PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

September 27, 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. 2017-2018

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 2017-2018 adopted at the 69th Annual General Meeting of the Company held on September 27, 2018 at 11:00 a.m.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

Shobha Shetty

Shobha Shetty
Company Secretary

Encl: as above

PATEL ENGINEERING LTD. MUMBAI 400 102.

Patel
Since 1949

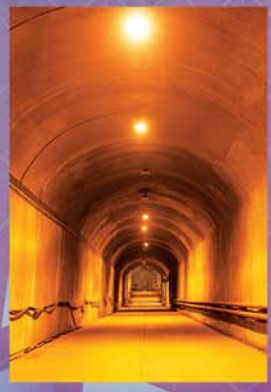
ANNUAL REPORT

2017-18

PATEL ENGINEERING LTD.








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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rupen Patel, Chairman & Managing Director
Mr. Khizer Ahmed, Independent Director
Mr. Srinivasa Jambunathan, Independent Director
Ms. Geetha Sitaraman, Independent Director
Mr. Chittaranjan Kumar Singh, Whole time Director - Operations
Ms. Kavita Shirvaikar, Whole time Director & CFO
Mr. Sunil Sapre, Whole time Director
Dr. Barendra Kumar Bhoi, Independent Director (w.e.f August 14, 2018)

REGISTERED OFFICE

Patel Estate Road, Jogeshwari (West),
Mumbai - 400 102.
Tel: +91 22 2676 7500
Fax: +91 22 2678 2455
Email Id: investors@pateleng.com
Website: www.pateleng.com

CORPORATE OFFICE

B-26/1, Aver House, Veera Desai Industrial Road,
Off. New Link Road, Andheri(West), Mumbai- 400053
Tel: +91 22 2676 7500

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Ltd.
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

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

T. P. Ostwal & Associates LLP
Chartered Accountants
Suite#1306-1307, 13th floor, Lodha Supremus,
Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel No. : +91 22 4945 4000
E-mail id: itax@tpostwal.in
Website: www.tpostwal.in

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 India
Axis Bank Ltd.
Standard Chartered Bank
Bank of Maharashtra
DBS Bank Ltd.
Societe Generale
RBL Bank Ltd.
IndusInd Bank Ltd.
SREI Equipment Finance Ltd.
YES Bank
EXIM Bank

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
Website: www.idbitrustee.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,

I feel happy to inform that your company has taken several steps to improve its liquidity position and is well poised to emancipate itself from the financial stress being faced by the construction and infrastructure sector. Your company is one of the few success stories where debt restructuring Schemes have been successfully implemented. Signs of revival are clearly visible, although we are still at the early stage of recovery. We have to go a long way forward to regain our rightful position.

The financial year 2017-18 (henceforth FY 18) has been very dramatic and productive, following a few hard decisions taken by the management, which, inter alia, include the following:

a) Transfer / Assignment of actionable claims and certain rights of real estate assets to an SPV with corresponding debts and liabilities, aggregating approximately ₹ 2,169 crore - about 51% of equity, has been taken by Eight Capital Groups;

b) Transfer of 5 acres of land at Jogeshwari to an SPV with corresponding debts and liabilities of ₹ 383 crore which has been acquired by Lodha Developers;

c) Monetization of other non-core land assets in Electronic City, Bengaluru for retirement of debt; and

d) Write off of ₹ 220.23 crore outlay, made in Gongri Hydro Asset Ownership Project for focussing on the core E&C business.

The performance of the FY 18 is as follows:

On a consolidated basis,

- Revenue from operations declined by 41.44% from ₹ 3,883.84 crore in FY 17 to ₹ 2,274.55 crore in FY 18, mainly due to reduced order inflows in earlier years and substantial completion of a few large existing projects, besides closure of operations by the US subsidiary.

- Net Profit after minority interest has increased to ₹ 95.91 crore in FY 18 as against a loss of ₹ 59.4 crore in the previous year.

