines expired on April 28, 2017. Presently the banks are evaluating option to sell mall to the other bidders.

Patel KNR Infrastructure Ltd and **Patel KNR Heavy Infrastructure Limited** wherein the Company holds 60% and 40% stake respectively having road projects in Karnataka and Hyderabad respectively. Both the NHAI annuity projects are under operation and the respective companies are receiving the annuity on semi-annual basis. The respective Companies are maintaining the assets as per the contract conditions. The Company and KNR Construction, the promoters of these companies are looking for the divestment in the Projects. A definitive Agreement was signed between Patel Engineering Ltd and KNR Constructions Ltd for sale of 100% stake in two annuity road assets. The closing of the transaction is subject to fulfillment of certain condition precedent including approval from Lenders and NHAI.

PBSR Developers Private Limited consist of two residential towers (one 15 floors and another 16 storied) and one tower of serviced apartments (16 storied). The project offers residential units comprising of 2 BHK (990 sqft), 2.5 BHK (1120 sqft) and 3 BHK (1400 sqft & 1435 sqft). These residential

tower has a total of 12 flats per floor whereas the service apartment block comprises of 11 apartments per floor. The project is meticulously crafted and offers a unique blend of smart design and superior quality.

The Company through its wholly owned subsidiary **Patel Energy Resources Limited** intended to build a thermal coastal power plant project of 1050 MW at Nagapattinam, Tamil Nadu. All the statutory clearances obtained stands elapsed and Consent For Establishment (CFE) that is mandatory for taking up Project construction works is still pending with Government of Tamil Nadu. Pending this, the Company has kept the project currently on hold.

The physical progress of the project under **Dirang Energy Private Limited** has been slow due to various hurdles faced by the Company, some of the reasons for delay / stoppage of work are delay in obtaining consent from State Pollution Control Board; untimely disbursement by project lenders; untimely infusion of equity. Dirang is also in discussion with potential investors for equity participation in the Project.

In March 2017, **ASI Constructors Inc** sold substantial Assets. The realized amount was utilized to repay its substantial debt and other liabilities.

Company's Mauritius subsidiary Le **Salines Development Ltd** ("LSDL") had Land lease Agreement with Govt. of Mauritius for a period of 99 years. Termination Notice was received by the Company in June 2015 from the Govt. of Mauritius. A notice had been sent to the Authorities and Government of Mauritius in July 2016 contesting wrongful termination, violation of treaty and further moving to seek compensation under the Promotions and Protection of Investments Treaty between the Government of India and Government of Mauritius. Attorney General of Govt. of Mauritius has accepted receipt of notice and agreed for a meeting to mutually seek solution in the matter. However the meeting could not take place. The company has now issued a notice of arbitration to Government of Mauritius through International court of Justice (ICJ). Arbitration tribunal has been formed by ICJ. The Company is waiting for the first procedural order from ICJ, after which company will file the statement of claims to ICJ.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. All the Related Party Transactions as required under AS-18 are reported in the Notes to the financial statements.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transactions policy and the same is uploaded on Company's website at the link: http://tinyurl.com/nrqnhhs

Particulars of Loans given, Investment made, Guarantees given and Securities provided

The members may note that the Company is engaged in providing infrastructural facilities and hence, as per Section 186(11) of Companies Act, 2013, nothing in Section 186 shall apply to the Company except sub-section (1) of Section 186. Accordingly, a separate disclosure has not been given in the financial statements as required under Section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security.

Directors and Key Managerial Persons

i. Independent Director

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ii. Other Directors / Key Managerial Personnel

a. During the year under review, Mr. Ashwin Parmar resigned as Whole time Director of the Company effective from April 4, 2016. The Board place on record their appreciation for the services rendered by Mr. Parmar.

b. Mr. C. K. Singh was appointed by the Board of Directors as Whole time director effective from May 30, 2016 and the same was confirmed/approved by the Members at their meeting held on December 22, 2016.

c. The Board of Directors at their meeting held on February 14, 2017 had subject to the approval of the members, appointed Mr. Sunil Sapre and Ms. Kavita Shirvaikar as whole time Directors for a period of 5 years w.e.f April 1, 2017. The necessary resolutions in this regard are being placed for the approval of the members at the ensuing AGM.

d. The Board of Directors at their meeting dated March 31, 2017 appointed Mr. Sunil Shinde as Whole time Director of the Company. Mr. Shinde resigned as Director effective from June 2, 2017 after a very short stint in the Company.

e. Mr. Pravin Patel retires at the ensuing AGM. The Board of Directors place on record their deep appreciation for the enormous contribution mate by Mr. Patel. The company and the Board benefitted immensely from Mr. Patel's vast experience, knowledge and insights of the industry and operations of the Company.

Number of Board Meetings held during the financial year 2016-17

During the year ended March 31, 2017, the Board met 8 times.

Remuneration Policy

The Company has framed a Remuneration Policy pursuant Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This Policy is enclosed as **Annexure II** to the Boards' Report.

Evaluation of Board

Based on the criteria for evaluation of performance of the Board of Directors, its Committees, Chairman, Executive Directors, Independent Directors and Non –executive Directors, the performance was evaluated for the financial year ended March 31, 2017.

A meeting of the Independent Director was held during the year under review.

Internal Financial Controls

The Company has in place adequate internal financial control with reference to financial statement.

Audit Committee

The Audit Committee of the Board of Directors of the Company comprises of the following Members:

Mr. Khizer Ahmed – Independent Director & Chairman

Mr. Pravin Patel – Executive Director

Mr. K. Ramasubramanian – Independent Director

Mr. S. Jambunathan – Independent Director

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as it members:

Mr. Pravin Patel – Executive Director

Mr. K. Ramasubramanian – Independent Director

Mr. Rupen Patel – Managing Director

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act. The CSR Policy of the Company is uploaded on the Company's website at the link http://tinyurl.com/o6yczkx

On account of financial constraints, the Company could not spend the full amount as required in terms of Section 135 of the Companies Act, 2013. A report on CSR activities is provided in **Annexure III** to this Report.

Auditors

M/s. Vatsaraj & Co. Chartered Accountants(Firm's Registration No.111327W), Mumbai bearing ICAI Registration No. 111327W retires at the 68th Annual General Meeting of the Company as the Auditors. Based on the recommendation of the Audit Committee and the confirmation received from M/s. T. P Ostwal Accountants LLP (FRN: 124444W/W100150) on their eligibility, the Directors vide resolution dated December 8, 2017 has recommended to the members for the appointment of M/s. T. P Ostwal Accountants LLP, Chartered Accountants LLP, as the Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the 73rd AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM).

Further, In accordance with the provisions of Section 139 and 143(8) of the Companies Act, 2013, the Board at its meeting held on July 24, 2017 has also recommended the appointment of M/s. R. S. Parekh & Co., Chartered Accountants as the Branch Auditor to audit the Realty Division of the Company from the conclusion of this AGM till the conclusion of the 73rd AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM).

Auditors' Report

The Auditors in their Report on Standalone Financial Statement to the members of the Company, have given one qualified opinions as follows:

The independent Auditors of, Patel Realty (India) Ltd ("PRIL"), the erstwhile Subsidiary company, have qualified their audit report on the Standalone Financial Statement for the year ended 31st March 2017 in respect to: The Company is in process of being compliant with provisions of Section 203 of the Companies Act, 2013 which pertains to appointment of Key Managerial Person. (PRIL)

Response of your Directors with respect to the above: While Patel Realty (India) Ltd ("PRIL") was in the process of identifying KMPs for compliance under Section 203 of Companies Act, 2013, PRIL got merged with Patel Engineering Limited (parent company) vide. NCLT order dated July 06, 2017. Hence the said compliance requirement no longer stands.

Cost Auditor

In terms of the provision of 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, M/s. D. Radhakrishnan & Co, a firm of Cost Accountants in practice (FRN:000018) having their office at 11 A, Doverlane Flat B1/34 Calcutta 700029 was appointed as Cost Auditor of the Company for the financial year 2016-17 by the Board of Directors of the Company at a remuneration of ₹3,50,000/- (excluding service tax) as recommended by the Audit Committee and approved by the Board subject to ratification by the shareholders at the 68th Annual General Meeting of the Company.

Secretarial Audit Report

The Board had appointed Ms. Deepti Jambigi Joshi of MMJC & Associates LLP, as the Secretarial Auditor, to conduct the secretarial audit of the Company for the financial year ended March 31, 2017. The Report of Secretarial Audit Report is provided as **Annexure IV** to this Report.

With respect to the observations, remarks made in the Secretarial Audit Report, the same has been taken note of and the company shall take necessary step to ratify the same in compliance with the applicable law.

Sexual harassment of Women at workplace

The Company has a Policy on prevention of Sexual harassment at Workplace. During the year under review no case was reported under the policy.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings / Outgo is provided as **Annexure V** to this Report.

Extract of the Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of Annual Return in the prescribed Form MGT -9 is provided in **Annexure VI** to this Report.

Risk Management

The Board of Directors of the Company has framed and implemented a Risk Management Policy.

Whistle Blower Policy/Vigil Mechanism

The Company has a Vigil Mechanism Policy for the employee to report genuine concerns/grievances. The Policy is uploaded on the Company's website at the link. http://tinyurl.com/pvenjtk

The policy provides for adequate safeguards against the victimization of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee. There are no complaints / grievances received from any Directors or employees of the Company under this policy.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 (the Act) and the Rules framed thereunder, forms part of this Annual Report. In terms of the provisions of Section 136 & 197 of the Companies Act, the Report and Accounts are being sent to the members of the Company excluding the aforesaid information.

Any member interested in obtaining a copy of this information under Section 197 of the Act, may write to the Company Secretary, at the Registered Office of the Company.

Disclosures as required under Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided in **Annexure VII** to this Report.

Corporate Governance

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance together with the certificate issued by M/s. Vatsaraj and Co, the Statutory Auditors of the Company, on compliance in this regard forms part of the Annual Report.

General

i) There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Boards' report.

ii) No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future during the year under review.

iii) The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the said Act or the details of deposits which are not in compliance with the Chapter V of the said Act is not applicable. The Company has accepted unsecured loan from its Directors.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

i. in preparation of the annual financial statements for the year ended March 31, 2017, the applicable Accounting standards had been followed along with proper explanation relating to material departures.

ii. for the financial year ended March 31, 2017, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2017.

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the annual financial statements have been prepared on a going concern basis.

v. that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Acknowledgements

The Board of Directors wish to place on record their appreciation for their continued support and co-operation by Shareholders, Financial Institutions, Banks, Government Authorities and other Stakeholders. The Board of Directors also acknowledges and appreciates the support extended by all the employees of the Company and for their dedicated service.

On behalf of the Board of Directors,
Patel Engineering Ltd.

Pravin Patel
Executive Chairman
December 15, 2017 **(DIN: 00029453)**

ANNEXURE I AOC - 1

Statement containing the salient features of the financial statements of subsidiaries

(pursuant to first provisio of sub section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Company (Accounts) Rules, 2014 - AOC -1)

(₹ in million)

Sr. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period.	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
	DIRECT SUBSIDIARIES																
1	Zeus Minerals Trading Pvt. Ltd.	1-Apr-2009	-	INR	0.60	(0.32)	110.98	110.98	-	-	(0.06)	-	(0.06)	NIL	India	0.60	100
2	Patel Concrete & Quarries Pvt. Ltd.	10-Mar-2008	-	INR	1.00	(0.31)	112.31	112.31	-	-	(0.10)	-	(0.10)	NIL	India	1.00	100
3	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	3.42	4.17	4.17	-	-	2.35	0.48	1.87	NIL	India	0.33	100
4	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(52.42)	38.21	38.21	-	-	(11.06)	-	(11.06)	NIL	India	0.50	100
5	Shreeanant Constructions Private Limited*	10-Dec-2005	-	INR	0.10	(14.44)	78.94	78.94	-	-	(8.24)	-	(8.24)	NIL	India	0.10	100
6	Patel Lands Ltd.	25-Aug-2010	-	INR	0.50	(0.15)	37.04	37.04	-	-	(0.03)	-	(0.03)	NIL	India	0.50	100
7	Michigan Engineers Pvt. Ltd.	1-May-1973	-	INR	17.36	974.00	2,174.34	2,174.34	0.05	1,427.53	71.82	13.50	54.48	NIL	India	0.89	51
8	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	524.09	524.09	100.06	-	-	-	-	NIL	India	100.00	100
9	Patel Realty (India) Ltd.	27-Apr-2007	-	INR	1,000.00	(63.23)	2,862.99	2,862.99	2.24	2,517.93	(491.77)	-	(491.77)	NIL	India	1,000.00	100
10	Patel Energy Resources Ltd.	18-Mar-2008	-	INR	2,090.00	(978.80)	7,835.65	7,835.65	2,136.48	-	(219.93)	-	(219.93)	NIL	India	2,090.00	100
11	Pandora Infra Pvt. Ltd.	28-Jun-2012	-	INR	70.00	(1.05)	436.99	436.99	-	-	(0.06)	-	(0.06)	NIL	India	70.00	100
12	Patel Engineers Pvt. Ltd.	2-Jul-2012	-	INR	91.00	2.75	96.10	96.10	96.02	-	(0.31)	-	(0.31)	NIL	India	91.00	100
13	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	(1.66)	191.78	191.78	-	-	(0.05)	-	(0.05)	NIL	India	140.70	100
14	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	(1.01)	110.89	110.89	-	-	(0.05)	-	(0.05)	NIL	India	55.10	100
15	Bhooma Realties Pvt. Ltd.	22-May-2007	-	INR	72.10	48.96	462.07	462.07	-	-	(1.54)	-	(1.54)	NIL	India	72.10	100
16	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(1.15)	333.83	333.83	-	-	(0.05)	-	(0.05)	NIL	India	78.80	100
17	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 64.7236 INR	153.07	(802.10)	226.82	226.82	-	-	(28.21)	-	(28.21)	NIL	Singapore	94.46	100
18	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 64.7236 INR	32.36	(241.87)	110.98	110.98		-	(76.78)	-	(76.78)	NIL	Mauritius	32.36	100
19	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 64.7236 INR	548.04	(69.11)	363.47	363.47	0.52	-	(116.91)	-	(116.91)	NIL	USA	391.53	100.00
20	ASI Constructors Inc.	12-Sep-2005	-	1 USD= 64.7236 INR	693.92	120.35	2,542.14	2,542.14	223.56	7,016.60	(1,667.41)	365.56	(1,301.85)	NIL	USA	396.51	65.20
21	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	-	1 LKR = 0.426 INR	36.42	2.69	54.70	54.70	18.36	-	1.72	0.48	1.24	NIL	Srilanka	36.42	100
	SUBSIDIARY OF PATEL ENGINEERS PVT. LTD																
22	Phedra Projects Pvt. Ltd.	5-Sep-2006	-	INR	27.71	5.29	45.94	45.94	29.18	-	(0.17)	-	(0.17)	NIL	India	27.71	100
23	Apollo Buildwell Pvt. Ltd.	18-Jan-2007	-	INR	0.50	(13.13)	160.41	160.41	0.05	-	(2.13)	-	(2.13)	NIL	India	0.50	100
24	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	0.66	37.31	37.31	-	56.06	(2.24)	-	(2.24)	NIL	India	0.50	100
25	Hera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.13)	0.33	0.33	-	-	(0.15)	-	-		India	0.50	97.13
26	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	0.50	0.13	0.69	0.69	-	-	(0.07)		(0.07)	NIL	India	-	100
27	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(19.61)	2,378.09	2,378.09	-	-	(2.24)	0.02	(3.72)	NIL	India	-	100
28	Waterfront Developers Ltd.	18-Jan-2007	-	INR	0.16	(914.51)	873.47	873.47	0.18	-	(10.84)	-	(10.84)	NIL	Mauritius	0.16	100
29	Les Salines Development Ltd.*	28-Mar-2008	-	INR	0.13	(2.66)	970.19	970.19	0.00	-	(20.24)	-	(20.24)	NIL	Mauritius	0.13	100
30	La Bourgade Development Ltd.*	14-Jul-2008	-	INR	0.00	(1.47)	0.05	0.05	-	-	(0.30)	-	(0.30)	NIL	Mauritius	0.00	100
31	Ville Magnifique Development Ltd.*	14-Jul-2008	-	INR	0.00	(1.17)	0.05	0.05	-	-	(0.24)	-	(0.24)	NIL	Mauritius	0.00	100
32	Sur La Plage Development Ltd.	18-Jul-2008	-	INR	0.00	(1.41)	0.05	0.05	-	-	(0.23)	-	(0.23)	NIL	Mauritius	0.00	100

(₹ in million)

Sr. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period.	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
	SUBSIDIARY OF PATEL ENERGY RESOURCES LTD.																
33	Patel Hydro Power Pvt. Ltd.	29-Nov-2010	-	INR	362.88	(327.44)	1,795.84	1,795.84	939.49	7.46	(103.87)	-	(103.87)	NIL	India	362.88	100
34	Patel Thermal Energy Pvt. Ltd.	18-Feb-2011	-	INR	0.50	-	37.67	37.67	-	-	-	-	-	NIL	India	0.50	100
35	Dirang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	1.79	5,680.65	5,680.65	-	-	-	-	-	NIL	India	710.00	100
36	West Kameng Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	149.79	149.79	-	-	-	-	-	NIL	India	0.10	100
37	Patel Energy Assignment Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	39.64	39.64	-	-	-	-	-	NIL	India	0.10	100
38	Patel Energy Projects Pvt. Ltd.	3-Jun-2008	-	INR	0.10	-	52.38	52.38	-	-	-	-	-	NIL	India	0.10	100
39	Patel Energy Operations Pvt. Ltd.	3-Jun-2008	-	INR	0.73	-	59.97	59.97	-	-	-	-	-	NIL	India	0.73	100
40	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	162.74	162.74	-	-	-	-	-	NIL	India	0.73	100
41	Digin Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	185.57	185.57	-	-	-	-	-	NIL	India	0.10	100
42	Naulo Nepal Hydro Electric Pvt. Ltd.	2-Oct-2008		1 NPR = 0.625 INR	49.13	48.03	117.63	117.63	-	-	-	-	-	NIL	Nepal	44.21	90
43	PEL Power Ltd.	5-Sep-2006	-	INR	1,380.81	3.71	447.68	447.68	-	-	-	-	-	NIL	India	1,380.81	100
44	PEL Port Pvt. Ltd.	17-Jul-2008	-	INR	89.46	-	91.18	91.18	6.83	-	-	-	-	NIL	India	89.46	100
45	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(20.96)	845.55	845.55	-	-	-	-	-	NIL	India	186.45	100
46	Laksha Infra Projects Pvt. Ltd.#	19-Mar-2008	-	INR	0.10	-	0.73	0.73	-	-	-	-	-	NIL	India	-	-
47	Jayshe Gas Power Pvt. Ltd.	24-Dec-2010	-	INR	0.10	-	37.58	37.58	-	-	-	-	-	NIL	India	0.10	100
48	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	152.46	152.46	-	-	-	-	-	NIL	India	4.78	100
49	Patel Urjaa Vyapaar Pvt. Ltd.#		-	INR	0.10	-	0.20	0.20	-	-	-	-	-	NIL	India	-	100
	SUBSIDIARY OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																
50	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	-	1 USD= 64.7236 INR	64.72	(273.31)	0.16	0.16	-	-	(0.22)	-	(0.22)	NIL	Singapore	38.88	60
51	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.0049 INR	27.03	(132.33)	212.54	212.54	-	-	(0.63)	-	(0.63)	NIL	Indonesia	16.22	60
52	PT PEL Minerals Resources *	3-Feb-2009	-	1 IDR = 0.0049 INR	13.51	(32.90)	36.44	36.44	-	-	(0.03)	-	(0.03)	NIL	Indonesia	13.51	100
53	PT Patel Engineering Indonesia *	23-May-2011	-	1 IDR = 0.0049 INR	27.03	(6.03)	43.23	43.23	-	-	(3.49)	-	(3.49)	NIL	Indonesia	27.03	100
54	Patel Param Minerals Pte Ltd.*	10-Aug-2008	-	1 USD= 64.7236 INR	0.65	(237.25)	0.13	0.13	-	-	(0.43)	-	(0.43)	NIL	Singapore	0.39	60
55	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.0049 INR	13.42	(113.41)	233.46	233.46	-	-	(7.82)	-	(7.82)	NIL	Indonesia	8.05	60
56	Patel Param Energy Pte Ltd.*	10-Aug-2008	-	1 USD= 64.7236 INR	33.01	(100.73)	7.36	7.36	-	-	(0.55)	-	(0.55)	NIL	Singapore	19.83	60
57	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.0049 INR	13.45	(148.63)	755.20	755.20	-	-	1.04	-	1.04	NIL	Indonesia	8.07	60
58	Patel Param Natural Resources Pte Ltd.*	10-Aug-2008	-	1 USD= 64.7236 INR	0.65	(42.33)	0.18	0.18	-	-	(0.43)	-	(0.43)	NIL	Singapore	0.39	60
59	PT Surpat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.0049 INR	27.03	(0.47)	27.03	27.03	-	-	(0.00)	-	(0.00)	NIL	Indonesia	16.22	60
	SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																
60	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD= 64.7236 INR	30.10	(152.24)	91.59	91.59	88.49	-	(15.95)	-	(15.95)	NIL	Mauritius	30.14	100
61	Enrich Mining Vision Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(18.06)	-	-	-	-	(5.09)	-	(5.09)	NIL	Mozambique	0.03	100
62	Patel Infrastructure, Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(15.00)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100
63	Trend Mining Projects Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(15.60)	-	-	-	-	(2.83)	-	(2.83)	NIL	Mozambique	0.03	100
64	Accord Mines Venture Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(14.29)	-	-	-	-	(2.83)	-	(2.83)	NIL	Mozambique	0.03	100
65	Netcore Mining Operations Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(1.83)	0.24	0.24	-	-	(0.56)	-	(0.56)	NIL	Mozambique	0.03	100

(₹ in million)

Sr. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period.	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
66	Metalline mine works Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(13.49)	0.07	0.07	-	-	(2.83)	-	(2.83)	NIL	Mozambique	0.03	100
67	Patel Mining Assignments Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	-	14.21	14.21	-	-	(3.05)	-	(3.05)	NIL	Mozambique	0.03	100
68	Chivarro Mines Mozambique Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(3.43)	-	-	-	-	(0.43)	-	(0.43)	NIL	Mozambique	0.03	100
69	Fortune Mines Concession Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(35.92)	2.47	2.47	-	-	(6.27)	-	(6.27)	NIL	Mozambique	0.03	100
70	Omini Mines Enterprises Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(2.13)	0.33	0.33	-	-	(0.65)	-	(0.65)	NIL	Mozambique	0.03	100
71	Quest Mining Activities, Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	(2.45)	0.00	0.00	-	-	(0.65)	-	(0.65)	NIL	Mozambique	0.03	100
72	Patel Mining Priviledge, Lda	7-Jul-2007	-	1 MZN = 1.0809 INR	0.03	-	199.23	199.23	-	-	(54.53)	-	(54.53)	NIL	Mozambique	0.03	100
	SUBSIDIARY OF PATEL ENGINEERING INC.																
73	ASI Global LLC*	15-Aug-2009	-	1 USD= 64.7236 INR	-	1.15	1.17	1.17	0.52	-	0.13	-	0.13	NIL	USA	-	100
74	ASI RCC Inc.*	24-Sep-1997	-	1 USD= 64.7236 INR	174.67	(5.29)	252.92	252.92	-	-	(39.77)	-	(39.77)	NIL	USA	-	100
75	ASI RCC India Ltd.#			1 USD= 64.7236 INR			-								USA	-	100
76	Westcon Microtuneling Inc.*	25-Aug-2000	-	1 USD= 64.7236 INR	147.68	5.93	153.60	153.60	-	-	2.19	-	2.19	NIL	USA	-	100
	SUBSIDIARY OF ASI CONSTRUCTORS INC.																
77	ASI Constructors Australia Pty Ltd.		-	1 USD= 64.7236 INR	-	(2.15)	0.00	0.00	-	-	-	-	-	NIL	Australia	-	65.20
78	HCP Constructors Inc.		-	1 USD= 64.7236 INR	164.40	(235.44)	59.46	59.46	-	-	-	-	-	NIL	USA	-	65.20
79	Engineering & Construction Innovations Inc.		-	1 USD= 64.7236 INR	55.62	36.37	505.16	505.16	185.53	1,204.21	(64.69)	28.43	(36.26)	NIL	USA	-	65.20

* Financial information is based on unaudited results

Note

1 the Financial year for all the subsidiaries is March 31

2 proposed dividend from any of the subsidiaries is nil

Statement containing the salient features of the financial statements of subsidiaries/associates companies/joint ventures

(pursuant to first provisio of sub section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Company (Accounts) Rules, 2014 - AOC -1)

PART B: ASSOCIATES AND JOINT VENTURES

	Associate Company				JOINT VENTURES												
NAME OF ASSOCIATES AND JOINT VENTURES	Raichur Sholapur Transmission Co. Pvt. Ltd.	ACP Tollways Pvt. Ltd.	Terra Land Developers Ltd.	PAN Realtors Private Limited	Age Patel JV	Navyouga - Patel- Bhel Consortium	Patel Michigan JV	Patel SEW JV	Patel-Avantika-Deepika-BHEL	Patel - Varks - Precision Consortium	Patel - Varks - JV	Cico Patel JV	Patel KNR JV	KNR Patel JV	Era Patel Advance JV	Patel Apco JV	Patel Soma JV
1. Latest Audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2. Date on which the Associate or Joint Venture was associated or acquired	7-Jan-11	5-Dec-11	14-Oct-11	11-Jan-15	31-Mar-16	3-May-08	12-Jul-06	23-Jan-08	30-Sep-08	18-Dec-08	6-Dec-07	27-Mar-13	12-Jun-01	6-Jan-01	10-Jul-06	4-Dec-12	25-Feb-05
3. Shares of Associate or Joint Ventures held by the company on the year end:																	
No.	26,672,000	8,495,040	24,662	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	266.72	849.50	0.25	0.51	1.36	-	103.77	570.26	4.76	0.65	1.94						
Extent of Holding (in percentage)	33.34	32	49.32	36.43	100	42.23	10	50	52.82	60	65	99.99	50	49	30	50	50
4. Description of how there is significant influence	Since Shareholding is more than 20%	Since Shareholding is more than 20%	Since Shareholding is more than 20%	Since Shareholding is more than 20%	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet																	
7. Profit or Loss for the year: (i+ii)	(29.22)	-520.041	-0.072		-15.74	26.72	3.57	3.74	0.48	1.11	(0.01)						
i. Considered in Consolidation																	
ii. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

ANNEXURE II – NOMINATION AND REMUNERATION POLICY

Introduction

Patel Engineering Limited ('the Company') has adopted this Policy drafted by the Nomination and Remuneration Committee, upon the recommendation of the Board and the said Policy is in compliance with the requirements of Section 178 of the Companies Act, 2013 and rules thereunder('the Act') and Clause 49 of the Listing Agreement (as amended).

Objective

The key objective of the policy would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;

b) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;

c) Formulation of criteria for evaluation of Independent Director and the Board;

d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;

e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

f) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

g) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

h) To devise a policy on Board diversity;

i) To develop a succession plan for the Board and to regularly review the plan.

Scope and Applicability

The policy shall apply to

a) Directors (Executive, Non Executive and Independent);

b) Key Managerial person;

c) Senior management personnel.

Definitions

The following words shall have the meanings as provided in the policy, unless otherwise mentioned in the Act or the Listing Agreement:

Board	"Board" means the Board of Directors of the Company as defined under the Act.
Directors	Directors mean Directors of the company.
Policy	"Policy or this Policy" means Policy on Nomination and Remuneration of this company.
Senior Management	As per explanation to Section 178, Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including functional Heads.
Key managerial personnel (KMP)	Key managerial personnel means whole-time key managerial personnel of the Company appointed under section 203 of the Act, which include: (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director; (ii) Company Secretary; (iii) Chief Financial Officer; and (iv) Such other officer as may be prescribed.
Remuneration	Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
Independent Director	means an independent director referred to in sub-section (*5*) of section 149
Employees' stock option	means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price

Words and expressions used and not defined in the Policy shall have the same meanings as assigned to them in the Act and/or the Listing Agreement.

Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

Guiding Principles

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the committee shall be held at such intervals as may be required.

Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

Committee Members' Interests

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Duties of the Committee

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matters as may be requested by the Board.

Policy for Appointment/Resignation/Retirement/Succession of Director/KMP/Senior Management personnel

Appointment

a) The committee shall define the qualification/experience and expertise of the person for appointment as Director/KMP/Senior management personnel;

b) The committee shall also take into consideration the provisions of Section 164 of the Companies Act, 2013 relating to disqualifications for the appointment of directors;

c) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder;

d) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;

e) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;

f) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term/Tenure

a) Term for Managing Director/Whole time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Term for Independent Director

i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The Committee shall evaluate the performance of Directors taking into account the various parameters such as:

- Attendance at Board Meeting
- Participation in discussion
- Contribution in decision making,

While evaluation is been done, the Director who is been evaluated shall not participate in the discussion. The recommendations of the Committee will be sent to the Board for its review.

Retirement

The Director/ KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions of the Act and the rules made thereunder and all other applicable Acts, Rules and Regulations, if any.

Policy on Executive Succession Plan

1. A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of Patel Engineering Limited (hereinafter to be referred to as "the Company") to be prepared for an eventual / permanent change in leadership, either planned or unplanned, to insure the stability and accountability of the organization until such time as new permanent leadership is identified.
2. This policy covers the guideline for identification and development of future leaders from the pool of internal talents working within the Company or Group.
3. The Board of Directors shall be responsible for implementing this policy and its related procedures. It is also the policy of the Board to assess the permanent leadership needs of the organization and to ensure the selection of a qualified and capable leader who is representative of the community; a good fit for the organization's mission, vision, values, goals, and objectives; and who has the necessary skills for the organization.
4. To ensure that the organization's operations are not interrupted while the Board of Directors assesses the leadership needs and recruit a permanent executive officer, the Board will appoint interim executive leadership, in accordance with the policy described below.
5. The Interim Chief Executive Officer ('CEO') director shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed, including but not limited to, loans approved, reports due, contracts, licenses, certifications, memberships, obligations to lenders or investors of the Company, and others.
6. It is also the policy of the Company, to develop a diverse pool of candidates and consider at least such number of finalist candidates for its permanent CEO position as may be determined by the Nomination and Remuneration Committee of the Company.
7. The Company shall implement an external recruitment and selection process, while at the same time encouraging the professional development and advancement of current employees. The interim CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the Nomination and Remuneration Committee according to the guidelines established for the search and recruitment process.

Procedures for succession:

1. For a temporary change in executive leadership (i.e., illness or leave of absence) the immediate junior officer, reporting to such executive, shall take charge of his senior till he joins the office or if he is not competent then such other person who is competent to take the charge as may be decided by the Managing Director.
2. In the event the Managing Director of the Company is no longer able to serve in this position (i.e., leaves the position permanently), the Nomination and Remuneration Committee of the Board of Directors shall fill the vacancy for the time being, in the following manner:

a. Within 30 business days (if appointed from within the Organisation) or 120 business days (if appointed from outside the organisation), appoint an interim CEO according to the following line of succession:
    - Senior Executive Director / Executive Director of the Company;
    - President / Vice president of the Company.

(Note:- In case there is more than one candidate eligible for the interim CEO, then Nomination and Remuneration Committee shall select one candidate based on his experience and expertise after consulting the Chairman of the Board and Audit Committee.)

b. Within 30 days business days, the Nomination and Remuneration Committee shall take the responsibility and implement the following preliminary transition plan:
    - Communicate with key stakeholders regarding appointment of interim CEO;
    - Establish a time frame and plan for the recruitment and selection process in consultation with the recruitment agency from among the existing pool of talent or from outside, depending upon the requirement of the Company.

c. The Board may authorize the Managing Director for framing an internal policy for identifying and developing internal pool of talent for future leadership role in different department(s) / division in accordance with the requirement of such department(s) / division.

Patel
Since 1949

d. The Board shall review the succession policy periodically and if required, will make suitable changes in the policy keeping in view to the regulatory changes or changes due to business environment.

Policy for Remuneration of Director/KMP/Senior Management personnel

Remuneration for Executive and Whole time Directors

The remuneration payable to the whole time directors shall be determined by the company as per the Articles of the company and the provisions of the Act and the rules made thereunder. The remuneration so determined shall be proposed to the board for approval and shall be subject to the approval of the shareholders/central government as applicable, wherever required.

Increments to the remuneration shall be recommended by the committee to the board which shall be well within the slabs as approved by the shareholders for the whole time director.

Remuneration for Non-Executive and Independent Directors

The remuneration to Non-Executive independent directors shall be as per the provisions of the Companies Act 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Criteria for making payments to Non-Executive Directors:

Criteria of making payments to Non-Executive Directors will be decided by the Board, it can be on the basis of:

- Contribution during the Meeting.
- Active Participation in strategic decision making.

Heads under which payments can be made

Any fee/remuneration payable to the Non- Executive Directors of the Company shall be in following manner.

Sitting Fee

Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, Equity Listing Agreement or other applicable law or for any other purpose whatsoever as may be decided by the Board.

Remuneration and Commission

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its Non- Executive Director(s) either by way of a monthly payment or at a specified percentage of the net profits of the company.

The Company is however not obligated to remunerate its Non- Executive Director(s).

Further, the section 197 of the Act provides that the remuneration payable to directors who are neither managing directors nor whole time directors, shall not exceed-

(i) one percent of the net profits of the Company, if there is a managing or whole time director or manager,

(ii) three percent of the net profits in any other case.

Additional commission, apart from remuneration referred above, may be paid to Non-Executive Directors as may be decided by the Board of Directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the Non-Executive Directors.

Refund of excess remuneration paid

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction of the Central Government, where it is required, he shall refund such sum to the company and until such sum is refunded, hold it in trust for the company. The company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government.

Reimbursement of actual expenses incurred

Non- Executive Director(s) may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such Directors for attending Board/ Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Non- Executive Director(s).

Payment to Non- Executive Directors and Independent Directors

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc. to its Non- Executives.

The Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

Remuneration to Key management personnel and Senior Management personnel

The remuneration of the Key management personnel and senior management personnel shall be drafted by the Human resource team of the company and shall be presented to the committee for its perusal and approval.

Disclosures

Significant disclosures are required in the Directors report relating to the Remuneration of the Directors/Independent Directors/Key management personnel and the senior management personnel.

Conclusion

The committee shall have authority to modify or waive any procedural requirements of this policy.

In the event of any conflict between the provisions of this Policy and provisions of the Listing Agreement or the Act and Rules framed thereunder or any other applicable laws for the time being in force, the later shall prevail over the Policy.

This Policy or the relevant provisions of this policy shall be disseminated to all concerned employees of the Company and shall also be uploaded on the intra-net and website of the Company.

The policy shall be amended as required from time to time in case of any changes in the Revised Listing agreement or/and the Act and the rules made thereunder.

ANNEXURE III - ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   CSR Policy is stated herein below:

   Weblink: http://tinyurl.com/o6yczkx

2. The Composition of the CSR Committee:

Name of the Directors	Designation
Mr. Pravin Patel	Chairman
*Mr. Ashwin Parmar	Whole time Director
Mr. K. Ramasubramanian	Independent director
** Mr. Rupen Patel	Managing Director

**Mr. Ashwin Parmar resigned as director w.e.f. April 4, 2016*

*** Mr. Rupen Patel was inducted vide Board meeting dated June 29, 2016.*

3. Average net profit of the Company for last three financial years.

   Average Net Profit: ₹ 58.24 million

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

The Company is required to spend ₹ 1.16 million

5. Details of CSR spent during the financial year.

   a) Total amount to be spent for the financial year; ₹ 1.16 million

   b) Amount unspent, if any; ₹16.26 million (including ₹ 15.30 million pertaining to previous year)

   c) Manner in which the amount spent during the financial year is detailed below.

₹ in million

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing Agency*
1.	Girls Computer Education Courses	Education	Rajkot city	N.A.	0.46	0.46	Directly

We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with the CSR Objectives and Policies of the Company.

Sd/-	Sd/-
Rupen Patel	**Pravin Patel**
Managing Director	Chairman

December 15, 2017

ANNEXURE IV - FORM NO. MR.3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Patel Engineering Limited
Patel Estates V Road,
Jogeshwari (West),
Mumbai - 400102

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Patel Engineering Limited** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowing **(Foreign Direct Investment is not applicable during the audit period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')** :-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the audit period)**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the audit period)**; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the audit period).**

(vi) As Identified, no law is specifically applicable to the company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after 'LODR')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the followings:

- *The Company has made delay in filling of Annual Return on Foreign Liabilities and Assets (FLA), Annual Performance Report (APR) for one of the Subsidiary and External Commercial Borrowing were also filed with delay.*
- *Pursuant to Regulation 33 of LODR, Every listed Company shall submit annual audited standalone and consolidated financial results for the financial year, within sixty days from the end of the financial year.However the company has not complied with it.*

- *Pursuant to Section 179 of the act, the Company failed to file form MGT-14 for availing the financial assistance from SREI Equipment Finance Limited.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period

(a) There was Reclassification of preference share capital of 2,00,00,000 into 2,00,00,000 Equity share capital of ₹ 1 each.

(b) Issued and allotted 8,01,88,409 Equity Shares to lenders pursuant to Strategic Debt Restructuring Scheme issued by RBI.

(c) Patel Realty (India) Limited wholly owned subsidiary of the company has merged with it.

For MMJC & Associates LLP,
Company Secretaries

Deepti Joshi
Partner
FCS No. 8167
CP No. 8968

Place: Mumbai

Date: December 15, 2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members
Patel Engineering Limited
Patel Estates V Road,
Jogeshwari (West),
Mumbai - 400102

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJC & Associates LLP,
Company Secretaries

Deepti Joshi
Partner
FCS No. 8167
CP No. 8968

Place: Mumbai
Date: December 15, 2017

ANNEXURE V - CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

Information as per section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2017.

(A) Conservation of Energy

"Energy conservation" means to reduce the quantity of energy that is used for different purposes. Company is continuing with the following steps towards energy saving measures along with utilization of alternate source of energy.

- Optimum energy efficient ventilation design through Variable Flexible Drive (VFD) starting system for all ventilation fans and EOT/ Gantry cranes, adoption of larger diameter flexible duct, use of customized shape of ventilation duct, etc.
- Use of optimum electric compressors which matches the exact requirement. Hence saving in power consumption.
- Use of duel power tunnel mucking loaders in tunnels thus reducing CO_2 emission.
- Close monitoring of preventive maintenance of machineries through ERP system, which has helped in reducing fuel consumption.
- Avoiding multistage dewatering system and using high head dewatering pump, thus reducing power consumption.
- Installation of float switches in pumps thereby saving energy consumption.
- Use of transparent sheet at roof of workshop / stores enabling use of natural sunlight instead of electric light.
- Encouraging use of solar for water heater, lighting and charging of batteries with sunlight, etc.
- Implementation of energy saving lighting system at the Head Office, Workshops and Sites.
- Independent power pack provision for probe drilling, thus drilling without starting TBM power.
- Limiting the use of DG power and prioritizing utilization of grid power, thus reducing CO_2 emission.
- Centralized & synchronized DG units with high voltage transmission adopted for load sharing and efficient power utilization.
- Use of Automatic Power Factor Controller (APFC) panels improving power factor and saving energy.
- Staggered start-up times for equipment with large starting currents to minimize load peaking.
- Disconnect primary power to transformers that do not serve any active loads.
- Upgradation of machineries, modernization and introduction of sophisticated control system for conservation of energy.
- Conducting energy saving awareness sessions amongst employees to save energy (like turn of lights & computer monitors whenever not used; use of LED lights, use of advanced Speed Step power management, etc).

(B) Technology Absorption

Efforts made towards technology absorption during last three years.

i. Research and Development (R&D)

R&D is a continuous process and the company has benefitted immensely though it is difficult to assess the benefits in direct monetary terms. Some of the efforts on R&D undertaken during the period related are as follows.

- The construction methods have been continuously revised keeping abreast with state-of-art technology through New Austrian Tunneling Method (NATM).
- Optimization of structures through application of Finite Element Method (FEM) technique.
- Use of Earth Pressure Balancing Tunnel Boring Machine (TBM) for tunneling.
- Improving blasting pattern requiring less explosives.
- Designing efficient pumping systems, use of piping networks which requires low maintenance and low frictional losses so as to have more energy efficient system.
- Controlled quarrying and crushing for production of aggregate and sand. Use of properly processed wastage resulting from crushing of aggregates to have minimal environmental impact.

Patel Since 1949

ii. Benefits derived from technology absorption

- Optimization of structures leading to improved progress thus saving time and cost.
- Improved efficiency
- Enhanced quality
- Deployment of optimum number of machines

iii. Technology absorption

- Use of FEM technique for optimized design of various project components at two projects viz (a) Shongtong-Karcham Hydroelectric Project & (b) Parnai Hydroelectric Project, since 2013 – ongoing, technology being adapted.
- Tunneling with Earth Pressure Balancing TBM at Sleemanabad Carrier Canal & Tunnel Project, since 2011 – ongoing, technology being adapted.
- Use of duel power tunnel mucking loaders to reduce the mucking time in Ircon Railway tunnel Projects in J&K.

Foreign exchange earnings and outgo

Foreign exchange earnings and outgo during the year under review were ₹ 241.47 million (previous year ₹ 395.99 million) and ₹ 11.19 million (previous year ₹ 68.36 million) respectively.