On a standalone basis,

- Revenue from operations declined by 30.31% from ₹ 2,925.56 crore in FY 17 to ₹ 2,038.90 crore in FY 18.

- Total comprehensive income for the FY 18 stood at ₹ 56.90 crore, which was higher by 38.06% as compared to ₹ 41.21 crore in the previous year.

The cost of finance for the FY 18 was lower by 16% over the previous year as the total debt of the company, on a standalone basis, has come down drastically from ₹ 4,589 crore in FY 17 to ₹ 2,413 crore in FY 18. The outstanding debt as on March 31, 2018 includes ₹ 605 crore worth of Optionally Convertible Debentures (OCD) issued as part of the S4A Scheme, which is repayable over next 10 years, beginning 6th year onwards. The debt repayment obligations of the company is now minimal for the next few years. Our endeavour to reduce debt through sale of non-core assets will continue, which shall give the company the required strength on liquidity front.

As part of the S4A Scheme, the promoters have till date brought in additional funds of ₹ 150 crore in the company by pledging their holdings in the company, apart from invocation of pledge by lenders of approximately 4% stake held as per the S4A Scheme. As a result of the implementation of restructuring Schemes since FY 16, the promoters' stake has been reduced from 50.53% in FY 17 to 20.77% in FY 18, which again is almost entirely pledged for keeping the company afloat.

As several banks are currently under the prompt corrective action (PCA) norms, the decision making process among lenders has slowed down leading to availability of additional non-fund based limits being restricted to some extent.

However, the company has been able to add more than ₹ 2,500 crore of orders in a span of less than 6 months since the implementation of S4A Scheme and the order book stands approximately at ₹ 8,240 crore as on March 31, 2018. Further, the company is L1 for approximately ₹ 2,252 crore worth of orders.

You will be glad to know that the rating of your company has been graduated back to an investment grade by the rating agency (give the name), which is expected to improve further with better performance. The company has also been able to expand its foot print in international geographies.

Going forward, the company has to manage all challenges in macro environment to get limits released from lenders. The impact of tightening of credit, following resolution mechanism enforced by RBI to reduce NPAs across sectors in banks, will have to be borne by all.

The other initiatives taken by the government has started showing results. The company has received first round of funds against arbitration awards by submission of bank guarantees under NITI Aayog initiatives after the end of FY 18 and expects to receive more funds from FY 19 onwards, which shall reduce the debt burden of the company further.

With a proposed ₹ 5.97 lakh crore budgetary allocation for infrastructure sector in the Union budget for 2018-19, government continues to support the backbone of the economy. The current thrust of the government to improve the infrastructure standards of the country should lead to huge opportunities in the future. Most of the capital expenditures of the government are directed towards roads, railways, metros, highways and urban infrastructure. Your company is all set to get a share of the pie and contribute towards the planned public and industrial infrastructure.

The company shall continue to focus on monetization of non-core assets to reduce debt and further increase liquidity for the company. Our strategy for the next few years would be to concentrate on select projects that are self-sustainable and get steady growth. The economic environment will take some time to restore confidence among investors. Stress in the banking industry is unlikely to be resolved so soon. Depreciation of the rupee and high oil prices are other serious challenges to be addressed by the government, before things ease out and confidence in the Indian growth story is revived.

The Company, under the guidance of the seniors, is poised to face all hurdles coming in its way. With the urge to grow and stand out strong, I, as Chairman and Managing Director of your company, am confident that the positives are not far away.

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

Yours truly,



Rupen Patel
Managing Director

OUR GLOBAL PRESENCE



COMPARATIVE CONSOLIDATED FINANCIALS

(₹ in million)

		2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
A.	**FINANCIAL POSITION**										
	Share Capital	156.99	156.99	76.81	76.81	76.81	69.83	69.83	69.83	69.83	59.66
	Reserves & Surplus	21,441.05	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
	Shareholders Funds	**21,598.04**	**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**
	Minority Interest	557.45	696.19	1,457.36	1247.37	1,293.29	988.98	834.06	704.27	615.24	215.77
	Deferred Tax Liability (Net)	0	0	0	139.76	171.54	113.32	216.03	131.95	114.88	148.36
	Loan Funds	29,202.35	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
	Total Funds Employed	**51,357.84**	**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**
	Fixed Assets (Net)	13,484.16	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
	Investments	1,411.33	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88	780.35	698.17	504.65
	Deferred Tax Assets (Net)	1,166.05	937.98	301.48	-	-	-	-	-	-	-
	Net Current Assets & Non Current Assets	35,296.30	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
	Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-	-	-	-	82.44	66.97	59.40
	Total Application of Funds	**51,357.84**	**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**
B.	**OPERATING RESULTS**										
	Income from Operations	22,745.49	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
	Other Income	2,425.95	2,541.16	1,528.39	1,159.22	1,067.37	817.47	910.92	229.75	630.12	144.59
	Total Income	**25,171.43**	**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**
	Total Expenditure	**22,874.54**	**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**
	Profit before Tax	2,296.90	178.82	-872.01	163.57	537.64	1,258.84	1,299.38	1,847.17	3,049.90	2,370.30
	Profit after Tax	1,025.83	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87	1,307.26	2,120.57	1,934.02
	Minority Interest and other adjustments	66.77	-441.81	-84.77	12.04	83.49	92.27	35.99	81.21	138.96	129.24
	Net Profit	**959.07**	**-593.99**	**-1,885.52**	**84.69**	**163.69**	**650.03**	**665.88**	**1,226.05**	**1,981.61**	**1,804.78**
C.	**EQUITY SHARE DATA**										
	Earning per share (₹)	6.67	-9.83	-24.30	1.10	2.15	9.31	9.54	17.56	30.96	30.25
	Number of Shares	15,69,94,691	15,69,94,691	7,68,06,282	7,68,06,282	7,62,44,325	6,98,27,151	6,98,27,151	6,98,27,151	6,98,27,151	5,96,59,090
	Dividend %	-	-	-	-	-	-	30%	100%	200%	175%

Boards' Report

To the Members of Patel Engineering Limited,

The Directors hereby present their 69th Annual Report on the business, operations and state of affair of the Company together with the audited financial statement for the year ended March 31, 2018:

FINANCIAL HIGHTLIGHTS

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

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Total Income	25,171.44	41,379.53	24,202.50	32,959.12
Total expenditure	17,437.59	34,628.22	15,829.80	23,967.03
EBITDA	7,733.85	6,751.31	8,372.70	8,992.09
Depreciation	(542.73)	(780.36)	(444.65)	(460.10)
Finance Cost	4,894.23	5,792.14	5,362.40	6,379.10
Exceptional Item#	**(1,361.70)**	**(889.78)**	**(2.00)**	**(1,079.77)**
Profit before tax	935.20	(710.96)	522.60	1,073.12
Tax expenses	**(112.70)**	**317.93**	**(68.20)**	**654.88**
Net Profit after tax	1,047.89	(1,028.89)	590.80	418.23
Other comprehensive income	(22.06)	(6.91)	(22.06)	(5.79)
Total comprehensive income for the year	**1,025.83**	**(1,035.80)**	**568.74**	**412.12**
Attributable to:				
Minority Interest	66.77	(441.81)	-	-
Owners of the Parent	959.06	(593.99)	-	-
Add: Opening Balance in Profit & Loss A/c	4,617.47	4,745.02	6,296.80	6,217.96
Appropriations / adjustments##	(54.43)	(459.53)	(138.70)	(339.39)
Surplus carried to the Balance sheet	**5,544.16**	**4,617.47**	**6,748.90**	**6,296.80**
Earnings per equity shares				
(face value ₹ 1)				
- Basic (₹)	6.67	(9.83)	3.76	3.99
- Diluted (₹)	5.28	(9.83)	3.44	3.99

 # Refer Note No. 27 of Financial Statements

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

Consolidated

The Consolidated total income stood at ₹ 25,171.44 million as against ₹ 41,379.53 million for the previous year. The EBITDA was at ₹ 7,733.85 million as against profit ₹ 6,751.31 million for the previous year. The total comprehensive income is at ₹ 1,025.83 million as against loss of ₹ 1,035.80 million for the previous year.