ANNEXURE VI - EXTRACTS OF ANNUAL RETURN

Form No. MGT – 9

As on financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules 2014]

I. Registration and Other Details :

i)	CIN	L99999MH1949PLC007039
ii)	Registration Date:	April 2, 1949
iii)	Name of the Company	Patel Engineering Limited
iv)	Category : Sub-Category of the Company:	Company limited by shares India Non-Government Company
v)	Address of the Registered office and contact details	Patel Estate Road, Jogehwari (west), Mumbai - 400102 Tel No. 022-26767500, Fax No. 022-26782455
vi)	Whether listed Company	Yes, Listed on BSE Limited National Stock Exchange of India Limited
vii)	Details of Registrar and Transfer Agent: Name Address Phone No. Fax No. Email Website	 Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 +91 22 49186000 +91 22 49186060 rnt.helpdesk@linkintime.co.in www.linkintime.co.in

II. Principal Business Activities of the Company :

All the business activities contributing 10% or more of the total turnover of the company

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% total turnover of the company
1	Construction	452	91.5
2	Real Estate	681	8.5

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Zeus Minerals Trading Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U51909MH2007PTC167522	Subsidiary	100	2(87)(ii)
2.	Patel Concrete & Quarries Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U14200MH2008PTC178210	Subsidiary	100	2(87)(ii)
3.	Friends Nirman Pvt. Ltd. S. P. Mukherjee road, Khalpara, Siliguri, West Bengal - 734405.	U70101WB2004PTC099918	Subsidiary	100	2(87)(ii)
4.	Energy Design Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U72900MH2009PTC193475	Subsidiary	100	2(87)(ii)
5.	Patel Lands Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70100MH2010PLC207028	Subsidiary	100	2(87)(ii)
6.	Patel Engineering Infrastructure Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PLC162858	Subsidiary	100	2(87)(ii)
7.	Patel Engineers Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70100MH2005PTC157559	Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
8.	Patel Patron Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45200MH2005PTC158493	Subsidiary	100	2(87)(ii)
9.	Pandora Infra Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PTC164318	Subsidiary	100	2(87)(ii)
10.	Vismaya Constructions Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45400MH2007PTC171048	Subsidiary	100	2(87)(ii)
11.	Bhooma Realties Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45400MH2007PTC171064	Subsidiary	100	2(87)(ii)
12.	Shashvat land Projects Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70102MH2007PTC171886	Subsidiary	100	2(87)(ii)
13.	Patel Energy Resources Ltd. Door No.8-2-93/82/A/76, Third Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033, Andhra Pradesh.	U40102TG2008PLC073509	Subsidiary	100	2(87)(ii)
14.	Shreeanant Construction Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45200MH2005PTC158079	Subsidiary	100	2(87)(ii)
15.	Patel Land Developers Limited Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45100MH2016PLC285991	Subsidiary	100	2(87)(ii)
16.	Michigan Engineers Pvt. Ltd. D-7 Commerce centre 78, Javji Dadaji Road, Tardeo Mumbai - 400 034	U45300MH1973PTC016515	Subsidiary	51	2(87)(ii)
17.	ASI Constructors Inc., USA 1850 E. Platteville Blvd., Pueblo West, CO 81007	N.A.	Subsidiary	66.37	2(87)(ii)
18.	Patel Engineering Lanka (Pvt.) Ltd. No. 45, Braybrooke, St. Colombo 02, Srilanka.	N.A.	Subsidiary	100	2(87)(ii)
19.	Patel Engineering (Mauritius) Ltd. St. James Court – Suit 308, St. Denis Street, port Louis	N.A.	Subsidiary	100	2(87)(ii)
20.	Patel Engineering Inc. 12 Buell Mansion Pwky, Englewood, CO 80113 U.S.A	N.A.	Subsidiary	100	2(87)(ii)
21.	Patel Engineering (Singapore) Pte. Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A	Subsidiary	100	2(87)(ii)
22.	Patel Realty (India) Limited* Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70200MH2007PLC167118	Subsidiary	100	2(87)(ii)
23.	Hera Realcon Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70109MH2007PTC166825	Subsidiary	97.13	2(87)(ii)
24.	Apollo Buildwell Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45200MH2007PTC167521	Subsidiary	100	2(87)(ii)
25.	Arsen Infra Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PTC164319	Subsidiary	100	2(87)(ii)
26.	Lucina Realtors Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70109MH2007PTC166898	Subsidiary	100	2(87)(ii)
27.	PBSR Developers Pvt. Ltd. No.8-2-293/82/A/76, First Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033.	U45209TG2012PTC078886	Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
28.	Waterfront Developers Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
29.	Les Salines Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
30.	La Bourgade Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
31.	Ville Magnifique Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
32.	Sur La Plage Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
33.	Phedra Projects Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PTC164317	Subsidiary	100	2(87)(ii)
34.	Patel Hydro Power Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40108UP2010PTC042685	Subsidiary	100	2(87)(ii)
35.	Dirang Energy Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40101UP2008PTC049630	Subsidiary	100	2(87)(ii)
36.	West Kameng Energy Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40101UP2008PTC048287	Subsidiary	100	2(87)(ii)
37.	Digin Hydro Power Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40102UP2008PTC048202	Subsidiary	100	2(87)(ii)
38.	Meyong Hydro Power Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40104UP2008PTC048337	Subsidiary	100	2(87)(ii)
39.	Saskang Rong Energy Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U40108MH2008PTC185929	Subsidiary	100	2(87)(ii)
40.	Patel Thermal Energy Pvt. Ltd. Door No.8-2- 3/82/A/76, Ground Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033,	U40102TG2011PTC072720	Subsidiary	100	2(87)(ii)
41.	PEL Power Limited Door No.8-2- 3/82/A/76, Ground Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40108TG2006PLC067638	Subsidiary	100	2(87)(ii)
42.	PEL Port Pvt. Ltd. Door No.8-2- 3/82/A/76, Ground Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U74999TG2008PTC066862	Subsidiary	100	2(87)(ii)
43.	Jayshe Gas Power Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40300TG2010PTC071867	Subsidiary	100	2(87)(ii)
44.	Patel Energy Ltd. Patel Estate Road, S V Road, Jogeshwari (west), Mumbai – 400 102	U70100MH1996PLC102612	Subsidiary	99.99	2(87)(ii)
45.	Patel Energy Projects Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40102MH2008PTC184031	Subsidiary	100	2(87)(ii)
46.	Patel Energy Assignment Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40101MH2008PTC184030	Subsidiary	100	2(87)(ii)
47.	Patel Energy Operations Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40102MH2008PTC184032	Subsidiary	100	2(87)(ii)

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Since 1949

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
48.	Naulo Nepal Hydro Electric Pvt. Ltd. Lalitpur District, Lalitpur Sub-Metropolitan City, Ward No. 12, Prayag Pokhari, Lagankhel. Nepal	N.A.	Subsidiary	90	2(87)(ii)
49.	ASI Constructors Australia Pty Ltd. Level 31 Waterfront Place, 1 Eagle Street, Brisbane 4000, Queensland Australia	N.A.	Subsidiary	66.37	2(87)(ii)
50.	HCP Constructors Inc., USA 1850 E. Platteville Blvd., Pueblo West, CO 81007A USA	N.A.	Subsidiary	66.37	2(87)(ii)
51.	Engineering & Construction Innovations Inc., USA 7012, 6th Street North St. Paul, MN 55128 U.S.A	N.A.	Subsidiary	66.37	2(87)(ii)
52.	Patel Surya (Singapore) Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
53.	PT Surya Geo Minerals Gedung Citylofts Sudirman Lantai 15 unit 1519, JL KH Mas Mansyur No.121, Karet Tengsin, Tanah Abang, Jakarta Pusat, DKI Jakarta Raya 10220	N.A.	Subsidiary	60	2(87)(ii)
54.	Patel Param Minerals Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
55.	Pt Patel Surya Minerals Gedung Citylofts Sudirman Lantai 15 unit 1519, JL KH Mas Mansyur No.121, Karet Tengsin, Tanah Abang, Jakarta Pusat, DKI Jakarta Raya 10220	N.A.	Subsidiary	60	2(87)(ii)
56.	Patel Param Energy Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
57.	Pt Patel Surya Jaya City lofts, Lantia 10, Unit 1011, Jl. KH. Mas Masyur No. 121, Jakarta Pusat	N.A.	Subsidiary	60	2(87)(ii)
58.	Patel Param Natural Resources Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
59.	PT Surpat Geo Minerals Gedung Citylofts Sudirman Lantai 15 unit 1519, JL KH Mas Mansyur No.121, Karet Tengsin, Tanah Abang, Jakarta Pusat, DKI Jakarta Raya 10220	N.A.	Subsidiary	60	2(87)(ii)
60.	PT PEL Mineral Resources Gedung Citylofts Sudirman Lantai 15 unit 1519, JL KH Mas Mansyur No.121, Karet Tengsin, Tanah Abang, Jakarta Pusat, DKI Jakarta Raya 10220	N.A.	Subsidiary	100	2(87)(ii)
61.	Patel Engineering Indonesia Gedung Citylofts Sudirman Lantai 15 unit 1519, JL KH Mas Mansyur No.121, Karet Tengsin, Tanah Abang, Jakarta Pusat, DKI Jakarta Raya 10220	N.A.	Subsidiary	100	2(87)(ii)
62.	Patel Mining (Mauritius) Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
63.	Enrich Mining Vision Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
64.	Patel Mining Privilege Lda. Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
65.	Patel Infrastructure, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
66.	Trend Mining Projects, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
67.	Accord Mines Venture, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
68.	Netcore Mining Operations, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
69.	Metalline Mine Works, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
70.	Patel Mining Assignments, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
71.	Chivarro Mines Mozambique, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
72.	Fortune Mines Concession, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
73.	Omini Mines Enterprises, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
74.	Quest Mining Activities, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
75.	ASI Global LLC. 280 E 20th Ave, Denver CO, 80205 U.S.A	N.A.	Subsidiary	100	2(87)(ii)
76.	Patel KNR Infrastructures Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PLC162856	Subsidiary	60	2(87)(ii)
77.	Patel KNR Heavy Infrastructure Ltd. "KNR House", 4th Floor, Plot No.114, Phase I, Kavuri Hills, Jubilee Hills, Hyderabad - 500 033.	U70102TG2006PLC049949	Associates	42	2(6)
78.	Raichur Sholapur Transmission Co. Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U40108MH2009GOI220024	Associates	33.34	2(6)
79.	ACP Tollways Pvt. Ltd. B-9 Vibhuti Khand, Gomti Nagar, Lucknow, U.P-226010.	U45400UP2011PTC047755	Associates	32	2(6)
80.	Terra Land Developers Ltd. 19B, Anand Vihar CHS Ltd., Danda Pada,19th Road, Khar (West), Mumbai 400 052	U45400MH2007PLC175486	Associates	49.33	2(6)
81.	PAN Realtors Private Limited S-406 (LG), Greater Kailash-II New Delhi - 110048	U70101DL2009PTC193609	Associates	37.57	2(6)
82.	Bellona Estate Developers Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70200MH2007PLC166899	Associates	49	2(6)

*Merged with Patel Engineering Limited vide. NCLT order dated July 6, 2017.

IV. Share holding Pattern

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	29,23,300	-	29,23,300	3.81	29,23,300	-	29,23,300	1.86	(1.95)
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	3,54,09,681	-	3,54,09,681	46.10	3,54,09,681	-	3,54,09,681	22.55	(23.55)
e)	Bank/Financial Institution	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Sub-total (A) (1):-	**3,83,32,981**	**-**	**3,83,32,981**	**49.91**	**3,83,32,981**	**-**	**3,83,32,981**	**24.42**	**(25.49)**
(2) Foreign									
a) NRIs Individuals	5,50,450	-	5,50,450	0.72	5,50,450	-	5,50,450	0.35	(0.37)
b) Other Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	**5,50,450**	**-**	**5,50,450**	**0.72**	**5,50,450**	**-**	**5,50,450**	**0.35**	**(0.37)**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**3,88,83,431**	**-**	**3,88,83,431**	**50.63**	**3,88,83,431**	**-**	**3,88,83,431**	**24.77**	**(25.86)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	466	-	466	0.00	-	-	-	-	0.00
b) Banks/ Financial Institutions	14,06,193	-	14,06,193	1.83	8,15,92,544	-	8,15,92,544	51.97	50.14
c) Central Govt.	-	-	-	-	282	-	282	0.00	0.00
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	22,66,764	-	22,66,764	2.95	22,66,764	-	22,66,764	1.44	(1.51)
g) Foreign Institutional Investors	69,000	-	69,000	0.09	-	-	-	-	(0.09)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	-	-	-	92,172	-	92,172	0.06	0.06
Sub-total (B) (1):-	**37,42,423**	**0**	**37,42,423**	**4.87**	**8,39,51,762**	**-**	**8,39,51,762**	**53.47**	**48.6**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	47,54,719	3,900	47,58,619	6.20	39,65,582	3,900	39,69,482	2.53	(3.67)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1,62,77,708	9,10,940	1,71,88,648	22.38	1,87,76,678	9,04,940	1,96,81,618	12.54	(9.84)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	41,07,457	-	41,07,457	5.35	17,88,576	-	17,88,576	1.14	(4.21)
c) Others (specify)									
i) Clearing Member	5,23,686	-	5,23,686	0.68	8,15,200	-	8,15,200	0.52	(0.16)
ii) Non Resident Indians (Non Repat)	2,50,154	-	2,50,154	0.33	1,25,797	-	1,25,797	0.08	(0.25)
iii) Non Resident Indians (Repat)	5,06,098	22,200	5,28,298	0.69	6,38,372	22,200	6,60,572	0.42	(0.27)
iii)Trusts	2,107	-	2,107	0.00	2,107	-	2,107	0.00	-
Sub-Total (B) (2):-	**2,72,14,488**	**9,37,040**	**2,81,51,528**	**36.65**	**2,71,99,558**	**9,31,040**	**2,81,30,598**	**17.92**	**(18.73)**
Total Public Shareholding (B) = (B)(1) + B(2)	**3,09,56,911**	**9,37,040**	**3,18,93,951**	**41.53**	**11,11,51,320**	**9,31,040**	**11,20,82,360**	**71.39**	**29.86**
C. Employee Benefit Trust	**60,28,900**	**9,37,040**	**60,28,900**	**7.85**	**60,28,900**	**-**	**60,28,900**	**3.84**	**(4.01)**
GRAND TOTAL (A)+(B)+(C)	**7,58,69,242**	**9,37,040**	**7,68,06,282**	**100.00**	**15,60,63,651**	**9,31,040**	**15,69,94,691**	**100.00**	**-**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% Change in share holding during the year
1	Patel Corporation LLP	1,86,65,257	24.30	18.50	1,86,65,257	11.89	-	(12.41)
2	Praham India LLP	1,67,44,424	21.80	2.08	1,67,44,424	10.67	-	(11.13)
3	Rupen Patel	13,52,600	1.76	-	13,52,600	0.86	-	(0.9)
4	Pravin Patel	40,800	0.05	-	40,800	0.03	-	(0.02)
5	Sonal Patel	3,50,500	0.46	-	3,50,500	0.22	-	(0.24)
6	Riana Batra	1,99,950	0.26	-	1,99,950	0.13	-	(0.13)
7	Chandrika Pravin Patel	1,49,900	0.20	-	1,49,900	0.10	-	(0.10)
8	Alina Rupen Patel	12,90,000	1.68	-	12,90,000	0.82	-	(0.86)
9	Ryan Rupen Patel	90,000	0.12	-	90,000	0.06	-	(0.06)

Note: There was no change in the number of shares held by Promoters and Promoter Group during the F.Y. 2016-2017. However there is change in percentage of shares held by them due to issue of 8,01,88,409 by the company to its lenders under Strategic Debt Restructuring (SDR) scheme of the Reserve Bank of India.

iii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoter Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No. of shares	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
Nil								

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016: No. of shares held	Shareholding at the beginning of the year - 2016: % of total shares of the company	Transactions during the year: Date of transaction	Transactions during the year: No. of shares	Cumulative Shareholding at the end of the year - 2017: No. of shares held	Cumulative Shareholding at the end of the year - 2017: % of total shares of the company
1	DENA BANK	0	0.0000			0	0.0000
	Allotment			09 Dec 2016	12102989	12102989	7.7092
	AT THE END OF THE YEAR					12102989	7.7092
2	ICICI BANK LTD	32596	0.0208			32596	0.0208
	Transfer			08 Apr 2016	(726)	31870	0.0203
	Transfer			29 Apr 2016	(1638)	30232	0.0193
	Transfer			06 May 2016	3067	33299	0.0212
	Transfer			13 May 2016	53	33352	0.0212
	Transfer			27 May 2016	960	34312	0.0219
	Transfer			03 Jun 2016	(5400)	28912	0.0184
	Transfer			17 Jun 2016	(231)	28681	0.0183
	Transfer			24 Jun 2016	66762	95443	0.0608
	Transfer			30 Jun 2016	(50)	95393	0.0608
	Transfer			01 Jul 2016	(64412)	30981	0.0197
	Transfer			08 Jul 2016	(30)	30951	0.0197
	Transfer			15 Jul 2016	2984	33935	0.0216
	Transfer			22 Jul 2016	(2902)	31033	0.0198
	Transfer			29 Jul 2016	337	31370	0.0200
	Transfer			05 Aug 2016	124333	155703	0.0992
	Transfer			12 Aug 2016	(112747)	42956	0.0274
	Transfer			02 Sep 2016	923	43879	0.0279
	Transfer			09 Sep 2016	(5937)	37942	0.0242
	Transfer			16 Sep 2016	8108	46050	0.0293
	Transfer			23 Sep 2016	(4290)	41760	0.0266
	Transfer			30 Sep 2016	2985	44745	0.0285
	Transfer			07 Oct 2016	61393	106138	0.0676
	Transfer			14 Oct 2016	(231)	105907	0.0675
	Transfer			21 Oct 2016	121958	227865	0.1451
	Transfer			28 Oct 2016	(135144)	92721	0.0591
	Transfer			04 Nov 2016	19933	112654	0.0718
	Transfer			11 Nov 2016	797	113451	0.0723
	Transfer			18 Nov 2016	4764	118215	0.0753
	Transfer			25 Nov 2016	17326	135541	0.0863
	Transfer			02 Dec 2016	(2310)	133231	0.0849
	Allotment			09 Dec 2016	7081142	7214373	4.5953

Sr No.		Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
	Name & Type of Transaction	No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			16 Dec 2016	(970)	7213403	4.5947
	Transfer			23 Dec 2016	(3310)	7210093	4.5926
	Transfer			06 Jan 2017	(11353)	7198740	4.5853
	Transfer			13 Jan 2017	(269)	7198471	4.5852
	Transfer			20 Jan 2017	(91)	7198380	4.5851
	Transfer			27 Jan 2017	71	7198451	4.5852
	Transfer			03 Feb 2017	(496)	7197955	4.5848
	Transfer			10 Feb 2017	3716	7201671	4.5872
	Transfer			17 Feb 2017	1092	7202763	4.5879
	Transfer			24 Feb 2017	1431	7204194	4.5888
	Transfer			03 Mar 2017	(50)	7204144	4.5888
	Transfer			10 Mar 2017	(1638)	7202506	4.5877
	Transfer			17 Mar 2017	(82)	7202424	4.5877
	Transfer			24 Mar 2017	24600	7227024	4.6034
	Transfer			31 Mar 2017	(5896)	7221128	4.5996
	AT THE END OF THE YEAR					7221128	4.5996
3	IDBI BANK LTD.	461612	0.2940			461612	0.2940
	Allotment			02 Dec 2016	6685461	7147073	4.5524
	AT THE END OF THE YEAR					7147073	4.5524
4	BANK OF INDIA	0	0.0000			0	0.0000
	Allotment			09 Dec 2016	6602605	6602605	4.2056
	AT THE END OF THE YEAR					6602605	4.2056
5	BANK OF BARODA	209630	0.1335			209630	0.1335
	Allotment			02 Dec 2016	6390891	6600521	4.2043
	AT THE END OF THE YEAR					6600521	4.2043
6	AXIS BANK LIMITED	118095	0.0752			118095	0.0752
	Transfer			08 Apr 2016	4	118099	0.0752
	Transfer			22 Apr 2016	4985	123084	0.0784
	Transfer			29 Apr 2016	(250)	122834	0.0782
	Transfer			20 May 2016	400	123234	0.0785
	Transfer			27 May 2016	216	123450	0.0786
	Transfer			03 Jun 2016	(40)	123410	0.0786
	Transfer			10 Jun 2016	(130)	123280	0.0785
	Transfer			24 Jun 2016	500	123780	0.0788
	Transfer			30 Jun 2016	4250	128030	0.0816
	Transfer			01 Jul 2016	(3500)	124530	0.0793
	Transfer			08 Jul 2016	3500	128030	0.0816
	Transfer			15 Jul 2016	15000	143030	0.0911
	Transfer			22 Jul 2016	9144	152174	0.0969
	Transfer			19 Aug 2016	3681	155855	0.0993
	Transfer			02 Sep 2016	(4950)	150905	0.0961
	Transfer			09 Sep 2016	11853	162758	0.1037
	Transfer			16 Sep 2016	(123942)	38816	0.0247

Sr No.		Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
	Name & Type of Transaction	No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			23 Sep 2016	10000	48816	0.0311
	Transfer			30 Sep 2016	(15000)	33816	0.0215
	Transfer			07 Oct 2016	32950	66766	0.0425
	Transfer			14 Oct 2016	1170	67936	0.0433
	Transfer			21 Oct 2016	(225)	67711	0.0431
	Transfer			28 Oct 2016	1940	69651	0.0444
	Transfer			04 Nov 2016	(35835)	33816	0.0215
	Transfer			18 Nov 2016	49523	83339	0.0531
	Transfer			25 Nov 2016	(4400)	78939	0.0503
	Transfer			02 Dec 2016	(610)	78329	0.0499
	Allotment			09 Dec 2016	6429363	6507692	4.1452
	Transfer			16 Dec 2016	4600	6512292	4.1481
	Transfer			23 Dec 2016	9871	6522163	4.1544
	Transfer			30 Dec 2016	6910	6529073	4.1588
	Transfer			06 Jan 2017	4804	6533877	4.1618
	Transfer			13 Jan 2017	14370	6548247	4.1710
	Transfer			20 Jan 2017	210	6548457	4.1711
	Transfer			10 Feb 2017	10987	6559444	4.1781
	Transfer			17 Feb 2017	(2580)	6556864	4.1765
	Transfer			24 Feb 2017	847	6557711	4.1770
	Transfer			03 Mar 2017	(500)	6557211	4.1767
	Transfer			17 Mar 2017	5530	6562741	4.1802
	Transfer			24 Mar 2017	(1773)	6560968	4.1791
	Transfer			31 Mar 2017	(200)	6560768	4.1790
	AT THE END OF THE YEAR					6560768	4.1790
7	BANK OF MAHARASHTRA	0	0.0000			0	0.0000
	Allotment			09 Dec 2016	6070706	6070706	3.8668
	AT THE END OF THE YEAR					6070706	3.8668
8	PATEL ENGINEERING EMPLOYEES WELFARE TRUST	6028900	3.8402			6028900	3.8402
	AT THE END OF THE YEAR					6028900	3.8402
9	CANARA BANK-MUMBAI	0	0.0000			0	0.0000
	Allotment			09 Dec 2016	5558410	5558410	3.5405
	AT THE END OF THE YEAR					5558410	3.5405
10	STATE BANK OF PATIALA	0	0.0000			0	0.0000
	Allotment			09 Dec 2016	4636277	4636277	2.9531
	AT THE END OF THE YEAR					4636277	2.9531
11	LIFE INSURANCE CORPORATION OF INDIA	2394881	1.5255			2394881	1.5255
	AT THE END OF THE YEAR					2394881	1.5255
12	DINESH GOVIND PATEL	1363806	0.8687			1363806	0.8687
	Transfer			01 Apr 2016	(816715)	547091	0.3485
	Transfer			08 Apr 2016	816715	1363806	0.8687
	Transfer			19 Aug 2016	(547091)	816715	0.5202
	Transfer			26 Aug 2016	547091	1363806	0.8687
	Transfer			14 Oct 2016	(3000)	1360806	0.8668

Sr No.		Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
	Name & Type of Transaction	No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			21 Oct 2016	(2878)	1357928	0.8650
	Transfer			28 Oct 2016	(7000)	1350928	0.8605
	Transfer			04 Nov 2016	(3000)	1347928	0.8586
	Transfer			25 Nov 2016	(3000)	1344928	0.8567
	Transfer			02 Dec 2016	(6000)	1338928	0.8528
	Transfer			09 Dec 2016	(3000)	1335928	0.8509
	Transfer			23 Dec 2016	(5000)	1330928	0.8478
	Transfer			30 Dec 2016	(5000)	1325928	0.8446
	Transfer			06 Jan 2017	(7000)	1318928	0.8401
	Transfer			13 Jan 2017	(8000)	1310928	0.8350
	Transfer			20 Jan 2017	(5000)	1305928	0.8318
	Transfer			03 Feb 2017	(4000)	1301928	0.8293
	Transfer			17 Feb 2017	(1000)	1300928	0.8286
	Transfer			24 Feb 2017	(1000)	1299928	0.8280
	Transfer			03 Mar 2017	(1943)	1297985	0.8268
	Transfer			10 Mar 2017	(3000)	1294985	0.8249
	Transfer			17 Mar 2017	(6000)	1288985	0.8210
	Transfer			24 Mar 2017	(7000)	1281985	0.8166
	Transfer			31 Mar 2017	(6000)	1275985	0.8128
	AT THE END OF THE YEAR					1275985	0.8128
13	PATEL NIRMALA GOVIND	512591	0.3265			512591	0.3265
	AT THE END OF THE YEAR					512591	0.3265
14	REALTY CHECK PROPERTIES PVT LTD	497600	0.3170			497600	0.3170
	AT THE END OF THE YEAR					497600	0.3170
15	SANJIV K CHAINANI	950000	0.6051			950000	0.6051
	Transfer			08 Jul 2016	(115219)	834781	0.5317
	Transfer			15 Jul 2016	(247286)	587495	0.3742
	Transfer			22 Jul 2016	(454495)	133000	0.0847
	Transfer			29 Jul 2016	(133000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
16	KRISMA INVESTMENTS PVT LTD	580000	0.3694			580000	0.3694
	Transfer			15 Apr 2016	(87982)	492018	0.3134
	Transfer			22 Apr 2016	(430109)	61909	0.0394
	Transfer			29 Apr 2016	(61909)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
17	NEW BERRY CAPITALS PRIVATE LIMITED	551754	0.3514			551754	0.3514
	Transfer			01 Apr 2016	(50000)	501754	0.3196
	Transfer			08 Apr 2016	50000	551754	0.3514
	Transfer			29 Apr 2016	17824	569578	0.3628
	Transfer			06 May 2016	(2426)	567152	0.3613
	Transfer			13 May 2016	(81680)	485472	0.3092
	Transfer			20 May 2016	(55548)	429924	0.2738
	Transfer			03 Jun 2016	(159404)	270520	0.1723
	Transfer			24 Jun 2016	(32356)	238164	0.1517

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016: No. of shares held	Shareholding at the beginning of the year - 2016: % of total shares of the company	Transactions during the year: Date of transaction	Transactions during the year: No. of shares	Cumulative Shareholding at the end of the year - 2017: No. of shares held	Cumulative Shareholding at the end of the year - 2017: % of total shares of the company
	Transfer			30 Jun 2016	112692	350856	0.2235
	Transfer			01 Jul 2016	(315840)	35016	0.0223
	Transfer			08 Jul 2016	44480	79496	0.0506
	Transfer			15 Jul 2016	(79496)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
18	TEAM INDIA MANAGERS LTD	456546	0.2908			456546	0.2908
	Transfer			08 Apr 2016	(28000)	428546	0.2730
	Transfer			29 Apr 2016	(25324)	403222	0.2568
	Transfer			06 May 2016	(60634)	342588	0.2182
	Transfer			13 May 2016	(38822)	303766	0.1935
	Transfer			24 Jun 2016	(1930)	301836	0.1923
	Transfer			30 Jun 2016	(231852)	69984	0.0446
	Transfer			01 Jul 2016	(25000)	44984	0.0287
	Transfer			08 Jul 2016	(39984)	5000	0.0032
	Transfer			15 Jul 2016	(5000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Director/KMP	Shareholding: No. of shares at the beginning of the year	Shareholding: % of total shares of the Company	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No. of shares	Reason	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % of total shares of the Company
1.	Mr. Pravin Patel	40,800	0.05	-	-	-	40,800	0.03
2.	Mr. Rupen Patel	13,52,600	1.76	-	-	-	13,52,600	0.86
3.	Mr. C. K. Singh*	200	0.00	-	-	-	200	0.00
4.	Mr. Khizer Ahmed	26,500	0.03	-	-	-	26,500	0.01
5.	Mr. S. Jambunathan	50	0.00	-	-	-	50	0.00
6.	K. Ramasubramanian	357	0.00	-	-	-	357	0.00
7.	Ms. Geetha Sitaraman	-	-	-	-	-	-	-
8.	Ms. Kavita Shirvaikar	-	-	-	-	-	-	-
9.	Ms Shobha Shetty	200	0.00	-	-	-	200	0.00

**Appointed w.e.f. May 30, 2016*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of financial year				
(i) Principal Amount	46,041.50	2,494.80	-	48,536.30
(ii) Interest due but not paid	467.52	-	-	467.52
(iii) Interest accrued but not due	68.79	-	-	68.79
Total (i+ii+iii)	46,577.81	2,494.80	-	49,072.61
Change in Indebtedness during the financial year				
• Addition				
• Reduction	555.91	951.47	-	1,507.38
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount	44,347.72	1,543.33	-	45,891.05
(ii) Interest due but not paid	1,667.21	-	-	1,667.21
(iii) Interest accrued but not due	6.97	-	-	6.97
Total (i+ii+iii)	**46,021.90**	**1,543.33**	**-**	**47,565.23**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total amount
		Mr. Rupen Patel	Mr. Pravin Patel	*Mr. C. K. Singh	#Mr. Ashwin Parmar	
1	Gross Salary	13.49	0.10	8.24	0.05	21.88
	(a) Salary as per provisions contained in section 17(1) of the income -tax Act,1961	11.69	0	8.21	0.05	19.95
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	1.79	0.10	0.03	0	1.92
	(c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	0	0	0	0	0
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % profit	-	-	-	-	-
5	#Employers contribution to PF Others	0.78	0.00	0.54	0.00	1.32
	Total (A)	**14.27**	**0.10**	**8.78**	**0.06**	**23.21**
	Ceiling as per Act					Refer Note

Note: In terms of the provisions of the Companies Act, 2013 and the Rules framed there under and the Circulars issued thereunder, the remuneration paid to the Managing Directors and Executive Directors is within the ceiling prescribed.

**Appointed w.e.f. May 30, 2016*

#Resigned w.ef. April 04, 2017

B. Remuneration to other directors:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Khizer Ahmed	Mr. S. Jambunathan	Mr. K. Ramasubramanian	Ms. Geetha Sitaraman	
1.	Independent Directors					
	• Fee for attending board/committee meetings	0.55	0.55	0.65	0.35	2.10
	• Commission					
	• Others, please specify	-	-	-	-	-
		-	-	-	-	-
	Total (1)	0.55	0.55	0.65	0.35	2.10
2.	Other Non-Executive Directors	-	-	-		-
	• Fees for attending board / committee meetings	-	-	-		-
	• Commission					
	• Others, please specify					
		-	-	-		-
		-	-	-		-
	Total (2)	-	-	-		-
	Total (B) = (1+2)	0.55	0.55	0.65	0.35	2.10
	Total Managerial Remuneration	0.55	0.55	0.65	0.35	2.10
	Overall Ceiling as per the Act *	-	-	-		-

**Sitting fees paid to the Directors are exempted from the preview section 197 read with schedule V of the Companies Act, 2013*

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in million)

		CFO	Company Secretary	Total
	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.64	2.47	11.11
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
		0.03	0.03	0.06
2.	Stock Option	-	200 shares	200 shares
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	Total	8.67	2.5	11.18

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

For and on behalf of Patel Engineering Ltd.

Pravin Patel
Executive Chairman
(DIN: 00029453)

December 15, 2017
Mumbai

ANNEXURE VII- PARTICULARS OF EMPLOYEES

a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Sub-section 12 of Section 197 of The Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

<table>
<tr><th>Sr. No.</th><th>Disclosure Requirement</th><th colspan="3">Disclosure details</th></tr>
<tr><td rowspan="5">1</td><td rowspan="5">Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.</td><td>Directors</td><td>Title</td><td>Ratio</td></tr>
<tr><td>Mr. Rupen Patel</td><td>Managing Director</td><td>22.46×</td></tr>
<tr><td>Mr. Pravin Patel</td><td>Whole Time Director</td><td>0.16×</td></tr>
<tr><td>Mr. C. K. Singh*</td><td>Whole Time Director</td><td>13.81x</td></tr>
<tr><td>Mr. Ashwin Parmar**</td><td>Whole Time Director</td><td>0.08x</td></tr>
<tr><td rowspan="7">2</td><td rowspan="7">Percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager if any, in the financial year.</td><td>Directors/KMP's</td><td>Title</td><td>% increase in remuneration</td></tr>
<tr><td>Mr. Rupen Patel</td><td>Managing Director</td><td>-</td></tr>
<tr><td>Mr. Pravin Patel</td><td>Whole Time Director</td><td>-</td></tr>
<tr><td>Mr. C. K. Singh*</td><td>Whole Time Director</td><td>-</td></tr>
<tr><td>Mr. Ashwin Parmar **</td><td>Executive Director</td><td>-</td></tr>
<tr><td>Ms. Kavita Shirvaikar</td><td>CFO</td><td>-</td></tr>
<tr><td>Ms. Shobha Shetty</td><td>Company Secretary</td><td>6.55%</td></tr>
<tr><td>3</td><td>Percentage increase in the median remuneration of employees in the financial year.</td><td colspan="3">5.50%.</td></tr>
<tr><td>4</td><td>Number of permanent employees on the rolls of the Company at the end of the year.</td><td colspan="3">1428 No.s permanent employees were on the rolls of the Company as on March 31, 2017</td></tr>
<tr><td>5</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td colspan="3">The average increase for employees other than the managerial personnel who were in the employment during the financial year 2016-17 the average increase is 4.89%

The average increase for managerial personnel is 16.36%</td></tr>
<tr><td>6</td><td>Affirmations that the remuneration is as per the Remuneration Policy of the Company.</td><td colspan="3">It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.</td></tr>
</table>

** Mr. C. K. Singh was appointed as Whole Time Director w.e.f. May 30, 2016*

*** Mr. Ashwin Parmar resigned as director w.e.f April 4, 2016*

MANAGEMENT DISCUSSION AND ANALYSIS

Brief Introduction

Incorporated in 1949, our company viz. Patel Engineering Limited ('PEL' or 'the Company') has been engaged in the construction of dams, bridges, tunnels, roads, piling works, industrial structures and other kinds of heavy civil engineering works in areas like hydro, irrigation & water supply, urban infrastructure and transport. It has established a strong presence in tunnels and underground works for hydroelectric and transport projects which are technology intensive and niche areas with the Company being one of the few key players present in the segment. It is the first Indian company with experience in Roller Compacted Concrete (RCC), Micro Tunneling and Double Lake Tap Work. The Company has a consistent track record in execution of projects in the domestic and international arena. PEL has completed over 84 dams, 40 hydroelectric projects, 33 micro-tunneling projects and 180 km of tunneling projects. PEL is an ISO 9002:2000 certified Company and has access to internationally renowned Licensors & Contractors making it the ideal engineering solutions partner for a wide spectrum of services covering a variety of industries.

The last few years were tough for the sector with projects being stalled or delayed for want of approvals or funding by the government including various other local issues, with minimal order inflow and piling up of receivables, resulting in the financial position of all companies in the sector being over-leveraged and huge debt burden, including that of our company. Hence, the company was focusing on debt recast over the past couple of years without which it was impossible to grow the business and get fresh orders. With these credentials and debt recast now being successfully implemented, the Company is well placed to undertake various upcoming projects in the infrastructure space in the country.

Macroeconomic review and India

After a lackluster outturn in 2016, economic activity has started to pick up the pace in 2017 and is projected to continue in 2018 as well, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given the uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications.

The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.

The IMF projected India to be at 7.4% in 2018, 0.3 percentage points less than the projections earlier this year. The IMF report said the downward revisions for 2017 and 2018 reflect "still lingering disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the national Goods and Services Tax (GST) in July 2017. The report, however, strikes a positive note on the medium term impact of GST. It promises the unification of India's vast domestic market, is among several key structural reforms under implementation that are expected to help push growth above 8% in the medium term. The Introduction of GST will create a unified mechanism to improve the efficiency of tax, boost business and investment environment and better governance in the long run. It is one of the bold steps taken by the government for the betterment of the country getting recognition from various parts of the world. Further, the strengthening of bankruptcy laws, more powers to RBI for timely dealing with potential non-performing assets (NPA) of various banks, sustained increase in public spending, digitization and other measures for monetary policy etc. should ensure the growth projections target to be met.

Despite global headwinds and new measures, Indian economy expanded 6.3 percent year-on-year in the third quarter of 2017, above a 5.7 percent in the previous quarter which was the lowest in near three years. Investment and inventories growth rebounded, offsetting a slowdown in both private and public spending.

Indian Construction & Infrastructure industry – Opportunities & Risks

The construction industry is the second largest industry in India after agriculture. It accounts for about 8% of India as GDP. It makes a significant contribution to the national economy and provides employment to about 40 million people.

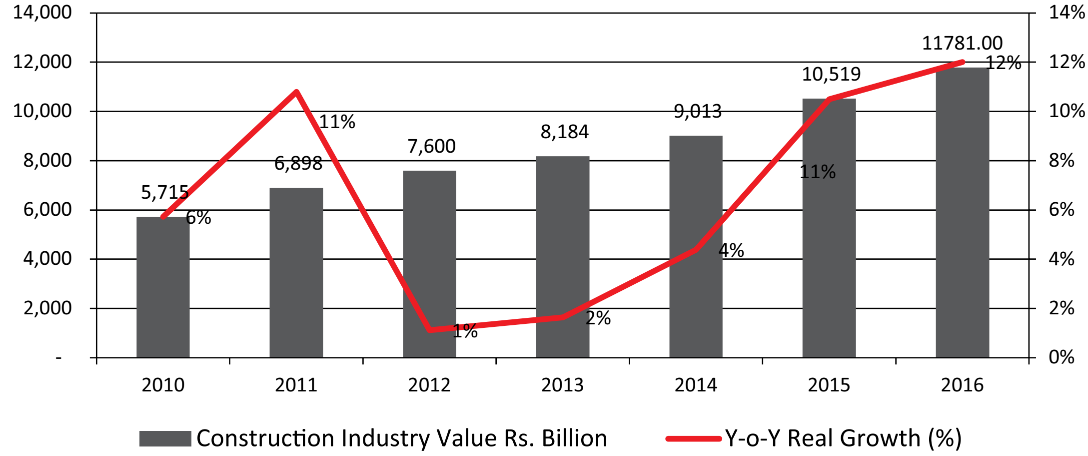
Construction is an essential part of any country's infrastructure and industrial development. The construction industry, with its backward and forward linkages with various other industries like cement, steel bricks etc. catalyses employment generation in the country.

The construction activity involved in different segments differs from segment to segment. Construction of houses and roads involves about 75% and 60% of civil construction respectively. The building of airports and ports has construction activity in the range of 40-50%. For industrial projects, construction component ranges between 15-20%. Within a particular sector also construction component varies from project to project.

Patel Since 1949

The historical trend of the construction industry in India is shown in Figure 1.

Figure 1: Growth of India's construction Industry (₹ In Billion)



Source: E&Y report "Making India Brick By Brick", Indian mirror

The construction industry in India stood at about ₹11,781 billion during the year 2016 and is growing at a CAGR of about 13% during last five years. Construction sector contributed 7.6% to the country's GDP in FY2016-17. Over past few years, the growth of the construction has followed the trend of the economic growth rate of the country. The multiplier factor between growth rates of construction and GDP has been about 1.5X-1.6X. Construction activity being labour intensive has generated employment for about 40 million people in the country. During 2016-17, construction sector witnessed a steep slump in its annual growth rate from 5% in FY 16 to 1.7% in FY 17. This was on account of the demonetization enactment in November 2016.

Table 1: Sectoral share in GVA

Sr.	Sector	Sectoral Share in GVA (in %) at current prices					
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agriculture Sector	18.5	18.2	18.6	18.0	17.5	17.4
2	Industry Sector	32.5	31.8	30.8	30.2	29.6	28.8
2.1	Construction	9.6	9.2	8.9	8.6	8.1	7.6
3	Services Sector	49	50	50.6	51.8	52.9	53.8
	GVA at basic prices	100	100	100	100	100	100

Source: Central Statistics Office

The construction industry in India is highly fragmented. There are a number of unorganized players in the industry which work on the subcontracting basis. To execute more critical projects, nowadays bids are increasing placed in the consortium. But the profitability of the construction projects varies across different segments. Complex technology savvy projects can fetch higher profit margins for construction companies as compared to low technology projects like road construction. Various projects in the Construction industry are working capital intensive. Working capital requirement for any company depends on the order mix of the companies.

PEL SWOT

Strengths

1. Qualification and credentials - PEL is one of India's leading engineering & construction companies. Over the years the company has gained necessary pre-qualification criteria for heavy infrastructure sectors by successfully completing large ticket, technologically advanced and technically complex projects.
2. Robust systems and processes - PEL has elaborated process for identifying prospective projects at an earlier stage through regular engagement with employers. It also has ERP modules for business development, finance, project monitoring and controls.
3. Brand name & Relationship with clients - The Company has an excellent reputation and relationships with private and government clients like NEEPCO, NTPC, NHPC, NHAI etc. Over the years, PEL has delivered quality work and earned appreciation from its clients. The company is well reputed in the construction industry.
4. Execution capabilities - The Company has proven execution capabilities by constructing a large value, technologically complex projects over long duration projects. Going forward, this will benefit PEL in becoming an integrated infrastructure player.
5. JV's and partnerships - PEL has entered into a joint venture partnership with several esteemed companies around the globe, joint capabilities of the partners enhance credibility and capability to execute complex and special projects.

6. Equipment - The Company has a fleet of well-maintained specialized equipment in its portfolio and has been known to have a strong refurbishment capability.
7. Highly experienced and networked management team - The Company has highly qualified and experienced senior management from the industry managing execution and relationship building with clients. All construction heads have more than 20 years of experience in the industry.
8. Strong order book pipeline - As of 31 March 2017, the total order book of the company is about ₹ 74,155 million. In addition, the Company has L1 position in bids aggregating to ~ ₹ 35,000 million, which is expected to turn into firm orders.

Weaknesses

1. Order booking restricted to few sectors - The company's order book is mainly dependent on few sectors like Hydro, Roads, Irrigation & Urban Infrastructure in which the company has to overcome hurdles to execute the projects. However, the Company is diversifying in transportation and pipelines segment.
2. High focus on Government contracts - More than 90% of the contracts won and executed by the company are from central and state Government agencies. This has also contributed to the company's worsening working capital situation. The company is taking concrete steps to diversify its portfolio to include a healthy mix of Government and Private sector clients. Going forward, increase in private sector participation is foreseen.
3. Capital constraints - Due to the presence of the company in sectors like hydro which require specialized equipment, the company is highly capital intensive.
4. Working capital issues - The Company has faced working capital crunch due to delayed payments from clients which in turn has slowed down project execution in certain cases and has also impacted overall company growth.

Opportunities

Growing markets and increase in Government spending on infrastructure - In the XII th plan the Government had planned a total investment of ₹ 4,50,00,000 million in the infrastructure segment (₹ 2,90,00,000 million in sectors relevant to PEL) assuming a 9% average GDP growth. Industry experts have estimated the future investment in these sectors based on the past projections. The same is depicted in table below-

Table 2: Project Spending by Government on Key Infra Sectors 2017-2021 (in ₹ Billion)

Sector	Construction Component	2017-18	2018-19	2019-20	2020-21	2021-22	Sum Total
Hydro-Energy		490	516	543	572	603	2724
Construction Component	*60%*	*294*	*310*	*326*	*343*	*362*	*1635*
Roads and Bridges		1433	1670	1945	2266	2640	9954
Construction Component	*65%*	*932*	*1085*	*1264*	*1473*	*1716*	*6470*
MRTS		413	572	793	1098	1520	4396
Construction Component	*78%*	*322*	*446*	*618*	*856*	*1186*	*3428*
Irrigation		1400	1560	1740	1940	2160	8800
Construction Component	*75%*	*1050*	*1170*	*1305*	*1455*	*1620*	*6600*
Water Supply and Sanitation		710	780	860	950	1050	4350
Construction Component	*66%*	*469*	*515*	*568*	*627*	*693*	*2872*
Total		**4446**	**5098**	**5881**	**6826**	**7973**	**30224**
Construction Component		*3067*	*3526*	*4081*	*4754*	*5577*	*21005*

Source – Industry Analysis by Mott Macdonald

Threats

Currently, the construction industry is witnessing moderate growth temporarily due to economic and policy reforms. Also, the economy has been witnessing high inflation cycle resulting in high-interest costs. As per E&Y research, the key economic and policy concerns being faced by the industry include:

1. Stalled projects - Legacy of stalled projects have created financial instability for the construction sectors. This is a systemic risk faced by the Company. The initiatives taken by the government for faced paced approvals with regular monitoring at the highest levels is laying the way forward for the upcoming projects in the sector with this risk getting mitigated.

2. Time and cost overrun - Infrastructure projects are subject to delays caused by external factors such as Government's long decision-making process, land acquisition, receiving approvals, environmental clearances etc. The initiatives taken by the government for faced paced approvals with regular monitoring at the highest levels is laying the way forward for the upcoming projects in the sector with this risk getting mitigated.

3. Competition - The competition is increasing across sectors with the emergence of foreign players and rise in the number of small local players. This is likely to put a strain on margins for existing players- especially in sectors which are not technologically advanced and hence pose very low entry barriers. Since, the company is present mostly in high technology-intensive areas of tunneling, hydropower, irrigation and water system etc, which inherently had lesser competition and with recent financial stress faced by all companies, especially the smaller players, there are a very few old and prominent companies left in high technology segment.

4. Challenge in Securing Funds - One of the key challenges for the sector is the ability to raise adequate financing required to fund the execution of existing order books and achieve sustainability in future. Currently, the majority of EPC companies are leveraged to such an extent that their balance sheets do not support additional borrowing support. Apart from this, delayed payments, cost overruns, execution delays and litigations are resulting in increase in working capital requirement.

5. Claim realization - The Company registers claims for the time and cost overrun attributed to Project delays attributed to the employer. The Company records revenue when a claim is awarded by Arbitration committee. Typically, claim settlement takes longer time as most execution bodies move arbitration awards rulings to higher judicial establishments. Therefore, quantum and timing of claims settlements uncertain leading to cash flow issues for the Company. Nonetheless, the prescribed timelines to complete arbitration in a years' time under the Arbitration Act and new laws pertaining to separate commercial courts which can focus on such disputes shall reduce the timeline and the process involved in the realisation of such claims.

In order to encourage road developers to invest in fresh projects, the government eased exit clause for completed highway projects, and one-time financial assistance was given to developers facing temporary financial problems. Also, a new framework, Hybrid Annuity Model (HAM) - that reduces the upfront contribution from road developers was unveiled. However, through these initiatives, the government could only make gradual headway on this issue, especially as addressing the cause for stalled projects, such as land acquisitions and environment clearances, requires consensus from various stakeholders.

The government along with the RBI has been taking initiatives to address financial problems. In August 2016, the Cabinet Committee of Economic Affairs (CCEA), approved various measures proposed by NITI Aayog for the revival of the construction sector. Under the proposal, in cases where a contractor's arbitration award has been challenged, the government agencies would have to pay 75% of the arbitral award amount into an escrow account against margin free bank guarantee. This announcement seeks to put in place a mechanism to release funds stuck in arbitral awards in the construction sector. The government has acknowledged that the construction sector faces risks due to the late realization of claims, and wishes to tackle this through the new arbitration act and CCEA guidelines on arbitral awards. It also shows that the probability of enforcement of arbitration awards by High Court/Supreme Court is high and hence the government has directed release of 75% of award amounts.

Further, various initiatives to transfer the existing arbitration matters to the new Arbitration Act, the formation of Conciliation Committees comprising of independent experts etc are under process. All these developments are a huge positive for the construction sector and will be helpful in the faster realization of arbitration awards and claims.

Such initiatives have enabled the company to carve out certain actionable claims viz. arbitration awards and claims and rights of certain real estate assets to a new SPV, namely, Hitodi Infrastructure Ltd. with a corresponding debt liability of ₹ 20,200 million approx. wherein Eight Capital Group have subscribed to 51% shareholding and a change in management has been affected. This debt is then converted to 0.01% OCD with a 7% IRR repayable on maturity, repayments to be done from 6th year to 10th year. This has enabled to reduce the debt burden of the Company and align the repayment of debt with the expected realization of the claims on a conservative basis.

Looking at the total contestable market and existing turnover of PEL, PEL targeting is about 1% of the total planned construction component market which is easily achievable.

Key Focus Market Areas of Patel Engineering and market potential

A. Hydropower

In hydropower, the potential energy of water is converted into electrical energy. The total power generation capacity from a hydropower plant depends on the volume of water flowing towards the water turbine. One of the major and probably the most important factor of hydropower is that once it is constructed, it produces absolutely no waste and has a considerably lower output levels of greenhouse gases than another forms of power production like Thermal power or nuclear power. Hydropower is responsible for 50% of electricity production in 66 countries and at least 90% in 24 countries.

India possesses an immense amount of hydroelectric potential and ranks 5th in terms of exploitable hydro-potential in the global scenario. It is estimated that India is blessed with a total of 1,48,700 MW of economically exploitable hydropower.

As on 31st March 2017, the total capacity of renewable energy plants in India stood at 57.26 GW. As per planning commission's 12th five-year plan total domestic energy production from renewable energy to reach 175 GW by 2021-22. As of 2017, total thermal installed capacity stood at 218.32 GW whereas hydroelectric power stands at 44.47 GW, nuclear energy at 6.78 GW and solar at 12.2 GW. The wind power also supported by favourable policy changes grew by 20% from last year to reach 29151 MW. It is estimated that around ₹ 15 Trillion will be invested in the power sector in the next 4-5 years.