Standalone

On Standalone basis, the total income stood at ₹ 24,202.50 million as against ₹ 32,959.12 million for the previous year. The EBITDA was at ₹ 8,372.70 million as against profit of ₹ 8,992.09 million for the previous year. The total comprehensive income is at ₹ 568.74 million as against loss of ₹ 412.12 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2017-18.

Share Capital

On account of merger of Patel Realty India Limited with the Company, the Authorised Capital of the Company increased from ₹ 25,00,00,000 (Rupees Twenty five Crores) to ₹ 355,00,00,000 (Rupees Three Hundred and Fifty five Crore Only) consisting of 275,00,00,000 (Two Hundred and Seventy five Crores) Equity shares of face value ₹ 1 (Rupee One Only) each and 80 (Eighty) Zero Coupon Optionally Convertible Preference shares of ₹ 1,00,00,000 each.

Finance

As on March 31, 2018, the Company on Standalone basis has ₹ 1,600 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, OCDs and unsecured loans from related party) and the total amount outstanding on standalone basis as on March 31, 2018 is ₹ 24,127.92 million.

Optionally Convertible Debentures (OCDs)

During the year under review, pursuant to 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 OCDs in terms of the Scheme, 65,85,250 OCDs in aggregate were allotted on November 24, 2017 and November 30, 2017 converting ₹ 6,585.25 million debt. 6,61,720 OCDs were redeemed during the year under review.

Further on April 30, 2018, the Company has allotted 1,26,900 OCDs converting ₹ 126.9 million debt.

The outstanding OCDs as on date stands at ₹ 6,050 million.

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, 2018, the Company has 74 subsidiaries including step down subsidiaries.

During the year under review, Patel Realty (India) Limited, the 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 Company has assigned beneficial interest in its actionable claims, being certain claims and receivables along with certain other rights of real estate assets along with corresponding debt and liabilities aggregating to approximately ₹ 21,685.97 million for various projects undertaken by the Company to Hitodi Infrastructure Limited, a wholly owned subsidiary formed by the company where 51% equity has been taken by Eight Capital Group entity.

Further as a part debt restructuring process, the Company has also transferred the right, title, interest in approx. 5 acre land parcel in Jogeshwari Land and office building standing thereon ("Property") along with corresponding debt of ₹ 3,833.45 million to Patel Land Developers Ltd and has sold 100% stake of the said SPV to Lodha Developers.

The Company incorporated Hampus Infrastructure Private Limited during the year under review.

During the year under review, ASI Constructors Inc (ASI) disinvested its stake in Engineering and Construction Innovation Inc (ECI) as a part of closure of operations upon substantial asset sale. ASI was not consolidated under IND AS – 110

Key Subsidiary / Associate updates

Michigan Engineers Private Limited having presence in urban infrastructure Projects, has had new order wins during financial year 2017-18 totaling to ₹ 5,640 million. Majority of the new orders are in the segment of Micro tunneling in Mumbai.

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 Dec 30, 2016. The project is under operation and the debt obligation is timely serviced by the said Company.

Dirang Energy Private Limited, a Special Purpose Company for development of 144 MW Gongri Hydroelectric Power Project in West Kameng district in Arunachal Pradesh. The physical progress of the project is on halt due to various hurdles faced by the said 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. The Company is in discussion with potential investors for equity participation in the Project. The State Government has issued a Termination Notice on 01.03.2018 against which the Company has filed a writ petition for stay of the said notice in Guwahati High Court. The Guwahati High Court has passed a stay order dated 29.06.2018 on the said termination notice and also its consequential effects. The Company has however written off its investment in the project.