B. Roads

India has 4.7 million kilometers of road network considered to be second largest across the world, which transports more than 60% of freight and 85% passenger traffic. Value of road projects in India during 2016 was estimated at USD 16 billion. The value of roads and bridges infrastructure in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 14 percent over FY 09–17. Highway construction was of 6,029 km during 2015-16. Of this NHAI reportedly constructed 2,000 km and rest came from works done by road transport ministry through its agencies including state public works departments, Border Roads Organisation, and ministry's entity NHIDCL for undertaking works in hill states.

In 2016-17, the NHAI targeted to award 8,000 km of highway projects, but missed it by a huge margin. The roads awarding pace had slowed down 20% in the first nine months of FY 17 due to the weak environment of the sector. Moreover, the government's thrust on cash-based contracts reflects the general opinion of the need for more liquidity in the hands of developers to execute the projects. Total project construction spend in infrastructure segment is estimated to be ₹ 19,181 billion during FY 2016 to FY 2020 in India wherein road would cater to the highest spending of 42% i.e. approx. ₹ 8,056 billion. The private sector is emerging as a key player in the development of road infrastructure in India. By FY 15, India completed 100 PPP projects and 165 PPP projects are in progress. Investment of USD 31 billion is expected in PPP during the next five years (by 2020) for national highways.

C. Water Solutions–Irrigation and water supply

During the year 2015-16, there was planned investment of about ₹ 17,00,000 million. From this, about 13,00,000 were on irrigation projects and 58 thousand was planned for water supply and sanitation projects. Typically, a water supply and sanitation project consists of about 60-70% of the construction component and irrigation project consists of about 70-75% of construction component based on the capital investment. It is to be noted that the Private sector investments are negligible in the water sector and mostly State Government is the major contributor.

The Central Government has planned an investment of ₹ 5,00,000 million to develop 100 smart cities across the country. The Government of India has relaxed rules for FDI in the construction sector by reducing minimum built-up area and capital requirement and also has liberalised exit norms. The Smart City initiative has also generated international notice with many Spanish companies communicating interest in collaborating with India. France has declared a commitment of USD 2.2 billion to convert Chandigarh, Nagpur, and Puducherry into smart cities. CIDB Malaysia has proposed to invest USD 30 billion in urban development and housing projects in India, including Ganga Cleaning Projects. The massive expansion in smart cities will also result in an increase in water solutions infrastructure.

The Asian Development Bank (ADB) and Government of India signed a loan agreement of USD 80 million which will be invested for improving water supply, solid waste management and sanitation in the cities of Agartala and Aizwal, the capital cities of Tripura and Mizoram respectively. The Union Ministry of Urban Development has approved an investment of ₹ 4,950 million which will be used for water supply, sewerage networks and septage management.

EPC Business

EPC opportunity during twelfth five-year plan stood at about ₹ 27 trillion. There are planned investments to a tune of about ₹ 57 trillion during the year 2012-17. EPC opportunity during eleventh five-year plan was about ₹ 11.5 trillion and the same was almost triple than earlier five-year plan.

Table 4: EPC Opportunity-Historical Trend

Description	Tenth FYP (2002-07) ₹ Trillion	Eleventh FYP (2007-12) ₹ Trillion	Twelfth FYP (2012-17) ₹ Trillion
Planned investments	8.7	20.6	56.3
Actual Investments	9.2	23.9	NA
EPC opportunity	4.5	11.4	26.7
Sectorial mix	Power 30%	Power 33%	Power 32%
	Roads 17%	Roads 19%	Roads 17%

Patel Since 1949

Description	Tenth FYP (2002-07) ₹ Trillion	Eleventh FYP (2007-12) ₹ Trillion	Twelfth FYP (2012-17) ₹ Trillion
	Telecom 16%	Telecom 16%	Telecom 17%
	Railways 11%	Railways 8%	Railways 9%
	Irrigation 13%	Irrigation 10%	Irrigation 9%
	Ports 3%	Ports 3%	Ports 3%
	Oil & Gas 2%	Oil & Gas 2%	Oil & Gas 4%
	Other 8%	Other 9%	Other 9%
	50% spend on power and roads – above targeted achievement in power sector	Power and roads consistently amounting to ~50% of planned expenditure – added focus on telecom	Increased thrust on telecommunications – increased expenditure on ports, oil and gas pipelines

Source: Twelfth Five Year Plan Government of India

Key Demand Drivers

- Present levels of urban infrastructure are inadequate to meet the demands of the existing urban population. There is a need for regeneration of urban areas in existing cities and the creation of new, inclusive smart cities to meet the demands of increasing population and migration from rural to urban areas. Future cities of India will require smart real estate and urban infrastructure.
- The Government of India is in the process of launching a new urban development mission. This will help develop 500 cities, which include cities with a population of more than 100,000 and some cities of religious and tourist importance. These cities will be supported and encouraged to harness private capital and expertise through PPPs, to bolster their infrastructure and services in the next 10 years.
- To provide quality urban services on a sustainable basis in Indian cities, the need of the hour is that urban local bodies enter into partnership agreements with foreign players, either through joint ventures, private sector partners or through other models.
- The government is working on many ambitious projects undertaking the development of infrastructure and roads in India. The Union finance minister in his budget speech proposed industrial corridors and 20 new industrial clusters.
- A Perspective Plan for the Bengaluru Mumbai Economic Corridor and Vizag-Chennai Corridor is to be completed with provision for 20 new industrial clusters.
- A proposed allocation of ₹ 40 Billion, to set up a mission on low-cost affordable housing, will be anchored in the National Housing Bank.
- A proposed allocation of ₹ 1 Billion, to develop metro projects in Lucknow & Ahmedabad.
- ₹ 80 Billion has been allocated for the National Housing Bank with a view to expand and continue to support rural housing in the country.
- State governments concerned are purposed to be notified as sponsoring authority for metro rail projects covered under project import regulations, 1986.
- The norms for FDI in the construction development sector are being eased as well. Easing of norms has generated high-interest levels from not just the foreign investors but also domestic players.
- Budgetary allocation: Total allocation for infrastructure has been increased by 1.5 times to ₹ 2.8 trillion (roads, railways and urban infrastructure the biggest beneficiaries).
- Roads: Investments for development of national highways proposed to be hiked by 178% year-to-year to ₹ 8,56,070 million.
- Railways: Total outlay raised by 52%, in the railway budget 2015-16, there have been many announcements of PPP projects in areas of coastal connectivity, gauge conversation, dedicated freight corridors (DFCs) and the Mumbai suburban rail.
- Funding availability: An ₹ 200 billion National investment and Infrastructure Fund to be set up for infrastructure finance companies to raise debt. The budget also provides for the issuance of tax-free bonds for roads, railways and irrigation projects, and aims to rationalise the tax regime for infrastructure investment trusts.
- Other measures: The government's intent to table a Public Contracts (Settlement of Disputes) bill will help speedy redressal of disputes in large public projects and create a conducive environment for PPP projects.
- An estimated USD 650 Billion will be required for urban infrastructure over the next 20 years.

Performance overview & Way forward

Patel Engineering Limited has the breadth of experience encompassing all sectors of the Infrastructure industry from dams, tunnels, micro-tunnels, hydroelectric projects, irrigation projects, highways, roads, bridges, railways, refineries to real estates and townships. Patel also specializes in hydro-electric projects, transportation projects, water treatment projects as well as real estate such as buildings, townships, malls and structures.

Patel is finding solutions to the challenges of time and create the infrastructure for modern societies. Patel's work for governments and commercial customers, projects have helped local economies and improve the quality of life for communities and people around the world.

Each project is managed by highly experienced personnel, incorporating the services of various professionals in the geographical surveying and other related fields with whom they have established an excellent working relationship. Sub-contractors have worked with the company for a significant number of years and have thus developed considerable reliability and relationship with the company. Over the years, the Company has grown, having successfully completed over 250 projects.

The consolidated performance of the company during the year ended March 31, 2017, was as follows:-

- Total revenue for has reduced by 4% from ₹ 40,408.70 million in FY 16 to ₹ 38,838.40 million in FY17.
- Company recorded Net Loss of ₹ 1,028.90 million in FY16 as compared to a net loss of ₹ 1,961.90 million in FY17

The performance of the Company's operations out of its core engineering & construction business reflected in standalone results were as follows:-

- Total revenue for the year has increased by 8.1% from ₹ 30,500 million in FY16 to ₹ 32,960 million FY17
- The company recorded PAT of ₹ 412 million in FY17 as compared to a net loss of ₹ 299.0 million in FY16.

With effect from April 1, 2016, the wholly owned subsidiary of the company, Patel Realty (India) Ltd. (PRIL) has been merged with the company. Further, the company has adopted IND AS accounting standards from the current financial year. As per Pooling of Interest method, the financial statements of previous year FY 15-16 has been restated with PRIL merged numbers as required by IND AS.

The operations of the Company continued to be impacted with cost overruns in respect of stalled projects, delay in realization of receivables, major amounts piling up as claims and ending up in long drawn arbitrations followed by equally longer litigations in courts after awards received in our favour being challenged as per earlier years.

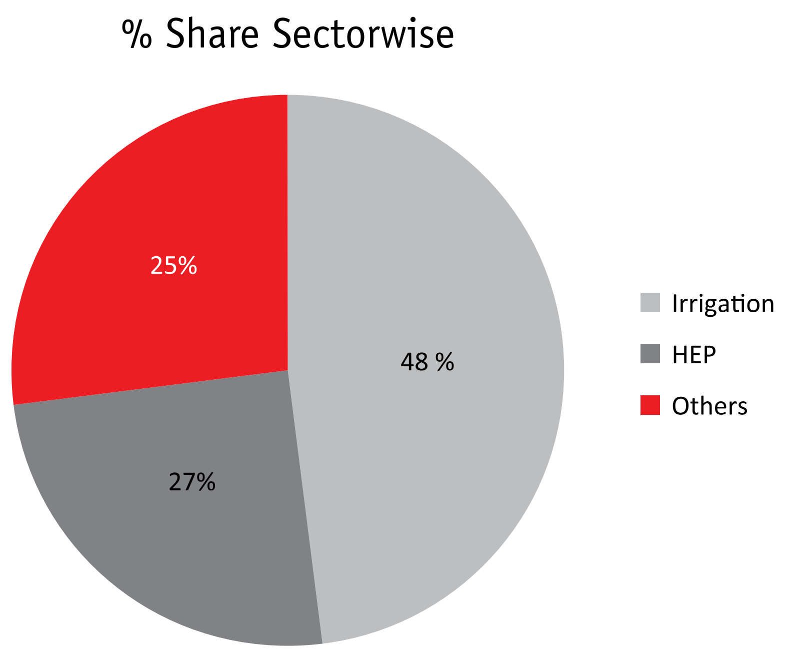
Hence, as the debt burden and the interest costs of the company increased, the lenders to the company had invoked SDR on May 26 2016, as the reference date. Post the debt to equity conversion in Nov 2016, lenders hold an equity stake of 51.08% in PEL. SDR was invoked so that a new investor can be sought who can bring in additional capital for the revival of the business. Several financial and strategic investors were approached for an investment opportunity in PEL for divestment of lender's stake and effect change in management. Investor interest has been seen in specific assets of PEL viz Claims, real estate. The company has undertaken various measures to sell various non-core assets, focusing only on core engineering & construction business, undertaking joint development of land bank with other developers, carve out of actionable claims viz. arbitration awards and claims etc. and reduced debt by more than ₹ 25,000 million.

In addition to the above transactions, the Company has received approvals from majority of Lenders under JLF (as required under RBI guidelines) for its debt resolution plan under the S4A Scheme as mendated by the Overseeing Committee of RBI in November 2017. Under the scheme, the total debt of the company is split into Sustainable PART A Debt ~ ₹ 17,240 million (Fund Based) and unsustainable PART B debt ~ 12,400 million. Further, all non-fund based limits, both current and additional limits approved under the scheme forms part of Sustainable Debt. The Part B debt is being converted into 0.01% OCDs with a 10 year repayment period, where coupon of 0.01% is payable annually and in total a 7% IRR, balance payable at the time of maturity. With this, the interest & debt repayment burden of the company and cash outflow towards the same shall be reduced substantially and more commensurate with the size of the company.

The order backlog from the engineering and construction business as on March 31, 2017 is approximate ₹ 74154.6 million. The share in the order book stood at –irrigation 25%, Hydroelectric project 27% and Road, Urban infrastructure and others at 48%. Further, the company is L1 for orders worth ₹ 35,000 million.

Due to various issues and pending debt restructuring, there were fewer order inflows during the last FY 2016-17, as per below

Project Description	**Contract amount (₹ million)**
Nalla Development (Pmc) Project. Part – II	493.7
Construction of Integrated Coy Level Building, Lukang	159.4
Sauni Yojna - Phase: II, Link - 4, Package – 4	4,949.4
Upgradation of Pimpla Junction to Manjarsumbha Road	3,957.0
Sauni Yojna - Phase: II, Link - 2, Package – 5	3,753.2
Total	**13,312.7**



Engineering and Construction - Update:

Over the years, PEL has executed projects in hydropower, Irrigation, transportation and urban infrastructure sector. PEL commands **a** strong position in hydro and dam segment on a pan India basis.

Some of the key projects completed by the Company in India are as follows –

Sl. No.	Project Name/ Description	Approx. Contact Value (₹ million)
1	Koyna Hydro Electric Project, Stage IV - Contract ICB-1B - Extension of HRT	5,650.8
2	Islam Nagar to Kadtal - NH-7 (Package NS2/BOT/AP-7)	5,184.6
3	North-South Corridor (NHDP Phase II) on BOT (Annuity) Basis - Package No.NS-2/BOT/KNT-1	4,711.7
4	Teesta Low Dam H.E. Project, Stage-III - Lot TL-1 of 132 MW (4 x 33MW) in Darjeeling District, West Bengal	4,599.6
5	East-West Corridor, Assam, Contract Package No. EW-II (AS-18)	3,417.8
6	Construction of Civil Works for Upper Dam, Saddle Dam no.1 and Lower Dam in Roller Compacted Concrete of Ghatghar Pumped Storage Scheme	3,340.0
7	Madurai to Kannayakumari Road, Contract Package NS-39 (TN)	3,006.8
8	Surat Manor Tollway Project (Package - II) Rehabilitation of Surat - Manor Section of NH - 8 (Km343.000 to km. 381.000)	2,550.0
9	Renovation & Rehabilitatin of Storm Water Drains (SWD) - T3	2,389.0
10	Madurai to Kannayakumari Road, Contract Package NS-43 (TN)	2,243.6
11	Parbati HEP Project	3,229.0
12	Tuirial HEP project	2,207.3

Following are some key projects under execution by the Company, apart from the new projects received are :-

Power, Dams and Tunnel –

a) Kameng H.E. Project (600 MW) – Package I, II, III, Arunachal Pradesh.

b) Construction of Penstock & Power House Package for Tapovan Vishnugad H.E. Project - (520 MW), Uttarakhand.

c) EPC Contract Package for 450 MW Shongtong-Karcham, Hydroelectric Project located in Kinnaur District, Himachal Pradesh, India (Civil and Hydromechanical Works)

d) Ircon T-2, & T-15

Irrigation –

a) Sleemanabad Carrier Canal, Madhya Pradesh.

b) Modernisation of Krishna Delta and its distributaries –

   i) Modernisation - Godavari Delta system - Central Delta - Gannavaram Canal and its distributary system

   ii) Bantumilli Canal from Km.58.105 to 100.383, Polaraj canal from Km 58.105 to 75.320 and Camp Bell Canal Km 58.105 to 68.687 on EPC Turnkey System

   iii) Gudivada Channel from Km 0.00 to 39.937 and its distributories System on EPC Turnkey system

   iv) Polarj Canal from Km.75.320 to Km.100.361 & Camp Bell Canal from Km.68.687 to Km.96.289 and its distributory System on EPC Turnkey System

   v) Modernisation of Prakasam Barrage

Urban Infrastructure & Roads –

a) Four Laning of Varanasi – Shaktinagar, Uttar Pradesh.

b) 4 Laning of Sangrur-Punjab / Haryana Border, Punjab for a length of 30 km valued at ₹ 2,700 million.

c) Shimoga – Shikaripura – Anandpuram Road Project, Karnataka for a length of 82 km valued at ₹ 2,740 million.

Asset Ownership -

Hydro Power Projects – The company had started construction of one of the hydropower projects i.e. Gongri H.E. Project in the previous year. The project is delayed due to the current focus of the company on E&C business.

Thermal Power Projects – The thermal power projects have been kept on hold as the company currently does not want to leverage further.

Road BOT – The two annuity road BOT projects, i.e. KNT – 1 & AP – 7 are in operation and maintenance stage and in which we are in process of selling our stake. The construction of the toll BOT Project i.e. construction of four-lane highway project in Varanasi-Shaktinagar Road is completed and toll collection also started.

The company is looking to hive-off these assets as part of its strategy to sell non-core assets.

Real Estate

The Company through its realty arm Patel Realty (India) Limited which was developing its historical land bank has been merged with Patel Engineering Limited effective 1st April 2016.

The Company owns a large land bank primarily concentrated in the metro cities of Mumbai, Hyderabad, Bangalore and Chennai. These lands are primarily identified for real estate development.

The Company plans to monetize these land parcels either on a Joint Development Agreement (JDA) basis or by way of outright sale. The Company has been talking with various developers for developing the land parcels and has transferred 5 acres of Jogeshwari property along with its corresponding liability and debt of ₹ 3,760 milion to Patel Land Developers Ltd. (PLDL) which company has been taken over under a change in management by Lodha Developers, one of the prominent builders in Mumbai. Apart from the above, the Company has also entered into Joint Development Agreements and sold certain land assets in Electronic City, Bengaluru to a leading developer. Further, the company is under discussion to hive off the mall asset in said vicinity.

Internal Control System

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

Consequent to implementation of Companies Act, 2013 (Act) your Company has complied with the specific requirements in terms of Section 134(5)(e) of the Act calling for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' responsibility statement.

Information Technology

The Company is one of the world's leading project development and construction groups, with expertise in large infrastructure projects. Patel traditionally has owned its IT infrastructure, much of which has existed in silos because the company maintains operating units worldwide. Today, however, the company is starting to adopt cloud-based integrated and standalone technologies that help align the technology with people, process, policy, and management. This enables us to compete more effectively further on new bids, attract the right kind of engineering and construction talent, and make its employees safer and more effective at construction sites.

There is also a potential to include such information as the cost and availability of components, building energy efficiency and making the construction progress and costs available in real-time to all the projects including the extremely remote ones.

The need for increased collaboration among project partners demands fundamental changes in the way knowledge is shared, communicated, delivered and managed. Thus, the first essential component of a successful construction project is to define the right business processes. The analysis of this data from a central solution leads us to get involved with our customers early in their process, understand their goals and use our experience and knowledge to influence the way things are designed and executed.

Analytics is also used in the Company to build internal business cases for expanding into certain geographies and market segments, by taking a wide range of economic indicators into account. The company is also embedding more technologies into infrastructure project sites.

Human resources

The Company presently employs more than 1,400 persons at various locations. The growth and sustained leadership of the Company is largely a function of the competence and quality of its human resource. The Company has always aimed to create a workplace where every person can achieve their optimum potential and add value to the organizational growth.

In the current year, the organization structure remained same except some additional employment in the new projects started during this period. Also, realignment of functional areas amongst executives was a key move to increase the productivity and keep the motivation factor running amongst the personnel. The major objective was to create a Lean and Mean organization to overcome the various challenges the organization has been facing.

Periodic reviews and visits were undertaken to ensure the costs are kept under control with stringent monitoring. Such reviews and with constant interaction with external agencies, majorly appointed by lenders brought in the required coordination and joint team efforts amongst the employees across the organization.

Various training programs and welfare activities were undertaken in respect of the employees to bring the management team and the employees work closely and to boost the morale of the employees at such difficult times with the common objective of coming out much stronger than before.

Cautionary Statement

In this Annual Report, the management has disclosed forward-looking information like objectives, estimates and expectations to enable investors to comprehend our prospects and take investment decisions, which may be ‘forward-looking statements’ within the meaning of applicable laws and regulations. This report and other statements - written and oral that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. The management has tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. The management cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The operations of the company may be affected due to various reasons like changes in political and economic front of the country; fluctuations in exchange rate, tax laws, litigations, labour relations, interest costs and overall scenario of the infrastructure sector. Hence, the achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance

Corporate Governance in the Company assigns responsibility and authority to the Board of Directors, its Committees, Senior Management, and Employees etc. Good governance provides appropriate frame work for the Board, its Committee and Management to carry out its objectives that are in the interest of the Company and its stakeholders.

The Company is in compliance with the requirement of Corporate Governance as stipulated under Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (herein after referred to as Listing Regulations)

Board of Directors

Composition

The Board comprised of 7 Directors as on March 31, 2017. Out of the 7 Directors, 4 were Non – Executive Independent Directors. The Composition of the Board was in conformity with Regulation 17 of the Listing Regulations.

None of the Directors on the Board hold directorships in more than ten public limited companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. No Independent Directors of the Company have any material pecuniary relationship or transactions with the Company.

Mr. Pravin Patel and Mr. Rupen Patel are related to each other. None of the other Directors are related to each other.

Name and DIN no. of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on December 22, 2016	$ No. of directorships in other Public Limited Companies	*Committee Position	
		Held	attended			Chairman	Member
Mr. Pravin Patel, Chairman (DIN 00029453)	Promoter, Whole Time Director	8	7	Yes	7	Nil	Nil
Mr. Rupen Patel (DIN 00029583)	Promoter, Managing Director	8	7	Yes	9	Nil	Nil
Mr. Khizer Ahmed (DIN 00032567)	Independent Non-Executive Director	8	5	Yes	5	2	3
Mr. S. Jambunathan (DIN 00063729)	Independent Non-Executive Director	8	5	Yes	Nil	Nil	Nil
Mr. K. Ramasubramanian (DIN 01623890)	Independent Non-Executive Director	8	7	Yes	6	1	5
Ms. Geetha Sitaraman (DIN 07138206)	Independent Non-Executive Director	8	7	Yes	Nil	Nil	Nil
^ Mr. C. K. Singh (DIN 00196978)	Whole Time Director	7	3	Yes	Nil	Nil	Nil
# Mr. Ashwin Parmar (DIN 00055591)	Executive Director	-	-	-	5	-	-

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year 2016-17 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2017 are as under:

$ only Directorship of public limited companies incorporated in India have been considered.

* only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee positions.

^ Mr. C. K. Singh was appointed as Whole Time Director w.e.f. May 30, 2016

Mr. Ashwin Parmar resigned as Director w.e.f. April 4, 2016

Board Meetings

The Board of Directors met Eight (8) times on the following dates during the financial year 2016-17: May 30, 2016; June 29, 2016; September 14, 2016; November 11, 2016; November 22, 2016, December 14, 2016; February 14, 2017 and March 31, 2017.

The necessary quorum was present for all the meetings.

Meeting of Independent Directors

During the year, meeting of Independent Directors was held to review the performance of the Board and to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committee of the Board

(A) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Act.

Brief description of the Terms of Reference:

- To recommend the appointment, remuneration and terms of appointment of Statutory auditors of the Company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review and monitor the auditor's independence, performance and effectiveness of audit process;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- To review with the management, the quarterly financial statements before submission to the Board for approval;
- To review the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- To approve the related party transactions or any subsequent modification of such transactions;
- To scrutinize the inter-corporate loans and investments;
- To valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters, if any;
- To investigate into any of the matters specified above or any matters referred by the Board;
- To oversee the Vigil mechanism and provide direct access to Audit Committee chairperson under vigil mechanism;
- To discuss issues with internal and statutory auditors;
- To seek information from any employee and to obtain legal and professional advice as and when necessary;
- To discuss the scope of internal audit with internal auditors. To formulate the scope, functioning, periodicity and methodology for conducting internal audit in consultation with the internal auditor;
- To call for comments from the internal auditors about internal control systems, scope of audit including the observations of the auditors;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the appointment, removal and terms of remuneration of the Chief internal auditor.

Meetings held

The Audit Committee met five (5) times during the financial year 2016-17 i.e. on May 30, 2016; September 14, 2016; November 11, 2016; December 14, 2016 and February 13, 2017. The necessary quorum was present for all the meetings of the Committee.

Attendance

Composition and Name of members	Number of meetings during the year 2016-17	
	Held	Attended
Mr. Khizer Ahmed, Chairman	5	4
Mr. S. Jambunathan	5	4
Mr. K. Ramasubramanian	5	4
Mr. Pravin Patel	5	4

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on December 22, 2016

(B) Nomination and Remuneration Committee:

Pursuant to the provision of Section 178 (1) of the Companies Act, 2013, the Board of Director at their meeting held on May 30, 2014 renamed the Remuneration Committee as "Nomination and Remuneration Committee" and redefined the terms of reference.

Terms of Reference:

- To identify individuals who are qualified to become Directors and in senior management in accordance with the criteria as per the policy approved by the Board and recommend to the Board about their appointment and removal.
- To carry out the evaluation of the performance of Directors.
- To formulate the policy to determine the qualifications, positive attributes and independence for appointment/ reappointment as Directors in the Company.
- To formulate the remuneration policy of Directors, key managerial personnel and other employees and recommend the same to the Board.
- To formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company.
- To devise the policy on the Board diversity.

Composition as on March 31, 2017 and attendance at the meetings held on May 30, 2016, February 13, 2017 and March 31, 2017

Composition and Name of members	Number of meetings during the year 2016-17	
	Held	Attended
Mr. Khizer Ahmed, Chairman	3	3
Mr. Pravin Patel	3	3
Mr. S. Jambunathan	3	3
Mr. K. Ramasubramanian	3	3

Remuneration Policy

The Company has framed a Remuneration Policy, which is annexed to the Board's Report and also available on the website of the Company by following this link:

http://tinyurl.com/h74kmbz

Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the NRC, vide. Resolution passed by circulation on January 24, 2017 had laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual directors including evaluation of independent Directors.

The performance evaluation was conducted and based on the evaluation, the Board at its meeting held on March 31, 2017 reviewed the reports on performance assessment of the Board, its Committees and individual Directors.

Familiarization Programme:

With the view to familiarize independent directors on the Board, as required under Regulation 25(7) of the Listing Regulations, during the financial year, the Company conduct familiarization program for its independent Director on the Company's performance, their role, function and duties, the guidance for professional misconduct and the rights and liabilities of the Independent director.

Remuneration of Directors

a. Non-Executive Directors:

The criteria of making payments to Non-Executive Directors are in terms of the Remuneration Policy of the Company and the said Policy is annexed to the Board's Report and also available on the website of the Company by following this link:

http://tinyurl.com/h74kmbz

The Company pays sitting fees of ₹ 50,000/- per meeting to Non-Executive, Independent Directors for attending meeting of the Board and Audit Committee and fees of ₹ 25,000/- for attending meeting of Stakeholders' Relationship Committee and Nomination and remuneration Committee.

The details of sitting fees paid to the directors during the year ended March 31, 2017 are as under:

(₹ in millions)

Name	Sitting fees
Mr. Khizer Ahmed	0.55
Mr. S. Jambunathan	0.55
Mr. K. Ramasubramanian	0.65
Ms. Geetha Sitaraman	0.35

b. Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year ended March 31, 2017 are as under:

(₹ in millions)

	Mr. Pravin Patel, Chairman	Mr. Rupen Patel, Managing Director	* Mr. C. K. Singh, Whole Time Director	** Mr. Ashwin Parmar
Salary	0.001	6.488	4.464	0.030
Perquisites and other allowances	0.103	7.784	4.311	0.028
Total	0.103	14.272	8.776	0.058
Service Contract	Yes	Yes	Yes	Yes
	September 27, 2016 to September 26, 2019	April 01, 2014 to March 31, 2019	May 30, 2016 to May 30, 2019	April 01, 2014 to March 31, 2017
No. of Stock Options	-	-	200	200

* Mr. C. K. Singh was appointed as Whole Time Director w.e.f. May 30, 2016

** Mr. Ashwin Parmar resigned as Director w.e.f. April 4, 2016

The shareholding of the Directors in the Company as on March 31, 2017 is as under:

Name	Number of equity shares	% of the paid up capital
Mr. Pravin Patel, Chairman	40,800	0.05
Mr. Rupen Patel, Managing Director	13,52,600	1.76
Mr. Khizer Ahmed	26,500	0.03
Mr. S. Jambunathan	50	0.00
** Mr. Ashwin Parmar	7,197	0.01
Mr. K. Ramasubramanian	357	0.00
Ms. Geetha Sitaraman	Nil	Nil
* Mr. C. K. Singh	200	0.00

(C) Stakeholders' Relationship Committee:

The Company has formed Stakeholders' Relationship Committee in compliance with Section 178 and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Terms of Reference: The Committee shall consider and resolve the grievances of the security holders of the Company including compliant related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend and any other matter related securities of the Company.

There was only one meeting held on February 13, 2017 which was attended by all the Committee Members.

Composition and Name of members
Mr. Khizer Ahmed, Chairman
Mr. S. Jambunathan
Mr. K. Ramasubramanian

Ms. Shobha Shetty the Company Secretary is the Compliance Officer.

Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has received 07 complaints during the year ended March 31, 2017 which were satisfactorily resolved / replied to. As on March 31, 2017 there were no pending requests /complaints.

(D) Corporate Social Responsibility (CSR) Committee

In terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has Corporate Social Responsibility Committee.

The present composition of the Committee is as under

- Mr. Pravin Patel
- Mr. Rupen Patel
- Mr. K. Ramasubramanian

The terms of reference of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. Its mandate includes recommending to the Board of Directors a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities.

During the financial year ended March 31, 2017, the Company held one Corporate Social Responsibility meeting and the same was attended by all the members of the Committee.

General Body meetings

The date, time and venue of the last three Annual General Meetings are given below:

	Details	Date	Time	Venue
1	65th Annual general Meeting 2013-2014	September 26, 2014	3.30 pm	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2	66th Annual General Meeting 2014-15	September 28, 2015	3.30 pm	
3	67th Annual General Meeting 2015-16	December 22, 2016	11:00 am	

Details of the Special Resolutions passed in the previous three Annual General Meeting:

- At the 65th Annual General Meeting of the Company held on September 26, 2014 following special resolutions were passed;-
    - Re-appointment of Ms. Silloo Patel as a Whole time Director for period of 3 years w.e.f. September 1, 2014.
    - Related party Transactions with Wholly Owned Subsidiaries
    - Adoption of New set of Articles of Association.
    - To approve, offer or invitation to subscribe non-convertible debentures on private placement basis.
- At the 66th Annual General Meeting of the Company held on September 28, 2015 following special resolutions were passed;-
    - Variation in terms of appointment of Mr. Pravin Patel
    - Adoption of Patel Engineering General Employee Benefits Scheme, 2015
    - Further issue of Securities not exceeding ₹ 2,000 crores
    - Issue of Non-Convertible Debentures on a Private Placement basis
- At the 67th Annual General Meeting of the Company held on December 22, 2016 following special resolutions were passed;-
    - Re-appointment of Mr. Pravin Patel as Whole time Director
    - Appointment of Mr. Chittaranjan Kumar Singh as Whole time Director
    - Payment of Minimum Remuneration to Mr. Rupen Patel, Managing Director

Details of Special Resolution was passed last year through Postal Ballot during the F.Y. 2016-2017

Passed on August 26, 2016

- To issue Equity Shares to Lenders pursuant to Strategic Debt Restructuring (SDR) Scheme
- To Sell / transfer / hive off / assign / novate and / or dispose off the Undertakings / Assets of the Company.

Passed on November 18, 2016

- Re-classification of Authorised Share Capital of the Company
- To issue Equity Shares to Lenders pursuant to Strategic Debt Restructuring Scheme issued by RBI

Procedure for postal ballot

In compliance with SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Secretarial Standard 2, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the website of the Company, www.pateleng.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Means of communication:

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in Financial Express in English Language and in Navshakti Marathi Language. All the communications are displayed on www.pateleng.com, the website of the Company. The website of the Company also displays official news release immediately upon information to the Stock Exchanges where shares of the Company is listed.The presentation made to the Institutional Investors or to the Analysts, if any, are also uploaded on the website of the Company.

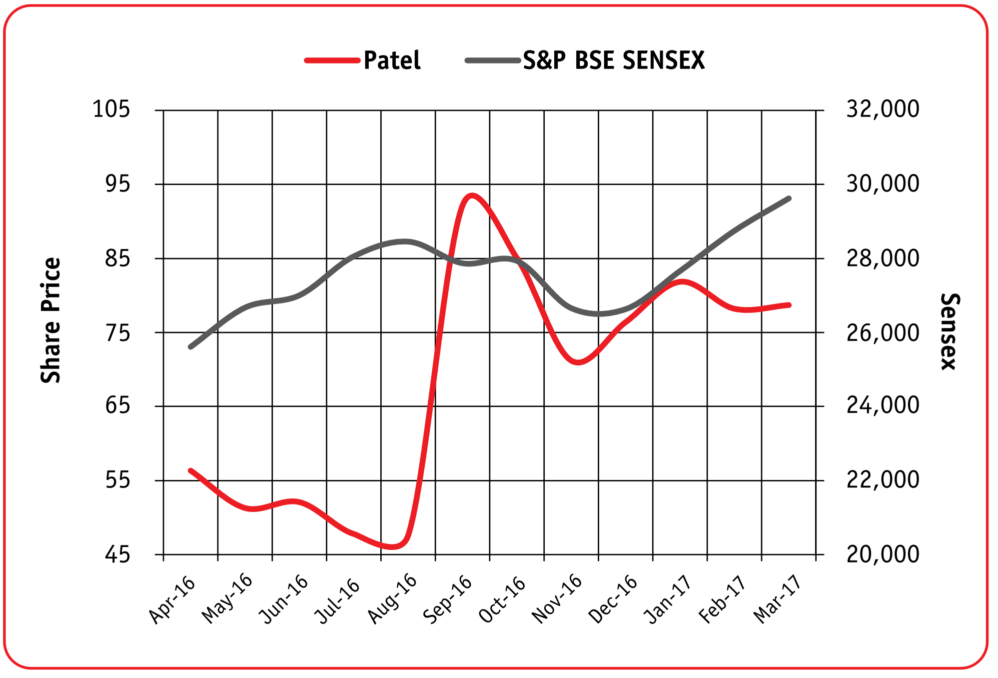
The Company has designated email id investors@pateleng.com exclusively for Investors servicing.

General Shareholder information

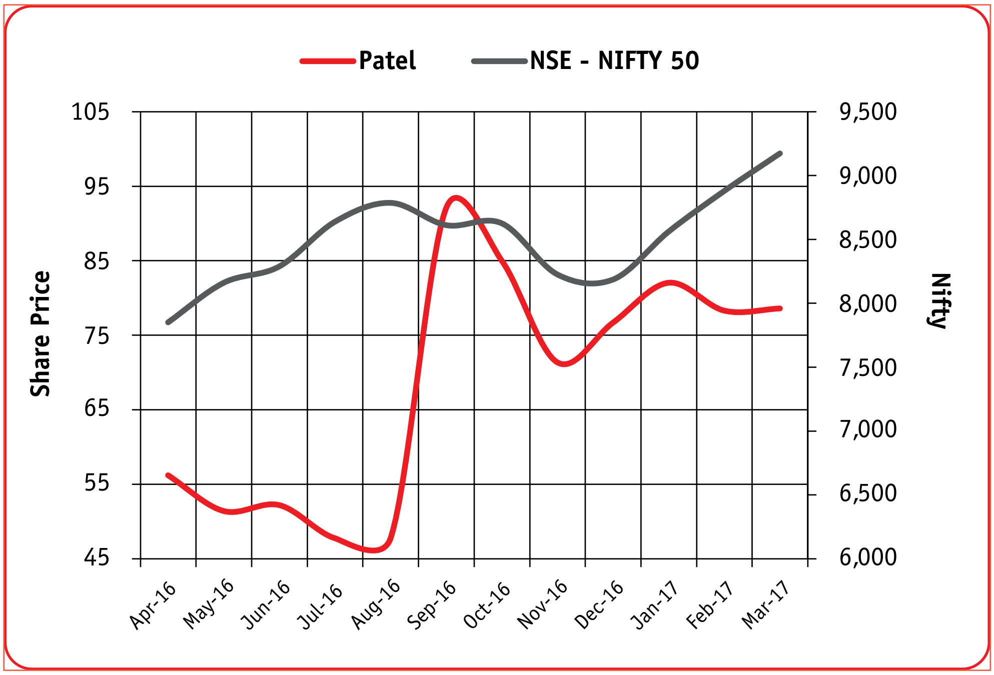
a)	**Annual General Meeting:**	
	Date	December 30, 2017
	Time	11:00 am
	Venue	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari(West), Mumbai – 400 102.
b)	**Financial year ending**	March 31, 2017
c)	**Listing on Stock Exchanges** The Equity Shares of the Company are listed on following Stock Exchanges:	
	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	**National Stock Exchange of India Limited (NSE).** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
	The Non- Convertible Debentures issued by the Company from time to time are listed on NSE. The Company has paid the listing fees, to these Stock Exchanges for the financial year 2017-18.	
d)	Stock codes (Equity Share)	
	BSE Limited	531120
	National Stock Exchange Limited	PATELENG
e)	Market Price Data High, Low (based on the closing Prices) and number of Company's' shares traded during each month in the financial year 2016 - 2017 on BSE and NSE are under :	

Month	BSE High (₹)	BSE Low (₹)	BSE Total No. of Shares Traded	NSE High (₹)	NSE Low (₹)	NSE Total No. of Shares Traded
April - 2016	59.85	55.50	9,71,466	59.90	55.10	34,03,239
May - 2016	58.45	50.05	12,19,460	58.40	50.05	42,64,949
June - 2016	54.40	46.60	19,69,007	54.40	46.35	59,00,933
July - 2016	59.40	47.60	31,79,292	58.00	47.60	93,90,721
Aug - 2016	49.85	43.40	13,48,806	49.95	43.30	44,61,097
Sep - 2016	120.50	47.35	1,49,40,199	120.70	47.30	5,10,38,684
Oct - 2016	105.05	79.25	53,06,289	105.40	79.50	1,78,27,843
Nov - 2016	86.50	61.95	37,36,600	86.55	62.10	1,30,53,473
Dec - 2016	91.20	70.00	77,87,468	91.45	69.90	2,56,74,622
Jan - 2017	92.85	76.95	35,40,316	92.75	76.95	1,25,80,336
Feb - 2017	87.00	76.10	20,45,768	87.10	76.50	68,83,521
Mar - 2017	83.80	73.50	25,78,768	83.85	73.85	1,12,79,046

f) (i) **Performance of the share price of the Company in comparison to the S&P BSE Sensex:**



(ii) **Performance of the share price of the Company in comparison to the NSE Nifty:**



g) **Registrar and share transfer agent:** Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company.

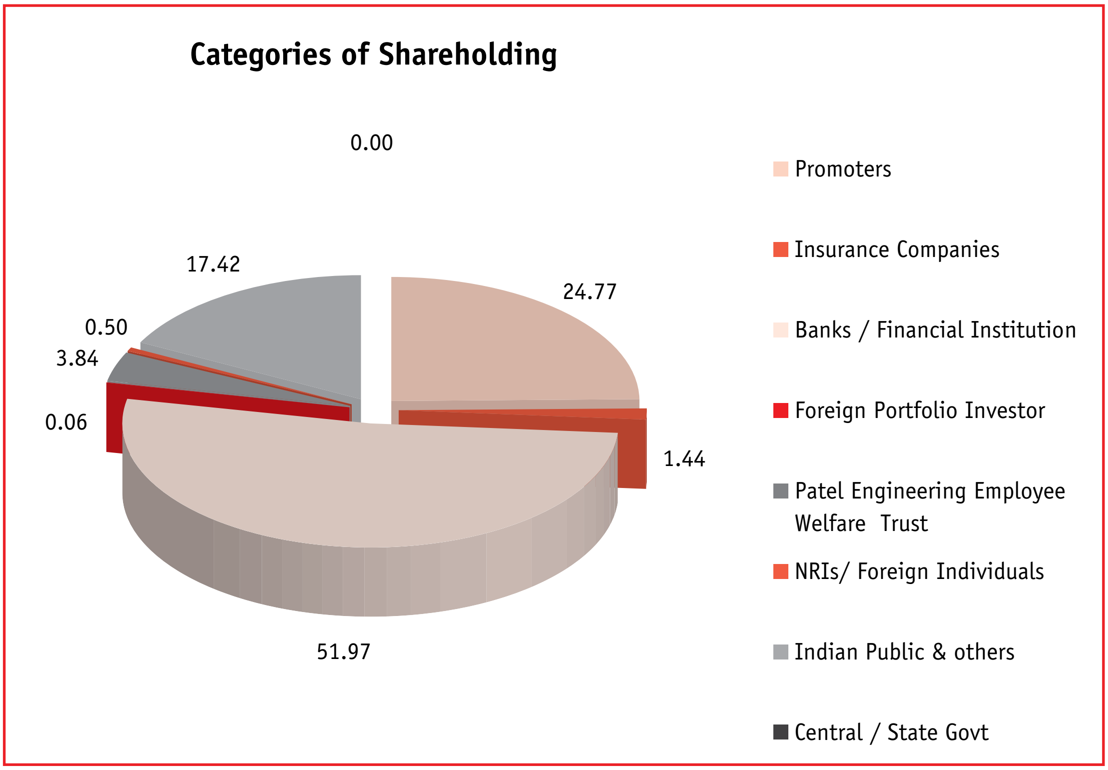
h) **Share Transfer System: As on March 31, 2017, 99.41**% of the shares of the company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the company. As regards transfer of shares in physical form, the same is normally processed within 15 days by the Registrar from the date of receipt if the documents are complete in all respects. Ms. Shobha Shetty Company secretary of the Company has been duly authorized by the Board of Directors to approve transfer, transmission of shares of the Company and periodically report the same to the Board.

i) **Distribution of shareholding as on March 31, 2017:**

No. of shares	Number of Shareholders	% of Total Shareholders	Number of Shares	% to Total Shares issued
1-500	53,323	89.03	53,35,230	3.40
501-1000	3,171	5.29	25,87,844	1.65
1001-2000	1,673	2.79	25,77,294	1.64
2001-3000	597	1.00	15,80,797	1.01
3001-4000	246	0.41	8,90,114	0.57
4001-5000	220	0.37	10,41,229	0.66
5001-10000	331	0.55	24,94,019	1.59
Above 10000	332	0.56	14,04,88,164	89.48
Grand Total	**59,893**	**100.00**	**15,69,94,691**	**100.00**

Shareholding Pattern as on March 31, 2017

Category	No. of Shares	%
Promoters	3,88,83,431	24.77
Insurance Companies	22,66,764	1.44
Banks / Financial Institution	8,15,92,544	51.97
Foreign Portfolio Investor	92,172	0.06
Patel Engineering Employee Welfare Trust	60,28,900	3.84
NRIs	7,86,369	0.50
Indian Public & others	2,73,44,229	17.42
Central / State Govt.	282	0.00
Grand Total	15,69,94,691	100.00



j) **Dematerialisation of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares representing 99.41% of the Company's share capital are dematerialized as on March 31, 2017.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited, in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to Company's securities.

Particulars of Security	ISIN
Equity Shares	INE244B01030
9.8% Non-Convertible Debentures of ₹ 95 crores	INE244B07045
10.75% Non-Convertible Debentures of ₹ 50 crores	INE244B07102
11.30% Non-Convertible Debentures of ₹ 150 crores	INE244B07144
11.40% Non-Convertible Debentures of ₹ 150 crores	INE244B07136

k) The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

l) **Plant locations-** Not Applicable

m) **Address for correspondence:** for any assistance, request or Instruction regarding transfer or transmission of shares and debentures, dematerialization of shares, change of address, non- receipt of annual report, dividend warrant and any other query relating to the shares and debentures of the Company, the investors may please write to the following address:

Link Intime India Private Limited
Unit: Patel Engineering Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Company Secretary
Patel Engineering Limited
Patel Estate Road, Jogeshwari (West),
Mumbai – 400 102.
Tel: +91 22 26767500 / 501
Fax: +91 22 26782455/ 26781505
E-mail: investors@pateleng.com

Disclosures:

(a) The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of Company at large.

(b) The Company has a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to Audit Committee.

(c) The Material subsidiaries policy web link: http://tinyurl.com/nqb2o56

(d) The related party policy web link http://tinyurl.com/nqb2o56

(e) The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.

(f) In view of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Code lays down guidelines which advise management and employees on handling Unpublished Price Sensitive Information, procedures to be followed and disclosures to be made while dealing with Securities of the Company.

(g) The CEO and the CFO have certified to the Board, the requirement of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, with regard to financial statements.

The Company has implemented the mandatory requirements of Corporate Governance as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of shares lying in the suspense account (pursuant to Regulation 34 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

	Particulars	
1	Aggregate number of shareholders at the beginning of the year	57
2	Outstanding shares in the suspense account lying at the beginning of the year	1085
3	No of shareholders who approached the company for transfer of shares from suspense account during the year;	0
4	Number of shareholders to whom shares were transferred from the suspense account during the year	0
5	Aggregate number of shareholders at the end of the year	57
6	Outstanding shares in the suspense account at the end of the year	1085

The voting rights on the outstanding shares shall remain frozen till the rightful owner of such shares claims the shares.

Declaration by the CEO under Listing Regulations regarding adherence to the Patel Engineering Code of Conduct.

In accordance with Listing Regulations, I hereby declare that for the financial year ended March 31, 2017 the Directors and Senior Management Personnel of the Company have affirmed compliance with the Patel Engineering Code of Conduct applicable to all the Directors and Senior Management.

For **Patel Engineering Limited**

Rupen Patel
Managing Director

December 15, 2017

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Patel Engineering Limited,

We have examined the compliance of conditions of Corporate Governance by Patel Engineering Limited ('the Company'), for the year ended 31 March 2017, as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ('Listing Regulations')

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the companies Act 2013, in so far as applicable for the Purpose of this certificate and as per the Guidance Note on Report or Certificate for Special Purpose issued by the ICAI which require the we comply with the ethical requirement of the code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC-1), Quality Control for firm that perform Audit and Review of Historical Financial Information, and other assurance and relevant Services Engagements.

In our opinion and to the best of our information and according to the examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

For Vatsaraj & Co
Chartered Accountants
FRN No.: 111327W

CA. Dr. B.K.Vatsaraj
Partner
Membership No.: 039894

Date: December 15, 2017
Place: Mumbai

Since 1949

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PATEL ENGINEERING LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS financial statements of **Patel Engineering Limited** ("hereinafter referred to as "the Holding Company"), its subsidiaries, its joint ventures and associates companies; (hereinafter referred to as "the Patel Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and joint ventures are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, The Holding Company's Board of Director, and the respective Board of Directors/management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017 and their consolidated loss, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

a) The independent Auditors of, Patel Realty (India) Ltd ("PRIL"), an erstwhile Subsidiary company, have without qualifying their audit report on the Standalone Ind AS financial statement for the year ended 31st March 2017 have drawn attention with respect to:

i. Note No. 47 detailing about the Company Bellona Estate Developers Limited which ceased to be a subsidiary of the company from 30th March 2016 after invoking of Strategic Debt Restructuring (SDR). The Company has written off ₹398.50 million as irrecoverable in the current Financial Year. The management has decided to write off its Investments along with the outstanding loans after adjusting any dues against the same.

ii. Note No. 48 regarding Company's investment and loans and advances in Waterfront Developers Limited, where notice dated 04th June, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on 11th December, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of Arbitration has been initiated with the Government of Mauritius.

b) The Consolidated Financial Statements of the Company for the year ended March 31, 2017 regarding the subsidiary Patel Energy Resources Limited (PERL) wherein their auditors without qualifying their opinion have drawn attention with respect to :

i) Investments made and loans and advances extended to subsidiaries / wholly owned subsidiaries. The management is of the view that no provision is considered necessary at this stage in respect of these investments/ loans, considering the long term nature of these investments/loans.

ii) Adoption of "Going concern" basis of accounting despite continuous/significant losses, based on future and long term potential of the projects in which the investments have been made.

Our opinion is not modified in respect to above matter.

Other Matters

a) The comparative financial information of the Holding Company for the year ended March 31, 2016 and the transition date opening balance sheet as at 1st April 2015, included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 on which we issued auditor's reports to the shareholder of the company dated 11 November 2016 and 23 July 2015, respectively. Those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition of Ind AS, which have also been audited by us.

b) The Consolidated Ind AS financial statements includes the financial statements of 3 joint operations which have not been audited by their auditors, whose financial statements have been prepared and certified by the Management. These financial statements reflect the Net Total Assets of ₹ 251.38 million as at 31st March 2017, Company's Share in Total revenue after elimination is ₹ 471.76 million, Total loss (net) after tax of ₹ 28.95 million, total comprehensive income (net) of ₹ Nil and Net cash outflow amounting to ₹ 21.13 million for the year ended on that date, as considered in these Consolidated Ind AS financial statements. The separate set of financials of these joint operations for the year ended March 31, 2017, March 31, 2016 and the transition date opening Balance sheet as at 1st April 2015 is in accordance with accounting principle generally accepted in India, including Ind AS. The consequential effects, if any, arising out of the audit of those entities are not ascertainable presently.

c) The Consolidated Ind AS financial statement also includes the financial statement of 9 joint operations which have been audited by other auditors, whose financial statement reflect the Net Total Assets of ₹ 596.33 million as at 31st March 2017, Company's Share in Total revenue after elimination is ₹ 745.68 million, Total loss (net) after tax of ₹ 0.64 million, total comprehensive income (net) of ₹ Nil and Net cash inflow amounting to ₹ 53.59 million for the year ended on that date, as considered in these Consolidated Ind AS financial statements. The Company had prepared separate set of financials of these joint operations for the year ended March 31, 2017, March 31, 2016 and the transition date opening Balance sheet as at 1st April 2015 in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) and which have been audited for the year by the other auditors under generally accepted auditing standards applicable in India. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. Our opinion in so far it relates to the amounts and disclosure in respect of these joint operations is solely based on the report of the other auditors.

d) We did not audit the financial statements of 23 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 3932.84 million as at 31st March, 2017, total revenues of ₹ 9292.01 million and net cash inflows amounting to ₹ 115.75 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 176.23 million for the year ended 31st March,2017, as considered in the consolidated Ind AS financial statements, in respect of 3 associates, whose financial statements/ financial information have not been audited. These financial statements/ financial information have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidation Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the report of the auditors. We did not audit the financial statements of 5 subsidiaries, whose financial statements/financial information reflect total assets of ₹ (350.27) million as at 31st March, 2017, total revenues of ₹ Nil and net cash inflows amounting to ₹ (3.01) million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 136.67 million for the year ended 31st March,2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associates, whose financial statements/ financial information have not been audited. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidation Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group..

Our opinion on the consolidated Ind AS financial statements above, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ information certified by the Management.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on standalone or consolidated Ind AS financial statements, as applicable, and the other financial information of subsidiaries and associates as noted in the 'Other Matters' paragraph, we report to the extent applicable, that

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind As financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind As financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the Holding Company, its subsidiary companies and associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us and based on the consideration of reports of the other auditors on separate Ind AS financial statements, as applicable, and also the other financial information of the subsidiaries and associates as noted in the 'Other Matters' paragraph:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Patel Group - Refer Note No 50 to the Consolidated Ind AS financial statements;

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies and associate companies incorporated in India.

      iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holding as well as dealing in Specified Bank Notes as defined in the notification S.O.3407 (E) dated 8 November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on the audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and the respective Group companies, as produced to us by the management. Refer Note No 10A to the consolidated Ind AS financial statements.

For Vatsaraj & Co.
Chartered Accountants
Firm Registration Number: 111327W

CA. Dr. B. K. Vatsaraj
Partner
Membership Number: 39894

Mumbai
December 15, 2017

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph (f) under "Report on Other Legal and Regulatory requirement" section of our report of even date to the members of Patel Engineering Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013.

1. We have audited the internal financial controls over financial reporting (IFCOFR) of Patel Engineering Limited ("the Holding Company" and its subsidiaries and an Associate companies (collectively referred to as "the Patel Group" which are companies incorporated in India) as of March 31, 2017 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate companies which are incorporated in India as aforesaid based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding company, its subsidiary companies and associate companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

   iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors as mentioned in the Other the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/ standalone financial statements of 23 subsidiaries and 4 associates which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For Vatsaraj & Co.
Chartered Accountants
Firm Registration Number: 111327W

CA. Dr. B. K. Vatsaraj
Partner
Membership Number: 39894

Mumbai
December 15, 2017

Consolidated Balance Sheet as at March 31, 2017

	Notes	As At March 31, 2017 ₹ million	As At March 31, 2016 ₹ million	As At April 1, 2015 ₹ million
I. ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	2	5,973.69	5,884.32	6,260.84
(b) Capital work-in-progress		8,684.42	8,366.96	9,714.26
(c) Intangible assets		2.03	2.18	2.93
(d) Goodwill on Consolidation		316.97	334.11	332.84
(e) Financial assets				
(i) Investments	3	1,381.92	1,643.69	1,764.13
(ii) Trade receivables	4	8,084.11	7,539.36	8,501.34
(iii) Loans	5	452.71	250.81	45.84
(iv) Other financial assets	6	126.11	75.34	67.15
(f) Deferred tax assets (net)	7	937.98	301.48	-
(g) Current tax assets (net)	8	2,768.04	3,286.60	2,673.62
(h) Other non current assets	9	7,150.21	6,231.34	9,276.04
Total non current assets		**35,878.19**	**33,916.18**	**38,638.99**
2 Current assets				
(a) Inventories	10	48,552.15	47,007.79	39,834.84
(b) Financial assets				
(i) Trade receivables	4	2,539.24	5,140.42	5,681.73
(ii) Cash and cash equivalents	10A	603.38	623.75	1,488.50
(iii) Other bank balances	10B	3.19	18.12	103.02
(iv) Loans	5	642.46	528.24	845.39
(v) Other financial assets	6	56.63	-	-
(c) Current tax assets (net)	8	184.01	51.37	2.28
(d) Other current assets	9	8,150.51	7,838.71	7,313.67
(e) Assets classified as held for sale	3	150.00	-	-
Total current assets		**60,881.57**	**61,208.40**	**55,269.43**
TOTAL ASSETS		**96,759.76**	**95,124.58**	**93,908.42**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	11	156.99	76.81	76.81
(b) Other equity		21,231.46	17,049.00	19,125.41
Equity attributable to owners of the parent		21,388.45	17,125.81	19,202.22
Non-controlling interests		696.19	1,457.36	947.37
Total Equity		**22,084.63**	**18,583.17**	**20,149.59**
2 Liabilities				
Non current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	15,987.72	21,074.47	23,454.89
(ii) Trade payables	13	2,406.86	3,074.36	2,331.85
(iii) Other financial liability	14	17.77	79.86	16.21
(b) Provisions	15	66.11	61.79	49.77
(c) Deferred tax liabilities (Net)		-	-	220.24
(d) Other non current liabilities	16	4,446.64	3,555.40	3,795.66
(e) Deferred revenue		125.80	79.31	70.69
Total non current liabilities		**23,050.89**	**27,925.19**	**29,939.31**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	27,397.00	28,247.25	24,208.46
(ii) Trade payables	18	8,613.59	7,883.49	8,872.48
(iii) Other financial liabilities	19	9,431.67	5,710.81	4,624.59
(b) Provisions	15	17.05	16.20	18.37
(c) Other current liabilities	20	6,164.92	6,758.47	6,095.62
Total current liabilities		**51,624.23**	**48,616.22**	**43,819.52**
TOTAL EQUITY AND LIABILITIES		**96,759.76**	**95,124.58**	**93,908.42**
Summary of significant accounting policies	1			

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : December 15, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Patel Since 1949

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

		Notes	March 31, 2017 ₹ million	March 31, 2016 ₹ million
I.	**Revenue from operations**	21	38,838.37	40,408.66
II.	**Other income**	22	2,541.16	1,528.39
III.	**Total revenue (I + II)**		**41,379.52**	**41,937.05**
IV.	**Expenses:**			
	Cost of construction	23	30,066.27	31,270.41
	Purchase of stock in trade		98.33	92.86
	Employee benefits expense	24	1,497.35	1,375.49
	Finance costs	25	5,792.14	6,016.07
	Depreciation and amortization expense	2	780.36	549.78
	Other expenses	26	2,966.26	3,504.44
	Total expenses		**41,200.70**	**42,809.05**
V.	**Profit/ (loss) before exceptional and tax (III-IV)**		**178.82**	**(872.01)**
VI.	**Exceptional items**	**27**	889.78	1,292.09
VII.	**Loss before tax (V - VI)**		**(710.96)**	**(2,164.10)**
VIII.	**Tax expense:**			
	(1) Current tax		574.40	(42.02)
	(2) Deferred tax		(259.26)	(158.19)
	(3) Tax Adjustments for earlier years		2.80	(1.95)
IX.	**Loss for the year (VII-VIII)**		**(1,028.89)**	**(1,961.93)**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(7.07)	(8.58)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.16	0.22
XI.	**Total comprehensive income for the year (IX+X) (Comprising (loss) and other comprehensive income for the year)**		**(1,035.81)**	**(1,970.29)**
	Total comprehensive income for the year attributable to:			
XII.	**Minority interest**		**(441.81)**	**(84.77)**
XIII.	**Owners of the parent (XI- XII)**		**(594.00)**	**(1,885.52)**
XIV.	**Earnings per equity share:**			
	(1) Basic	32	(9.83)	(25.54)
	(2) Diluted		(9.83)	(25.54)
	Summary of significant accounting policies	1		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : December 15, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	(710.96)	(2,164.10)
	Adjustment for:		
	Depreciation/ amortisation	780.36	549.78
	Finance charges	5,792.14	6,016.07
	Interest and dividend received	(1,498.48)	(2,145.86)
	Foreign exchange loss	39.27	101.96
	Provision for leave salary	4.46	5.61
	Provision for gratuity	0.70	6.45
	Profit on sale of investment	(107.53)	(54.83)
	Provision for impairment	839.56	189.99
	Profit on sale of assets	(90.54)	(173.40)
	Excess credit written back	(308.98)	(141.53)
	Irrecoverable debts and advances written off	1,652.39	2,553.05
	ESOP compensation expenses	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**6,392.39**	**4,743.20**
	Adjustment for changes in:		
	Trade receivable	2,056.43	1,503.29
	Other financial assets	(107.39)	(8.19)
	Other current assets	(1,493.36)	472.73
	Other bank balance	14.93	84.90
	Inventories	(1,544.36)	(7,172.95)
	Trade payable	371.58	(104.95)
	Other financial liability	(208.30)	202.42
	Provision	(6.91)	(10.57)
	Other non-current liability	297.69	422.59
	Deferred revenue	46.49	8.62
	Cash from operations	**5,819.18**	**141.10**
	Direct tax paid	(191.27)	(618.11)
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	**5,627.91**	**(477.01)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(1,183.04)	939.90
	Sale of fixed assets	103.68	407.02
	Increase in loans to subsidiaries/ JV/ associates	(1,517.08)	(441.34)
	Sale of investments	219.29	175.27
	Interest and dividend received	154.83	1,639.75
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**(2,222.32)**	**2,720.61**

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Shares	2.68	(0.01)
	Redemption of equity component of financial	(169.67)	-
	Proceeds from long term borrowings	2,637.98	6,593.30
	Repayment of long term borrowings	(1,666.73)	(3,685.57)
	Finance charges	(4,230.20)	(6,016.07)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,425.95)**	**(3,108.35)**
	Net decrease in cash and cash equivalent (A+B+C)	(20.37)	(864.76)
	Opening balance of cash and cash equivalents	623.75	1,488.50
	Balance of cash and cash equivalents	603.38	623.74
	Notes to cash flow statement		
	Cash and Cash Equivalents		
	Cash on hand and balance with banks	603.38	623.75
	Effect of exchange rate changes	-	-
	Closing cash and cash equivalents as restated	603.38	623.75

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : December 15, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Consolidated Statement Of Changes In Equity for the year ended March 31, 2017

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at April 1, 2015	76,806,282	76.81
Issue of equity shares	-	-
As at March 31, 2016	**76,806,282**	**76.81**
Issue of equity shares (refer note no. 34)	80,188,409	80.18
As at March 31, 2017	**156,994,691**	**156.99**

(B) OTHER EQUITY

Particulars	Reserves and surplus												
	Equity component of compound financial instruments	Capital reserve	General reserve	Securities premium reserve	Debenture redemption reserve	Stock option outstanding account	Foreign currency translation reserve	Capital redemption reserve	Surplus in the statement of profit and loss	Other comprehensive income	Total equity attributable to equity holders	Non - controlling interest	Total
As at April 1, 2015	194.16	268.60	2,324.95	7,927.66	675.00	2.24	809.75	-	6,915.35	7.70	19,125.41	947.37	20,072.78
-Loss for the year	-	-	-	-	-	-	-	-	(1,877.16)	-	(1,877.16)	(84.77)	(1,961.93)
-Adjustment during the year									(372.24)	(8.02)	(380.26)	594.76	214.50
-Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(8.36)	(8.36)	-	(8.36)
-Transfer from opening surplus in Statement of Profit and Loss	-	8.97	-	-	-	-	-	-	-	-	8.97	-	8.97
-Transfer to capital reserve	-	-	-	-	-	-	-	-	(8.97)	-	(8.97)	-	(8.97)
-Transfer from security premium reserve	-	-	-	-	-	-	22.28	-	-	-	22.28	-	22.28
-Additions during the year	-	-	-	-	-	-	101.96	-	-	-	101.96	-	101.96
-Transfer to foreign currency translation reserve	-	-	-	(22.28)	-	-	-	-	-	-	(22.28)	-	(22.28)
-Transfer from / to debenture redemption reserve	-	-	212.50	-	(212.50)	-	-	-	-	-	-	-	-
-Premium on exercise of options	-	-	-	1.61	-	-	-	-	-	-	1.61	-	1.61
-On account of IND AS adjustments	-	-	-	-	-	-	-	-	88.04	-	88.04	-	88.04
-Options exercised / lapsed during the year	-	-	-	-	-	(2.24)	-	-	-	-	(2.24)	-	(2.24)
As at March 31, 2016	**194.16**	**277.57**	**2,537.45**	**7,906.99**	**462.50**	**-**	**933.99**	**-**	**4,745.02**	**(8.68)**	**17,049.00**	**1,457.36**	**18,506.36**
-Loss for the year	-	-	-	-	-	-	-	-	(587.08)	-	(587.08)	(441.81)	(1,028.89)
-Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(6.91)	(6.91)	-	(6.91)
-Adjustment during the year	-	-	-	-	-	-	-	-	734.30	2.35	736.65	(319.37)	417.28
-Additions during the year	-	-	-	-	-	-	39.27	-	-	-	39.27	-	39.27
-Reversal of deferred tax	61.89	-	-	-	-	-	-	-	-	-	61.89		61.89
-Transfer to surplus in the statement of profit and loss	(25.23)	-		-	-	-	-	-	25.23	-	-		-
-Redemption of equity component	(169.67)	-	-	-	-	-	-	-	-	-	(169.67)		(169.67)
-Transfer from surplus in the statement of profit and loss	-	-	-	-	-	-	-	300.00	(300.00)	-	-		-
-Issue of share capital	-	-	-	4,108.33	-	-	-	-	-	-	4,108.33		4,108.33
-Transfer from / to debenture redemption reserve	-	-	(12.50)	-	12.50	-	-	-	-	-	-		-
As at March 31, 2017	**61.15**	**277.57**	**2,524.95**	**12,015.32**	**475.00**	**-**	**973.26**	**300.00**	**4,617.47**	**(13.25)**	**21,231.46**	**696.19**	**21,927.65**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

Patel Engineering Ltd. ('the Company') has prepared consolidated financial statements to provide the financial information of its activities along with its subsidiaries, associates and joint ventures as a single entity. They are collectively referred as “Group” herein.

The financial statements of the group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

The financial statements for the year ended March 31, 2016 and the opening balance sheet as at April 1, 2015 have been restated in accordance with Ind AS for comparative information. The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS. In accordance of Ind AS 101, first time adoption of Indian Accounting Standard, the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows (Refer note 1.3)

The financial statements are prepared under the historical cost convention, on a going concern basis and accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS. The accounting policies applied are consistent with those used in the previous year.

b) Principles of consolidation

(i) The consolidated financial statements include the accounts of Patel Engineering Ltd. and its subsidiaries, associates and joint ventures.

(ii) The financial statements of joint ventures (i.e. sharing profit) are consolidated to the extent of the Company’s or its subsidiaries share in joint venture.

(iii) The financial statements of the Company and its subsidiaries and joint ventures have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses fully eliminating material intra group balances and intra group transactions. Associate entities are consolidated as per the equity method.

The consolidated financial statement have been prepared by the Company in accordance with the requirements of Ind AS –110 ”Consolidated Financial Statements”, Ind AS -111 “Joint Arrangements" in Consolidated Financial Statements” and Ind AS 28 “Investment in Associates and Joint Ventures”., issued by Institute of Chartered Accountants of India.

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosure.

c) Use of estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

d) Method of accounting

The Group maintains its accounts on accrual basis. Subsidiaries outside India maintain its accounts based on Generally Accepted Accounting Standards of their respective countries.

e) Critical accounting estimates and judgements:

The critical assumptions concerning the future and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are based on parameters available when the financial statments were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising which are beyond the control of the group. Revisions to such changes are recognised prospectively.

The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Recognition of deferred taxes
- Estimation of impairment
- Estimation of provision and contingent liabilities

f) Recent accounting developments

i. Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

ii. Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

iii. Amendment to Ind AS 102 :

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

g) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.

Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Property, plant and equipment costing ₹ 5,000 or less are not capitalised and charged to the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at April 01, 2015 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. April 01, 2015.

h) Depreciation

As per the Schedule II of the Companies Act 2013, effective April 01, 2014, the management has internally reassessed the useful lives of assets to compute depreciation wherever necessary, to conform to the requirements of the Companies Act, 2013 which is:

Assets	Estimated useful life
Factory building/ building	28/60 years
Machinery/ ship	8 ½ years
Motor cars/ motor truck	8 years
Furniture/ electrical equipments	6 years
Office equipments	5 years
Computer / software	3 years
Intangible assets :	
Computer / Software	3 years

Michigan Engineers Private Limited and Shreeanant Constructions Private Limited provide depreciation on written down value method and based on useful life of the assets as prescribed in schedule II of the Companies Act, 2013 and in onsite Michigan JV and Michigan Savitar Consortium as specified in the Income tax Act.

The estimated useful life of Patel Michigan JV - motor car - 10 years, motor truck - 6 years, office equipments - 5 years, container - 3 years

For overseas subsidiaries depreciation is provided based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies, local laws and are in line with the industry practices. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align

Patel Since 1949

Notes to Consolidated Financial Statement for the year ended March 31, 2017

rates of depreciation of such subsidiaries with those of the domestic entities.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at April 01, 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition, i.e. April 01, 2015.

i) Impairment of assets

The carrying amount of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognised impairment loss is increased or reversed depending on changes in circumstanses. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

j) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, non-current assets held for sale and discontinued operations, when they are classified as held for sale.

k) Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost (on weighted average basis), or net realisable value, whichever is lower and work-in-progress of construction contracts at contract rate. Work-in-progress in respect of project development and buildings held as stock-in-trade are valued at cost or net realizable value, whichever is lower.

Project work-in-progress is valued at contract rates and site mobilisation expenditure of incomplete contracts is stated at lower of cost or net realisable value.

l) Recognition of income and expenditure

i) Accounting for construction contracts :

Revenue from contracts is recognised on the basis of percentage of completion method, based on the stage of completion at the balance sheet date, billing schedules agreed with the client on a progressive completion basis taking into account the contractual price and the revision thereto by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. In case the estimated total cost of a contract based on technical and other estimate is expected to exceed the corresponding contract value, such excess is accounted for. Price/quantity escalation claims and/or variations are recognised on acceptance of concerned authorities or on evidence of its final acceptability. Revenue in respect of other claims are accounted as income in the year of receipt of award. Revenue on project development is recognised on execution of sale agreement. Dividend income is recognised when the right to receive payment is established. Other revenues and expenses are accounted on accrual basis.

ii) Revenue from building development is recognised on the percentage completion method of accounting. Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including cost of land as against the total estimated cost of project under execution subject to such actual cost being 30% or more of the total construction / development cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. However, if and when the total project cost is estimated to exceed the total revenue from the project, the loss is recognised in the same financial year.

iii) Revenue from sale of goods is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on despatch and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discount.

m) Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement.

The Company recognises its direct right to assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

n) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of property, plant and equipment are recorded at the prevailing exchange rates on the date of the transaction. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Exchange differences arising out of payment/restatement of long term

Notes to Consolidated Financial Statement for the year ended March 31, 2017

liabilities relating to property, plant and equipment are capitalized and in other cases amortised over the balance period of such long term monetary items. The unamortized balance is carried in the Balance Sheet as " Foreign currency monetary items translation difference account" as a separate line item under " Other equity".

Revenue transactions at the foreign branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the statement of profit and loss. Depreciation is translated at rates used for respective assets.

Revenue transactions at the Foreign Branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the Statement of Profit and Loss. Depreciation is translated at rates used for respective assets.

However, Michigan Engineers Private Limited opted to recognize the exchange differences in the Statement of Profit and Loss.

Revenue items of overseas subsidiaries are translated into Indian rupees at average rate and all other monetary/non monetary items are translated at closing rate. Net exchange rate difference is recognized as foreign exchange translation reserve.

o) Financial instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement :

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

(a) Financial asset measured at amortized cost :

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss. The company while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Investment in subsidiaries

(c) Loans

(d) Other financial assets

(b) Financial assets measured at fair value through other comprehensive income :

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the statement of profit and soss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to ‘other income’ in the statement of profit and loss.

(c) Financial assets at fair value through profit or loss (FVTPL) :

Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

De-recognition of financial assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration

Notes to Consolidated Financial Statement for the year ended March 31, 2017

received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of profit and loss.

Impairment of financial assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost.

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

p) Financial derivative and hedging transactions

In respect of financial derivative and hedging contracts, gain / loss are recognized on mark-to-market basis and charged to the statement of profit and loss along with underlying transactions.

q) Employee benefits

Short term employee benefits :

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund/family pensions are made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans :

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

r) Taxation

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the finacial statements' carrying amount of existing assets and liabilities and their

Notes to Consolidated Financial Statement for the year ended March 31, 2017

respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is virtual certainty of realization in future.

s) Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are disclosed where an inflow of economic benefits is probable.

t) Employees stock option plan

Compensation expenses under “Employee Stock Option Plan” representing excess of fair price of the shares on the date of grant of option over the exercise price of option is amortized on a straight-line basis over the vesting period.

u) Borrowing cost

Borrowing costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to statement of profit and loss as incurred.

v) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

w) Business combinations

Business Combinations have been accounted for using the acquisition method as per Ind AS 103.

The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred.

Business Combinations between entities under common control are accounted for at carrying value.

Transaction costs that the company incurs in connection with a business combination are expensed as incurred.

x) Earning per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

y) Preliminary and preoperative expenses

In respect of certain subsidiaries preliminary and preoperative expenses are written off commencement of operation.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

1.2 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

A. Mandatory exceptions from retrospective application Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVTPL or FVTOCI
- Investments in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets :

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Investment in subsidiaries, associates and joint ventures :

When an entity prepares Separate Financial Statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associate either at cost or in accordance with Ind AS 109.

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Share based payment transactions:

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

C. Transition to Ind AS - reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.

1. Reconciliation of Equity as at April 01, 2015
2. (A) Reconciliation of equity as at March 31, 2016

   (B) Reconciliation of statement of profit and loss for the year ended March 31, 2016
3. Reconciliation of statement of cash flows for the year ended March 31, 2016

Notes to Consolidated Financial Statement for the year ended March 31, 2017

1.3 Reconciliation of equity as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015	Previous GAAP	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	6,245.65	15.19	6,260.84
	(b) Capital work-in-progress	9,820.93	(106.58)	9,714.26
	(c) Other intangible assets	2.93	-	2.93
	(d) Goodwill on consolidation	332.84	-	332.84
	(e) Financial assets			
	(i) Investments	1,817.81	(53.69)	1,764.12
	(ii) Trade receivables	8,483.06	18.27	8,501.33
	(iii) Loans	33.63	12.21	45.84
	(iv) Other financial assets	-	67.15	67.15
	(f) Deferred tax assets (net)	-	-	-
	(g) Current tax assets (net)	2,557.01	116.60	2,673.62
	(h) Other non current assets	9,034.61	241.44	9,276.05
	Total non current assets	**38,328.48**	**310.59**	**38,638.99**
2	**Current assets**			
	(a) Inventories	39,688.19	146.65	39,834.84
	(b) Financial assets			
	(i) Trade receivables	5,677.71	4.02	5,681.73
	(ii) Cash and cash equivalents	1,417.82	70.68	1,488.50
	(iii) Other bank balances	103.02	-	103.02
	(iv) Loans	1,311.43	(466.04)	845.39
	(v) Other financial assets	-	-	-
	(c) Current tax assets (net)	0.67	1.61	2.28
	(d) Other current assets	5,865.49	1,448.17	7,313.67
	(e) Assets classified as held for sale	-	-	-
	Total current assets	**54,064.34**	**1,205.09**	**55,269.43**
	TOTAL ASSETS	**92,392.82**	**1,515.68**	**93,908.42**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	76.81	-	76.81
	(b) Other equity	18,850.22	275.19	19,125.41
	Equity attributable to owners of the parent	**18,927.03**	**275.19**	**19,202.22**
	Non-controlling interests	1,247.37	(300.00)	947.37
	Total Equity	**20,174.40**	**(24.81)**	**20,149.59**
2	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	23,682.76	(227.78)	23,454.90

Notes to Consolidated Financial Statement for the year ended March 31, 2017

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015	Previous GAAP	Effect of transition to Ind AS	Ind AS
	(ii) Trade payables	1,956.76	375.09	2,331.85
	(iii) Other financial liability	-	16.21	16.21
	(b) Long-term provisions	49.77	-	49.77
	(c) Deferred tax liabilities (net)	139.76	80.48	220.24
	(d) Other non current liabilities	3,106.99	688.67	3,795.66
	(e) Deferred revenue	-	70.69	70.69
	Total non current liabilities	**28,936.04**	**1,003.36**	**29,939.31**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	24,215.25	(6.79)	24,208.46
	(ii) Trade payables	8,872.48	-	8,872.48
	(iii) Other financial liabilities	4,624.59	-	4,624.59
	(b) Short-term provisions	18.37	-	18.37
	(c) Other current liabilities	5,551.69	543.93	6,095.62
	Total current liabilities	**43,282.39**	**537.14**	**43,819.52**
	TOTAL EQUITY AND LIABILITIES	**92,392.82**	**1,515.68**	**93,908.42**

1.3.1 Reconciliation of equity as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016	Previous GAAP *	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	5,884.32	-	5,884.32
	(b) Capital work-in-progress	8,463.39	(96.24)	8,366.96
	(c) Other intangible assets	2.18	-	2.18
	(d) Goodwill on consolidation	334.11	-	334.11
	(e) Financial assets			-
	(i) Investments	1,695.00	(51.31)	1,643.69
	(ii) Trade receivables	7,539.36	-	7,539.36
	(iii) Loans	250.81	-	250.81
	(iv) Other financial assets	-	75.34	75.34
	(f) Deferred tax assets (net)	379.44	(77.97)	301.46
	(g) Current tax assets (net)	3,286.60	-	3,286.60
	(h) Other non current assets	6,231.34	-	6,231.34
	Total non current assets	**34,066.54**	**(150.18)**	**33,916.17**
2	**Current assets**			
	(a) Inventories	47,007.79	-	47,007.79
	(b) Financial assets			-
	(i) Trade receivables	5,140.42	-	5,140.42

Notes to Consolidated Financial Statement for the year ended March 31, 2017

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016	Previous GAAP *	Effect of transition to Ind AS	Ind AS
	(ii) Cash and cash equivalents	623.75	-	623.75
	(iii) Other bank balances	18.12	-	18.12
	(iv) Loans	528.24	-	528.24
	(v) Other financial assets	-	-	-
	(c) Current tax assets (net)	51.37	-	51.37
	(d) Other current assets	7,840.65	(1.94)	7,838.71
	(e) Assets classified as held for sale	-	-	-
	Total current assets	**61,210.34**	**(1.94)**	**61,208.40**
	TOTAL ASSETS	**95,276.88**	**(152.11)**	**95,124.57**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	76.81	-	76.81
	(b) Other equity	17,088.87	(39.87)	17,049.00
	Equity attributable to owners of the parent	**17,165.68**	**(39.87)**	**17,125.81**
	Non-controlling interests	1,457.36	-	1,457.36
	Total Equity	**18,623.04**	**(39.87)**	**18,583.17**
2	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21,266.61	(191.96)	21,074.48
	(ii) Trade payables	3,072.76	1.61	3,074.37
	(iii) Other financial liability	74.36	5.50	79.86
	(b) Long-term provisions	61.79	-	61.79
	(c) Deferred tax liabilities (net)	-	-	-
	(d) Other non current liabilities	3,555.40	-	3,555.40
	(e) Deferred revenue	-	79.31	79.31
	Total non current liabilities	**28,030.93**	**(105.54)**	**27,925.21**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	28,253.94	(6.70)	28,247.25
	(ii) Trade payables	7,883.49	-	7,883.49
	(iii) Other financial liabilities	5,710.81	-	5,710.81
	(b) Short-term provisions	16.20	-	16.20
	(c) Other current liabilities	6,758.47	-	6,758.47
	Total current liabilities	**48,622.91**	**(6.70)**	**48,616.21**
	TOTAL EQUITY AND LIABILITIES	**95,276.88**	**(152.11)**	**95,124.58**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

1.3 Reconciliation of net profit as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016	Previous GAAP	Effect of transition to Ind AS	Ind AS
I.	Revenue from operations	40,463.43	(54.77)	40,408.66
II.	Other income	1,469.15	59.24	1,528.39
III.	**Total revenue (I + II)**	**41,932.58**	**4.47**	**41,937.05**
IV.	Expenses:			
	Cost of construction	31,322.44	(52.03)	31,270.41
	Purchase of stock in trade	92.86	-	92.86
	Employee benefits expense	1,388.89	(13.40)	1,375.49
	Finance costs	5,930.59	85.48	6,016.07
	Depreciation and amortization expense	549.78	-	549.78
	Other expenses	3,504.44	-	3,504.43
	Total expenses	**42,788.99**	**20.04**	**42,809.04**
V.	Loss before exceptional and tax (III-IV)	(856.42)	(15.57)	(872.00)
VI.	**Exceptional items**	**1,292.09**	**-**	**1,292.09**
VII.	**Loss before tax (V - VI)**	**(2,148.51)**	**(15.57)**	**(2,164.09)**
VIII.	Tax expense:			
	(1) Current tax	(47.06)	5.04	(42.02)
	(2) Deferred tax	(148.16)	(10.03)	(158.18)
	(3) Tax adjustments for earlier years	(1.95)	-	(1.95)
IX.	**Loss for the year (VII-VIII)**	**(1,951.34)**	**(10.59)**	**(1,961.94)**
X.	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	-	(8.58)	(8.58)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.22	0.22
XI.	**Total comprehensive income for the year (IX+X) (Comprising profit (loss) and other comprehensive income for the year)**	**(1,951.34)**	**(18.95)**	**(1,970.30)**
	Total comprehensive income for the year attributable to:			
XII.	**Minority interest**	(84.77)	-	(84.77)
XIII.	**Owners of the parent (XI- XII)**	(1,866.57)	(18.95)	(1,885.53)

Reconciliation statement of cash flows is not provided since there are no material items of reconciliation.

Footnotes for reconciliations.

Borrowings/finance cost

Under Ind AS, financial liabilities are subsequently measured at amortised cost using the efffective interest rate (EIR) method. Borrowings are reflected net off transaction cost which is amortized as per EIR method.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Deferred tax

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences and deferred tax has been recognised on the same.

Corporate guarantee liability/ corporate guarantee income

Financial guarantee contracts have been recognized at fair value at the inception in accordance with Ind AS 109 along with accrued guarantee charges. Under IGAAP financial guarantee given was disclosed as contingent liability and commitments.

Employee benefit expenses/actuarial gain or loss

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Loan to subsidiary/finance income

Under Ind AS, financial assets and liabilities are measured fair value at the inception and subsequently at amortised cost or at fair value based on their classification. Under IGAAP, the financial assets and liabilities were measured at cost.

Revenue

Under Ind AS, revenue is recognized at the fair value of consideration. Fair value is arrived at by reducing the financing element from the amount of revenue where the contract is on deferred payment terms.

Other equity

Adjustments to retained earnings have been made in accordance with Ind AS for the above mentioned line items.

The previous IGAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2017

₹ million

Particulars	Gross Block						Depreciation and Amortization						Net Book Value	
	As at Apr 1, 2016	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at Mar 31, 2017	As at Apr 1, 2016	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at Mar 31, 2017	As at Mar 31, 2017	As at March 31, 2016
TANGIBLE ASSETS														
Land 1 *	2,470.04	158.07	2.66	2,625.45	(3.81)	2,621.64	-	-	-	-	-	-	2,621.64	2,470.04
Building 2 *	624.75	62.83	73.66	613.92	(3.08)	610.84	129.80	20.44	2.29	147.95	(18.05)	129.90	480.94	494.95
Plant & Equipment #	7,156.46	1,488.07	2,111.10	6,533.43	(48.83)	6,484.60	4,642.01	651.06	1,173.82	4,119.25	(24.59)	4,094.66	2,389.94	2,514.45
Furniture & Fixtures	101.56	1.34	(0.86)	103.76	(0.09)	103.67	82.37	6.56	0.05	88.88	(0.25)	88.63	15.04	19.19
Vehicles 3	1,220.22	164.72	28.66	1,356.28	(0.12)	1,356.16	871.56	91.41	23.17	939.80	(0.12)	939.68	416.48	348.66
Office Equipments	63.50	0.98	0.69	63.79	(0.05)	63.74	58.69	2.03	(0.36)	61.08	(0.90)	60.18	3.56	4.81
Others 4	28.76	5.62	0.01	34.37	-	34.37	28.63	0.26	0.01	28.88	-	28.88	5.49	0.13
Electric equipment	59.49	18.88	0.08	78.29	-	78.29	49.74	5.24	(0.04)	55.02	-	55.02	23.27	9.75
Computer Equipments	109.72	9.20	20.49	98.43	(0.48)	97.95	90.62	7.12	12.02	85.72	(0.27)	85.45	12.50	19.10
Container	11.72	2.96	-	14.68	-	14.68	8.48	1.37	-	9.85	-	9.85	4.83	3.24
Total	**11,846.22**	**1,912.67**	**2,236.49**	**11,522.40**	**(56.46)**	**11,465.94**	**5,961.90**	**785.49**	**1,210.96**	**5,536.43**	**(44.18)**	**5,492.25**	**5,973.69**	**5,884.32**
INTANGIBLE ASSETS														
Computer Software	49.50	1.51	0.03	50.98	-	50.98	47.32	1.63	-	48.95	-	48.95	2.03	2.18
Goodwill	334.11	0.36	17.50	316.97	-	316.97	-	-	-	-	-	-	316.97	334.11
Total	**383.61**	**1.87**	**17.53**	**367.95**	**-**	**367.95**	**47.32**	**1.63**	**-**	**48.95**	**-**	**48.95**	**319.00**	**336.29**
Less : Trfd to Capital WIP								6.76						
GROSS TOTAL	**12,229.83**	**1,914.54**	**2,254.02**	**11,890.35**	**(56.46)**	**11,833.89**	**6,009.22**	**780.36**	**1,210.96**	**5,585.38**	**(44.18)**	**5,541.20**	**6,292.69**	**6,220.61**
Capital Work-In-Progress	**8,366.96**	**1,500.90**	**1,115.96**	**8,751.90**	**(67.48)**	**8,684.42**	**-**	**-**	**-**	**-**	**-**	**-**	**8,684.42**	**8,366.96**

1 Land includes ₹ 7.71 (₹ 7.71 million) held in the name of Directors,relatives of Directors and employees for and on behalf of the Company

2 a) Building includes Building [Gross Block - ₹ 412.84 million (P.Y. ₹ 462.74 million),Accumulated Depreciation ₹ 81.40 million (P.Y. ₹ 87.94 million)] and Factory Building [Gross Block - ₹ 198.01 million (P.Y. ₹ 162.01 million), Accumulated Depreciation ₹ 48.50 million (P.Y. ₹41.86 million)]

b) Includes ₹ 0.009 million (₹ 0.009 million) being the value of 180 shares and share deposits in Co - operative Societies

3	**Vehicles includes**	**Gross Block 2016-17**	**Gross Block 2015-16**	**Acc Dep. 2016-17**	**Acc Dep. 2015-16**
	Motor Car	278.45	270.44	181.01	178.18
	Motor Truck	1,074.54	946.62	756.67	691.51
	Motor Cycle	3.17	3.15	2.00	1.69

4	**Others Include**	**Gross Block 2016-17**	**Gross Block 2015-16**	**Acc Dep. 2016-17**	**Acc Dep. 2015-16**
	Ship	2.81	2.81	2.79	2.78
	Rails and Trolley	31.57	25.95	26.09	25.84

5 Includes assets costing ₹ 37.71 million (₹ 9.21 million) not commissioned/erected/put to use, ₹ Nil (P.Y. ₹ 0.12 million) towards exchange rate difference and ₹ Nil (P.Y. 3.03 million) reversal fo excise duty claimed in earlier year as CENVAT credit

6 *Deductions to land and building includes ₹ Nil (₹ 0.58 million) transferred to project development expenses Adjustments includes ₹ 6.06 million on account of difference between audited and un-audited financials of a joint venture.

Note : 2

₹ million

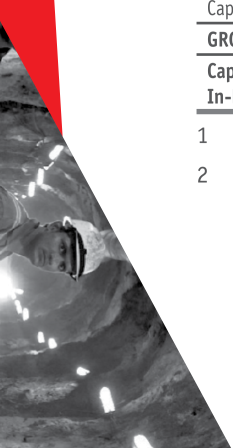
PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2016

	Gross Block						Depreciation and Amortization						Net Book Value	
Particulars	As at Apr 1, 2015	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at Mar 31, 2016	As at Apr 1, 2015	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at Mar 31, 2016	As at Mar 31, 2016	As at March 31, 2015
TANGIBLE ASSETS														
Land 1 *	2,450.16	10.67	0.71	2,460.12	9.88	2,470.00	-	-	-	-	-	-	2,470.00	2,450.16
Building 2 *	630.76	3.01	16.91	616.86	7.93	624.80	111.36	16.75	1.13	126.99	2.84	129.83	494.97	519.40
Plant & Equipment #	6,734.12	451.53	146.35	7,039.29	117.16	7,156.46	3,966.98	624.55	(7.65)	4,597.23	44.96	4,642.19	2,514.27	2,767.14
Furniture & Fixtures	98.29	3.12	0.07	101.33	0.21	101.54	75.69	5.56	(0.95)	82.19	0.16	82.35	19.19	22.60
Vehicles 3	1,264.63	61.16	105.84	1,219.94	0.27	1,220.21	809.64	111.75	50.10	871.10	0.27	871.38	348.83	454.99
Office Equipments	61.06	2.39	0.03	63.42	0.10	63.52	53.62	3.46	(1.64)	58.71	(0.01)	58.70	4.82	7.44
Others 4	28.76	0.00	-	28.76	-	28.76	27.42	1.20	-	28.62	-	28.62	0.14	1.34
Electric equipment	52.62	6.93	0.05	59.50	-	59.50	42.19	3.31	(4.25)	49.75	-	49.75	9.75	10.43
Computer Equipments	93.36	18.51	2.78	109.07	0.69	109.77	84.16	6.16	0.29	90.03	0.61	90.64	19.13	9.20
Container	10.67	1.17	0.11	11.72	-	11.72	7.70	0.83	0.05	8.49	-	8.49	3.23	2.97
Establishment Cost	126.45	-	126.45	-	-	-	126.45	-	126.45	-	-	-	-	-
Total	11,550.88	558.49	399.30	11,710.02	136.24	11,846.29	5,305.21	773.57	163.53	5,913.12	48.83	5,961.96	5,884.32	6,245.67
Computer Software	57.38	1.19	9.08	49.49	-	49.49	54.45	1.94	9.08	47.31	-	47.31	2.18	2.93
Goodwill	332.84	0.94	-	333.78	0.51	334.11	-	-	-	-	-	-	334.11	332.84
Total	**390.22**	**2.13**	**9.08**	**383.27**	**0.51**	**383.60**	**54.45**	**1.94**	**9.08**	**47.31**	**-**	**47.31**	**336.29**	**335.77**
Less : Trfd to Capital WIP								225.74						
GROSS TOTAL	**11,941.10**	**560.62**	**408.38**	**12,093.29**	**136.75**	**12,229.89**	**5,359.66**	**549.77**	**172.61**	**5,960.43**	**48.83**	**6,009.27**	**6,220.61**	**6,581.44**
Capital Work-In-Progress	**9,820.93**	**2,476.18**	**3,920.06**	**8,377.05**	**(10.10)**	**8,366.96**	**-**	**-**	**-**	**-**	**-**	**-**	**8,463.38**	**9,820.93**

1 Land includes ₹ 7.71 million (₹ 8.29 million) held in the name of Directors,relatives of Directors and employees for and on behalf of the Company

2 a) Building includes Building [Gross Block - ₹ 461.94 million (P.Y. ₹ 468.74 million),Accumulated Depreciation ₹87.12 million (P.Y. ₹ 72.83 million)] and Factory Building [Gross Block - ₹ 162.86 million (P.Y. ₹162.01 million), Accumulated Depreciation ₹ 42.71 million (P.Y. ₹ 36.10 million)]

b) Includes ₹ 0.009 million (₹ 0.02 million) being the value of 180 shares and share deposits in Co - operative Societies



	Vehicles includes	Gross Block 2015-16	Gross Block 2014-15	Acc Dep. 2015-16	Acc Dep. 2014-15
3	Motor Car	270.44	272.73	178.18	162.72
	Motor Truck	946.62	989.61	691.51	645.67
	Motor Cycle	3.15	2.29	1.69	1.25

	Others Include	Gross Block 2015-16	Gross Block 2014-15	Acc Dep. 2015-16	Acc Dep. 2014-15
4	Ship	2.81	2.81	2.79	2.78
	Rails and Trolley	25.95	25.95	25.84	24.65

5 Includes Assets costing ₹ 9.21 million (₹ 96.26 million) not commissioned/erected/put to use, ₹ 0.12 million (P.Y. ₹Nil) towards exchange rate difference and ₹ 3.03 million (P.Y. Nil) reversal of excise duty claimed in earlier year as CENVAT credit

6 Deductions to Land and Building includes ₹ 0.58 million (₹ Nil) transferred to Project Development Expenses

7 Includes of ₹ 1101.34 million on acquisition / consolidation of Joint Venture during the year

8 Includes cumulative depreciation of ₹ 110.54 million on acquisition/ consolidation of Joint Venture during the year.

9 Includes ₹ 218.24 million transferred to other construction cost.

10 Consequent to the introduction of schedule II of the Companies Act, 2013 the useful of certain assets has been revised. Accordingly, depreciation for the year is higher by ₹ Nil (P.Y. 4.25 millions) net of Deferred Tax of ₹ Nil (P.Y. 0.67 millions) and the same adjusted in the accumulated balance of retained earnings.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2017 ₹million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Investment in equity instruments			
Trade investments - un-quoted			
- In others	-	21.11	50.70
Other investments - quoted			
66,640 shares (66,640) of Kingfisher Airlines Ltd., Face Value ₹ 10/- per share	-	-	-
(Written off in the financial year 2012-13)			
Other investments- unquoted			
In joint ventures	16.78	17.28	0.24
In others	223.56	231.55	214.08
In associates			
Other Investments			
(Accounted under equity method)			
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., Face Value ₹ 10/- per share	240.06	249.80	261.75
24,665 Shares (24,665) of Terra Land Developers Ltd., F.V. ₹ 10/- per share	-	-	-
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Limited, F.V. ₹ 10/- per share	145.26	81.14	96.47
51,000 shares (51,000) of Pan Realtors Pvt. Ltd. F.V. ₹ 10 per share	-	128.07	123.10
5,000 shares (5,000) of APS Michigan Engineering Private Limited, F.V. ₹ 10/- per share	0.05	0.05	0.05
5,000 shares (5,000) of PLS Private Limited, F.V. LKR.10/- per share	0.02	0.02	14.77
8,495,040 Shares (8,495,040) of ACP Tollways Private Limited, F.V. ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	650.25	816.67	848.02
Nil (1,55,40,000) shares of Patel KNR Infrastructures Limited, F.V. ₹ 10/- per share	-	93.03	149.67
	1,035.65	**1,368.78**	**1,493.82**
Investment in government securities[iii]	0.12	0.13	0.14
Investment in partnership firms [IV]	160.21	0.08	0.13
Share application money	4.59	4.76	5.02
Total	**1,440.91**	**1,643.69**	**1,764.13**
Less : Provision for Impairment (Refer Note No. 27)	58.99	-	-
TOTAL NON-CURRENT INVESTMENT	**1,381.92**	**1,643.69**	**1,764.13**
ASSETS CLASSIFIED AS HELD FOR SALE			
22,200,000 shares (Nil) of Patel KNR Infrastructures Ltd., F.V. ₹ 10/- per share	222.00	-	-
Nil (2,50,000) shares of Bellona Estate Developers Ltd. F.V. ₹ 10 each	-	-	-
Less : Provision for Impairment (Refer Note No. 27)	72.00	-	-
TOTAL CURRENT INVESTMENT	**150.00**	**-**	**-**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

I. Aggregated amount of unquoted investments as at March 31, 2017 ₹ 5,100.39 million (P.Y. ₹ 5,117.70 million)

II. Aggregated amount of quoted investments as at March 31, 2017 ₹ Nil, Market value ₹ 0.09 million (P.Y. ₹ Nil, Market value ₹ 0.09 million)

III. Includes investment in national saving certificates, in the name of directors, lodged with project authorities

IV. A firm AHCL - PEL having fixed capital of ₹ 75,000 (P.Y. ₹ 75,000), had profit sharing as follows :- the company 20% (P.Y. 20%), Ace Housing & Const. Ltd. 1% (P.Y. 1%) & Pravin Patel 79% (P.Y. 79%). The company and another partner have given a notice of dissolution to the remaining partner of the firm final outcome of which is awaited.