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 equity shares to Lenders to hold 51% stake. A consultant was appointed by the JLF to run the process to sell the mall on as is where basis. The highest bidder has been identified and the banks are in process of final discussions with the buyer.

Patel KNR Infrastructure Ltd and **Patel KNR Heavy Infrastructure Limited** wherein the Company holds substantial stake 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 these Projects.

PBSR Developers Private Limited, has received approval for the additional floors and now the project consists of two residential towers (each tower having 20 floors) and one tower of serviced apartments (19 floors). 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 towers have 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 construction of is substantially completed and internal finishing works are going on.

The Company through a step down subsidiary of 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 Company's Mauritius subsidiary **Les Salines Development Ltd** ("LSDL") had Land lease Agreement with Govt. of Mauritius for a period of 99 years. After termination of the project by the Govt. of Mauritius, 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 first procedural hearing has taken place and a timetable has been set up for filing the claims, reply by the respondent and response by claimant. Verification of documents, production and discovery of the missing documents relevant to the case.

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.

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 Ind AS-24 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: https://tinyurl.com/yc3at55b

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

a. 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.

b. The Board of Directors at their meeting held on August 14, 2018 appointed Dr. Barendra Bhoi as an Additional (independent) Director of the Company for a period of 5 years effective from August 14, 2018, subject to approval of members at the ensuing AGM.

c. Mr. K. Ramasubramanian resigned as an Independent Director of the Company w.e.f. August 06, 2018. The Board of Directors placed on record their deep appreciation for the contribution made by Mr. K. Ramasubramanian during his tenure as an Independent Director and that the Company and the board benefitted immensely from his experience and knowledge.

ii. Other Directors / Key Managerial Personnel

a. Mr. Pravin Patel retired at the 68th AGM held on December 30, 2017.

b. Mr. C. K. Singh retires by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

c. The Board of Directors at their meeting held on August 14, 2018 re-appointed Mr. Rupen Patel as Managing Director for a period of 5 years effective from April 1, 2019 and re-appointment of Mr. C. K. Singh as Whole time Director for a period of 5 years effective from May 30, 2019. The said re-appointments are subject to approval of members at the ensuing AGM.

d. There is no change in the Key Managerial Personnel (KMPs) during the year under review. Some of the KMPs of the Company are also the KMPs of the subsidiaries

Number of Board Meetings held during the financial year 2017-18

During the year ended March 31, 2018, the Board met 7 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. The salient features of the Policy is enclosed as **Annexure II** to the Boards' Report.

Evaluation of Board

Based on the criteria for evaluation of performance of the Board Directors, its Committees, Chairman, Executive Directors, Independent Directors and Non –executive Directors, the performance was evaluated for the financial year ended March 31, 2018.

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	–	Chairman
Mr. Rupen Patel	–	Member
Mr. S. Jambunathan	–	Member
Mrs. Geetha Sitaraman	-	Member

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. Rupen Patel	–	Chairman
Ms. Kavita Shirvaikar	-	Member
Mr. Khizer Ahmed	-	Member

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 https://tinyurl.com/yb9nel5o

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

At the 68th Annual General Meeting held on December 30, 2018, M/s. T. P Ostwal & Associates LLP (FRN: 124444W/W100150) were appointed as Statutory Auditors to hold the office till the conclusion of the 73rd AGM to be held in the year 2022.

Further, In accordance with the provisions of Section 139 and 143(8) of the Companies Act, 2013, at the 68th Annual General Meeting held on December 30, 2018, M/s. R. S. Parekh & Co., Chartered Accountants were appointed as the Branch Auditor to audit the Realty Division of and to hold the office till the conclusion of the 73rd AGM to be held in the year 2022.