A firm Patel Advance JV having nil fixed capital, partnership sharing has been as follows : the Company 26% (P.Y.26%), Advance Const. Co. Pvt. Ltd. 25% (P.Y. 25%), Apollo Buildwell Pvt. Ltd. 25% (P.Y. 25%) & Advance Equipment Finance Pvt. Ltd. 24% (P.Y. 24%).

NOTE : 4

TRADE RECEIVABLES

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Unsecured, considered good unless otherwise stated						
Receivables outstanding for a period exceeding six months						
Considered good*	7,331.52	5,765.92	7,079.67	941.92	824.09	1,703.94
Considered doubtful	-	-	-	2.39	-	43.78
	7,331.52	**5,765.92**	**7,079.67**	**944.31**	**824.09**	**1,747.72**
Less : Provision for doubtful debts	-	-	-	2.39	-	43.78
(A)	**7,331.52**	**5,765.92**	**7,079.67**	**941.92**	**824.09**	**1,703.94**
Other receivables						
Considered good (B)	**758.91**	**1,773.44**	**1,421.67**	**1,591.00**	**4,316.33**	**3,977.80**
(A+B)	**8,084.11**	**7,539.36**	**8,501.34**	**2,539.24**	**5,140.42**	**5,681.73**

* net of advance received against claims ₹ 332.53 millions (P.Y. Nil)

NOTE : 5

LOANS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Balance in current account with Subsidiaries/associates/joint ventures/partnership						
Unsecured, considered good	452.71	250.80	45.84	642.46	528.24	845.39
Doubtful	681.27	-	-	27.30	-	-
	1,133.99	**250.81**	**45.84**	**669.75**	**528.24**	**845.39**
Less: Provision for impairment (Refer Note No. 27)	681.27	-	-	27.30	-	-
	452.71	**250.81**	**45.84**	**642.46**	**528.24**	**845.39**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Deferred finance cost	119.51	75.34	67.15	-	-	-
Secured deposit						
Unsecured, considered good	6.60	-	-	56.63	-	-
	126.11	**75.34**	**67.15**	**56.63**	**-**	**-**

NOTE : 7

DEFERRED TAX ASSETS (LIABILITIES)

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Retaled to depreciation on fixed assets	(100.32)	(269.21)	(200.57)
Other disallowances under the income tax act	1,038.30	570.69	(19.67)
	937.98	**301.48**	**(220.24)**

Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	(100.32)	(72.62)
Others	(41.44)	(29.04)
Deferred income tax asset		
Disallowances on account of income tax act	1,052.74	403.14
Future losses	27.00	-
Total deferred tax assets (net)	**937.98**	**301.48**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Advance tax (net)[1]	2,768.04	3,286.60	2,673.62	184.01	51.37	2.28
	2,768.04	**3,286.60**	**2,673.62**	**184.01**	**51.37**	**2.28**

[1] Includes advance tax which is net of provision for tax ₹ 1,589.05 million (P.Y. ₹ 60.05 million).

Notes to Consolidated Financial Statement for the year ended March 31, 2017

2 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Profit / loss before income tax	(710.96)	(2,164.10)
Income tax expense calculated at 34.608%	(246.05)	(748.95)
Effect of expenses not allowed for tax purpose	1,164.05	1,002.43
Effect of income not considered for tax purpose	(296.84)	(262.78)
Effect of income that is exempted from tax	(17.76)	(74.23)
Effect of income which is taxed at special rates	1.13	2.24
Others	(30.13)	39.27
	574.40	**(42.02)**

NOTE : 9

OTHER ASSETS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Capital advance						
Secured, considered good						
Unsecured, considered good	189.11	174.59	722.39	-	-	
Security deposit						
Unsecured, considered good	2,130.90	1,559.92	1,793.71	1,989.43	1,638.02	2,100.07
Advance recoverable in cash or in kind						
Secured, considered good						
Unsecured, considered good	1,532.64	1,480.29	3,956.25	5,306.09	5,550.78	4,217.16
Doubtful	836.65	1,784.12	-	-	-	137.50
Advance against immovable property	275.13	-	-	-		-
Advance against land			-			-
Prepaid expenses	31.34	29.43	38.39	131.52	264.08	186.79
Balance with stautory authorities	553.06	456.36	58.66	213.89	15.10	256.68
Service tax and cenvat credit	79.21	59.05	0.27	329.35	243.07	457.01
Accrued interest	3,019.82	1,974.61	2,176.40	11.26	4.05	65.72
Preoperative and preliminary expenses	365.91	397.20	361.73	3.33	-	0.01
Other advances	-	-	-	66.46	16.87	-
Receivable on account of sale of long term investments	-	-	-	66.88	49.32	-
Other current assets	-	-	-	-	8.53	-
Non trade receivables	2.72	-	-	20.38	37.06	6.38
Advances to employees	7.02	7.68	97.54	11.92	11.83	23.85
	9,023.50	**7,923.25**	**9,205.34**	**8,150.51**	**7,838.71**	**7,451.17**
Less: Provision for impairment	1,152.89	1,207.29	-	-	-	-
Less: Provision for doubtful debts	**836.65**	**576.84**	**-**	**-**	**-**	**137.50**
	7,033.96	**6,139.12**	**9,205.34**	**8,150.51**	**7,838.71**	**7,313.67**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 10

INVENTORIES *
(At lower of cost or net realisable value/contract rates)

	Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Stores, embedded goods and spare parts etc.	1,411.66	1,523.79	1,613.13
(Includes stores in transit ₹ 35.13 million (P.Y. ₹ 40.47 million)			
Work in progress	47,140.49	45,484.00	38,221.71
	48,552.15	**47,007.79**	**39,834.84**

*(As technically valued and certified by the management)

NOTE : 10A

OTHER BANK BALANCES

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Balance with Banks						
- On current accounts with scheduled banks	-	-	-	532.35	533.37	1,220.90
- On fixed deposits accounts with scheduled banks*	116.25	92.22	70.70	5.01	-	6.12
- Balances with non scheduled banks	-	-	-	40.97	-	-
- Cheques in hand	-	-	-	15.22	0.29	243.65
- Foreign currency in hand	-	-	-	0.01	0.01	-
- Cash on hand	-	-	-	9.82	90.08	17.83
	116.25	**92.22**	**70.70**	**603.38**	**623.75**	**1,488.50**

NOTE : 10B

CASH AND CASH EQUIVALENTS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Other bank balances						
- Deposits with maturity more than 3 months but less than 12 months*	-	-	-	1.90	16.56	100.94
Balances with bank for unpaid dividend	-	-	-	1.29	1.56	2.08
	-	**-**	**-**	**3.19**	**18.12**	**103.02**

* Includes amount given towards margin money and earnest money deposits

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Disclosure on specified bank notes (SBNs)

i) During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:

Particulars	SBN's^	Other Notes	Total
Closing cash on hand as at 8th November, 2016	685,500	6,400,129	7,085,629
(+) Permitted receipts	-	8,933,540	8,933,540
(-) Permitted payments	154,500	9,970,533	10,125,033
(-) Amount deposited in banks	531,000	-	531,000
Closing cash on hand as at 30th December, 2016	**-**	**5,363,136**	**5,363,136**

ii) Following are the consolidated details [including coventurer(s) share] of the SBNs and other notes held and transacted in respect of jointly controlled entities stated in note 36(a).

Particulars	SBN's^	Other Notes	Total
Closing cash on hand as at 8th November, 2016	6,000	576,974	582,974
(+) Permitted receipts	-	439,446	439,446
(-) Permitted payments	-	906,097	906,097
(-) Not Permitted payments		-	-
(-) Amount deposited in banks	6,000	-	6,000
Closing cash on hand as at 30th December, 2016	**-**	**110,323**	**110,323**

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated 8th November, 2016.

NOTE : 11

SHARE CAPITAL

		March 31, 2017		March 31, 2016		April 1, 2015	
		No. of shares	₹ million	No. of shares	₹ million	No. of shares	₹ million
a)	**Authorized**						
	Equity shares of ₹ 1 each	250,000,000	250.00	230,000,000	230.00	230,000,000	230.00
	Preference shares of ₹ 10 each	-	-	20,000,000	20.00	20,000,000	20.00
b)	**Issued, subscribed and fully paid up**						
	Equity shares of ₹ 1 each	156,994,691	156.99	76,806,282	76.81	76,806,282	76.81
		156,994,691	**156.99**	**76,806,282**	**76.81**	**76,806,282**	**76.81**

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares of ₹ 1/- each. each holder of equity shares is entitled to the same rights in all respects.

		No. of shares	₹ million	No. of shares	₹ million	No. of shares	₹ million
d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**						
	Outstanding at the beginning of the year	76,806,282	76.81	76,806,282	76.81	76,806,282	76.81
	Add :- Issued during the year (Refer note no. 35)	80,188,409	80.19	-	-	-	-
	Outstanding at the end of the year	**156,994,691**	**156.99**	**76,806,282**	**76.81**	**76,806,282**	**76.81**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Name of the shareholder	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
e) Share held by each shareholder more than 5% Equity shares						
i) Patel Engineering Employees Welfare Trust	6,028,900	3.84	6,028,900	7.85	6,045,000.00	7.87
ii) Praham India LLP	16,744,424	10.67	16,744,424	21.80	16,744,424.00	21.80
iii) Patel Corporation LLP	18,665,257	11.89	18,665,257	24.30	18,665,257.00	24.30
iv) Dena bank	12,102,989	7.70	-	-	-	-

NOTE : 12

BORROWINGS

	Non-Current Portion			Current Maturities		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
I Secured Loans						
a) Debentures [1]	1,500.00	1,500.00	3,750.00	-	1,050.00	1,100.00
Term loans						
- From bank [2]	**13,149.09**	**17,540.25**	**17,683.60**	**6,233.26**	**2,831.87**	**1,868.52**
- From others [3]	**1,338.92**	**2,034.40**	**2,021.38**	**201.79**	**751.15**	**767.05**
Amount disclosed under "Other financial liabilities" in Note No. 19	-	-	-	(6,435.05)	(4,633.02)	(3,735.57)
	15,988.00	**21,074.65**	**23,454.98**	**-**	**-**	**-**

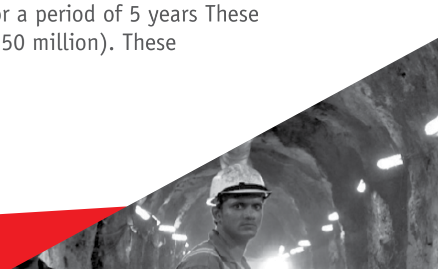
1 Debentures

a) 11.30% secured redeemable non convertible debentures were allotted on September 17, 2012 for a period of 10 years These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1,500.00 million (P.Y. ₹ 1,500.00 million) and are to be redeemed in September 17, 2022. The same is secured against charge on land held on stock in trade of the Company and its subsidiaries.

b) 9.80% secured redeemable non convertible debentures were allotted on July 20, 2009 for a period of 7 year. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 550 million (P.Y. ₹ 550 million) repayable in a single installment, with a put / call option available and exercisable at par at the end of 5th year from the date of allotment. The same is secured against charge on land held on stock in trade of the Company and its subsidiaries. Interest rate has been revised to 9.80% p.a. (P.Y. 13.16% p.a.) for Syndicate bank w.e.f April 16, interest rate for IDBI bank has been changed at 13.32% p.a.(P.Y.13.32% p.a.) and in case of others it is 13.16% p.a. (P.Y. 13.16% p.a.). The same is disclosed under the head ""Other financial liabilities"" in note no 19. The company has requested its lenders to reduce the rate of interest to 9.80% p.a. as per minutes of meeting held on 29th August 2016.
NCD holders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as 26th May 2016.

c) 11.40% secured redeemable non convertible debentures were allotted on July 11, 2011 for a period of 5 years These debentures have a face value of ₹ 0.10 million each aggregating to ₹ 500 million (P.Y. ₹ 1,000 million). These debentures were to be redeemed on July 11, 2016 - ₹ 500 million. The same is secured against charge on land held on stock in trade of the Company and its subsidiaries. Interest rates has remained unchanged at 13% p.a.(P.Y. 13% p.a.).The same is disclosed under the head ""Other financial liabilities"" in note no 19.
NCD holders have approved strategic debt Restructuring (SDR) invocation by lenders with reference date as 26th May 2016, which allows lenders to keep account under "Stand-Still Clause" for 18 months from the reference date.

d) 10.75% secured redeemable non convertible debentures were allotted on 3 March, 2011 for a period of 5 years These debentures have a face value of ₹ 0.10 million each aggregating to ₹ 100 million (P.Y. ₹ 250 million). These



Notes to Consolidated Financial Statement for the year ended March 31, 2017

debentures were to be redeemed on March 3, 2016 - ₹ 100 million. Interest rate on the same has remained unchanged at 10.75% p.a.(P.Y. 10.75 % p.a.).The same is secured against charge on land held on stock in trade of the Company and subservient charge on all the property, plant and equipment of the Company. The same is disclosed under the head "Other financial liabiltiies" in note no 19. NCD holders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as 26th May 2016, which allows lenders to keep account under "Stand-Still Clause" for 18 months from the reference date.

The above debentures are listed on The National Stock Exchange of India.

As per Section 71 of the Companies Act, 2013 the Company has created adequate debenture redemption reserve for the above series of secured redeemable non convertible debenture. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, the Company has failed to deposit/invest funds a sum of ₹ 157.5 million Before April 30, 2016 to secure the repayments of debentures maturing during the year 2016-17. The debenture due to mature during the financial year 2016-17 amounted to ₹ 1050 million including debenture stated at point no 1(b) and 1(c) and said were not repaid. The interest on NCD due and outstanding with in 0-30 days ₹ 62.74 million, 61-90 days 15.36 million & >90 days is ₹ 271.10 million.

2 **Term Loan Banks**

a) Term loans also includes the loans taken from Standard Chartered Bank in form of FCNR Loan outstanding amount out of the same is ₹ 93.04 million (P.Y. ₹ 95.01 million) which was due in January 2016 and rate of interest on the same has been LIBOR + 400 i.e. 4.23% p.a.ECB loan has matured (and remains unpaid)

b) The Term loans are secured by first charge on the specific assets acquired out of the term loan alongwith specifically identified unencumbered assets and guarantees. The rates of interest for these loans vary between 10%- 13% (floating) linked to monitoring institution's base rate, with a repayment period of 5-7 years respectively. Term loan includes working capital term loan (WCTL) secured by a first paripassu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Negative lien on shareholding (up to 30% shares) of Patel Engineering Limited held by promoters. The promoters - Mr. Pravin Patel and Mr. Rupen Patel in their personal capacity and Ms. Sonal Patel, Mr. Bhimsen Batra and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a Charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed by respective companies.

c) Includes ₹ Nil (USD Nil) (P.Y. ₹ 928.29 million (USD 14,044,006)) which carries interest which ranging between LIBOR rate plus 3.5% to LIBOR rate plus 4.75% and US prime plus 1% to 6%. It is secured against hypothecation of equipment, receivables and inventories.

d) Term loan amounting to ₹ 2337.46 million were due and outstanding as on 31/03/2017 comprises of ₹ 381.84 million due within 0-30 days, ₹ 179.88 million due within 30-60 days, ₹ 792.50 million and due within more then 90 days is ₹ 983.24 million. Interest on the term loans outstanding of ₹ 884.19 million as on 31/03/2017 comprises of ₹ 207.44 million due within 0-30 days, ₹ 228.92 million due within 30-60 days, ₹ 126.33 million and due within more then 90 days is ₹ 321.50 million.
Term lenders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as 26th May 2016, which allows lenders to keep account under "Stand-Still Clause" for 18 months from the reference date.

e) Includes term loans secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future. Also, Collaterally secured by 51% of the equity shares pledged. The rate of interest is 13.25% and the repayment installment shall be due between April, 2018 to January, 2030.

3 **From others**

a) Includes funds from financial institutions on equipments, secured against the said equipments. These loans carry an interest rate of average between 13%-15.36% on an average, with a repayment period of 3-5 years respectively. This term loan also includes inter corporate deposits with an average rate of interest of 14%-15% with maturity period of 1-3 yrs. Principal due and outstanding on equipment loan of ₹ 33.44 million as on 31/03/2017 comprises of ₹ 4.90 million due within 0-30 days, ₹ 4.86 million due within 30-60 days, ₹ 4.82 million and due within more then 90 days is ₹ 18.86 million.
and interest due and outstanding on equipment loan of ₹ 5.08 million as on 31/03/2017 comprises of ₹ 0.96 million due within 0-30 days, ₹ 0.58 million due within 30-60 days, ₹ 0.63 million and due within more then 90 days is ₹ 2.91 million. Interest due and outstanding on inter corporate deposits of ₹ 3.60 million as on 31/03/2017 which is due within 0-30 days category.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

b) Includes ₹ 152.32 millions (USD 2,353,460) (P.Y. ₹ 116.73 million (USD 1,765,948)) which carries interest which ranging between LIBOR rate plus 3% to LIBOR rate plus 6%. It is secured against hypothecation of equipment.

c) Includes term loans secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future. Also, Collaterally secured by 51% of the equity shares pledged. The rate of interest is 13.25% and the repayment installment shall be due between April, 2018 to January, 2030.

NOTE : 13

TRADE PAYABLES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Trade payables	2,387.22	3,049.61	2,272.22
Capital creditors	19.64	24.75	59.63
	2,406.86	**3,074.36**	**2,331.85**

NOTE : 14

OTHER FINANCIAL LIABILITIES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	17.77	79.86	16.21
	17.77	**79.86**	**16.21**

NOTE : 15

PROVISIONS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Provision for employee benefits (Refer note no 29)						
Provision for gratuity	21.09	20.62	12.75	4.58	4.35	5.83
Provision for leave entitlements	45.02	41.17	37.02	12.46	11.85	12.54
	66.11	**61.79**	**49.77**	**17.05**	**16.20**	**18.37**

NOTE : 16

OTHER NON CURRENT LIABILITY

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Contractee advances	3,921.88	2,588.98	3,184.56
Deposits	440.64	364.31	0.32
Other liability	84.12	602.11	610.78
	4,446.64	**3,555.40**	**3,795.66**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 17

BORROWINGS

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
I Secured loans			
Short term loans			
- From bank [1]	4,271.68	4,323.00	6,410.14
- From financial institution	71.32	300.00	-
Loans repayable on demand			
- From bank [2]	21,510.67	21,120.95	14,976.59
II Unsecured loans			
- From bank [3]	1,233.26	2,470.35	2,816.79
- From related parties	310.07	32.95	4.95
	27,397.00	**28,247.25**	**24,208.46**

Short Term Loan

1 From bank

a) Includes loans by earmarking from bank gurantee limits and short term loans from various banks against various immovable properties of company at interest rate of 12-13% (PY 12-13%) payable within a year. Principal amount due of ₹ 2794.32 million as on 31/03/2017 comprises of ₹ 1366.15 million due within 30-60 days, ₹ 60.39 million and due within more then 90 days is ₹ 1367.78 million and interest outstanding on short term loans of ₹ 1127.51 million as on 31/03/2017 comprises of ₹ 211.89 million due within 0-30 days, ₹ 280.16 million due within 30-60 days, ₹ 133.69 million due within 60-90 days and due within more then 90 days is ₹ 501.76 million.

b) Michigan Engineers Private Limited (MEPL) has availed working capital demand loan includes ₹ 60 million (PY ₹ 60 million) secured by first pari-passu charges on the movable & immovable assets of the company excepts the assets specially charged for project/lease based finance. Interest rate 14% to 15% p.a.

c) MEPL includes cash credit ₹ 246.50 million (PY ₹ 371.70 million) secured by first pari pasu charge on the movable & immovable assets of the company except the assets specifically charged for project/lease based finance and relevant term loan. Interest rate 14% to 15% p.a.

d) MEPL includes cash credit ₹ 153.80 million (PY ₹ 193.20 million) and foreign currency loans of ₹ 35.40 million (P.Y. ₹ 37.96 million) secured by first pari passu charge on the current assets and movable fixed assets (including plant and machinery) of the Company except for the assets specifically charged for relevant term loan. Interest rate on cash credits 14% to 15% p.a. and on foreign currency loan 4% to 5% p.a.

e) Patel Engineering Singapore Pte Ltd. has availed loan from Development Bank of Singapore ₹ Nil (USD Nil) {P.Y. ₹ 661.00 million (USD 10,000,000)} is secured by a standby letter of credit issued by IDBI and Axis bank. Interest is charged at 4.41% to 5.58% (P.Y. 4.41% to 5.58%) p.a.

f) PERL has availed loan from IDBI bank is secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future. Also collaterally secured by 51% of the equity shares pledged. The rate of interest is 13.25%.

2 Loans Repayable on Demand

Includes cash credit and working capital demand loan from various banks. These loans have been given against hypothecation of stocks, spare parts, book debts, work in progress and guarantees;
Terms of Repayment:
Cash credit- yearly renewal, rate of interest ranges between 11.50%-15% p.a. (PY 12.50%-15% p.a.)

3 Unsecured Loan

It includes short term loans from banks of ₹ 1134.02 million as on 31/03/2017 comprises of ₹ 424.95 million due within 61-90 days and due more then 90 days is ₹ 709.06 million.

Note on strategic debt restructuring (SDR)
The lenders to the company have invoked SDR with May 26, 2016 as the reference date. Consequently, the lenders have been allotted equity shares of company aggregating to 51.08% of the total equity share capital of company, by converting certain part of outstanding debt to equity as per SDR Scheme. SDR was invoked so that a new investor can be sought who can bring in additional capital for the revival of the full/part business segment with a long term persepective and allows lenders to effect stand-still clause which may be applicable for 18 months from reference date.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 18

TRADE PAYABLES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Micro small and medium enterprises [1]	6.93	4.66	5.15
Other payables	8,606.66	7,878.82	8,867.33
	8,613.59	**7,883.49**	**8,872.48**

1 The Company has ₹ 6.93 million (PY ₹ 4.66 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2017. Principal amount due to suppliers under the Act is ₹ 5.81 million (P.Y. ₹ 2.07 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.85 million (PY ₹ 0.02 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 4.99 million (PY ₹ 4.45 million). Interest paid to the suppliers under the Act is ₹ 1.68 million (PY ₹ 0.57 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.26 million (PY ₹ 2.57 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 1.12 million (PY ₹ 1.47 million). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006 is ₹ 1.12 million (P.Y. 1.12 million).

The above information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 and has been determined to the extent such parties had been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE : 19

OTHER FINANCIAL LIABILITIES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Current maturities of long-term debt	6,435.05	4,633.02	3,735.57
Interest accrued but not due on borrowings	6.97	83.93	217.47
Interest accrued and due on borrowings	1,667.21	475.21	418.94
Unpaid dividend	1.49	1.76	2.11
Deposits	134.15	259.43	100.50
Other liabilities	36.80	57.46	-
Unpaid matured debentures	1,150.00	200.00	150.00
	9,431.67	**5,710.81**	**4,624.59**

NOTE : 20

OTHER CURRENT LIABILITIES

		March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
(a)	**Other Liabilities**			
	Contractee advances	2,626.15	3,797.63	4,036.92
	Other payables			
	Payable to employees	304.91	269.91	222.33
	Other liabilities	2,814.93	2,005.93	1,508.29
(b)	**Balance in current account**			
	(i) with subsidiaries, associates	0.17	0.17	-
	(ii) with joint ventures	418.76	684.83	328.08
		6,164.92	**6,758.47**	**6,095.62**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 21

REVENUE FROM OPERATIONS

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
(a)	Revenue/turnover (refer note 41 b)	34,250.35	32,617.08
	Add: Increase/(decrease) in work in progress	2,294.81	7,143.15
	Sale of goods	127.22	92.95
	Total turnover	**36,672.37**	**39,853.18**
(b)	Other operating income		
	Lease and service charges [TDS ₹ 0.21 million (P.Y. ₹ 0.25 million)	2.30	1.41
	Share of profit /(loss) from JV /partnership (net)	-	1.21
	Other income	2,163.70	552.85
		38,838.37	**40,408.66**

NOTE : 22

OTHER INCOME

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Dividend income	82.38	-
Gain on sale of assets (net)	90.54	173.40
Other non operating income	503.74	298.97
Interest income (Gross)	1,416.10	859.43
Net gain on foreign currency translation	31.87	-
Excess credit written back	308.98	141.76
Net gain on sale of non current investments	107.53	54.83
	2,541.16	**1,528.39**

NOTE : 23

COST OF CONSTRUCTION

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,523.79	1,608.59
Add : Purchase (net)	4,788.99	6,313.60
	6,312.78	**7,922.19**
Inventories at the end of the year	1,411.66	1,523.79
Consumption of stores and spares	**4,901.12**	**6,398.40**
Purchase of land / development rights	242.37	38.08
Corpus fund to society	21.77	7.91
Piece rate expenses (net)	20,038.52	19,042.61
Repairs to machinery	257.50	11.79
Transportation, hire etc.	2,461.54	3,157.17
Power, electricity and water charges	484.94	312.53
Project developement cost	394.58	768.37
Technical consultancy fees	134.40	87.44
Other construction costs	1,129.53	1,446.11
	30,066.27	**31,270.41**

* Stores, embedded goods and Spares etc., consumed include materials issued to sub contractors.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 24

EMPLOYEE BENEFITS EXPENSE

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Salaries, wages and bonus	1,348.47	1,255.03
Contribution to provident and other funds	88.11	69.49
Employee stock option (ESOP)	-	0.33
Staff welfare expenses	60.77	50.64
	1,497.35	**1,375.49**

NOTE : 25

FINANCE COSTS

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Interest expense	5,424.92	5,715.48
Unwinding of interest component	9.16	12.98
Net loss on foreign currency translations	-	3.14
Other borrowing costs	358.06	284.47
	5,792.14	**6,016.07**

NOTE : 26

OTHER EXPENSES

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
Other administrative costs			
Rent		42.62	41.00
Repairs and maintenance - building		1.35	1.31
Insurance		98.11	100.93
Rates and taxes		268.81	211.17
Advertisement and selling expenses		7.73	1.81
Travelling and conveyance		69.83	73.87
Directors fees		2.93	3.16
Auditor's remuneration			
Audit fees	7.83		8.38
Tax audit fees	1.25		1.25
Taxation matters	2.30		2.30
Company law matters	1.40		1.60
Certification	1.50		1.50
Reimbursement of expenses	-		0.11
		14.27	15.14
Communication expenses		32.51	35.40
Printing and stationery		45.82	35.82
Legal and consultancy charges		310.42	272.91
Irrecoverable debts written off / provided		1,602.17	2,322.76
Sewage water disposal		7.06	1.64
Net loss on foreign currency translation		-	29.20
Preliminary expenses written off		-	2.05
Share of loss from associates / joint ventures		47.33	110.80
Other expenses		415.33	3,504.44
		2,966.26	

Notes to Consolidated Financial Statement for the year ended March 31, 2017

NOTE : 27

EXCEPTIONAL ITEMS:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Provision for impairment on investment / loans and advances	839.56	-
Advances written off	50.22	-
	889.78	**-**

Provision made for impairment based on indication of diminution in value of the investment in / advance to a subsidiary.

28 Details of subsidiaries, associates and joint ventures, which are consolidated:

A) Wholly owned (100%) Subsidiaries:

1. Patel Energy Resources Limited
2. Patel Engineering Inc.
3. Patel Engineering (Mauritius) Limited
4. Patel Engineering (Singapore) Pte. Limited
5. Patel Engineering Infrastructure Limited
6. Patel Concrete and Quarries Private Limited
7. Friends Nirman Private Limited
8. Zeus Minerals Trading Private Limited
9. Patel Patron Private Limited
10. Patel Engineers Private Limited
11. Pandora Infra Private Limited
12. Patel Engineering Lanka Private Limited
13. Shashvat Land Projects Private Limited
14. Vismaya Constructions Private Limited
15. Bhooma Realties Private Limited
16. Patel Lands Limited
17. Energy Design Private Limited
18. Shreeanant Construction Private Limited w.e.f November 25, 2014
19. Patel Land Developers Limited (from 19.09.2016)
20. Patel KNR Infrastructure Limited(from 08.12.2016)
21. Apollo Buildwell Private Limited
22. Arsen Infra Private Limited
23. Hebe Infracon Private Limited (winded up on 30.03.2016)
24. Hera Realcon Private Limited
25. Lucina Realtors Private Limited
26. Nirman Constructions Private Limited (upto 27.12.2016)
27. Praval Developers Private Limited (winded up on 30.03.2016)
28. PBSR Developers Private Limited
29. Waterfront Developers Limited

B) Other Subsidiaries:

	Name of Subsidiaries	% holding
1.	Michigan Engineers Private Limited	51.00%
2.	ASI Constructors Inc.	65.20%

C) Joint Ventures:

	Name of Joint Ventures	% of share
1.	Patel Michigan JV	10.00%
2.	CICO Patel JV	99.90%
3.	Patel SEW JV	60.00%
4.	PATEL –KNR J.V.	50.00%
5.	KNR – PATEL J.V.	49.00%
6.	PATEL – SOMA J.V	50.00%
7.	Patel – V Arks JV	65.00%
8.	Navyuga – Patel – BHEL	42.23%
9.	Patel – Avantika – Deepika – BHEL	52.83%
10.	Patel – V Arks - Precision	60.00%
11.	Age Patel JV	100.00%
12.	PEL - UEIPL JV	60.00%

Notes to Consolidated Financial Statement for the year ended March 31, 2017

LGE&C - Patel JV, Patel - SA JV, ERA Patel Advance Kiran JV, Era Patel Advance JV, Patel APCO JV and Patel - Siddhivinayak JV have not been consolidated as operations of these JV's are almost over and financials are not been prepared on a regular basis.

D) Raichur Sholapur Transmission Company Limited, Terra Land Developers Limited, ACP Tollways Private Limited and PAN Realtors Private Limited (w.e.f. 4th January, 2015) has been consolidated as per equity method in accordance with Ind AS 28 "Investment in Associates and Joint Ventures".

29 EMPLOYEE BENEFITS

I Brief description of the plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Company's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy. The Provident fund scheme additionally requires the Company to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2017 and March 31, 2016:

(i) Expenses recognised in the statement of profit and loss :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	11.70	3.59	17.28
	(10.26)	(1.33)	(14.76)
Interest cost (net)	0.71	0.99	4.00
	(0.08)	(0.41)	(3.49)
Net actuarial (gain) / losses	13.46	(4.06)	(17.60)
	(6.81)	(7.13)	(-9.62)
Total expenses recognized in the statement of profit and loss	**25.86**	**0.52**	**3.67**
	(17.00)	**(8.87)**	**(8.64)**

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognised in balance sheet):

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Present value of funded obligation as at the year end	(68.39)	(11.90)	(51.54)
	(47.52)	(12.41)	(49.62)
Fair value of plan assets as at the year end	39.61	-	-
	38.95	-	-
Funded liability recognized in the balance sheet	(28.78)	(11.90)	(51.54)
	(-8.57)	(-12.41)	(-49.62)

Notes to Consolidated Financial Statement for the year ended March 31, 2017

(iii) Changes in defined benefit obligation :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	47.72	12.41	49.62
	(31.47)	(5.10)	(43.66)
Interest cost	3.85	0.99	4.00
	(2.52)	(0.41)	(3.49)
Current service cost	11.70	3.59	17.28
	(10.26)	(1.33)	(14.76)
Benefit paid	(5.96)	(1.02)	(1.75)
	(-3.71)	(-1.57)	2.68
Actuarial (gains) / losses on obligations	11.09	(4.06)	(17.60)
	(6.98)	(7.13)	9.62
Liability at the end of the year	68.39	11.91	51.54
	(47.52)	(-12.4)	(49.62)

(iv) Changes in the fair value of plan assets:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Fair value of plan assets at the beginning of the year	38.95	-	-
	(32.49)	-	-
Expected return on plan assets	3.14	-	-
	(2.60)	-	-
Contributions by the employer	5.86	-	-
	(7.40)	-	-
Benefit paid	(6.01)	-	-
	(-3.71)	-	-
Actuarial gain on plan assets	(2.32)	-	-
	(0.17)	-	-
Fair value of plan assets at the end of the year	39.61	-	-
	(38.95)	-	-
Total actuarial gain to be recognized	**13.39**	**-**	**-**
	(6.81)	**-**	**-**

(v) Actual return on plan assets

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	3.14	-	-
	(2.60)	-	-
Actuarial gain on plan assets	(2.26)	-	-
	(0.17)	-	-
Actuarial gain on plan assets	0.88	-	-
	(2.77)	-	-

Notes to Consolidated Financial Statement for the year ended March 31, 2017

(vi) The Company expects to contribute ₹ 37.27 million (P.Y. ₹ 20.16 million) to gratuity funded plan in FY 2017-18.

(vii) Percentage of each category of plan assets to total fair value of plan assets:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Insurer managed funds	100%	100%	100%
	100%	100%	100%

(viii) Sensitivity analysis for significant assumption is as below :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Discount rate	8.06%	8.01%	8.06%
	(8.06%)	(8.01%)	(8.06%)
Rate of increase in compensation levels	5.00%	5.00%	5.00%
	(5.00%)	(5.00%)	(5.00%)
Expected rate of return on plan assets	8.06%	-	-
	(8.06%)	-	-
Attrition rate	2.00%	2.00%	2.00%
	(2.00%)	(2.00%)	(2.00%)
Average Age of retirement (years)	60	60	60
	(60)	(60)	(60)

(ix) Experience adjustments

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
On plan obligation (gain)/loss	6.12	(4.12)	(21.12)
	-	(7.82)	(-9.37)
On plan asset (loss)/gain	(2.32)	-	-
	-	-	-

(x) Figure in brackets indicates amounts pertaining to previous year.

30 In view of the amendment in the Service Tax Act, certain projects which were hitherto not liable for service tax became liable to tax by virtue of the said amendment effective 1st July 2012. The amount of service tax payable on such projects is reimbursable by the client as per the contract conditions and the same has been reflected as receivables. However in few cases where the client has not accepted this liability, the same has been debited to the statement of profit and loss.

31 LEASE

The Company has taken various construction equipments under non cancellable operating leases. The future minimum lease payment in respect of these as at March 31, 2017 are as follows:

Minimum lease obligation payable as at March 31	₹ million 2017	₹ million 2016
a) within one year of the Balance Sheet date	110.14	313.95
b) due in a period between one year and five years	83.48	215.63

The Operating lease arrangement, are renewable on a periodic basis and it provides for an option to the Company to renew the lease at the end of the non cancellable period. There is no exceptional / restrictive covenants under the lease arrangement.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

32 EARNING PER SHARE

	2017 ₹ million	2016 ₹ million
Net loss as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of Re. 1 Each	(1,028.89)	(1,961.93)
Weighted average number of equity shares for earning per share	104,707,454	76,806,282
Earning per share (Basic) ₹	(9.83)	(25.54)
Earning per share (Diluted) ₹	(9.83)	(25.54)

33 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24, 'Related Party Disclosures', are given below:

A. Name of Related Parties and nature of relationship :-

Associates:

1 Patel KNR Heavy Infrastructure Limited
2 Terra Land Developers Limited
3 Raichur Sholapur Transmission Company Private Limited
4 Bellona Estate Developers Limited (Through PRIL)
5 ACP Tollways Private Limited
6 PAN Realtors PrivateLimited
7 Patel KNR Infrastructure Limited (upto 08.12.2016)

Partnership

1. AHCL PEL
2. Patel Advance JV

Others

1. Patel Corporation LLP
2. Praham India LLP
3. Patel Realty - Ashoka Developers LLP

B. Key Management Personnel (KMP)

Mr. Pravin A Patel	Executive Chairman & Director of Michigan Engineers Private Limited
Mr. Rupen Patel	Managing Director & Director of Michigan Engineers Private Limited
Mr. Ashwin Parmar	Whole Time Director (resigned to be director w.e.f. 04.04.2016)
Mr. Chittaranjan Kumar Singh	Whole Time Director
Ms. Kavita Shirvaikar	Chief Financial Officer and Whole Time Director (w.e.f. 01.04.2017)
Mr. Nimish Patel	CEO of Patel Energy Resources Limited
Ms. Shobha Shetty	Company Secretary

C. Transaction with related parties with associate companies, partnership and others referred to in item (A) above.

Particular	Associates/ Partnership/Others	
	2016-17	2015-16
- Revenue/Turnover	-	0.76
- Loans / advances repaid	-	0.15
- Loans/advances given	7.09	23.79
- Loan/ advances recovered	406.90	67.12
- Corporate guarantee outstanding as at the end of the year	6143.06	3001.44
- Outstanding balance included in current / non current assets	91.40	1,732.63
- Outstanding balance included in current / non current liabilities	93.93	324.57
- Interest income	0.18	0.13
- Sundry balances written off	396.00	1.95
-'Provision for impairment of investment	55.01	-
-'Provision for impairment of loans and advances	27.30	-

Patel Since 1949

Notes to Consolidated Financial Statement for the year ended March 31, 2017

D. Disclosures of material transactions with related parties with associate companies, partnership firms and others referred to in item (A) above.

Particular	Name of the Company	2016-17	2015-16
- Revenue/turnover	Raichur Sholapur Transmission Company Private Limited	-	0.76
- Loans / advances repaid	Raichur Sholapur Transmission Company Private Limited	-	0.15
- Loans/advances given	AHCL-PEL	-	23.77
	Raichur Solapur Transmission Company Private Limited	3.71	0.01
	Bellona Estate Developers Limited	3.37	-
	Patel KNR Infrastructure Limited	-	0.01
- Loan/ advances recovered	PAN Realtors Private Limited	-	0.29
	AHCL- PEL Partnership Firm	-	66.83
	Bellona Estate Developers Limited	406.89	0.73
- Interest income	PAN Realtors Private Limited	-	0.03
	Patel KNR Infrastructure Limited	-	0.06
	Raichur Solapur Transmission Company Private Limited	0.18	0.04
- Sundry balances written off	Bellona Estate Developers Limited	396.00	-
	ACP Tollways Private Limited	-	1.95
-'Provision for impairment of investment	Patel KNR Heavy Infrastructure Limited	55.01	-
-'Provision for impairment of loans and advances	Patel KNR Heavy Infrastructure Limited	27.30	-

E. Details of transactions relating to persons referred in item (B) above.

₹ million

Particular	2016-17	2015-16
Managerial remuneration	54.66	58.76
Salary and contribution to provident fund	2.19	3.77
Rent income	1.17	1.06
Deposit	0.40	0.40
Loan taken	1.50	33.45
Loan repaid	24.38	0.50
Outstanding balance payable	34.49	60.04
Outstanding balance receivable	0.20	0.20

Notes to Consolidated Financial Statement for the year ended March 31, 2017

34 SEGMENT REPORTING

Primary Segment :

₹ million

Particulars	As at March 31, 2017			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	35,913.66	2,924.69	-	38,838.35
Segment results	(1,602.47)	1,894.04	(112.76)	178.82
Segment assets	78,894.44	5,411.19	12,454.12	96,759.75
Segment liabilities	67,540.25	2,258.07	4,876.81	74,675.12
Addition to fixed assets	1,913.10	0.01	1.07	1,914.18
Segment depreciation	778.06	0.12	2.18	780.36

₹ million

Particulars	As at March 31, 2016			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	39,694.22	714.44	-	40,408.66
Segment results	(967.95)	228.97	(133.03)	(872.01)
Segment assets	85,094.50	5,713.80	4,316.28	95,124.58
Segment liabilities	69,089.08	4,245.34	3,206.99	76,541.41
Addition to fixed assets	551.25	0.12	7.12	558.49
Segment depreciation	542.47	4.72	2.59	549.78

₹ million

Geographical Segment :

Particulars	As at March 31, 2017		
	Domestic Operation	International Operation	Total
Segment revenue	31,219.28	7,619.07	38,838.35
Segment results	1,992.01	(1,813.89)	178.12
Segment assets	91,682.10	5,077.66	96,759.75
Segment liabilities	71,808.03	2,867.09	74,675.12
Addition to fixed assets	1,885.33	28.85	1,914.18
Segment depreciation	537.15	243.21	780.36

₹ million

Particulars	As at March 31, 2016		
	Domestic Operation	International Operation	Total
Segment revenue	29,482.53	10,980.90	40,463.43
Segment results	5,119.76	65.22	5,184.98
Segment assets	93,751.88	6,753.30	100,505.18
Segment liabilities	93,751.88	6,753.30	100,505.18
Addition to fixed assets	347.28	213.31	560.59
Segment depreciation	542.00	7.78	549.78

Notes to Consolidated Financial Statement for the year ended March 31, 2017

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

₹ million

Particulars	As at March 31, 2017	As at March 31, 2016
Revenue from top customer	4,965.95	4,811.12
Revenue from top five customers	14,847.04	16,369.01

35 On November 25th 2016, the allotment committee of the Company has approved the allotment of 8,01,88,409 equity shares of face value ₹ 1 each at a price of ₹ 52.20 per share, which is price for conversion of debt into equity determined as per RBI circular dated 8th June 2015, to the lenders on preferential basis as per strategic debt restructuring scheme (SDR).

36 **BUSINESS COMBINATIONS**

a) Patel Realty (I) Limited (PRIL) is engaged in construction of commercial and residential buildings; primarily know as real estate business. The company holds 100% of the voting power of PRIL.

b) PRIL has been amalgamated with the company with effect from April 1, 2016 ('appointed date') pursuant to the approval of the Hon'ble National Company Law Tribunal in it's order dated 6th of July, 2017 as per pooling of interest method in terms of the Scheme. Consequently, the Company has merged the finanicals of the said subsidiary with its financials as per IND AS 103.

c) The amalgamation has been accounted for under the 'pooling of interests' method as prescribed by Ind AS 103. Accordingly, the assets, liabilities and reserves of PRIL as at April 1, 2016 have been taken over at their book values and in the same form.

d) There is no difference between the amounts recoreded as investment of the company and the of share capital of PRIL.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the following summarised values :

₹ million

Particulars	PRIL
Assets	
Property, plant and equipment	10.99
Investments	176.74
Other financial assets	13.20
Current tax assets	12.16
Other non current assets	0.29
Inventories	2,845.10
Trade receivables	274.96
Cash and cash equivalents	10.01
Loans	2,619.43
Other current assets	578.19
Total assets	**6,541.06**
Less : Liabilities	
Other equity	508.66
Borrowings	2,667.25
Other financial liabilities	236.66
Provisions	6.11
Trade payables	606.16
Deferred tax liabilities	56.47
Other current liabilities	1,459.76
Total liabilities	5,541.06
Investment in PRIL	**1,000.00**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

37 In terms of Provisions of Section 135 of the Companies Act 2013 and rules thereunder, the company is required to spend an amount of ₹ 8.02 million (P.Y. ₹ 6.87 millions) during the financial year on corporate social responsibility (CSR). However, the company has not spent the requisite amount during this financial year.

38 The Company is engaged in providing infrastructural facilities as hence, as per Section 186(11) of Companies Act, 2013, nothing in Section 186 shall apply to the Company except sub-section (1) of Section 186. Accordingly, a separate disclosure has not been given in the financial statements as required under Section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.

39 In case of the Company, confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet. In respect of subsidiaries, debit and credit balances are subject to confirmation from creditors, debtors, sub contractors and loans/advances/deposits. The management does not expect any material difference affecting the financial statements for the year.