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. Vaibhav M Gandhi & Associates, Practicing Cost Accountant (Firm Registration No. 103617), having office at A-1 Matruchaya Building, Roshan Nagar, Chandravarkar Lane, Borivali (W), Mumbai – 92 was appointed as Cost Auditor of the Company for the financial year 2017-18 by the Board of Directors of the Company at a remuneration of ₹ 3,50,000/- (excluding applicable tax) subject to ratification of remuneration by the shareholders at the 69th 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, 2018. 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.

Disclosure under Section 197 of the Companies Act, 2013

The information as required under Section 197 of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report.

Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as **Annexure VII** to the Report.

In terms of the provisions of Section 136 the Act, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid Rules, may write to the Company Secretary at the Registered Office of the Company.

Employee Stock Option / General Benefits Scheme

In order to motivate and reward employees, the Company instituted two Schemes viz

- Patel Engineering Employee Stock Option Plan as adopted by the Board of Directors vide resolution dated August 14, 2015. This Plan is administered by Nomination and Remuneration Committee of the Company through Patel Engineering Employees Welfare Trust.

- Patel Engineering General Employee Benefits Scheme 2015, approved under a special resolution passed by the members of the Company in the Annual General Meeting held on September 28, 2015. The Scheme is administered by Nomination and Remuneration Committee of the Company through the Patel Engineering Employees Welfare Trust.

During the year under review, 2,00,000 options were granted under Patel Engineering Employee Stock Option Plan.

The applicable disclosure under SEBI (Share Based employee Benefits) Regulations, 2014 ("the ESOP Regulations") as at March 31, 2018 is uploaded on the Company's website at the link https://tinyurl.com/ybtqbw7n

A Certificate from the Auditors of the Company in terms of Regulation 13 of ESOP Regulations would be placed at the ensuing AGM.

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. T. P Ostwal & Associates LLP, 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, 2018, the applicable Accounting standards had been followed along with proper explanation relating to material departures.

ii. for the financial year ended March 31, 2018, 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, 2018.

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.

Rupen Patel
Chairman & Managing Director
(DIN: 00029583)