40 Disclosure required in accordance with Ind AS - 11 "Constructions Contracts". In respect of contracts entered into on or after 1st April 2003, contract revenue recognized as gross construction ₹ 23,066.98 million (P.Y. ₹ 25,322.52 million) contract costs incurred and recognized profit (less recognized losses) ₹ 154,973.69 million (P.Y. ₹ 135,971.41 million) advance received ₹ 594.46 million (P.Y. ₹ 925.33 million) retention deposit ₹ 2,145.86 million (P.Y. ₹ 1822.44 million) and gross amount due from clients for contract works included under current assets ₹ 29,465.86 million (P.Y. ₹ 27,088.09 million).

41 a) Unbilled work in progress includes stock of land under development (including held in the name of directors/relatives of directors/employees, as nominees of the company).

b) Turnover includes construction of multi purpose projects, water supply projects, irrigation projects, building projects, road and railway projects, on item rate or EPC basis and sale of development rights (net of rebate / cancellation of ₹ Nil (P.Y. ₹ 2000 million)). It also includes duty drawback and entitlement etc but excludes VAT, service tax etc.

c) During the financial year 2010-11, two of Company's hydropower projects in Loharinagpala, in the state of Uttarakhand, awarded by NTPC, were prematurely terminated by Government of India. NTPC has sought details of expenditure incurred, committed costs, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs, as well as other claims of various packages of contractors / vendors for further submission to the Government after compiling all the details of expenses incurred by various contractors working for the project. Management expects that all these cost as well as claims will be recovered in full and hence the cost incurred on the project up to March 31, 2017 ₹ 1,849.70 million (P.Y. ₹ 1,849.70 million) (including hedging cost of ₹ 458.71 million (P.Y. ₹ 458.71 million)) are considered recoverable and billable to the client and hence included under work in progress.

d) Arbitration awards received in favour of the Company amounting to ₹ 855.95 million (P.Y. ₹ 492.24 million) is accounted for as construction Receipts.

42 Arising out of proceedings initiated under section 132 read with Section 153C/143 (2) of Income Tax Act, 1961 by Income Tax Authorities, PERL had offered to reduce by way of disallowances, an aggregate sum of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) from pre-operative expenses / land development expenses incurred by PERL in the past in setting up the Power Plant at Nagapattinam, Tamilnadu. Deputy Commissioner of Income-Tax (DCIT) vide his order dated 25.03.2013 has also held that the above pre-operative expenses, amounting to ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) has to be reduced from the Capital Work in Progress (CWIP) based on the above submissions and as well as other grounds. However, in the opinion of management, considering the realizable value of land, no adjustment is required to be carried out. Due to the above mentioned reduction of land development expenses, for tax purposes, the value of fixed assets reckoned subsequent to allocation of land development / pre-operative expenses to core assets, for computation of depreciation wherever applicable, will be lower to the extent of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million).

43 Ministry Of Coal (MOC) after keeping the request for change in location of the proposed power plant from Bhavnagar area to Pipavav area with in Gujarat State pending for 16 months declined it after the LOA expired. Consequent upon the expiry of Letter Of Assurnace (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees agreegating to ₹ 196.64 millions issued as Commitment Guarantees against LOA. Patel Energy Limited has filed a writ petition at Delhi High Court challenging the decision of MOC refusing to approve the change of location of the said power plant, and also for quashing the unlawful invocation of bank guarantee by SEC and has saught a further direction that the change of location be approved and the LOA be extened in view of the delay by MOC. In the mean time company has represented the matter to the Honourable Minister for Power & Coal and CEA recommended the case to be reviewed and the SLC directed that the case be put up on file for review in

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Ministry of Coal. The matter is under process in Ministry of Coal. The petition in Delhi High Court was last heard on 22.02.2016 and the same is posted for final hearing on 11.08.2016.The Company is confident that requisite clearance shall be obtained and hence the accounts of the company is continued to be complied on “ Going Concern” basis.

44 In respect of 54.12 acres of land acquired by the PEL Power Limited in earlier years, the original owner of the land had filed a case against the vendor from whom PEL Power Limited had purchased these lands questioning his authority to transfer the property to the PEL Power Limited. PEL Power Limited is legally advised that the title to the PEL Power Limited valid and good and there can be no claim against the PEL Power Limited. Notwithstanding the above PEL Power Limited has impleaded itself in the case in order to effectively defend its ownership in the said land.

45 **Derivative transactions :**

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2017 amounting to ₹ 615.13 million (P.Y ₹ 624.89 million).

	Foreign currency exposure outstanding at ₹ million	
Currency	March 31, 2017	**March 31, 2016**
USD	651.71	695.16
EURO	(410.97)	(496.64)
SGD	88.29	87.90
JPY	20.97	21.30
MUR	280.89	268.06
LKR	13.49	48.95
NPR	(29.25)	0.16

46 The Company’s pending litigations comprise of claims by or against the Company primarily by the customers / contractors/ suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of ₹ 1,20,05,193/- and appropriate disclosure for contingent liabilities is given.

47 In one of the subsidiary company namely Bellona Estate Developers Limited (i.e. BEDL), the lender Banks of the BEDL (Union Bank of India, Vijaya Bank and Syndicate Bank) formed the Joint Lenders Forum (‘JLF’) as per circular DBR.BP.BC.No. 101/21.04.132/2014-15 of Reserve Bank of India (‘RBI’). In the meeting of JLF held on October 29,2015, it was decided to invoke the option of strategic debt restructuring (‘SDR’) under which the lenders converted part of their loans and interest outstanding into equity shares of the company so as to hold 51% shareholding in the BEDL.
The board of directors (the Board) of the BEDL approved SDR in its meeting held on January 12,2016 as also agreed to allot 2,60,205 equity shares in the Company to JLF. For this purpose, authorised capital of the BEDL was increased from present ₹ 25,00,000 to ₹ 52,00,000 vide a resolution passed by members of the BEDL in the extra ordinary general meeting held on January 13, 2016. Accordingly, shareholders agreement was executed between the BEDL and JLF member Banks on March 30,2016 and upon allotment of shares to member banks of JLF, BEDL has ceased to be subsidiary of the Company from March 30, 2016.

48 The Company has 100% investment in Waterfront Developers Ltd (Waterfront) and has granted loans and advances amounting to ₹ 84,21,71,807/- (P.Y. ₹ 74,71,70,424/-) till 31st March, 2017. Waterfront has invested in step down subsidiary, Le Salines Development Ltd (“LSDL”). LSDL has undertaken a construction project in Mauritius in the year 2009-10. LSDL had recevied a notice dated 4th June 2015 from the Government of Mauritius for the termination of lease agreement entered on December 11, 2009. Management is of the view that as per the lease agreement lease cannot be terminated on the grounds of clause 14(c) as mentioned in the termination letter. In this regard a notice has been sent to MOHL,Government of Mauritius on 1st July 2016 by LSDL contesting wrongful termination and further PEL and LSDL are exploring the various possibilities to seek compensation from Government of Mauritius. In this case the process of arbitration has been initiated with the Government of Mauritius & PEL/LSDL is confident to get the such compensation.

49 PEL Port Private Limited was primarily incorporated to build a captive port to cater to the needs of PEL Power Limited which is engaged in setting up a merchant power plant with capacity of 1045MW at Maruthampallam Village, Nagapattinam district in Tamil Nadu. There is a delay in commencement of construction of power plant due to delay in getting consent for establishment from government of Tamilnadu. PEL Power Limited is confident in getting the clearance in the near

Notes to Consolidated Financial Statement for the year ended March 31, 2017

future. Since the captive port project is closely interlinked with the above power project and in view of the long term potential of that project, the accounts of PEL Port Private Limited are compiled on "going concern" basis.

50 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 301.00 million (P.Y. ₹ 132.16 million), advance paid ₹ 47.95 million (P.Y. ₹ 33.43 million). The company is under commitment to construct specific area for land owner.

(b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 13,010.00 million (P.Y. ₹ 14,800.40 million) (including Customs ₹ 109.17 million (P.Y. ₹ 109.17 million)) Entry Tax ₹ 37.57 million (P.Y. ₹ 37.57 million) for the current year includes guarantees given in US$ Nil (P.Y. US$ 10.00 million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 9889.50 million (P.Y. ₹ 14,400.16 million).

(c) The Company has received an amount of ₹ 12.74 million in 1997 against arbitration award in its favour. The client has preferred an appeal against above award claiming an amount of ₹ 213.32 million (P.Y. ₹ 213.32 million) before the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

(d) Service tax liability that may arise on matters in appeal ₹ 2,321.78 million (P.Y. ₹ 1,085.92 million) and advance paid ₹ 82.92 million (P.Y. ₹ 20.00 million). Out of the above, ₹ 1810.02 million (P.Y. ₹ 1,085.92 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 105.29 million (P.Y. ₹105.95 million) (Advance paid ₹ 18.57 million (P.Y. ₹ 18.68 million)), Cess ₹ 110.42 million (P.Y. ₹ 107.81 million), Custom Duty ₹ 17.62 million (P.Y. ₹ 17.62 million) (Advance paid ₹ 8.46 million (P.Y. ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 1,511.19 million (P.Y. ₹ 3671.77 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 9.52 million (P.Y. ₹ 9.52 million) and advance Paid ₹ 2.38 million (P.Y. 2.38 million)

(h) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, manangement believes that these case will not adversely effect its financial statement.

(i) A part of the immovable property belonging to the company shown under inventories has been offered as security in favour of a bank against credit facilities availed by a JDA partner.

(j) The Company has provided a "cost overrun undertaking" for its associates (BEDP) to a lender.

(k) Proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 for the past assesment years initiated quantum currently not ascertainable, are being contested by the Company.

(l) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 11.35 million), against which amount of ₹ 0.50 million (P.Y. ₹ 5.78 million and bank guarantee for balance amount) have been paid.

(m) Michigan Engineers Private Limited has received show cause cum demand notices for a sum of ₹ 108.24 million (P.Y. ₹108.24 million) from service tax department pertaining to the financial years 2006-07 to 2010-11 and 2012-13.

(n) Income Tax Demand of ₹ 36.56 million (P.Y. ₹ 36.56 million) for various subsidiaries for earlier years for which they have preferred an appeal which is pending at various forums.

(o) In respect of Shreeanant Construction Private Limited, a SLP was filed in the Supreme Court by the State Govt. of Arunachal Pradesh against the judgement of the Hon'ble Guwahati High Court in favour of the Company abolishing the Arunachal Pradesh Goods Taxation Act, 2005 as it was unconstitutional in nature. Still the matter is pending before the Supreme Court and hearings are going on. Further, a Writ petition was filed by the Company in the Guwahati High Court challenging the validity of newly enacted Arunachal Pradesh Entry Tax Act,2010. The Hon'ble Court has granted interim stay on the payment of Entry Tax subject to the furnishing of Bank Guarantee of the equivalent amount. The matter is still pending and final judgement is yet to be delivered. But in case of adverse judgement there may be outflow towards Entry Tax liability on import of goods from outside of Arunachal Pradesh. However the management feels that likelihood of outflow of resources is remote.

(p) Claims not acknowledged as debt in respect of Solar Power Plant project in joint venturewith Savitar Solear Power Systems Pvt. Ltd. ₹ 303.26 million.

Patel Since 1949

Notes to Consolidated Financial Statement for the year ended March 31, 2017

51 **The Company has made an Investment in Patel KNR Infrastructure Ltd, a subsidiary of the Company, which is held for sale. The details of the net assets pertaining to the asset held for disposal is given below -**

Particulars	₹ (in million)
Assets	
Property, plant and equipment	4.21
Other financial assets (Non-current)	2,255.01
Deposits	0.03
Other financial assets (Current)	658.80
Current tax assets	66.55
Trade receivables	9.88
Cash and cash equivalents	672.40
Other current assets	1.71
Total assets	**3,668.57**
Less : Liabilities	
Other equity	1.43
Minority Interest	148.00
Borrowings (Non-Current)	2,883.38
Provisions (Non-Current)	198.09
Borrowings (Current)	205.30
Trade payables	1.92
Provisions (Current)	7.29
Other current liabilities	1.16
Total liabilities	**3,446.57**
Net Asset	222.00
Less : Provision for impairment	72.00
Asset held for sale	**150.00**

Notes to Consolidated Financial Statement for the year ended March 31, 2017

52 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries / associates / joint ventures:

	Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit and loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
	Parent				
	Patel Engineering Limited	98.85%	21,830.13	-69.38%	412.12
	Subsidiaries				
	Indian				
1	Patel Lands Developers Limited	0.00%	0.10	0.00%	-
2	Apollo Buildwell Private Limited	-0.06%	(12.63)	0.36%	(2.13)
3	Arsen Infra Private Limited	0.01%	1.16	0.39%	(2.31)
4	Lucina Realtors Private Limited	0.00%	0.63	0.01%	(0.07)
5	Hera Realcon Private Limited - (97.13%)	0.00%	(0.63)	0.02%	(0.15)
6	PBSR Developers Private Limited	-0.09%	(19.51)	0.62%	(3.68)
7	Waterfront Developers Limited	-0.44%	(98.05)	5.36%	(31.84)
8	Patel Energy Resources Limited	8.62%	1,903.21	2.04%	(12.09)
9	Patel Engineering Infrastructure Limited	0.21%	46.10	0.00%	-
10	Patel Concrete and Quarries Private Limited	0.00%	0.69	0.02%	(0.10)
11	Friends Nirman Private Limited	0.02%	3.75	-0.32%	1.87
12	Zeus Minerals Trading Private Limited	0.00%	0.28	0.01%	(0.06)
13	Patel Patron Private Limited	0.63%	139.04	0.01%	(0.05)
14	Patel Engineers Private Limited	0.42%	93.75	0.05%	(0.31)
15	Pandora Infra Private Limited	0.31%	68.95	0.01%	(0.06)
16	Shashvat Land Projects Private Limited	0.35%	77.65	0.01%	(0.05)
17	Vismaya Constructions Private Limited	0.24%	54.09	0.01%	(0.05)
18	Bhooma Realties Private Limited	0.32%	70.83	0.02%	(0.13)
19	Patel Lands Limited	0.00%	0.35	0.01%	(0.03)
20	Energy Design Private Limited	-0.24%	(51.92)	1.86%	(11.06)
21	Shreeanant Construction Private Limited	-0.06%	(14.34)	1.39%	(8.24)
22	Michigan Engineers Private Limited	2.29%	505.59	-4.68%	27.78
23	Patel KNR Infrastructure Limited	0.70%	154.80	0.11%	(0.66)
	Foreign				
1	Patel Engineering Inc.	1.64%	361.57	19.87%	(118.02)
2	Patel Engineering (Mauritius) Limited	0.00%	0.50	0.20%	(1.19)
3	Patel Engineering (Singapore) Pte. Limited	-0.05%	(10.03)	0.07%	(0.44)
4	Patel Engineering Lanka (Private) Limited	0.42%	91.79	-0.49%	2.90
5	ASI Constructors Inc.	9.53%	2,105.22	215.75%	(1,281.53)

Notes to Consolidated Financial Statement for the year ended March 31, 2017

	Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit and loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
	Joint Ventures				
1	Patel Michigan JV	0.05%	10.42	-0.06%	0.36
2	CICO Patel JV	0.29%	63.09	-0.25%	1.50
3	Patel SEW JV	2.46%	543.16	-0.38%	2.25
4	KNR Patel JV	-0.08%	(18.39)	0.08%	(0.49)
5	Patel KNR JV	0.25%	54.67	7.47%	(44.38)
6	Navyuga-Patel - BHEL Consortium	0.89%	195.93	-1.90%	11.28
7	Patel V Arks Precision Consortium	0.01%	3.09	-0.07%	0.43
8	Patel SOMA JV	0.00%	0.78	-0.70%	4.14
9	Patel V Arks JV	0.01%	2.10	0.00%	(0.01)
10	Patel Avantika Deepika BHEL Consortium	0.02%	4.76	-0.04%	0.25
	Associate (as per proportionate consolidation/Investment as per the equity method)				
1	ACP Tollways Private Limited	20.16%	4,451.24	87.55%	(520.04)
2	Raichur Sholapur Transmission Company Limited	3.26%	720.03	4.92%	(29.22)
3	Terra Land Developers Limited	-1.87%	(412.94)	0.01%	(0.07)
4	Pan Realtors Private Limited	-0.02%	(3.68)	60.79%	(361.11)

Note : 53

Category -wise classification of financials instruments

₹ million

Financial assets measured at amortised cost	Non Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investments	1,381.92	1,643.69	1,764.13	150.00	-	-
Trade receivables	8,084.11	7,539.36	8,501.34	2,539.24	5,140.42	5,681.73
Loans	452.71	250.81	45.84	642.46	528.24	845.39
Deferred finance cost	119.51	75.34	67.15	-	-	-
Secured deposit	6.60	-	-	56.63	-	-
Cash and cash equivalents	-	-	-	603.38	623.75	1,488.50
Other bank balances	-	-	-	3.19	18.12	103.02

Notes to Consolidated Financial Statement for the year ended March 31, 2017

₹ million

Financial liabilities measured at amortised cost	Non Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings	15,987.72	21,074.47	23,454.89	27,397.00	28,247.25	24,208.46
Trade payables	2,406.86	3,074.36	2,331.85	8,613.59	7,883.49	8,872.48
Other financial liabilities	17.77	79.86	16.21	9,431.67	5,710.81	4,624.59

Note : 54

Fair value measurements

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at 31st March, 2017

₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at 31.03.2017	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	1,381.92	-	-	1,381.92

As at 31st March, 2016

₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at 31.03.2016	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	1,643.69	-	-	1,643.69

As at 01st April, 2015

₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at 31.03.2015	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	1,764.13	-	-	1,764.13

ii) Financial instrument measured at amortised cost

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be recieved or settled.

Note : 55

Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and

Notes to Consolidated Financial Statement for the year ended March 31, 2017

the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has fixed interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ million

Currency	Liabilities			Assets		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
EURO	438.19	533.32	552.68	27.21	36.68	41.93
JPY	-	-	-	20.97	21.30	18.93
LKR	-	-	-	13.49	0.00	-
MUR	-	-	-	280.89	54.21	-
NPR	1,168.61	-	-	1,139.36	-	-
USD	145.35	113.47	143.46	797.06	789.63	34.22
SGD	7.24	7.63	7.10	95.53	-	-

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note no. 45

Sensitivity analysis

The Company is mainly exposed to changes in EURO, as NPR is to be repaid at fixed rate; hence the Company is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ million

	Effect on profit after tax			Effect on total equity		
Change in EURO rate	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
+5%	(20.58)	(24.85)	(25.54)	(20.58)	(24.85)	(25.54)
-5%	20.58	24.85	25.54	20.58	24.85	25.54

Notes to Consolidated Financial Statement for the year ended March 31, 2017

c) **Equity price risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

As at 31st March 2017, the exposure to listed equity securities at fair value was Nil. Since none of the investments are measured at FVTPL, there is no price risk, hence no impact on profit /loss.

2) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

3) **Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At 31st March, 2017				
Borrowings	36,656.23	15,987.72	-	52,643.95
Trade payables	8,613.59	2,406.86	-	11,020.45
Other financial liability	-	17.77	-	17.77
At 31st March, 2016				
Borrowings	33,639.41	21,074.47	-	54,713.88
Trade payables	7,883.49	3,074.36	-	10,957.85
Other financial liability	-	79.86	-	79.86
At 01st April, 2015				
Borrowings	28,730.44	23,454.89	-	52,185.33
Trade payables	8,872.48	2,331.85	-	11,204.33
Other financial liability	-	16.21	-	16.21

Note : 56

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.
As at 31st March, 2017, the Company has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01.04.2015
Total debt	52,661.72	54,793.74	52,201.54
Total equity	21,388.45	17,125.81	19,202.22
Total debt to total equity ratio (gearing ratio)	2.46	3.20	2.72

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

57 Pension Plans

ASI Constructors Inc (ASI), a subsidiary of the Company participates in several multi-employer defined pension plans in connection with collective bargaining agreements with the various unions. The plans cover all employees who are members of the unions. For the years ended March 31, 2017 and 2016, the pension expense was ₹ 74.12 million ($ 1,145,168) and ₹ 122.42 million ($1,852,053), respectively.

ASI's participation in these plans for the annual period ended March 31, 2017, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2017 and 2016 is for the plan's year beginning in 2016 and 2015, respectively. The zone status is based on information that ASI received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The funding status of the plans for plan years beginning in 2017 was not readily available at the time these financial statements were issued. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject.

Notes to Consolidated Financial Statement for the year ended March 31, 2017

Pension Fund		Minnesota Laborers Central Pension Fund	Central Laborers' Pension Funds	Twin City Carpenters & Joiners Fringe Benefit Fund	Building Trades United Pension Trust Fund	Laborers' District Council and Contractors' Pension Fund Of Ohio	Ohio Operating Engineers Pension Fund	Minnesota Cement Masons and Plasterers Pension Fund	Central Pension Fund of the International Union of Operating Engineers and participating Employers (MN and IL)
EIN/Pension Plan Number		41-6159599 / 001	37-6052379 / 001	41-6043137 / 001	51-6049409 / 001	31-6129964 / 001	31-6129968 / 001	51-6096906/ 001	36-6052390 / 001
Pension Protection Act Zone Status (plan year beginning)	2016	Green	Yellow	Green	Green	Green	Green	Green	Green
	2015	Green	Red	Yellow	Green	Green	Green	Green	Green
FIP/RP Status Pending/ implemented		N/A	RP Implemented	RP Implemented	N/A	N/A	N/A	N/A	N/A
Contributions of ECI, Inc.	2017	42.46	9.49	4.83	-	0.01	0.08	2.81	14.44
	2016	44.14	25.43	7.34	0.15	1.49	4.80	0.96	38.11
Surcharge imposed		N/A	No	No	No	No	No	No	N/A
Expiration Date of Collective Bargaining Agreement		April 30, 2017	April 30, 2017	April 30, 2017	May 31, 2017	April 30, 2017	April 30, 2017	March 31, 2017	April 30, 2017

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a) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

b) Figure in brackets indicates amounts pertaining to previous year.

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : December 15, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PATEL ENGINEERING LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone Ind AS financial statements of **Patel Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information, and which includes merged entity Patel Realty (India) Ltd and Joint operations (hereinafter referred to as "the Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit and Loss(financial performance including other comprehensive income),cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Basis of Qualified Opinion:

The independent Auditors of, Patel Realty (India) Ltd ("PRIL"), the erstwhile subsidiary company, have qualified in their audit report on the standalone Ind AS financial statement for the year ended 31st March 2017 with respect to:

The company is in process of being compliant with provisions of Section 203 of the Companies Act, 2013 which pertains to appointment of Key Managerial Person. (PRIL)

Qualified Opinion:

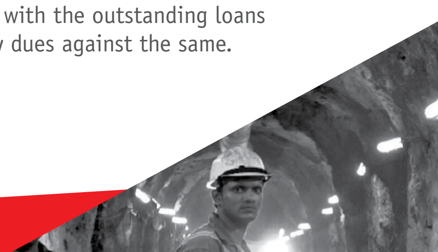
In our opinion and to the best of our information and according to the explanations given to us, except for matter described in paragraph "Basis of qualified Opinion", the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We invite attention to:

a) The independent Auditors of, Patel Realty (India) Ltd. ("PRIL"), an erstwhile Subsidiary company, have without qualifying their audit report on the Standalone Ind AS financial statement for the year ended March 31, 2017 have drawn attention with respect to:

   i. Note No. 44 detailing about the Company Bellona Estate Developers Limited which ceased to be a subsidiary of the company from March 30, 2016 after invoking of Strategic Debt Restructuring (SDR). The Company has written off ₹ 398.50 million as irrecoverable in the current Financial Year. The management has decided to write off its investments along with the outstanding loans after adjusting any dues against the same.



ii. Note No. 45 regarding Company's investment and loans and advances in Waterfront Developers Limited, where notice dated June 04, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of arbitration has been initiated with the Government of Mauritius.

Our report is not modified with respect to above matter.

Other Matters

a) The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015, included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 on which we issued auditor's reports to the shareholder of the company dated May 30, 2016 and June 15, 2015, respectively. Those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition of Ind AS, which have also been audited by us.

b) The Standalone Ind AS financial statements includes the financial statements of 3 joint operations which have not been audited by their auditors, whose financial statements have been prepared and certified by the Management. These financial statements reflect the Net Total Assets of ₹ 251.38 million as at March 31, 2017, Company's share in total revenue after elimination is ₹ 471.76 million, total loss (net) after tax of ₹ 28.95 million, total comprehensive income (net) of ₹ Nil and Net cash outflow amounting to ₹ 21.13 million for the year ended on that date, as considered in these Standalone Ind AS financial statements. The separate set of financials of these joint operations for the year ended March 31, 2017, March 31, 2016 and the transition date opening Balance sheet as at April 1, 2015 is in accordance with accounting principles generally accepted in India, including Ind AS. The consequential effects, if any, arising out of the audit of those entities are not ascertainable presently.

c) The Standalone Ind AS financial statement also includes the financial statement of 9 joint operations which have been audited by other auditors, whose financial statement reflect the net total assets of ₹ 596.33 million as at March 31, 2017, Company's share in total revenue after elimination is ₹ 745.68 million, total loss (net) after tax of ₹ 0.64 million, total comprehensive income (net) of ₹ Nil and Net cash inflow amounting to ₹ 53.59 million for the year ended on that date, as considered in these Standalone Ind AS financial statements. The Company had prepared separate set of financials of these joint operations for the year ended March 31,2017, March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) and which have been audited for the year by the other auditors under generally accepted auditing standards applicable in India. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. Our opinion in so far it relates to the amounts and disclosure in respect of these joint operations is solely based on the report of the other auditors.

d) Note No 35 with respect to merger of Patel Realty (India) Ltd, the erstwhile subsidiary, as per the order of National Company Law Tribunal (NCLT) dated July 6, 2017 with effect from April 1, 2016. Accordingly, the financial statements of the merged entity have been included as per the Ind AS 103 -Business Combination under "Pooling of Interest Method" for the year ended March 31, 2017 and March 31, 2016 respectively. The Standalone Ind AS financials statements of the erstwhile subsidiary has been audited by the other auditors whose report has been furnished to us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1) As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) except for the matter described in the paragraph of "Basis of qualified opinion", in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statement of change in equity dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. the Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its Standalone Ind AS financial statements to the extent determinable/ascertainable. - Refer Note 46 to the Standalone Ind AS financial statements;

ii. the Company has made provision as at March, 31,2017 as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contract.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holding as well as dealing in Specified Bank Note during the period from November 8, 2016 to December 30, 2016. Based on the audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note 10A(i) to the Standalone Ind AS financial statements.

For Vatsaraj & Co.
Chartered Accountants
Firm Registration Number: 111327W

CA Dr. B. K. Vatsaraj
Partner
Membership Number: 39894

Mumbai,
July 24, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date to the members of Patel Engineering Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2017.

i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties recorded as fixed assets in the books of accounts of the Company as on March 31, 2017 are held in the name of the Company, except for the details given below:

In respect of freehold lands with gross block and net block of ₹ 30.45 million and building with gross block of ₹ 5.53 million and net block of ₹ 3.87 million in the name of directors and their relatives.

ii As explained to us, the Inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii (A) According to the information and explanation given to us, the Company's has not granted any loan, secured or unsecured to companies, firms, limited liability partnership firm or other parties, covered in the register maintained under section 189 of the Companies Act 2013. Accordingly Paragraph 3 (iii)(a), 3 (iii)(b) and 3(iii)(c) of the order are not applicable to the Company.

(B) The Independent auditor of, Patel Realty (India) Ltd ("PRIL"), an erstwhile subsidiary company has reported that the company has granted loans to 7 subsidiaries and 1 associate, covered in the register maintained under section 189 of the Companies Act 2013:

a) The terms and conditions whereof are prima facie, not prejudicial to the interest of the company

b) These loans repayable on demand, there is no stipulation for repayment of the principal and interest. We are informed that the company has not demanded repayment of any such loans and interest during the year, and thus, there has been no default on the part of the parties to whom money has been lent. Also refer (c) below.

c) Except for the sum of ₹ 556.60 millions receivable from subsidiaries which are written off, there is no overdue amount of loans granted to companies listed in the register maintained under section 189 of the Act.

iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of the loans, investments, guarantees and security.

v The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly Paragraph 3(v) of the Order is not applicable to the Company.

vi We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost record under sub section (1) of section 148 of the Companies Act in respect to company's products/ services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii (a) According to the information and explanations given to us and for the records of the Company examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities except for the Sales Tax, Entry Tax, Service Tax, Municipality Tax, Income Tax and Professional Tax totaling to ₹ 416.50 million outstanding as at March 31, 2017 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Particulars	Nature of the Dues	Financial Year to which amount relates	Amounts in million (₹)	Forum where dispute is pending
The Sales Tax Act	Sales Tax	2001-2002 to 2003-2004	14.99	Appellate Tribunal
		2005-2006, 2006-2007, 2009-2010 and 2011-2012	47.88	Appellate Tribunal, Kolkata
		2007-2008	10.69	Deputy Commissioner Appellate -III, Mumbai
		2007-2008, 2008-2009,2010-2011 and 2012-2013	13.16	Senior Joint Commissioner, Siliguri
Entry Tax	Entry Tax	2015-2016	6.95	Joint Commissioner of Commercial Tax
The Finance Act, 1994	Service Tax	2007-2008 to 2012-2013	323.20	Custom, Excise and Service Tax Appellate Tribunal (CESTAT)
		April 2003 to July 2006	2.54	
		October 2009 to September 2010	108.31	
		June 2007 to September 2009	651.88	
		April 2010-March 2013	623.22	
		April 2013 to March 2016	17.96	Appeal is yet to be filed to CESTAT.
The Income Tax Act,1961	Income Tax	2010-2011, 2011-2012 and 2013-2014	997.50	Commissioner of Income Tax (Appeals)
		2009-2010 and 2012-2013	391.30	Income Tax Appellate Tribunal
With respect to merged Company (Patel Realty (I) Ltd).				
The Finance Act, 1994	Service Tax	November 2009 to June 2012	404.69	Custom, Excise and Service Tax Appellate Tribunal
		July 2012 to March 2014	41.49	
		April 2014 to March 2015	65.58	Commissioner of Service Tax
Income Tax Act, 1961	Income Tax	2008-2009 to 2010-2011	Amount not quantified	Commissioner of Income Tax (Appeals)
		2011-2012	1.22	
		2012-2013	1.12	
		2013-2014	120.06	
			3843.74	

viii There are no loans or borrowings payable to government. The Company has defaulted in repayment of following dues to the financial institution, banks and debenture holders during the year, which were paid on before the balance sheet date.

Debenture Holders

Amounts in million (₹)

Particular	Days	Principal	Interest
Axis Bank Limited– Non-Convertible	61-90	100.00	-
GIC- Non-Convertible	1-30		2.71
	>90	-	5.39
LIC- Non-Convertible	>90	-	42.50
Syndicate Bank-Non Convertible	>90	-	6.69
UCO Bank-Non Convertible	>90	-	10.03

Banks

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
Axis Bank Limited	1-30	-	246.23	7.47
	31-60	-	25.47	32.13
	61-90	-	-	78.72
	>90	-	139.09	41.25
Bank of Baroda	1-30	-	77.44	12.92
	31-60	-	61.98	273.18
	61-90	-	-	8.11
	>90	-	115.37	20.59
Bank of India	1-30	-	19.97	35.56
	31-60	-	-	45.81
	61-90	-	-	46.14
	>90	-	-	255.85
Bank of Maharashtra	1-30	-	-	2.06
	31-60	14.36	-	2.04
	61-90	-	-	14.84
	>90	56.25	198.89	106.46
Canara Bank	1-30	-	-	65.03
	31-60	-	-	43.17
	61-90	-	-	25.82
	>90	-	-	75.02
Corporation Bank	1-30	-	-	17.29
	31-60	-	-	18.23
	61-90	-	-	16.33
	>90	-	-	94.86
DBS Bank Limited	1-30	15.08	-	1.05
	61-90	-	-	0.60
	>90	60.25	-	183.63
Dena Bank	1-30	-	-	11.21
	31-60	-	-	11.90
	61-90	-	-	23.62
	>90	-	49.97	251.11

Patel Since 1949

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
Exim Bank	1-30	83.57	-	60.95
	31-60	-	-	23.66
	61-90	-	-	12.06
	>90	-	-	11.72
HDFC Bank Limited	61-90	4.34	-	1.10
	>90	31.46	-	6.64
ICICI Bank Limited	1-30	-	29.83	40.41
	31-60	-	1105.04	65.96
	61-90	-	-	13.96
	>90	90	-	
IDBI Bank Limited	1-30	-	53.96	196.66
	31-60	-	-	6.44
	61-90	-	12.24	
	>90	-	-	6.44
Indusind Bank limited	1-30	-	-	15.54
	31-60	-	-	15.34
	61-90	-	-	7.60
	>90	-	-	23.10
Ratnakar Bank Limited	1-30	-	-	7.07
	31-60	-	-	5.84
	61-90	-	-	2.53
	>90	-	-	5.71
Society General Bank	31-60	-	-	11.73
	>90	-	-	28.28
Standard Chartered Bank	1-30	-	-	5.87
	31-60	-	-	15.74
	61-90	-	-	15.43
	>90	-	-	100.28
State Bank of Patiala	1-30	252.80	-	118.69
	61-90	20.58	-	20.74
Union Bank of India	30-Jan	-	-	0.84
	31-60	-	-	0.86
	>90	-	-	0.33

Financial Institutions

Amounts in million (₹)

Particular	Days	Principal	Interest
KIC Food Product P Ltd.	1-30	-	5.39
Viniyog Investment and Trade	1-30	50.42	8.95
Srei Equipment Finance Ltd.	1-30	8.13	7.17
	31-60	8.13	7.42
	61-90	8.13	1.34
	>90	8.13	6.46
Tata Motors Finance Ltd	1-30	2.26	0.07
	>90	0.39	-

The Company has defaulted in repayment of following dues to the financial institution, banks and debenture holders during the year, which were not paid as at the balance sheet date:

Debenture Holders

Amounts in million (₹)

Particular	Days	Principal	Interest
Axis Bank limited- Non-Convertible	61-90	-	15.36
	>90	500.00	58.68
IDBI Bank Limited- Non-Convertible	>90	150.00	38.10
LIC- Non-Convertible	1-30	-	41.79
	>90	-	124.30
UCO Bank- Non-Convertible	>90	150.00	18.71
Corporation Bank- Non-Convertible	>90	150.00	19.02
GIC- Non-Convertible	>90	100.00	-
Syndicate Bank- Non-Convertible	>90	100.00	12.31

Banks

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
Axis Bank Limited	1-30	43.13	-	-
	31-60	-	342.05	68.84
	61-90	-	-	33.72
	>90	31.88	184.12	145.16
Bank of Baroda	31-60	-	57.51	-
	61-90	-	14.43	-
	>90	-	597.82	-
Bank of India	31-60	-	-	91.85
	61-90	56.25	-	25.90
	>90	-	769.96	1.86
Bank of Maharashtra	1-30	-	-	5.81
	31-60	-	-	55.65
	61-90	56.25	-	29.94
	>90	41.89	-	129.00
Canara Bank	1-30	-	-	6.26
Corporation Bank	31-60	-	627.37	10.05
DBS Bank Limited	31-60	-	-	50.22
	61-90	-	-	24.44
	>90	-	-	49.41
Dena Bank	31-60	-	-	57.90
	61-90	500.00	-	37.98
	>90	750.00	-	31.57
Exim Bank	1-30	112.50	-	-
	31-60	150.00	-	10.99
	61-90	150.00	-	-
	>90	66.43	-	-
HDFC Bank Limited	1-30	4.90	-	0.96
	31-60	4.86	-	0.58
	61-90	4.82	-	0.63
	>90	18.86	-	2.91
ICICI Bank Limited	31-60	-	-	64.36
	61-90	30.00	424.95	32.18
	>90	-	524.94	41.37

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
IDBI Bank Limited	1-30	-	-	16.91
	31-60	-	339.22	19.70
	61-90	-	-	29.68
	>90	-	-	148.06
Indusind Bank Limited	31-60	29.88	-	14.13
	61-90	45.97	-	7.17
Ratnakar Bank Limited	31-60	-	-	9.35
	61-90	-	-	5.51
	>90	-	-	33.76
Society General Bank	31-60	-	-	17.77
	61-90	-	-	9.21
	>90	-	-	71.77
Standard Chartered Bank	1-30	-	-	12.35
	31-60	-	-	38.28
	61-90	-	-	24.31
	>90	93.04	-	171.30
State Bank of Patiala	1-30	-	-	3.32

ix According to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to information and explanation given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have we been informed of such case by the management.

xi According to the information and explanations given to us, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii In our opinion and according the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity share during the year to the lenders as per Strategic Debt Restructuring Scheme (SDR) as stated in note no 34 of the Standalone Ind AS financial statements. In our opinion, the Company has complied with the requirements of section 42 of the Act and Rules framed there under. The amounts so raised have been used for the purposes for which the funds were raised. However, the Company has not made any private placement of shares or fully or partly convertible debentures during the year under review.

xv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Vatsaraj & Co.
Chartered Accountants
Firm Registration Number: 111327W

CA Dr. B. K. Vatsaraj
Partner
Membership Number: 39894

Mumbai,
July 24, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) under "Report on other legal and regulatory requirement" section of our report of even date to the members of Patel Engineering Limited on the standalone Ind AS financial statements for the year ended March 31, 2017.

Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013.

1. We have audited the internal financial controls over financial reporting of Patel Engineering Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls over financial reporting of Patel Realty (India) Limited (Merged Company). The internal financial control over financial reporting of this Merged Company has been audited by their independent auditor whose report has been furnished to us, and our opinion in so far as it relates to the internal financial control over financial reporting included in respect to merged Company, is based solely on the report of their auditor.

Our opinion is not modified in respect of this matter.

For Vatsaraj & Co.
Chartered Accountants
Firm Registration Number: 111327W

CA Dr. B. K. Vatsaraj
Partner
Membership Number: 39894

Mumbai,
July 24, 2017

Balance Sheet as at March 31, 2017

				Notes	As at March 31, 2017 ₹ million	As at March 31, 2016 ₹ million	As at April 1, 2015 ₹ million
I.	**ASSETS**						
	1	**Non-current assets**					
		(a)	Property, plant and equipment	2	2,932.40	1,836.46	2,158.36
		(b)	Capital work-in-progress		52.93	1,007.60	42.25
		(c)	Intangible assets		1.86	1.94	2.68
		(d)	Financial assets				
			(i) Investments	3	4,950.41	5,152.16	6,067.69
			(ii) Trade receivables	4	8,101.51	7,567.27	8,545.11
			(iii) Loans	5	10,115.81	8,793.49	6,640.39
			(iv) Other financial assets	6	126.11	80.30	67.15
		(e)	Deferred tax assets (net)	7	474.38	164.49	60.54
		(f)	Current tax assets (net)	8	2,707.63	2,880.81	2,322.40
		(g)	Other non current assets	9	7,794.12	5,586.92	6,647.37
	Total non current assets				**37,257.16**	**33,071.44**	**32,553.94**
	2	**Current assets**					
		(a)	Inventories	10	42,587.08	40,756.51	31,127.89
		(b)	Financial assets				
			(i) Trade receivables	4	1,898.81	2,363.19	4,420.83
			(ii) Cash and cash equivalents	10A	523.31	415.48	853.84
			(iii) Other bank balances	10B	1.29	18.06	33.33
			(iv) Loans	5	1,774.25	2,828.16	2,991.09
			(v) Other financial assets	6	56.63	8.24	-
		(c)	Other current assets	9	5,206.56	6,547.03	4,254.66
		(d)	Assets classified as held for sale	3	150.00	2.50	-
	Total current assets				**52,197.93**	**52,939.17**	**43,681.64**
	TOTAL ASSETS				**89,455.09**	**86,010.61**	**76,235.58**
II.	**EQUITY AND LIABILITIES**						
	1	**Equity**					
		(a)	Equity share capital	11	156.99	76.81	76.81
		(b)	Other equity		21,673.14	17,327.76	17,011.26
	Total equity				**21,830.13**	**17,404.57**	**17,088.07**
	2	**Liabilities**					
		Non current liabilities					
		(a)	Financial liabilities				
			(i) Borrowings	12	11,957.63	17,097.78	16,620.59
			(ii) Trade payables	13	2,365.69	3,299.62	1,722.41
			(iii) Other financial liability	14	17.77	74.36	-
		(b)	Provisions	15	56.82	52.64	200.02
		(c)	Other non current liabilities	16	6,273.89	4,515.98	4,824.65
		(d)	Deferred revenue		125.80	79.31	70.69
		Total non current liabilities			**20,797.60**	**25,119.69**	**23,438.36**
		Current liabilities					
		(a)	Financial liabilities				
			(i) Borrowings	17	26,542.35	26,924.20	20,562.26
			(ii) Trade payables	18	6,392.76	5,730.66	5,823.21
			(iii) Other financial liabilities	19	9,236.48	5,214.69	4,249.86
		(b)	Provisions	15	12.56	12.25	12.62
		(c)	Other current liabilities	20	4,643.21	5,604.55	5,061.20
		Total current liabilities			**46,827.36**	**43,486.35**	**35,709.15**
		TOTAL EQUITY AND LIABILITIES			**89,455.09**	**86,010.61**	**76,235.58**
		Summary of significant accounting policies		1			

The notes referred to above form an integral part of these financial statements

As per our report of even date

For and on behalf of Board

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : July 24, 2017

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Patel Since 1949

Statement of Profit and Loss for the year ended March 31, 2017

		Notes	March 31, 2017 ₹ million	March 31, 2016 ₹ million
I.	**Revenue from operations**	21	29,255.52	27,637.94
II.	**Other income**	22	3,703.60	2,858.32
III.	**Total revenue (I + II)**		**32,959.12**	**30,496.26**
IV.	**Expenses:**			
	Cost of construction	23	20,123.30	19,385.84
	Purchase of stock in trade		76.15	92.86
	Employee benefits expense	24	1,288.86	1,202.38
	Finance costs	25	6,379.10	6,287.50
	Depreciation and amortization expense	2	460.10	455.16
	Other expenses	26	2,478.72	2,991.20
	Total expenses		**30,806.23**	**30,414.94**
V.	**Profit before exceptional and tax (III-IV)**		**2,152.89**	**81.32**
VI.	**Exceptional items**	27	1,079.77	472.58
VII.	**Profit before tax (V - VI)**		**1,073.12**	**(391.26)**
VIII.	**Tax expense:**			
	(1) Current tax		919.15	75.02
	(2) Deferred tax		(264.26)	(167.29)
IX.	**Profit for the year (VII-VIII)**		**418.23**	**(298.97)**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(5.95)	(8.90)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.16	0.22
XI.	Total comprehensive income for the year (IX+X) (Comprising profit (loss) and other comprehensive income for the year)		**412.12**	**(307.65)**
XII.	**Earnings per equity share:**			
	(1) Basic	31	3.99	(3.89)
	(2) Diluted		3.99	(3.89)
	Summary of Significant Accounting Policies	1		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
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DIN : 07737376

Shobha Shetty
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	1,073.12	(391.26)
	Adjustment for:		
	Depreciation/ amortisation	460.10	455.16
	Finance charges	6,379.10	6,287.50
	Interest and dividend received	(2,748.21)	(2,145.86)
	Foreign exchange loss/ (gain)	(56.80)	6.56
	Provision for leave salary	3.82	5.61
	Provision for gratuity	0.67	6.45
	Profit on sale of investment	(107.53)	(54.83)
	Provision for impairment	681.27	189.99
	Profit on sale of assets	(27.22)	(174.96)
	Excess credit written back	(275.72)	(141.53)
	Irrecoverable debts and advances written off	1,922.82	2,553.05
	Provision for outstanding expenses	-	224.78
	Share in profit in partnership firm	-	(0.55)
	Loss on winding up of subsidiary	-	0.88
	ESOP compensation expenses	-	0.33
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**7,305.42**	**6,821.33**
	Adjustment for changes in:		
	Trade and other receivables	(1,459.81)	109.05
	Inventories	(1,830.56)	(7,094.67)
	Trade payable, liabilities and provisions (excluding income tax)	665.00	714.73
	Cash from operations	**4,680.05**	**550.44**
	Direct tax paid	(633.08)	(625.64)
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	**4,046.98**	**(75.20)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(634.07)	(1,184.10)
	Sale of fixed assets	40.36	241.27
	Increase in loans to subsidiaries/ JV/ associates	(142.15)	(266.13)
	Investments in subsidiaries/ JV/ associates	-	(2.31)
	Sale of investments	244.15	40.12
	Increase in other bank balances	(6.03)	(3.26)
	Interest and dividend received	202.72	1,266.51
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**(295.02)**	**92.10**

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	478.00	5,073.06
	Repayment of long term borrowings	(2,012.70)	(3,444.07)
	Increase in other borrowings (net)	2,628.38	4,169.70
	Dividend paid	(0.27)	(0.35)
	Finance charges	(4,794.34)	(6,247.04)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,700.93)**	**(448.70)**
	Net increase / (decrease) in cash and cash equivalent (A+B+C)	51.03	(431.80)
	Opening balance of cash and cash equivalents	415.48	853.84
	Balance of cash and cash equivalents	466.51	422.04
	Notes to Cash flow Statement		
	Cash and Cash Equivalents		
	Cash on hand and balance with banks	523.31	415.48
	Effect of exchange rate changes	(56.80)	6.56
	Closing cash and cash equivalents as restated	466.51	422.04

As per our attached Report of even date

For **Vatsaraj & Co**
Firm Regn No:111327W
Chartered Accountants

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : July 24, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Pravin Patel
Director
DIN : 00029453

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2017

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at April 1, 2015	**76,806,282**	**76.81**
Issue of equity shares	-	-
As at March 31, 2016	76,806,282	76.81
Issue of equity shares (refer note no. 34)	80,188,409	80.18
As at March 31, 2017	**156,994,691**	**156.99**

(B) OTHER EQUITY

₹ million

Particulars	Equity component of compound financial instruments	Reserves and surplus									
		Capital reserve	General Reserve	Securities premium reserve	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Other comprehensive income	Total equity attributable to equity holders
As at April 1, 2015	**-**	**266.51**	**2,136.97**	**7,905.38**	**675.00**	**2.24**	**(3.89)**	**-**	**6,029.05**	**-**	**17,011.26**
- Profit for the year	-	-	-	-	-	-	-	-	(300.19)	-	(300.19)
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(8.68)	(8.68)
- Transfer from / to debenture redemption reserve	-	-	212.50	-	(212.50)	-	-	-	-	-	-
- Adjusted during the year	-	-	-	-	-	-	3.89	-	-	-	3.89
- Premium on exercise of options	-	-	-	1.61	-	-	-	-	-	-	1.61
- Options exercised / lapsed during the year	-	-	-	-	-	(2.24)	-	-	-	-	(2.24)
- Adjustments on account of merger	133.01	-	-	-	-	-	-	-	489.10	-	622.11
As at March 31, 2016	**133.01**	**266.51**	**2,349.47**	**7,906.99**	**462.50**	**-**	**-**	**-**	**6,217.96**	**(8.68)**	**17,327.76**
- Profit for the year	-	-	-	-	-	-	-	-	418.23	-	418.23
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(6.11)	(6.11)
- Reversal of deferred tax	61.89	-	-	-	-	-	-	-	-	-	61.89
- on account of consolidation of joint venture									(58.87)	-	(58.87)
- Transfer to surplus in the statement of profit and loss	(25.23)	-	-	-	-	-	-	-	25.23	-	-
- Redemption of equity component	(169.67)	-	-	-	-	-	-	-	-	-	(169.67)
- Transfer from surplus in the statement of profit and loss	-	-	-	-	-	-	-	300.00	(300.00)	-	-
- On account merger					-	-	-	-	(5.75)	-	(5.75)
- Issue of share capital	-	-	-	4,105.65	-	-	-	-	-	-	4,105.65
- Transfer from / to debenture redemption reserve	-	-	(12.50)	-	12.50	-	-	-	-	-	-
As at March 31, 2017	**-**	**266.51**	**2,336.97**	**12,012.64**	**475.00**	**-**	**-**	**300.00**	**6,296.80**	**(14.79)**	**21,673.14**

Patel Since 1949

Notes to Financial Statement for the year ended March 31, 2017

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of Patel Engineering Limited (the Company or PEL) have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

The financial statements for the year ended March 31, 2016 and the opening Balance Sheet as at April 1, 2015 have been restated in accordance with Ind AS for comparative information. The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Company in accordance with Ind AS. In accordance of Ind AS 101, First time Adoption of Indian Accounting Standard, the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows (Refer note 1.3)

The financial statements are prepared under the historical cost convention, on a going concern basis and accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS. The accounting policies applied are consistent with those used in the previous year.

b) Use of estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

c) Critical accounting estimates and judgements:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Recognition of deferred taxes
- Estimation of impairment
- Estimation of provision and contingent liabilities

d) Recent accounting developments

i. Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

ii. Amendment to Ind AS 7:

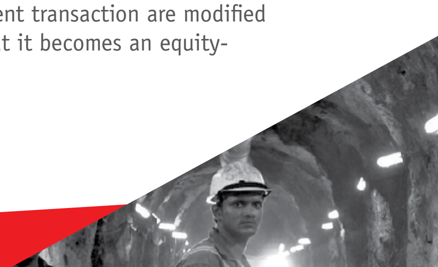
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

iii. Amendment to Ind AS 102 :

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-



settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.
Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Property, plant and equipment costing ₹ 5,000 or less are not capitalised and charged to the Statement of Profit and Loss.
Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at April 01, 2015 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. April 01, 2015.

f) Depreciation

As per the Schedule II of the Companies Act 2013, effective April 01, 2014, the management has internally reassessed the useful lives of assets to compute depreciation wherever necessary, to conform to the requirements of the Companies Act, 2013 which is:

Assets	Estimated useful life
Factory building/ building	28/60 years
Machinery/ ship	8 ½ years
Motor cars/ motor truck	8 years
Furniture/ electrical equipments	6 years
Office equipments	5 years
Computer / software	3 years

Intangible assets
Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation / amortisation and impairment loss, if any.
Intangible assets are amortized over their useful life.

g) Impairment of assets

The carrying amount of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognised impairment loss is increased or reversed depending on changes in circumstanses. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

h) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, non-current assets held for sale and discontinued operations, when they are classified as held for sale.

i) Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost (on weighted average basis), or net realisable value, whichever is lower and work in progress of construction contracts at contract rate. Work in progress in respect of project development and buildings held as stock-in-trade are valued at cost or net realizable value, whichever is lower.
Project work in progress is valued at contract rates and site mobilisation expenditure of incomplete contracts is stated at lower of cost or net realisable value.

j) Recognition of income and expenditure

i) Accounting for construction contracts :

Revenue from contracts is recognised on the basis of percentage of completion method, based on the stage of completion at the balance sheet date, billing schedules agreed with the client on a progressive completion basis taking into account the contractual price and the revision thereto by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. In case the estimated total cost of a contract based on technical and other estimate is expected to exceed the corresponding contract value, such excess is accounted for. Price/quantity escalation claims and/or variations are recognised on acceptance of concerned authorities or on evidence of its final acceptability. Revenue in respect of other claims are accounted as income in the year of receipt of award. Revenue on project development is recognised on execution of sale agreement. Dividend income is recognised when the right to receive payment is established. Other revenues and expenses are accounted on accrual basis.

ii) Revenue from building development is recognised on the percentage completion method of accounting. Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including cost of land as against the total estimated cost of project under execution subject to such actual cost being 30% or more of the total construction / development cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. However, if and when the total project cost is estimated to exceed the total revenue from the project, the loss is recognised in the same financial year.

iii) Revenue from sale of goods is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on despatch and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discount.

k) Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement.

The Company recognises its direct right to assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

l) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of fixed assets are recorded at the prevailing exchange rates on the date of the transaction. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Exchange differences arising out of payment/restatement of long term liabilities relating to property, plant and equipment are capitalized and in other cases amortised over the balance period of such long term monetary items. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary items translation difference account" as a separate line item under "Other equity". Revenue transactions at the foreign branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the statement of profit and loss. Depreciation is translated at rates used for respective assets.

Revenue transactions at the foreign branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the Statement of Profit and Loss. Depreciation is translated at rates used for respective assets.

m) Financial instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial asset:

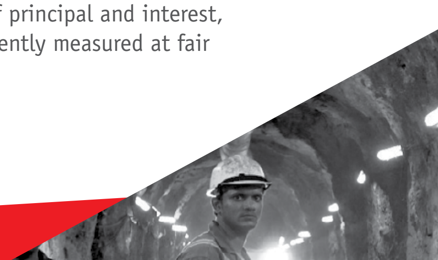
Initial recognition and measurement :
All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement :
For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

(a) Financial asset measured at amortized cost:
Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss. The company while applying above criteria has classified the following at amortized cost:
(a) Trade receivables
(b) Investment in subsidiaries
(c) Loans
(d) Other financial assets

(b) Financial assets Measured at fair value through other comprehensive income :
Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair



value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

(c) Financial assets at fair value through profit or loss (FVTPL) :

Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

De-recognition of financial assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of profit and loss.

Impairment of financial assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

n) Financial derivative and hedging transactions

In respect of financial derivative and hedging contracts, gain / loss are recognized on mark-to-market basis and charged to the statement of profit and loss along with underlying transactions.

o) Employee benefits

Short term employee benefits :

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund/family pensions are made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans :

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

p) Taxation

Current tax:
Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax:
Deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the finacial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is virtual certainty of realization in future.

q) Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are disclosed where an inflow of economic benefits is probable.

r) Employees stock option plan

Compensation expenses under "Employee Stock Option Plan" representing excess of fair price of the shares on the date of grant of option over the exercise price of option is amortized on a straight-line basis over the vesting period.

s) Borrowing cost

Borrowing costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to statement of profit and loss as incurred.

t) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

u) Business combinations

Business Combinations have been accounted for using the acquisition method as per Ind AS 103.
The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred.
Business Combinations between entities under common control are accounted for at carrying value.
Transaction costs that the company incurs in connection with a business combination are expensed as incurred.

v) Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

1.2 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

A. Mandatory exceptions from retrospective application Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVTPL or FVTOCI
- Investments in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Investment in subsidiaries, associates and joint ventures :

When an entity prepares Separate Financial Statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associate either at cost or in accordance with Ind AS 109.

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Share based payment transactions:

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

C. Transition to Ind AS - reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

1. Reconciliation of Equity as at April 01, 2015
2. (A) Reconciliation of equity as at March 31, 2016

   (B) Reconciliation of statement of profit and loss for the year ended March 31, 2016
3. Reconciliation of statement of cash flows for the year ended March 31, 2016

1.3 Reconciliation of equity as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015	Previous GAAP	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2,142.09	16.27	2,158.36
	(b) Capital work-in-progress	42.25	-	42.25
	(c) Other intangible assets	2.68	-	2.68
	(d) Financial assets			
	(i) Investments	6,057.00	10.69	6,067.69
	(ii) Trade receivables	8,526.84	18.27	8,545.11
	(iii) Loans	6,847.98	(207.59)	6,640.39
	(iv) Other financial assets	-	67.15	67.15
	(e) Deferred tax assets (net)	103.27	(42.73)	60.54
	(f) Current tax assets (net)	2,322.40	-	2,322.40
	(g) Other non current assets	6,647.37	-	6,647.37
	Total non current assets	**32,691.88**	**(137.93)**	**32,553.94**
2	**Current assets**			
	(a) Inventories	30,963.94	163.95	31,127.89
	(b) Financial assets			
	(i) Trade receivables	4,351.32	69.51	4,420.83
	(ii) Cash and cash equivalents	782.30	71.54	853.84
	(iii) Other bank balances	33.33	-	33.33
	(iv) Loans	1,147.38	1,843.71	2,991.09
	(v) Other financial assets	-	-	-
	(c) Other current assets	4,254.66	-	4,254.66
	(d) Assets classified as held for sale	-	-	-
	Total current assets	**41,532.93**	**2,148.71**	**43,681.64**
	TOTAL ASSETS	**74,224.81**	**2,010.77**	**76,235.58**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	76.81	-	76.81
	(b) Other equity	16,916.30	94.96	17,011.26
	Total equity	**16,993.11**	**94.96**	**17,088.07**
2	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16,756.82	(136.22)	16,620.60
	(ii) Trade payables	1,711.70	10.71	1,722.41
	(ii) Other financial liability	-	-	-
	(b) Long-term provisions	34.10	165.92	200.02
	(c) Other non current liabilities	4,329.16	495.49	4,824.65

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015	Previous GAAP	Effect of transition to Ind AS	Ind AS
(d)	Deferred revenue	-	70.69	70.69
	Total non current liabilities	**22,831.78**	**606.58**	**23,438.36**
	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	20,562.26	-	20,562.26
	(ii) Trade payables	5,823.21	-	5,823.21
	(iii) Other financial liabilities	4,249.86	-	4,249.86
(b)	Short-term provisions	12.62	-	12.62
(c)	Other current liabilities	3,751.98	1,309.22	5,061.20
	Total current liabilities	**34,399.92**	**1,309.22**	**35,709.15**
	TOTAL EQUITY AND LIABILITIES	**74,224.81**	**2,010.76**	**76,235.58**

1.3.1Reconciliation of equity as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016	Previous GAAP *	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**			
1	**Non-current assets**			
(a)	Property, plant and equipment	1,836.46	-	1,836.46
(b)	Capital work-in-progress	8.53	999.07	1,007.60
(c)	Other intangible assets	1.94	-	1.94
(d)	Financial assets			
	(i) Investments	5,208.96	(56.80)	5,152.16
	(ii) Trade receivables	7,539.37	27.90	7,567.27
	(iii) Loans	9,164.92	(371.43)	8,793.49
	(iv) Other financial assets	4.96	75.34	80.30
(e)	Deferred tax assets (net)	264.73	(100.24)	164.49
(f)	Current tax assets (net)	2,880.81		2,880.81
(g)	Other non current assets	5,586.92		5,586.92
	Total non current assets	**32,497.60**	**573.84**	**33,071.44**
2	**Current assets**			
(a)	Inventories	40,546.05	210.46	40,756.51
(b)	Financial assets			
	(i) Trade receivables	2,341.18	22.01	2,363.19
	(ii) Cash and cash equivalents	359.07	56.41	415.48
	(iii) Other bank balances	18.06	-	18.06
	(iv) Loans	1,269.83	1,558.33	2,828.16
	(v) Other financial assets	8.24	-	8.24
(c)	Other current assets	6,547.04	-	6,547.04
(d)	Assets classified as held for sale	2.50	-	2.50
	Total current assets	**51,091.96**	**1,847.21**	**52,939.17**
	TOTAL ASSETS	**83,589.56**	**2,421.05**	**86,010.61**

₹ million

	Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016	Previous GAAP *	Effect of transition to Ind AS	Ind AS
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	76.81	-	76.81
	(b) Other equity	17,494.08	(166.32)	17,327.76
	Total equity	**17,570.89**	**(166.32)**	**17,404.57**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16,305.01	792.77	17,097.78
	(ii) Trade payables	3,299.62		3,299.62
	(iii) Other financial liability	74.36		74.36
	(b) Long-term provisions	52.64		52.64
	(c) Other non current liabilities	3,837.48	678.50	4,515.98
	(d) Deferred revenue	-	79.31	79.31
	Total non current liabilities	**23,569.11**	**1,550.58**	**25,119.69**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	26,924.20	-	26,924.20
	(ii) Trade payables	5,730.66	-	5,730.66
	(iii) Other financial liabilities	5,214.69	-	5,214.69
	(b) Short-term provisions	12.25	-	12.25
	(c) Other current liabilities	4,567.76	1,036.79	5,604.55
	Total current liabilities	**42,449.56**	**1,036.79**	**43,486.35**
	TOTAL EQUITY AND LIABILITIES	**83,589.56**	**2,421.05**	**86,010.61**

* Refer Note no. 36

1.3.2 Reconciliation of net profit as previously reported under previous GAAP to Ind AS :

₹ million

	Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016	Previous GAAP	Effect of transition to Ind AS	Ind AS
I.	**Revenue from operations**	26,467.15	1,170.79	27,637.94
II.	Other income	2,656.17	202.15	2,858.32
III.	**Total revenue (I + II)**	**29,123.33**	**1,372.93**	**30,496.26**
IV.	**Expenses:**			
	Cost of construction	18,350.44	1,035.40	19,385.84
	Purchase of stock in trade	92.86	-	92.86
	Employee benefits expense	1,205.51	(3.13)	1,202.38
	Finance costs	6,202.72	84.77	6,287.50
	Depreciation and amortization expense	451.75	3.41	455.16
	Other expenses	2,943.22	47.98	2,991.20
	Total expenses	**29,246.51**	**1,168.43**	**30,414.94**
V.	**Profit before exceptional and tax (III-IV)**	**(123.18)**	**204.50**	**81.32**
VI.	Exceptional items	472.58	-	472.58
VII.	**Profit before tax (V - VI)**	**(595.76)**	**204.50**	**(391.26)**

₹ million

	Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016	Previous GAAP	Effect of transition to Ind AS	Ind AS
VIII.	**Tax expense:**			
	(1) Current tax	22.20	52.80	75.00
	(2) Deferred tax	(158.19)	(9.10)	(167.29)
IX.	**Profit for the year (VII-VIII)**	**(459.77)**	**160.80**	**(298.97)**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	-	(8.90)	(8.90)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.22	0.22
XI.	**Total comprehensive income for the year (IX+X) (Comprising profit (loss) and other comprehensive income for the year)**	**(459.77)**	**152.12**	**(307.65)**

Reconciliation statement of cash flows is not provided since there are no material items of reconciliation.

Footnotes for reconciliations.

Borrowings/finance cost

Under Ind AS, financial liabilities are subsequently measured at amortised cost using the efffective interest rate (EIR) method. Borrowings are reflected net off transaction cost which is amortized as per EIR method.

Deferred tax

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences and deferred tax has been recognised on the same.

Corporate guarantee liability/ corporate guarantee income

Financial guarantee contracts have been recognized at fair value at the inception in accordance with Ind AS 109 along with accrued guarantee charges. Under IGAAP financial guarantee given was disclosed as contingent liability and commitments.

Employee benefit expenses/actuarial gain or loss

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Loan to subsidiary/finance income

Under Ind AS, financial assets and liabilities are measured fair value at the inception and subsequently at amortised cost or at fair value based on their classification. Under IGAAP, the financial assets and liabilities were measured at cost.

Revenue

Under Ind AS, revenue is recognized at the fair value of consideration. Fair value is arrived at by reducing the financing element from the amount of revenue where the contract is on deferred payment terms.

Other equity

Adjustments to retained earnings have been made in accordance with Ind AS for the above mentioned line items.

The previous IGAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2017

₹ million

	Gross Block				Depreciation and Amortization				Net Book Value	
Particulars	As at April 1, 2016	Addition	Deduction/ Retirement	As at Mar 31, 2017	As at April 1, 2016	For the year	Adjustment /Deduction	As at Mar 31, 2017	As at Mar 31, 2017	As at March 31, 2016
TANGIBLE ASSETS										
Land 1 *	175.10	-	-	175.10	-	-	-	-	175.10	175.10
Building 2 *	359.93	27.05	6.00	380.98	60.48	11.98	1.59	70.88	310.11	299.45
Plant & Equipment @	3,770.50	1,349.78	3.14	5,117.14	2,771.31	345.32	(1.62)	3,118.25	1,998.89	999.20
Furniture and fixtures	41.05	1.24	-	42.29	35.34	1.84	(0.01)	37.18	5.11	5.71
Vehicles 3	1,182.24	155.12	17.94	1,319.42	842.93	87.75	14.08	916.60	402.82	339.31
Office equipments	45.62	0.87	(0.02)	46.51	42.00	1.59	(0.08)	43.67	2.84	3.61
Others 4	28.75	5.64	-	34.39	28.61	0.26	-	28.87	5.52	0.14
Electric equipment	42.17	18.88	0.09	60.96	36.87	4.24	0.03	41.08	19.88	5.31
Computer equipments	71.29	9.02	0.12	80.19	62.63	5.55	0.13	68.05	12.14	8.63
	5,716.65	**1,567.60**	**27.27**	**7,256.98**	**3,880.17**	**458.53**	**14.12**	**4,324.58**	**2,932.40**	**1,836.46**
INTANGIBLE ASSETS										
Computer software	48.59	1.51	-	50.10	46.68	1.56	-	48.24	1.86	1.94
TOTAL	**5,765.24**	**1,569.11**	**27.27**	**7,307.08**	**3,926.85**	**460.09**	**14.12**	**4,372.82**	**2,934.26**	**1,838.40**

1 Land includes ₹ 7.71 million (₹ 7.71 million) held in the name of Directors,relatives of Directors and employees for and on behalf of the Company

2 a) Building includes Building [Gross Block -₹ 202.85 million (₹ 203.70 million),Accumulated Depreciation ₹ 21.59 million (₹ 19.81 million)] and Factory Building [Gross Block -₹ 156.01 million (₹ 156.01 million), Accumulated Depreciation ₹ 46.02 million (₹ 40.45 million)]

b) Includes ₹ 0.01 million (₹ 0.02 million) being the value of 180 shares and share deposits in Co - operative Societies

3	Vehicles includes	Gross Block 2016-17	Gross Block 2015-16	Acc Dep. 2016-17	Acc Dep. 2015-16
	Motor Car	254.95	243.75	168.80	159.96
	Motor Truck	1,061.34	935.46	745.84	681.31
	Motor Cycle	3.12	3.03	1.96	1.66

4	Others Include	Gross Block 2016-17	Gross Block 2015-16	Acc Dep. 2016-17	Acc Dep. 2015-16
	Ship	2.81	2.81	2.79	2.78
	Rails and Trolley	31.57	25.94	26.09	25.84

@ Includes assets costing ₹ 37.71 million (₹ 9.21 million) not commissioned/erected/put to use, ₹ Nil (P.Y. ₹ 0.12 million) towards exchange rate difference and ₹ Nil (P.Y. ₹ 3.03 million) reversal fo excise duty claimed in earlier year as CENVAT credit

* Deductions to land and building includes ₹ Nil (₹ 0.58 million) transferred to project development expenses Adjustments includes ₹ 6.06 million on account of difference between audited and un-audited financials of a joint venture.

Note : 2 (Contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2016

₹ million

	Gross Block				Depreciation and Amortization				Net Book Value	
Particulars	**As at April 1, 2015**	**Addition**	**Deduction/ Retirement**	**As at Mar 31, 2016**	**As at April 1, 2015**	**For the year**	**Deduction**	**As at Mar 31, 2016**	**As at Mar 31, 2016**	**As at April 1, 2015**
TANGIBLE ASSETS										
Land	175.68	0.10	0.69	175.09	-	-	-	-	175.09	175.68
Building	368.67	-	8.74	359.93	52.65	9.04	1.21	60.48	299.45	316.02
Plant and equipment	3,714.84	153.36	85.38	3,782.82	2,503.11	323.52	53.84	2,772.79	1,010.03	1,211.73
Furniture and fixtures	35.59	1.12	-	36.71	30.75	1.65	-	32.40	4.31	4.84
Vehicles	1,231.36	38.70	104.72	1,165.34	796.00	105.79	68.75	833.04	332.31	435.37
Office equipments	39.04	0.55	0.01	39.58	36.42	1.47	0.00	37.89	1.69	2.63
Others	28.76	-	-	28.76	27.42	1.20	-	28.62	0.14	1.33
Electric equipment	40.05	2.43	0.31	42.17	34.63	2.29	0.07	36.85	5.32	5.42
Computer equipments	57.12	6.79	0.03	63.88	51.78	4.01	0.03	55.76	8.12	5.34
	5,691.11	**203.05**	**199.88**	**5,694.28**	**3,532.76**	**448.97**	**123.90**	**3,857.83**	**1,836.46**	**2,158.36**
INTANGIBLE ASSETS										
Computer software	58.07	1.05	10.49	48.63	55.39	1.79	10.49	46.69	1.94	2.68
TOTAL	**5,749.18**	**204.10**	**210.37**	**5,742.91**	**3,588.15**	**450.76**	**134.39**	**3,904.52**	**1,838.40**	**2,161.04**

NOTE : 3

INVESTMENT

NON- CURRENT INVESTMENTS	As at March 31, 2017 ₹ million	As at March 31, 2016 ₹ million	As at April 1, 2015 ₹ million
TRADE INVESTEMENTS :-			
Investment in equity instruments			
Equity instruments unquoted			
- In subsidiaries			
8,85,220 shares (8,85,220) of Michigan Engineers Pvt. Ltd., Face Value ₹ 10/- per share	129.56	118.12	118.12
Nil (10,00,00,000) shares of Patel Realty (I) Ltd., Face Value ₹ 10/- per share	(0.00)	2.50	1,002.50
10,000 shares (10,000) of Shreeanant Construction Pvt. Ltd., Face Value ₹ 10/- per share	0.10	0.10	0.10
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	170.54	170.54	170.54
50,000 shares (50,000) of Apollo Buildwell Pvt.Ltd., Face Value ₹ 10/- per share	0.50	0.50	-
50,000 shares (50,000) of Arsen Infra Pvt.Ltd., Face Value ₹ 10/- per share	0.50	0.50	-
48,565 shares (48,565) of Hera Realcon Pvt.Ltd., Face Value ₹ 10/- per share	0.49	0.49	-
50,000 shares (50,000) of Lucina Realtors Pvt.Ltd., Face Value ₹ 10/- per share	0.50	0.50	-
Nil (1,72,00,000) shares of Nirman Constructions Pvt. Ltd., Face Value ₹ 10/- per share	-	172.00	-
10,000 shares (10,000) of PBSR Developers Pvt. Ltd., Face Value ₹ 10/- per share	0.10	0.10	-
10,000 Shares (10,000) of Waterfront Developers Ltd., Face Value ₹ 10/- per share	0.16	0.16	-
	302.44	465.50	1,291.25
- In other companies			
7,60,000 shares (7,60,000) of Realtors World Corporation Ltd. of Face value ₹ 10/- per share	-	-	-
Investment in redeemable preference shares			
- In subsidiaries			
59,375 (50,000) Shares of ASI Const. Inc, Par value US$ 100 per share	391.33	225.98	225.98
	693.77	691.47	1,517.23
OTHER INVESTEMENTS :-			
Equity instruments - quoted			
66,640 shares (66,640) of Kingfisher Airlines Ltd., Face Value ₹ 10/- per share	-	-	
(Written off in the financial year 2012-13)			
Equity instruments unquoted			
- In subsidiaries			
409,422 shares (4,22,580) of Patel Engineering Inc. of par value US $0.001 per share	391.53	391.53	391.53
60,000 shares (60,000) of Zeus Minerals Trading Pvt. Ltd., Face Value ₹ 10/- per share	0.60	0.60	0.60

NON- CURRENT INVESTMENTS	As at March 31, 2017 ₹ million	As at March 31, 2016 ₹ million	As at April 1, 2015 ₹ million
7,210,000 shares (7,210,000) of Bhooma Realties Pvt. Ltd., Face Value ₹ 10/- per share	72.28	72.28	72.28
7,880,000 shares (7,880,000) of Shasvat Land Projects Pvt. Ltd., Face Value ₹ 10/-per share	79.00	79.00	79.00
7,000,000 shares (7,000,000) of Pandora Infra Pvt. Ltd., Face Value ₹ 10/- per share	70.18	70.18	70.18
9,100,000 shares (9,100,000) of Patel Engineers Pvt. Ltd., Face Value ₹ 10/- per share	91.23	91.23	91.23
5,510,000 shares (5,510,000) of Vismaya Constructions Pvt. Ltd., Face Value ₹ 10/- per share	55.24	55.24	55.24
14,070,000 shares (14,070,000) of Patel Patron Pvt. Ltd., Face Value ₹ 10/- per share	141.05	141.05	141.05
10,000,000 shares (10,000,000) of Patel Engineering Infrastructure Ltd. Face Value ₹ 10/- per share	100.00	100.00	100.00
50,000 shares (50,000) of Energy Design Pvt. Ltd. Face Value ₹ 10 per share	0.50	0.50	0.50
50,000 Shares (50,000) of Patel Lands Ltd. Face Value ₹ 10 per share	0.50	0.50	0.50
17,05,000 shares (17,05,000) of Patel Engineering Mauritius Ltd. Face Value Mauritius ₹ 10/- per share	25.76	25.76	25.76
33,000 shares (33,000) of Friends Nirman Ltd. Face Value ₹ 10 per share	24.15	24.15	24.15
100,000 shares (100,000) of Patel Concrete & Quarries Pvt. Ltd. Face Value ₹ 10/- per share	1.00	1.00	1.00
23,65,000 shares (23,65,000) of Patel Engineering Singapore Pte. Ltd. Face Value US $ 1/- per share	98.44	96.41	96.41
20,90,00,000 shares (20,90,00,000) of Patel Energy Resources Ltd. Face Value ₹ 10 per share	2,100.05	2,092.42	2,090.00
10,000 shares (Nil) of Patel Land Developers Pvt. Ltd. Face Value ₹ 10 per share	0.10	-	-
26,193,077 shares (1) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	11.21	-	11.21
	3,262.82	3,241.84	3,250.63
Less : Provision for impairment (Refer Note No. 27)	153.45	94.46	-
	3,109.37	3,147.38	3,250.63
In associates			
Other Investments			
Nil (15,540,000) shares of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	-	155.40	155.40
24,665 Shares (24,665) of Terra Land Developers Ltd., Face Value ₹ 10/- per share	0.25	0.25	0.25
8,495,040 Shares (8,495,040) of ACP Tollways Pvt. Ltd., Face Value ₹ 100/- per share	849.50	849.50	849.50
51,000 shares (51,000) of Pan Realtors Pvt. Ltd. Face Value ₹ 10 per share	4.35	4.35	266.72
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., Face Value ₹ 10/- per share	266.72	266.72	0.51
	1,120.82	1,276.22	1,272.38

NON- CURRENT INVESTMENTS	As at March 31, 2017 ₹ million	As at March 31, 2016 ₹ million	As at April 1, 2015 ₹ million
Investment in redeemable preference shares			
Other Investments - In Subsidiaries			
59,288,795 shares (Nil) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	26.32	-	26.32
Investment in government securities III	0.12	0.12	0.12
Investment in partnership firms IV	0.03	0.03	0.03
Share application money	-	36.94	0.98
TOTAL NON -CURRENT INVESTMENT	**4,950.41**	**5,152.16**	**6,067.69**
ASSETS CLASSIFIED AS HELD FOR SALE			
15,540,000 shares (Nil) of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	222.00	-	-
Nil (2,50,000) shares of Bellona Estate Developers Ltd. @ ₹ 10 each	-	2.50	-
Less : Provision for Impairment (Refer note no. 27)	72.00	-	-
TOTAL CURRENT INVESTMENT	**150.00**	**2.50**	**-**

I. Aggregated amount of unquoted investments as at March 31, 2017 ₹ 5,100.39 million (P.Y. ₹ 5,117.70 million)

II. Aggregated amount of quoted investments as at March 31, 2017 ₹ Nil, Market value ₹ 0.09 million (P.Y. ₹ Nil, Market value ₹ 0.09 million)

III. Includes investment in national saving certificates, in the name of directors, lodged with project authorities

IV. A firm AHCL - PEL having fixed capital of ₹ 75,000 (P.Y. ₹ 75,000), had profit sharing as follows :- the company 20% (P.Y. 20%), Ace Housing & Const. Ltd. 1% (P.Y. 1%) & Pravin Patel 79% (P.Y. 79%). The company and another partner have given a notice of dissolution to the remaining partner of the firm final outcome of which is awaited.
A firm Patel Advance JV having nil fixed capital, partnership sharing has been as follows : the Company 26% (P.Y.26%), Advance Const. Co. Pvt. Ltd. 25% (P.Y. 25%), Apollo Buildwell Pvt. Ltd. 25% (P.Y. 25%) & Advance Equipment Finance Pvt. Ltd. 24% (P.Y. 24%).

NOTE : 4

TRADE RECEIVABLES

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Unsecured, considered good unless otherwise stated						
Receivables outstanding for a period exceeding six months						
Considered good*	7,342.60	5,853.19	7,123.44	710.03	820.33	1,653.80
Considered doubtful	-	-	-	2.39	2.39	-
	7,342.60	**5,853.19**	**7,123.44**	**712.42**	**822.72**	**1,653.80**
Less : Provision for doubtful debts	-	-	-	2.39	2.39	-
(A)	**7,342.60**	**5,853.19**	**7,123.44**	**710.03**	**820.33**	**1,653.80**
Other receivables						
Considered good (B)	**758.91**	**1,714.08**	**1,421.67**	**1,188.78**	**1,542.86**	**2,767.03**
(A+B)	**8,101.51**	**7,567.27**	**8,545.11**	**1,898.81**	**2,363.19**	**4,420.83**

* net of advance received against claims ₹ 332.53 millions (P.Y. Nil)

NOTE : 5

LOANS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Balance in current account with Subsidiaries/associates/joint ventures/partnership						
Unsecured, considered good	10,115.81	8,793.49	6,640.39	1,774.25	2,828.16	2,991.09
Doubtful	776.80	95.53	-	27.30	-	-
	10,892.61	**8,889.02**	**6,640.39**	**1,801.55**	**2,828.16**	**2,991.09**
Less: Provision for impairment (Refer Note No. 27)	776.80	95.53	-	27.30	-	-
	10,115.81	**8,793.49**	**6,640.39**	**1,774.25**	**2,828.16**	**2,991.09**

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Deferred finance cost	119.51	75.34	67.15	-	-	-
Secured deposit						
Unsecured, considered good	6.60	4.96	-	56.63	8.24	-
	126.11	**80.30**	**67.15**	**56.63**	**8.24**	**-**

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Retaled to depreciation on fixed assets	(56.62)	40.10	40.00
Other disallowances under the income tax act	531.00	124.39	20.54
	474.38	**164.49**	**60.54**

Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	(54.70)	(38.62)
Others	(19.66)	(20.04)
Deferred income tax asset		
Disallowances on account of income tax act	521.74	223.15
Future losses	27.00	-
Total deferred tax assets (net)	**474.38**	**164.49**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Advance tax (net)[1]	2,707.63	2,880.81	2,322.40	-	-	-
	2,707.63	**2,880.81**	**2,322.40**	**-**	**-**	**-**

[1] Includes advance tax which is net of provision for tax ₹ 1,585.41 million (P.Y. ₹ 606.74 million).

2 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Profit / loss before income tax	1,073.12	(391.26)
Income tax expense calculated at 34.608%	371.39	-
Effect of expenses not allowed for tax purpose	844.99	442.43
Effect of income not considered for tax purpose	(254.65)	(250.53)
Effect of income that is exempted from tax	(12.44)	(57.74)
Effect of income which is taxed at special rates	-	(92.41)
Others	(30.13)	33.27
	919.16	**75.02**

NOTE : 9

OTHER ASSETS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Capital advance						
Secured, considered good						
Unsecured, considered good	43.78	29.26	36.49	-	-	
Security deposit						
Unsecured, considered good	2,128.89	1,612.11	1,775.72	1,618.16	1,832.85	696.12
Advance recoverable in cash or in kind						
Secured, considered good						
Unsecured, considered good	1,537.23	1,303.42	2,499.62	2,584.78	3,743.80	2,652.39
Doubtful	775.69	561.91	-	-	-	137.50
Advance against immovable property	275.13	-	-	242.25	81.97	-
Advance against land			-		111.49	-
Prepaid expenses	31.34	29.43	38.39	122.97	216.97	135.82
Balance with stautory authorities	553.06	456.08	49.89	213.84	35.89	248.58
Service tax and cenvat credit	78.89	82.47	-	250.46	407.79	441.17
Accrued interest	3,019.81	1,974.32	2,176.40	11.26	4.35	57.46

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Other advances	-	-	-	66.46	16.87	-
Receivable on account of sale of long term investments	-	-	-	66.88	49.32	-
Non trade receivables	2.72	-	-	20.38	37.06	6.38
Advances to employees	7.02	7.69	0.23	9.12	8.67	16.74
	8,453.56	**6,056.69**	**6,576.74**	**5,206.56**	**6,547.03**	**4,392.16**
Less: Provision for Doubtful Debts	775.69	561.91	-	-	-	137.50
	7,677.87	**5,494.78**	**6,576.74**	**5,206.56**	**6,547.03**	**4,254.66**

NOTE : 10

INVENTORIES *

(At lower of cost or net realisable value/contract rates)

	Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Stores, embedded goods and spare parts etc.	1,080.04	1,143.95	1,215.48
(Includes stores in transit ₹ 35.13 million (P.Y. ₹ 40.47 million)			
Work in progress	41,507.04	39,612.56	29,912.41
	42,587.08	**40,756.51**	**31,127.89**

*(As technically valued and certified by the management)

NOTE : 10A

CASH AND CASH EQUIVALENTS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Balance with Banks						
- On current accounts with scheduled banks	-	-	-	498.30	409.69	604.25
- On fixed deposits accounts with scheduled banks*	116.25	92.14	70.63	5.01	-	-
- Balances with non scheduled banks	-	-	-	0.45	0.47	1.45
- Cheques in hand	-	-	-	15.12	0.29	243.65
- Foreign currency in hand	-	-	-	0.01	0.01	-
- Cash on hand	-	-	-	4.42	5.02	4.49
	116.25	**92.14**	**70.63**	**523.31**	**415.48**	**853.84**

NOTE : 10B

CASH AND CASH EQUIVALENTS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Other bank balances						
- Deposits with maturity more than 3 months but less than 12 months*	-	-	-	-	16.50	31.25
Balances with bank for unpaid dividend	-	-	-	1.29	1.56	2.08
	-	**-**	**-**	**1.29**	**18.06**	**33.33**

* Includes amount given towards margin money and earnest money deposits

Disclosure on specified bank notes (SBNs)

i) During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	SBN's^	Other Notes	Total
Closing cash on hand as at November 8, 2016	227,000	6,083,709	6,310,709
(+) Permitted receipts		7,902,740	7,902,740
(-) Permitted payments	5,500	9,256,247	9,261,747
(-) Amount deposited in banks	221,500		221,500
Closing cash on hand as at December 30, 2016	**-**	**4,730,202**	**4,730,202**

ii) Following are the consolidated details [including coventurer(s) share] of the SBNs and other notes held and transacted in respect of jointly controlled entities stated in note 36(a).

Particulars	SBN's^	Other Notes	Total
Closing cash on hand as at November 8, 2016	6,000	576,974	582,974
(+) Permitted receipts	-	439,446	439,446
(-) Permitted payments	-	906,097	906,097
(-) Not Permitted payments		-	-
(-) Amount deposited in banks	6,000	-	6,000
Closing cash on hand as at December 30, 2016	**-**	**110,323**	**110,323**

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated November 8, 2016.

NOTE : 11

SHARE CAPITAL

		March 31, 2017		March 31, 2016		April 1, 2015	
		No. of shares	₹ million	No. of shares	₹ million	No. of shares	₹ million
a)	**Authorized**						
	Equity shares of ₹ 1 each	250,000,000	250.00	230,000,000	230.00	230,000,000	230.00
	Preference shares of ₹ 10 each	-	-	20,000,000	20.00	20,000,000	20.00
b)	**Issued, subscribed and fully paid up**						
	Equity shares of ₹ 1 each	156,994,691	156.99	76,806,282	76.81	76,806,282	76.81
		156,994,691	**156.99**	**76,806,282**	**76.81**	**76,806,282**	**76.81**

c) **Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares of ₹ 1/- each. Each holder of equity shares is entitled to the same rights in all respects.

	No. of shares	₹ million	No. of shares	₹ million	No. of shares	₹ million
d) Reconciliation of equity shares outstanding at the beginning and at end of the year						
Outstanding at the beginning of the year	76,806,282	76.81	76,806,282	76.81	76,806,282	76.81
Add :- Issued during the year (Refer note no. 34)	80,188,409	80.19	-	-	-	-
Outstanding at the end of the year	**156,994,691**	**156.99**	**76,806,282**	**76.81**	**76,806,282**	**76.81**

Name of the shareholder	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
e) Share held by each shareholder more than 5% Equity shares						
i) Patel Engineering Employees Welfare Trust	6,028,900	3.84	6,028,900	7.85	6,045,000.00	7.87
ii) Praham India LLP	16,744,424	10.67	16,744,424	21.80	16,744,424.00	21.80
iii) Patel Corporation LLP	18,665,257	11.89	18,665,257	24.30	18,665,257.00	24.30
iv) Dena bank	12,102,989	7.70	-	-	-	-

NOTE : 12

BORROWINGS

	Non-Current Portion			Current Maturities		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
I Secured Loans						
a) Debentures [1]	1,500.00	1,500.00	2,550.00	-	1,050.00	1,100.00
Term loans						
- From bank [2]	9,845.40	14,399.57	12,917.11	6,067.49	2,749.25	1,868.52
- From others [3]	612.23	1,198.21	1,153.48	173.58	515.07	519.89
Amount disclosed under "Other financial liabilities" in Note No. 19	-	-	-	(6,241.07)	(4,314.32)	(3,488.41)
	11,957.63	**17,097.78**	**16,620.59**	**-**	**-**	**-**

1 Debentures

a) 11.30% secured redeemable non convertible debentures was allotted on September 17, 2012 for a period of 10 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1,500.00 million (P.Y. ₹ 1,500.00 million) and are to be redeemed in Septmeber 17, 2022. The same is secured against charge on land held on stock in trade of the Company and its subsidiaries.

b) 9.80% secured redeemable non convertible debentures was allotted on July 20, 2009 for a period of 7 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 550 million (P.Y. ₹ 550 million) repayable in a single installment, with a put / call option available and exercisable at par at the end of 5th year from the date of allotment. The same is secured against charge on land held on stock in trade of the Company and its subsidiaries. Interest rate has been revised to 9.80% p.a. (P.Y. 13.16% p.a.) for Syndicate bank w.e.f April 16, interest rate for IDBI bank has been changed at 13.32% p.a.(P.Y.13.32% p.a.) and in case of others it is 13.16% p.a. (P.Y. 13.16% p.a.). The same is disclosed under the head "Other financial liabiltiies" in note no 19. The company has requested its lenders to reduce the rate of interest to 9.80% p.a. as per minutes of meeting held on August 29, 2016.
NCD holders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as May 26, 2016.

c) 11.40% secured redeemable non convertible debentures was allotted on July 11, 2011 for a period of 5 years. These debentures have a face value of ₹ 0.10 million each aggregating to ₹ 500 million (P.Y. ₹ 1,000 million). These debentures were to be redeemed on July 11, 2016 - ₹ 500 million. The same is secured against charge on land held on stock in trade of the Company
and its subsidiaries. Interest rates has reamined uncahnged at 13% p.a.(P.Y. 13% p.a.).The same is disclosed under the head ”Other financial liabiltiies” in note no 19.
NCD holders have approved strategic debt Restructuring (SDR) invocation by lenders with reference date as May 26, 2016, which allows lenders to keep account under ”Stand-Still Clause” for 18 months from the reference date.

d) 10.75% secured redeemable non convertible debentures was allotted on March 3, 2011 for a period of 5 years. These debentures have a face value of ₹ 0.10 million each aggregating to ₹ 100 million (P.Y. ₹ 250 million). These debentures were to be redeemed on March 3, 2016 - ₹ 100 million. Interest rate on the same has remained unchanged at 10.75% p.a.(P.Y. 10.75 % p.a.).The same is secured against charge on land held on stock in trade of the Company and subservient charge on all the property, plant and equipment of the Company. The same is disclosed under the head “Other financial liabiltiies” in note no 19. NCD holders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as May 26, 2016, which allows lenders to keep account under “Stand-Still Clause” for 18 months from the reference date.

The above debentures are listed on The National Stock Exchange of India.

As per Section 71 of the Companies Act, 2013 the Company has created adequate debenture redemption reserve for the above series of secured redeemable non convertible debenture. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, the Company has failed to deposit/invest funds a sum of ₹ 157.5 million Before April 30, 2016 to secure the repayments of debentures maturing during the year 2016-17. the debenture due to mature during the financial year 2016-17 amounted to ₹ 1050 million including debenture stated at point no 1(b) and 1(c) and said were not repaid. The interest on NCD due and outstanding with in 0-30 days ₹ 62.74 million, 61-90 days 15.36 million & >90 days is ₹ 271.10 million.

2 Term Loan Banks

a) Term loans also includes the loans taken from Standard Chartered Bank in form of FCNR Loan outstanding amount out of the same is ₹ 93.04 million (P.Y. ₹ 95.01 million) which was due in January 2016 and rate of interest on the same has been LIBOR + 400 i.e. 4.23% p.a.ECB loan has matured (and remains unpaid)

b) The Term loans are secured by first charge on the specific assets acquired out of the term loan alongwith specifically identified unencumbered assets and guarantees. The rates of interest for these loans vary between 10%- 13% (floating) linked to monitoring institution’s base rate, with a repayment period of 5-7 years respectively. Term loan includes working capital term loan (WCTL) secured by a first pari passu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Negative lien on shareholding (up to 30% shares) of Patel Engineering Limited held by Promoters. The promoters - Mr. Pravin Patel and Mr. Rupen Patel in their personal capacity and Ms. Sonal Patel, Mr. Bhimsen Batra and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed by respective companies.

Term loan amounting to ₹ 2337.46 million were due and outstanding as on March 31, 2017 comprises of ₹ 381.84 million due within 0-30 days, ₹ 179.88 million due within 30-60 days,₹ 792.50 million and due within more then 90 days is ₹ 983.24 million. Interest on the term loans outstanding of ₹ 884.19 million as on March 31, 2017 comprises of ₹ 207.44 million due within 0-30 days, ₹ 228.92 million due within 30-60 days, ₹ 126.33 million and due within more then 90 days is ₹ 321.50 million.
Term lenders have approved strategic debt restructuring (SDR) invocation by lenders with reference date as May 26, 2016, which allows lenders to keep account under “Stand-Still Clause” for 18 months from the reference date.

3 From Others

Includes funds from financial institutions on equipments, secured against the said equipments. These loans carry an interest rate of average between 13%-14% on an average, with a repayment period of 3-5 years respectively. This term loan also includes inter corporate deposits with an average rate of interest of 14%-15% with maturity period of 1-3 yrs. Principal due and outstanding on equipment loan of ₹ 33.44 million as on March 31, 2017 comprises of ₹ 4.90 million due within 0-30 days, ₹ 4.86 million due within 30-60 days, ₹ 4.82 million and due within more then 90 days is ₹ 18.86 million and interest due and outstanding on equipment loan of ₹ 5.08 million as on March 31, 2017 comprises of ₹ 0.96 million due within 0-30 days, ₹ 0.58 million due within 30-60 days, ₹ 0.63 million and due within more then 90 days is ₹ 2.91 million. Interest due and outstanding on inter corporate deposits of ₹ 3.60 million as on March 31, 2017 which is due within 0-30 days category.

NOTE : 13

TRADE PAYABLES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Trade payables	2,346.05	3,274.87	1,662.78
Capital creditors	19.64	24.75	59.63
	2,365.69	**3,299.62**	**1,722.41**

NOTE : 14

OTHER FINANCIAL LIABILITIES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completeion of work)	17.77	74.36	-
	17.77	**74.36**	**-**

NOTE : 15

PROVISIONS

	Non-Current			Current		
	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Provision for Employee Benefits (Refer note no 28)						
Provision for gratuity	12.65	11.89	0.37	0.42	0.51	1.21
Provision for leave entitlements	44.17	40.75	33.73	12.14	11.74	11.41
Provisions - others	-	-	165.92	-	-	-
	56.82	**52.64**	**200.02**	**12.56**	**12.25**	**12.62**

NOTE : 16

OTHER NON CURRENT LIABILITY

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Contractee advances	5,753.75	4,432.71	4,824.33
Deposits	436.02	83.27	0.32
Other liability	84.12	-	-
	6,273.89	**4,515.98**	**4,824.65**

NOTE : 17

BORROWINGS

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
I Secured loans			
Short term loans			
- From bank [1]	3,948.63	6,226.32	3,982.00
- From financial institution	-	300.00	-
Loans repayable on demand			
- From bank [2]	21,050.38	17,903.08	13,751.73
II Unsecured loans			
- From bank [3]	1,233.26	2,470.35	2,823.58
- From related parties	310.07	24.45	4.95
	26,542.35	**26,924.20**	**20,562.26**

1 **Short Term Loan**

Includes loans by earmarking from bank gurantee limits and short term loans from various banks against various immovable properties of company at interest rate of 12-13% (PY 12-13%) payable within a year. Principal amount due of ₹ 2794.32 million as on March 31, 2017 comprises of ₹ 1366.15 million due within 30-60 days, ₹ 60.39 million and due within more then 90 days is ₹ 1367.78 million and interest outstanding on short term loans of ₹ 1127.51 million as on March 31, 2017 comprises of ₹ 211.89 million due within 0-30 days, ₹ 280.16 million due within 30-60 days, ₹ 133.69 million due within 60-90 days and due within more then 90 days is ₹ 501.76 million.

2 **Loans Repayable on Demand**

Includes cash credit and working capital demand loan from various banks. These loans have been given against hypothecation of stocks, spare parts, book debts, work in progress and guarantees;

Terms of Repayment:

Cash credit- yearly renewal, rate of interest ranges between 11.50%-15% p.a. (PY 12.50%-15% p.a.)

3 **Unsecured Loan**

It includes short term loans from banks of ₹ 1134.02 million as on March 31, 2017 comprises of ₹ 424.95 million due within 61-90 days and due more then 90 days is ₹ 709.06 million.

Note on strategic debt restructuring (SDR)

The lenders to the company have invoked SDR with May 26, 2016 as the reference date. Consequently, the lenders have been allotted equity shares of company aggregating to 51.08% of the total equity share capital of company, by converting certain part of outstanding debt to equity as per SDR Scheme. SDR was invoked so that a new investor can be sought who can bring in additional capital for the revival of the full/part business segment with a long term persepective and allows lenders to effect stand-still clause which may be applicable for 18 months from reference date.

NOTE : 18

TRADE PAYABLES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Micro small and medium enterprises [1]	6.93	4.66	5.15
Other payables	6,385.83	5,726.00	5,818.06
	6,392.76	**5,730.66**	**5,823.21**

1 The Company has ₹ 6.93 million (PY ₹ 4.66 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2017. Principal amount due to suppliers under the Act is ₹ 5.81 million (P.Y. ₹ 2.07 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.85 million (PY ₹ 0.02 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 4.99 million (PY ₹ 4.45 million). Interest paid to the suppliers under the Act is ₹ 1.68 million (PY ₹ 0.57 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.26 million (PY ₹ 2.57 million). Interest accrued and remaining unpaid at the end of the accounting year is

₹ 1.12 million (PY ₹ 1.47 million). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006 is ₹ 1.12 million (P.Y. ₹ 1.12 million).

The above information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties had been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE : 19

OTHER FINANCIAL LIABILITIES

	March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
Current maturities of long-term debt	6,241.07	4,314.32	3,488.41
Interest accrued but not due on borrowings	6.97	68.79	150.49
Interest accrued and due on borrowings	1,667.21	467.52	358.35
Unpaid dividend	1.49	1.76	2.11
Deposits	132.94	104.84	100.50
Other liabilities	36.80	57.46	-
Unpaid matured debentures	1,150.00	200.00	150.00
	9,236.48	**5,214.69**	**4,249.86**

NOTE : 20

OTHER CURRENT LIABILITIES

		March 31, 2017 ₹ million	March 31, 2016 ₹ million	April 1, 2015 ₹ million
(a)	**Other Liabilities**			
	Contractee advances	2,597.99	3,364.22	4,289.10
	Other payables			
	Payable to employees	282.03	245.91	194.76
	Other liabilities	1,436.90	1,400.78	552.67
(b)	**Balance in current account**			
	(i) With subsidiaries, associates	0.88	-	15.84
	(ii) With joint ventures	325.38	593.64	8.83
		4,643.18	**5,604.55**	**5,061.20**

NOTE : 21

REVENUE FROM OPERATIONS

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
(a)	Revenue/turnover (refer note 41 b)	25,437.36	19,969.82
	Add: Increase/(decrease) in work in progress	2,018.07	7,028.92
	Sale of goods	76.20	92.95
	Total turnover	**27,531.63**	**27,091.69**
(b)	Other operating income		
	Lease and service charges [TDS. ₹ 0.21 million (P.Y. ₹ 0.25 million)	2.30	2.94
	Share of profit /(loss) from JV /partnership (net)	88.60	(9.49)
	Other income	1,632.99	552.80
		29,255.52	**27,637.94**

NOTE : 22

OTHER INCOME

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Dividend income	82.38	-
Gain on sale of assets (net)	27.22	174.96
Other non operating income	471.12	300.95
Interest income (Gross) [TDS. ₹ 9.54 million (₹ 14.53 million)]	2,665.84	2,145.86
Net gain on foreign currency translation	73.79	40.19
Excess credit written back	275.72	141.53
Net gain on sale of non current investments	107.53	54.83
	3,703.60	**2,858.32**

NOTE : 23

COST OF CONSTRUCTION

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Stores, embedded goods and spare parts*		
Inventories at the beginning of the year	1,143.95	1,215.48
Add : Purchase (net)	2,309.43	2,650.18
	3,453.38	**3,865.66**
Inventories at the end of the year	1,080.04	1,143.95
Consumption of stores and spares	**2,373.34**	**2,721.71**
Purchase of land / development rights	242.37	38.08
Corpus fund to society	21.77	7.91
Piece rate expenses (net)	15,056.76	14,070.45
Repairs to machinery	9.71	12.45
Transportation, hire etc.	1,200.98	1,643.65
Power, electricity and water charges	386.62	294.83
Project developement cost	385.82	343.49
Technical consultancy fees	134.40	108.72
Other construction costs	311.53	144.55
	20,123.30	**19,385.84**

* Stores, embedded goods and Spares etc., consumed include materials issued to sub contractors.

NOTE : 24

EMPLOYEE BENEFITS EXPENSE

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Salaries, wages and bonus	1,144.59	1,089.72
Contribution to provident and other funds	84.06	65.23
Employee stock option (ESOP)	-	0.33
Staff welfare expenses	60.21	47.10
	1,288.86	**1,202.38**

NOTE : 25

FINANCE COSTS

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Interest expense[1]	6,028.06	5,982.19
Unwinding of interest component	9.16	12.98
Other borrowing costs	341.88	292.33
	6,379.10	**6,287.50**

[1] Interest capitalised of ₹ 387.25 million (P.Y. ₹ 342.44 million) towards fixed assets and project development expenses.

NOTE : 26

OTHER EXPENSES

		March 31, 2017 ₹ million	March 31, 2016 ₹ million
Other administrative costs			
Rent		40.20	37.17
Repairs and maintenance - building		6.40	14.43
Insurance		74.49	73.94
Rates and taxes		210.04	192.11
Advertisement and selling expenses		0.88	1.81
Travelling and conveyance		55.13	55.62
Directors fees		2.88	2.60
Auditor's remuneration			
Audit fees	5.80		5.80
Tax audit fees	1.20		1.20
Taxation matters	2.30		2.30
Company law matters	1.20		1.20
Certification	1.50		1.86
Reimbursement of expenses	0.20		0.13
		12.20	12.49
Communication expenses		20.94	21.18
Printing and stationery		11.71	13.22
Legal and consultancy charges		188.35	119.58
Irrecoverable debts written off / provided		1,524.32	2,272.97
Sewage water disposal		7.06	1.64
Net loss on foreign currency translation		-	46.75
Other expenses		324.12	125.69
		2,478.72	**2,991.20**

NOTE : 27

EXCEPTIONAL ITEMS:

	March 31, 2017 ₹ million	March 31, 2016 ₹ million
Provision for impairment on investment / loans and advances	681.27	189.99
Advances written off *	398.50	699.66
Compensation towards delay possession	-	52.01
Provisions no longer required written back	-	(469.08)
	1,079.77	**472.58**

Provision made for impairment based on indication of diminution in value of the investment in / advance to a subsidiary, Patel Engineering Singapore Pte Ltd.

* The Company has an outstanding loan balance of ₹ 1,173.62 million due from BEDL as on March 31, 2016. Now that BEDL is under SDR and majority of shareholding is held by the bankers, the loss of BEDL amounting of ₹ 620.40 million is not likely to be recoverable by the Co., hence it has written off the said loss of ₹ 620.40 million against the loan in the books of account of the company as on March 31, 2016. Further interest accrued but not received of ₹ 79.25 million from another subsidiary is also written off as on March 31, 2016.

During the year, company has written off the balance loan of BEDL after adjusting its advances and debtors balance along with 49% investment in associates.

28 EMPLOYEE BENEFITS

I Brief description of the Plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Company's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy. The Provident fund scheme additionally requires the Company to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2017 and March 31, 2016:

(i) Expenses recognised in the statement of profit and loss :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	11.58	3.59	17.28
	(10.26)	(1.33)	(14.76)
Interest cost (net)	0.69	0.99	4.00
	(0.08)	(0.41)	(3.49)
Net actuarial (gain) / losses	13.39	(4.06)	(17.60)
	(6.81)	(7.13)	(-9.62)
Total expenses recognized in the statement of profit and loss	**25.66**	**0.52**	**3.67**
	(17.00)	**(8.87)**	**(8.64)**

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognised in balance sheet):

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Present value of funded obligation as at the year end	(67.99)	(11.90)	(51.54)
	(47.52)	(12.41)	(49.62)
Fair value of plan assets as at the year end	39.61	-	-
	38.95	-	-
Funded liability recognized in the balance sheet	(28.38)	(11.90)	(51.54)
	(-8.57)	(-12.41)	(-49.62)

(iii) Changes in defined benefit obligation :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	47.52	12.41	49.62
	(31.47)	(5.10)	(43.66)
Interest cost	3.83	0.99	4.00
	(2.52)	(0.41)	(3.49)
Current service cost	11.58	3.59	17.28
	(10.26)	(1.33)	(14.76)
Benefit paid	(6.01)	(1.02)	(1.75)
	(-3.71)	(-1.57)	2.68
Actuarial (gains) / losses on obligations	11.06	(4.06)	(17.60)
	(6.98)	(7.13)	9.62
Liability at the end of the year	67.99	11.91	51.54
	(47.52)	(-12.4)	(49.62)

(iv) Changes in the fair value of plan assets:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Fair value of plan assets at the beginning of the year	38.95	-	-
	(32.49)	-	-
Expected return on plan assets	3.14	-	-
	(2.60)	-	-
Contributions by the employer	5.86	-	-
	(7.40)	-	-
Benefit paid	(6.01)	-	-
	(-3.71)	-	-
Actuarial gain on plan assets	(2.32)	-	-
	(0.17)	-	-
Fair value of plan assets at the end of the year	39.61	-	-
	(38.95)	-	-
Total actuarial gain to be recognized	**13.39**	**-**	**-**
	(6.81)	**-**	**-**

(v) Actual return on plan assets

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	3.14	-	-
	(2.60)	-	-
Actuarial gain on plan assets	(2.32)	-	-
	(0.17)	-	-
Actuarial gain on plan assets	0.82	-	-
	(2.77)	-	-

(vi) The Company expects to contribute ₹ 37.27 million (P.Y. ₹ 20.16 million) to gratuity funded plan in FY 2017-18.

(vii) Percentage of each category of plan assets to total fair value of plan assets:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Insurer managed funds	100%	100%	100%
	100%	100%	100%

(viii) Sensitivity analysis for significant assumption is as below :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Discount rate	8.06%	8.01%	8.06%
	(8.06%)	(8.01%)	(8.06%)
Rate of increase in compensation levels	5.00%	5.00%	5.00%
	(5.00%)	(5.00%)	(5.00%)
Expected rate of return on plan assets	8.06%	-	-
	(8.06%)	-	-
Attrition rate	2.00%	2.00%	2.00%
	(2.00%)	(2.00%)	(2.00%)
Average Age of retirement (years)	60	60	60
	(60)	(60)	(60)

(ix) Experience adjustments

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
On plan obligation (gain)/loss	6.12	(4.12)	(21.12)
	-	(7.82)	(-9.37)
On plan asset (loss)/gain	(2.32)	-	-
	-	-	-

(x) Figure in brackets indicates amounts pertaining to previous year.

29 In view of the amendment in the Service Tax Act, certain projects which were hitherto not liable for service tax became liable to tax by virtue of the said amendment effective July 1, 2012. The amount of service tax payable on such projects is reimbursable by the client as per the contract conditions and the same has been reflected as receivables. However in few cases where the client has not accepted this liability, the same has been debited to the statement of profit and loss.

30 LEASE

The Company has taken various construction equipments under non cancellable operating leases. The future minimum lease payment in respect of these as at March 31, 2017 are as follows:

Minimum lease obligation payable as at March 31	2017 ₹ million	**2016 ₹ million**
a) within one year of the Balance Sheet date	64.62	151.89
b) due in a period between one year and five years	83.48	14.46
c) due after five years	-	-

The Operating lease arrangement, are renewable on a periodic basis and it provides for an option to the Company to renew the lease at the end of the non cancellable period. There is no exceptional / restrictive covenants under the lease arrangement.

31 EARNING PER SHARE

	2017 ₹ million	2016 ₹ million
Net profit /(loss) as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1 each	418.22	(298.96)
Weighted average number of equity shares for earning per share	104,707,454	76,806,282
Earning Per Share (Basic) ₹	3.99	(3.89)
Earning Per Share (Diluted) ₹	3.99	(3.89)

32 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24, 'Related Party Disclosures', are given below:

A. Name of Related Parties and nature of relationship :-

Direct Subsidiaries

1 Patel Energy Resources Ltd.
2 Michigan Engineers Pvt. Ltd.
3 Shreeanant Construction Pvt. Ltd.
4 Energy Design Pvt. Ltd.
5 Patel Lands Ltd.
6 Patel Patron Pvt. Ltd.
7 Patel Engineers Pvt. Ltd.
8 Pandora Infra Pvt. Ltd.
9 Shashvat Land Projects Pvt. Ltd.
10 Patel Engineering Lanka Pvt. Ltd.
11 Vismaya Constructions Pvt. Ltd.
12 Bhooma Realties Pvt. Ltd.
13 Friends Nirman Pvt. Ltd.
14 Patel Concrete and Quarries Pvt. Ltd.
15 ASI Constructors Inc.
16 Patel Engineering Infrastructure Ltd.
17 Patel Engineering (Mauritius) Ltd.
18 Patel Engineering (Singapore) Pte. Ltd.
19 Patel Engineering Inc.
20 Zeus Minerals Trading Pvt. Ltd.
21 Patel Land Developers Ltd. (from 19.09.2016)
22 Patel KNR Infrastructure Ltd. (from 08.12.2016)
23 Apollo Buildwell Pvt. Ltd.
24 Arsen Infra Pvt. Ltd.
25 Hebe Infracon Pvt. Ltd. (winded up on 30.03.2016)
26 Hera Realcon Pvt. Ltd.
27 Lucina Realtors Pvt. Ltd.
28 Nirman Constructions Pvt. Ltd. (upto 27.12.2016)
29 Praval Developers Pvt. Ltd. (winded up on 30.03.2016)
30 PBSR Developers Pvt. Ltd.
31 Waterfront Developers Ltd.

Subsidiaries of Waterfront Developers Ltd.

Les Salines Development Ltd.

Subsidiaries of Nirman Constructions Pvt. Ltd.

Azra Land Projects Pvt. Ltd.

Subsidiaries of Patel Engineers Private Limited

Phedra Projects Pvt. Ltd.

Subsidiaries of Patel Energy Resources Limited

1 Patel Hydro Power Pvt. Ltd.
2 PEL Power Ltd.
3 Patel Energy Assignment Pvt. Ltd.
4 Patel Energy Projects Pvt. Ltd.
5 Patel Energy Operations Pvt. Ltd.
6 Patel Thermal Energy Pvt. Ltd.
7 Dirang Energy Pvt. Ltd.
8 West Kameng Energy Pvt. Ltd.
9 Digin Hydro Power Pvt. Ltd.
10 PEL Port Pvt. Ltd.
11 Patel Energy Ltd.
12 Jayshe Gas Power Pvt. Ltd.
13 Naulo Nepal Hydroelectric Pvt. Ltd.
14 Meyong Hydro Power Pvt. Ltd.
15 Saskang Rong Energy Pvt. Ltd.

Subsidiaries of ASI Constructors Inc

1 ASI Constructors Australia Pte. Ltd.
2 Engineering & Construction Innovations Inc.
3 HCP Constructors Inc.

Subsidiaries of Patel Engineering (Singapore) Pte. Ltd.

1 Patel Surya (Singapore) Pte. Ltd.
2 PT PEL Minerals Resources
3 Patel Param Minerals Pte. Ltd.
4 PT Patel Surya Minerals
5 Surpat Geo Minerals
6 Patel Param Energy Pte. Ltd.
7 PT Patel Surya Jaya
8 Patel Param Natural Resources Pte. Ltd.
9 PT Patel Engineering Indonesia
10 Surya Geo Minerals

Subsidiaries of Patel Engineering Inc.

1 ASI RCC Inc.
2 Westcon Micro Tunelling Inc.
3 ASI Global LLC

Subsidiaries of Patel Engineering (Mauritius) Ltd.

1 Patel Mining (Mauritius) Ltd.
2 Enrich Mining Vision Lda
3 Placer Mining Division, Lda
4 Patel Infrastructure, Lda
5 Trend Mining Projects, Lda
6 Accord Mines Venture, Lda
7 Netcore Mining Operations, Lda
8 Metalline Mine Works, Lda
9 Patel Mining Assignments, Lda
10 Chivarro Mines Mozambique, Lda
11 Fortune Mines Concession, Lda
12 Omini Mines Enterprises, Lda
13 Quest Mining Activities, Lda

Associates:

1 Patel KNR Heavy Infrastructure Ltd.
2 Terra Land Developers Ltd.
3 Raichur Sholapur Transmission Company Pvt. Ltd.
4 Bellona Estate Developers Ltd. (Through PRIL)
5 ACP Tollways Pvt. Ltd.
6 PAN Realtors Pvt.Ltd.

Joint Ventures: Refer Note (39)

Partnership

1. AHCL PEL
2. Patel Advance JV

Others

1. Patel Corporation LLP
2. Praham India LLP
3. Patel Realty - Ashoka Developers LLP

B. Key Management Personnel (KMP)

Mr. Pravin A Patel	Executive Chairman
Mr. Rupen Patel	Managing Director (Son of Mr. Pravin Patel)
Mr. Ashwin Parmar	Whole Time Director (resigned to be director w.e.f. 04.04.2016)
Mr. Chittaranjan Kumar Singh	Whole Time Director
Ms. Kavita Shirvaikar	Chief Financial Officer and Whole Time Director (w.e.f. 01.04.2017)
Ms. Shobha Shetty	Company Secretary

C. Transaction with related parties with subsidiaries, associate companies, joint ventures, partnership and others referred to in item (A) above.

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2016-17	2015-16	2016-17	2015-16
- Revenue/turnover	-	284.65	5,536.96	2,813.16
- Piece rate expenses	-	23.10	-	-
- Investment in equity / purchase of shares	0.10	-	-	-
- Loans / advances received	-	82.91	18.92	41.43
- Loans / advances repaid	44.93	49.05	5.55	508.04
- Share of profit	-	-	75.25	159.06
- Share of loss	-	-	16.24	0.02
- Miscellaneous receipts	3.75	7.32	4.45	4.87
- Loans/advances given	1,766.85	1,314.91	480.57	515.86
- Loans / advances recovered	1,291.50	470.71	665.81	456.59
- Corporate guarantee outstanding as at the end of the year	2,566.19	7,695.86	7,323.30	4,739.30
- Bank guarantee outstanding as at the end of the year	620.36	620.36	3,565.36	2,588.16
- Outstanding balance included in current/ non-current assets	11,401.14	8,682.84	2,016.99	1,639.89
- Outstanding balance included in current / non-current liabilities	1,999.60	2,049.09	1,821.36	1,445.16
- Sale of asset	-	1.00	-	18.50
- Reimbursement of expenses from	12.14	5.20	5.09	4.21
- Reimbursement of expenses to	-	-	0.02	-
- Rent income	0.92	1.58	-	-
- Rent paid	3.69	4.31	-	-
- Interest income	1,279.25	1,320.44	5.94	4.99
- Sundry balances written off	-	79.26	396.00	622.35
- Sundry balances written back	-	0.95	-	0.00
- Issue of stores	-	-	0.11	-
- Provision for impairment of investment	-	94.46	127.01	-
- Provision for impairment of loans and advances	681.27	95.53	27.30	-
- Advance against immovable property	160.77	-	-	-
- Property maintenance expenses	5.05	-	(0.74)	-

D. Disclosures of material transactions with related parties with subsidiaries, associate companies, joint ventures, partnership and others referred to in item (A) above.

₹ million

Particular	Name of the Company	2016-17	2015-16
- Revenue/turnover	Navyuga-Patel-BHEL	4965.95	2752.62
	Dirang Energy Pvt. Ltd.	-	284.65
	Raichur Sholapur Transmission Company Pvt. Ltd.	-	0.76
- Piece rate expenses	Michigan Engineers Pvt. Ltd.	-	23.10
- Investment in equity/purchase of shares	Patel Land Developers Ltd.	0.10	-

₹ million

Particular	Name of the Company	2016-17	2015-16
- Loans/advances received	Dirang Energy Pvt. Ltd.	-	82.91
	Patel Sew JV	18.92	40.37
- Loans/advances repaid	Dirang Energy Pvt. Ltd.	44.93	49.05
	Raichur Sholapur Transmission Company Pvt. Ltd.	-	0.15
	Patel Sew JV	5.55	507.89
- Share of profit	Patel Michigan JV	0.04	0.66
	PEL-UEIPL JV	10.81	-
	KNR-PATEL JV	50.42	123.41
- Share of loss	Patel Avantika Deepika Bhel Consortium	-	0.02
	AGE-Patel Joint Venture	15.74	-
- Miscellaneous receipts	PEL Power Ltd.	3.75	4.34
	Patel-Michigan JV	2.46	3.03
	CICO Patel JV	1.21	1.21
	Patel Leena JV	0.63	0.63
	Dirang Energy Pvt. Ltd.	-	2.87
- Loans/advances given	Patel Energy Resources Ltd.	64.04	577.00
	Dirang Energy Pvt. Ltd.	79.56	10.51
	Patel KNR Infrastructure Ltd.	0.04	0.01
	Raichur Solapur Transmission Company Pvt. Ltd.	3.71	0.01
	Patel Advance JV	-	110.71
	Patel SEW JV	343.54	175.72
	AGE-Patel JV	129.69	-
	Michigan Engineers Pvt. Ltd.	-	-
	Patel Eng. (Singapore) Pvt. Ltd.	681.27	-
	Bellona Estate Developers Ltd.	3.37	155.93
	Waterfront Developers Ltd.	112.00	298.34
	PBSR Developers Pvt. Ltd.	325.22	202.55
- Loan/advances recovered	Patel Energy Resources Ltd.	0.23	150.60
	Dirang Energy Pvt. Ltd.	-	5.09
	Patel Engineering Infrastructure Ltd.	34.82	1.85
	PAN Realtors Pvt. Ltd.	-	0.29
	KNR Patel JV	-	202.25
	Patel SEW JV	104.88	76.93
	AHC-PEL Partnership Firm	-	66.83
	AGE-Patel JV	112.58	-
	Bellona Estate Developers Ltd.	406.89	0.73
	Apollo Buildwell Pvt. Ltd.	160.77	-
	PBSR Developers Pvt. Ltd.	965.17	282.67
- Sale of asset	Michigan Engineers Pvt. Ltd.	-	1.00
	Patel KNR JV	-	11.66
	Patel SEW JV	-	6.85

₹ million

Particular	Name of the Company	2016-17	2015-16
- Reimbursement of expenses from	PEL Power Ltd.	3.92	3.32
	Patel Michigan JV	2.09	2.07
	CICO PATEL JV	2.63	1.84
	Patel Leena JV	34.82	0.30
	Dirang Energy Pvt. Ltd.	160.77	1.82
	Arsen Infra Pvt. Ltd.	6.33	-
	Waterfront Developers Ltd	1.89	-
- Reimbursement of expenses to	Patel SEW JV	0.02	-
- Rent income	Dirang Energy Pvt. Ltd.	0.92	1.58
- Rent paid	PEL Power Ltd.	3.68	4.19
- Interest income	Patel Energy Resources Ltd.	816.48	704.15
	CICO Patel JV	1.16	2.02
	Patel Michigan JV	2.04	2.40
	PAN Realtors Pvt. Ltd.	-	0.03
	Patel KNR Infrastructure Ltd.	-	0.06
	Raichur Sholapur Transmission Company Pvt. Ltd.	0.18	0.04
	PBSR Developers Pvt. Ltd.	-	131.11
	Waterfront Developers Ltd.	-	106.49
	Patel SEW JV	2.10	-
- Sundry balances written off	ACP Tollways Pvt. Ltd.	-	1.95
	Patel KNR Infra Ltd.	-	-
	Apollo Buildwell Pvt. Ltd.	-	79.26
	Bellona Estate Developers Ltd.	396.00	620.40
- Sundry balances written back	Michigan Engineers Pvt. Ltd.	-	0.95
- Issue of stores	Patel SEW JV	0.11	-
- Provision for impairment of investment	Patel Engineering (Singapore) Pte. Ltd.	-	94.46
	Patel KNR Infrastructure Ltd.	72.00	-
	Patel KNR Heavy Infrastructure Ltd.	55.01	-
- Provision for impairment of loans and advances	Patel Engineering (Singapore) Pte. Ltd.	681.27	95.53
	Patel KNR Heavy Infrastructure Ltd.	27.30	
- Advance against immovable property	Apollo Buildwell Pvt. Ltd.	160.77	-
- Property maintenance expenses	Arsen Infra Pvt. Ltd.	5.05	(0.74)

E. Details of transactions relating to persons referred in item (B) above.

₹ million

Particular	2016-17	2015-16
Managerial remuneration	33.76	37.86
Salary and contribution to provident fund	2.04	3.62
Rent income	1.17	1.06
Deposit	0.40	0.40
Loan taken	1.50	33.45
Loan repaid	24.38	0.50
Outstanding balance payable	34.49	60.04
Outstanding balance receivable	0.20	0.20

33 SEGMENT REPORTING

Primary Segment : ₹ million

Particulars	As at March 31, 2017		
	Business Segments		
	EPC	Real Estate	Total
Segment revenue	26,769.70	2,485.80	29,255.50
Segment results	288.63	1,864.27	2,152.90
Segment assets	86,592.10	2,863.00	89,455.10
Segment liabilities	65,698.80	1,926.20	67,625.00
Addition to fixed assets	1,569.10	0.01	1,569.11
Segment depreciation	456.35	3.74	460.09

₹ million

Particulars	As at March 31, 2016		
	Business Segments		
	EPC	Real Estate	Total
Segment revenue	27,150.20	487.70	27,637.90
Segment results	(96.90)	178.20	81.30
Segment assets	79,526.00	6,484.60	86,010.60
Segment liabilities	62,121.40	6,484.60	68,606.00
Addition to fixed assets	204.10	-	204.10
Segment depreciation	446.34	4.42	450.76

The Company carries out only domestic operations.

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

₹ million

Particulars	As at March 31, 2017	As at March 31, 2016
Revenue from top customer	4,965.95	4,811.12
Revenue from top five customers	14,847.04	16,369.01

34 On November 25, 2016, the allotment committee of the Company has approved the allotment of 8,01,88,409 equity shares of face value ₹ 1 each at a price of ₹ 52.20 per share, which is price for conversion of debt into equity determined as per RBI circular dated June 8, 2015, to the lenders on preferential basis as per strategic debt restructuring scheme (SDR).

35 BUSINESS COMBINATIONS

a) Patel Realty (I) Ltd. (PRIL) is engaged in construction of commercial and residential buildings; primarily know as real estate business. The company holds 100% of the voting power of PRIL.

b) PRIL has been amalgamated with the company with effect from April 1, 2016 ('appointed date') pursuant to the approval of the Hon'ble National Company Law Tribunal in it's order dated of July 6, 2017 as per pooling of interest method in terms of the Scheme. Consequently, the Company has merged the financials of the said subsidiary with its financials as per IND AS 103.

c) The amalgamation has been accounted for under the 'pooling of interests' method as prescribed by Ind AS 103. Accordingly, the assets, liabilities and reserves of PRIL as at April 1, 2016 have been taken over at their book values and in the same form.

d) There is no difference between the amounts recoreded as investment of the company and the of share capital of PRIL.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the following summarised values :

Particulars	PRIL
Assets	
Property, plant and equipment	10.99
Investments	176.74
Other financial assets	13.20
Current tax assets	12.16
Other non current assets	0.29
Inventories	2,845.10
Trade receivables	274.96
Cash and cash equivalents	10.01
Loans	2,619.43
Other current assets	578.19
Total assets	**6,541.06**
Less : Liabilities	
Other equity	508.66
Borrowings	2,667.25
Other financial liabilities	236.66
Provisions	6.11
Trade payables	606.16
Deferred tax liabilities	56.47
Other current liabilities	1,459.76
Total liabilities	**5,541.06**
Investment in PRIL	**1,000.00**

36 In terms of Provisions of Section 135 of the companies Act 2013 and rules thereunder, the company is required to spend an amount of ₹8.02 million (P.Y. ₹ 6.87 millions) during the financial year on corporate social responsibility (CSR). However, the company has not spent the requisite amount during this financial year.

37 The Company is engaged in providing infrastructural facilities as hence, as per Section 186(11) of Companies Act, 2013, nothing in Section 186 shall apply to the Company except sub-section (1) of Section 186. Accordingly, a separate disclosure has not been given in the financial statements as required under Section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.

38 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet.

39 Contracts executed by the following joint ventures / consortiums are accounted for as per the accounting policy no. (i).

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's Share
Joint operations :		
CICO-Patel JV	Chongqing International Construction Corporation	99.90%
Patel Sew JV	Sew Constructions Ltd.	60%
KNR – PATEL J.V.	KNR Constructions Ltd.	49%
PATEL –KNR J.V.	KNR Constructions Ltd.	50%
Navyuga – Patel – BHEL	Navyuga Engineering Co.Ltd.	42.23%

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's Share
Patel – V Arks - Precision	V Arks Engineers Pvt.Ltd.	60%
PATEL – SOMA J.V	Soma Enterprises Ltd.	50%
Patel – V Arks JV	V Arks Engineers Pvt.Ltd.	65%
Patel – Avantika – Deepika – BHEL	Avantika Contractors India Pvt.Ltd.	52.83%
AGE Patel JV	AGE Insaat VE Ticaret A.S.	49%
PATEL – MICHIGAN JV	Michigan Engineers Pvt. Ltd.	10%
PEL-UEIPL JV	M/s Ujjain Engicon India Pvt. Ltd	60%
Joint ventures :		
PATEL-SA JV	Sandeep Associates	75%
Era Patel Advance Kiran JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd., Kiran Udhyog	47.06%
Patel APCO JV	APCO Infratech Ltd.	50%
Era Patel Advance JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd.,	30%
Patel – Siddhivinayak JV	Siddhivinayak Constructions	51%

40 Disclosure required in accordance with Ind AS - 11 "Constructions Contracts". In respect of contracts entered into on or after April 1, 2003, contract revenue recognized as gross construction ₹ 23,066.98 million (P.Y. ₹ 25,322.52 million) contract costs incurred and recognized profit (less recognized losses) ₹ 154,973.69 million (P.Y. ₹ 135,971.41 million) advance received ₹ 594.46 million (P.Y. ₹ 925.33 million) retention deposit ₹ 2,145.86 million (P.Y. ₹ 1822.44 million) and gross amount due from clients for contract works included under current assets ₹ 29,465.86 million (P.Y. ₹ 27,088.09 million).

41 a) Unbilled work in progress includes stock of land under development (including held in the name of directors/relatives of directors/employees, as nominees of the company).

b) Turnover includes construction of multi purpose projects, water supply projects, irrigation projects, building projects, road and railway projects, on item rate or EPC basis and sale of development rights (net of rebate / cancellation of ₹ Nil (P.Y. ₹ 2000 million)). It also includes duty drawback and entitlement etc but excludes VAT, service tax etc.

c) During the financial year 2010-11, two of Company's hydropower projects in Loharinagpala, in the state of Uttarakhand, awarded by NTPC, were prematurely terminated by Government of India. NTPC has sought details of expenditure incurred, committed costs, anticipated expenditure on safety and stabilization measures, other recurring site expenses and interest costs, as well as other claims of various packages of contractors/vendors for further submission to the Government after compiling all the details of expenses incurred by various contractors working for the project. Management expects that all these cost as well as claims will be recovered in full and hence the cost incurred on the project up to March 31, 2017 ₹1,849.70 million (P.Y. ₹1,849.70 million) (including hedging cost of ₹458.71 million (P.Y. ₹ 458.71 million) are considered recoverable and billable to the client and hence included under work in progress.

d) Arbitration awards received in favour of the Company amounting to ₹ 855.95 million (P.Y. ₹ 492.24 million) is accounted for as construction Receipts.

42 **Derivative transactions :**

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2017 amounting to ₹ 615.13 million (P.Y ₹ 624.89 million).

Foreign currency exposure outstanding at ₹ million

Currency	March 31, 2017	March 31, 2016
USD	651.71	695.16
EURO	(410.97)	(496.64)
SGD	88.29	87.90
JPY	20.97	21.30
MUR	280.89	268.06
LKR	13.49	48.95
NPR	(29.25)	0.16

43 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/ suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of ₹ 1,20,05,193/- and appropriate disclosure for contingent liabilities is given.

44 In one of the subsidiary company namely Bellona Estate Developers Limited (i.e. BEDL), the lender Banks of the BEDL (Union Bank of India, Vijaya Bank and Syndicate Bank) formed the Joint Lenders Forum ('JLF') as per circular DBR.BP.BC.No. 101/21.04.132/2014-15 of Reserve Bank of India ('RBI'). In the meeting of JLF held on October 29,2015, it was decided to invoke the option of strategic debt restructuring ('SDR') under which the lenders converted part of their loans and interest outstanding into equity shares of the company so as to hold 51% shareholding in the BEDL.
The board of directors (the Board) of the BEDL approved SDR in its meeting held on January 12,2016 as also agreed to allot 2,60,205 equity shares in the Company to JLF. For this purpose, authorised capital of the BEDL was increased from present ₹ 25,00,000 to ₹ 52,00,000 vide a resolution passed by members of the BEDL in the extra ordinary general meeting held on January 13, 2016. Accordingly, shareholders agreement was executed between the BEDL and JLF member Banks on March 30,2016 and upon allotment of shares to member banks of JLF, BEDL has ceased to be subsidiary of the Company from March 30, 2016.

45 The Company has 100% investment in Waterfront Developers Ltd (Waterfront) and has granted loans and advances amounting to ₹ 84,21,71,807/- (P.Y. ₹ 74,71,70,424/-) till March 31, 2017. Waterfront has invested in step down subsidiary, Le Salines Development Ltd ("LSDL"). LSDL has undertaken a construction project in Mauritius in the year 2009-10. LSDL had received a notice dated June 4, 2015 from the Government of Mauritius for the termination of lease agreement entered on December 11, 2009. Management is of the view that as per the lease agreement lease cannot be terminated on the grounds of clause 14(c) as mentioned in the termination letter. In this regard a notice has been sent to MOHL,Government of Mauritius on July 1, 2016 by LSDL contesting wrongful termination and further PEL and LSDL are exploring the various possibilities to seek compensation from Government of Mauritius. In this case the process of arbitration has been initiated with the Government of Mauritius & PEL/LSDL is confident to get the such compensation.

46 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 294.35 million (P.Y. ₹125.51 million), advance paid ₹ 43.78 million (P.Y. ₹ 29.26 million). The company is under commitment to construct specific area for land owner.

(b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 12,076.30 million (P.Y. ₹ 14,057.00 million) (including Customs ₹ 109.17 million (P.Y.₹109.17 million) Entry Tax ₹ 37.57 million (P.Y. ₹ 37.57 million) for the current year includes guarantees given in US$ Nil (P.Y. US$ 10.00 million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 9889.50 million (P.Y. ₹ 12,500.16 million).

(c) The Company has received an amount of ₹ 12.74 million in 1997 against arbitration award in its favour. The client has preferred an appeal against above award claiming an amount of ₹213.32 million (P.Y. ₹ 213.32 million) before the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

(d) Service tax liability that may arise on matters in appeal ₹ 2,321.78 million (P.Y. ₹ 1,085.92 million) and advance paid ₹ 82.92 million (P.Y. ₹ 20.00 million). Out of the above, ₹ 1810.02 million (P.Y. ₹ 1,085.92 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 105.29 million (P.Y. ₹105.95 million) (Advance paid ₹ 18.57 million (P.Y. ₹ 18.68 million)), Cess ₹ 110.42 million (P.Y. ₹ 107.81 million), Custom Duty ₹ 17.62 million (P.Y. ₹ 17.62 million) (Advance paid ₹ ₹ 8.46 million (P.Y. ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 1,511.19 million (P.Y. ₹ 3671.77 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 9.52 million (P.Y. ₹ 9.52 million) and advance Paid ₹ 2.38 million (P.Y. 2.38 million)

(h) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, manangement believes that these case will not adversely effect its financial statement.

(i) A part of the immovable property belonging to the company shown under inventories has been offered as security in favour of a bank against credit facilities availed by a JDA partner.

(j) The Company has provided a "cost overrun undertaking" for its associates (BEDP) to a lender.

(k) Proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 for the past assesment years initiated quantum currently not ascertainable, are being contested by the Company.

(l) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 11.35 million), against which amount of ₹ 0.50 million (P.Y. ₹ 5.78 million and bank guarantee for balance amount) have been paid.

47 Information pertaining to loans given to subsidiaries (information pursuant to regulation 34(3) of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015:

Loans and Advances in the nature of loans given to subsidiaries and associates:

₹ million

Name of subsidiaries / associates		As at March 31, 2017	As at March 31, 2016	Maximum Amount outstanding (2016 – 17)	Maximum Amount outstanding (2015 – 16)
Subsidiaries					
1	Michigan Engineers Pvt.Ltd.	7.15	6.27	7.15	7.74
2	Patel Patron Pvt. Ltd.	52.60	44.87	95.81	44.87
3	PEL Power Ltd.	672.62	561.52	672.93	561.52
4	Patel Land Developers Ltd.	0.01	-	0.01	-
5	Patel Energy Ltd.	501.54	439.92	501.54	439.92
6	Patel Engineering (Mauritius) Ltd.	25.79	23.86	29.13	23.86
7	Patel Engineering Infrastructure Ltd.	341.83	191.84	341.83	191.84
8	Phedra Projects Pvt. Ltd.	9.55	8.36	9.55	8.36
9	Vismaya Constructions Pvt. Ltd.	35.62	31.23	35.62	31.23
10	Shashvat Land Projects Pvt. Ltd.	256.04	224.58	256.04	224.58
11	Bhooma Realties Pvt. Ltd.	301.22	264.21	301.22	264.21
12	Pandora Infra Pvt. Ltd.	367.90	322.70	367.90	322.70
13	Patel Eng. (Singapore) Pte. Ltd.	95.53	95.53	95.53	117.55
14	Dirang Energy Pvt. Ltd.	108.28	27.25	108.48	27.25
15	Patel Mining Divn. Lda,	12.37	11.30	12.63	11.30
16	Patel Energy Resources Ltd.	6,689.04	5,808.76	6,689.04	5,808.76
17	Patel Mining (Mauritius) Ltd.	201.92	189.99	207.44	192.12
18	Energy Design Pvt.Ltd.	89.32	77.40	89.32	77.40
19	PT Patel Surya Minerals	9.08	8.36	9.28	8.36
20	Patel Lands Ltd.	36.66	32.15	36.66	32.15
21	Patel Hydro Power Pvt. Ltd.	2.92	1.18	2.92	1.25
22	Patel Engineering (Lanka Pvt. Ltd.)	13.48	12.01	13.84	13.04
23	Patel Engineers Pvt. Ltd.	2.21	1.93	2.21	1.93
24	Patel Concrete and Quarries Pvt. Ltd.	111.51	97.80	111.51	97.80
25	Zeus Minerals Trading Pvt. Ltd.	110.61	97.01	110.61	97.01
26	Naulo Nepal Hydroelectric Pvt. Ltd.	2.80	0.16	2.80	0.16
27	Shreeanant Constructions Pvt. Ltd.	64.85	46.66	64.85	46.66
28	Apollo Buildwell Pvt. Ltd.	12.24	160.77	12.24	160.77
29	Arsen Infra Pvt. Ltd.	5.88	34.84	5.88	34.84
30	Hera Realcon Pvt. Ltd.	0.94	0.81	0.94	0.81
31	Lucina Realtors Pvt. Ltd.	0.00	0.00	0.00	0.00
32	Nirman Constructions Pvt. Ltd.	0.08	0.20	0.08	0.20
33	PBSR Developers Pvt. Ltd.	243.02	1,014.09	243.02	1,014.09
34	Waterfront Developers Ltd.	842.17	854.48	842.17	854.48

₹ million

	Name of subsidiaries / associates	As at March 31, 2017	As at March 31, 2016	Maximum Amount outstanding (2016 – 17)	Maximum Amount outstanding (2015 – 16)
35	Raichur Solapur Transmission Company Pvt. Ltd.	4.22	0.33	4.22	0.33
36	PATEL-KNR Infrastructure Ltd.	0.28	0.48	0.57	0.48
37	PATEL-KNR Heavy Infrastructure Ltd.	25.01	25.01	25.01	25.01
38	ACP Tollways Pvt. Ltd.	-	-	-	1.95
39	PAN Realtors Pvt.Ltd.	-	-	-	0.29
40	Bellona Estate Developers Ltd.	-	553.22	-	553.22
	Total	**11,256.29**	**11,271.06**	**11,309.97**	**11,300.03**

Note : 48

Category -wise classification of financials instruments

₹ million

Financial assets measured at amortised cost	Non Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investments	4,950.41	5,152.16	6,067.69	150.00	2.50	-
Trade receivables	8,101.52	7,567.27	8,526.84	1,898.81	2,363.18	4,351.32
Loans	10,115.81	8,793.49	6,847.98	1,774.25	2,828.16	1,147.39
Deferred finance cost	119.51	75.34	67.15	-	-	-
Secured deposit	6.60	4.96	-	56.63	8.24	-
Cash and cash equivalents	-	-	-	523.31	415.48	782.30
Other bank balances	-	-	-	1.29	18.06	33.33

₹ million

Financial liabilities measured at amortised cost	Non Current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings	11,957.64	17,097.77	16,608.07	26,542.35	26,924.20	20,562.26
Trade payables	2,365.69	3,299.62	1,722.41	6,392.76	5,730.67	5,823.20
Other financial liabilities	17.77	74.36	-	9,236.48	5,214.69	4,249.86

Note : 49

Fair value measurements

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2017

₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at March 31, 2017	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5,100.41	-	-	5,100.41

As at March 31, 2016 ₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at March 31, 2016	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5,154.66	-	-	5,154.66

As at April 01, 2015 ₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at April 1, 2015	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	6,067.69	-	-	6,067.69

ii) Financial instrument measured at amortised cost

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be recieved or settled.

Note : 50

Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has fixed interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ million

Currency	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
EURO	438.19	533.32	552.68	27.21	36.68	41.93
JPY	-	-	-	20.97	21.30	18.93
LKR	-	-	-	13.49	0.00	-
MUR	-	-	-	280.89	54.21	-
NPR	1,168.61	-	-	1,139.36	-	-
USD	145.35	113.47	143.46	797.06	789.63	34.22
SGD	7.24	7.63	7.10	95.53	-	-

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note no. 42

Sensitivity analysis

The Company is mainly exposed to changes in EURO, as NPR is to be repaid at fixed rate; hence the Company is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ million

Change in EURO rate	Effect on profit after tax			Effect on total equity		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
+5%	(20.58)	(24.85)	(25.54)	(20.58)	(24.85)	(25.54)
-5%	20.58	24.85	25.54	20.58	24.85	25.54

c) **Equity price risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. As at March 31, 2017, the exposure to listed equity securities at fair value was Nil. Since none of the investments are measured at FVTPL, there is no price risk, hence no impact on profit /loss.

2) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

3) **Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

₹ million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2017				
Borrowings	34,457.60	11,957.64	-	46,415.24
Trade payables	6,392.76	2,365.69	-	8,758.44
Other financial liability	-	17.77	-	17.77
At March 31, 2016				
Borrowings	31,774.83	17,097.77	-	48,872.60
Trade payables	5,730.67	3,299.62	-	9,030.29
Other financial liability	-	74.36	-	74.36
At April 01, 2015				
Borrowings	24,559.51	16,608.07	-	41,167.58
Trade payables	5,823.20	1,722.41	-	7,545.61
Other financial liability	-	-	-	-

Note : 51

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2017, the Company has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total debt	47,754.22	49,311.10	41,432.71
Total equity	21,830.10	17,404.50	17,088.07
Total debt to total equity ratio (gearing ratio)	2.19	2.83	2.42

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

52 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our attached Report of even date
For VATSARAJ & Co.
Chartered Accountants
Firm Regn No. : 111327W

CA Dr. B. K. Vatsaraj
Partner
Membership No. 39894

Place : Mumbai
Date : July 24, 2017

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Shobha Shetty
Company Secretary

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Notes

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Patel

Since 1949

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