Mumbai
August 14, 2018

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	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (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	(0.34)	126.46	126.46	-	-	(0.02)	-	(0.02)	NIL	India	0.60	100
2	Patel Concrete & Quarries Pvt. Ltd.	10-Mar-2008	-	INR	1.00	(0.33)	128.04	128.04	-	-	(0.02)	-	(0.02)	NIL	India	1.00	100
3	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	22.27	22.77	22.77	-	-	23.77	4.92	18.85	NIL	India	0.33	100
4	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(58.08)	5.74	5.74	-	-	(5.65)	-	(5.65)	NIL	India	0.50	100
5	Shreeanant Constructions Private Limited*	10-Dec-2005	-	INR	0.10	(24.24)	78.72	78.72	-	-	(9.80)	-	(9.80)	NIL	India	0.10	100
6	Patel Lands Ltd.	25-Aug-2010	-	INR	0.50	(0.16)	42.17	42.17	-	-	(0.01)	-	(0.01)	NIL	India	0.50	100
7	Michigan Engineers Pvt. Ltd.	1-May-1973	-	INR	17.36	1,110.26	2,560.04	2,560.04	-	-	131.54	(4.72)	136.26	NIL	India	0.89	51
8	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	580.11	580.11	100.06	-	-	-	-	NIL	India	100.00	100
9	Patel Energy Resources Ltd.	18-Mar-2008	-	INR	2,438.33	(2,209.32)	7,535.94	7,535.94	2,136.48	-	(1,230.59)	(0.07)	(1,230.52)	NIL	India	2,438.33	100
10	Pandora Infra Pvt. Ltd.	28-Jun-2012	-	INR	70.00	(1.11)	488.50	488.50	-	-	(0.06)	-	(0.06)	NIL	India	70.00	100
11	Patel Engineers Pvt. Ltd.	2-Jul-2012	-	INR	91.00	2.42	96.10	96.10	96.02	-	(0.33)	-	(0.33)	NIL	India	91.00	100
12	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	(1.71)	199.43	199.43	-	-	(0.04)	-	(0.04)	NIL	India	140.70	100
13	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	(1.05)	115.88	115.88	-	-	(0.04)	-	(0.04)	NIL	India	55.10	100
14	Bhooma Realties Pvt. Ltd.	22-May-2007	-	INR	72.10	47.83	504.24	504.24	-	-	(1.67)	(0.54)	(1.13)	NIL	India	72.10	100
15	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(1.19)	369.67	369.67	-	-	(0.04)	-	(0.04)	NIL	India	78.80	100
16	Apollo Buildwell Pvt. Ltd.	18-Jan-2007	-	INR	0.50	(14.93)	160.38	160.38	0.05	-	(1.80)	-	(1.80)	NIL	India	0.50	100
17	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	0.78	17.89	17.89	-	19.20	0.16	0.05	(0.12)	NIL	India	0.50	100
18	Hera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.28)	0.31	0.31	-	-	(0.15)	-	-	NIL	India	0.50	97.13
19	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	0.50	0.09	0.65	0.65	-	-	(0.03)	-	(0.03)	NIL	India	0.50	100
20	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(180.08)	1,448.95	1,448.95	-	1,159.00	(217.39)	56.90	(160.49)	NIL	India	0.10	100
21	Patel KNR Infrastructure Ltd.	26-Jun-2006	-	INR	370.00	16.33	3,698.35	3,698.35	155.33	544.64	26.41	11.51	14.91	NIL	India	222.00	60
22	Hampus Infrastructure Pvt. Ltd.	27-Mar-2018	-	INR	-	-	-	-	-	-	-	-	-	NIL	India	-	-
23	Waterfront Developers Ltd.*	18-Jan-2007	-	INR	0.16	(386.64)	871.60	871.60	0.19	-	(44.39)	-	(44.39)	NIL	Mauritius	0.16	100
24	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 64.823 INR	153.31	(804.39)	229.44	229.44	-	-	(12.72)	-	(12.72)	NIL	Singapore	153.31	100
25	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 64.823 INR	32.41	(13.08)	47.77	47.77	301.43	-	(2.70)	-	(2.70)	NIL	Mauritius	32.41	100
26	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 64.823 INR	548.85	(191.83)	357.04	357.04	1.15	-	(6.69)	-	(6.69)	NIL	USA	391.53	100
27	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	-	1 lKR = 0.426 INR	38.60	3.96	60.31	60.31	18.36	-	1.77	0.50	1.27	NIL	Srilanka	100	100
SUBSIDIARY OF PATEL ENGINEERS PVT. LTD																	
28	Phedra Projects Pvt. Ltd.	5-Sep-2006	-	INR	27.71	5.18	48.27	48.27	29.18	-	(0.15)	(0.04)	(0.10)	NIL	India	27.71	100
SUBSIDIARIES OF PATEL ENERGY RESOURCES LTD.																	
29	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(20.96)	949.41	949.41	-	-	-	-	-	NIL	India	186.45	100
30	Patel Energy Operations Pvt. Ltd.	3-Jun-2008	-	INR	0.73	-	68.27	68.27	-	-	-	-	-	NIL	India	0.73	100
31	Patel Energy Projects Pvt. Ltd.	3-Jun-2008	-	INR	0.10	-	59.71	59.71	-	-	-	-	-	NIL	India	0.10	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	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
32	Patel Energy Assignment Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	45.20	45.20	-	-	-	-	-	NIL	India	0.10	100
33	PEL Power Ltd.	5-Sep-2006	-	INR	1,380.81	3.71	4,934.50	4,934.50	-	-	-	-	-	NIL	India	1,380.81	100
34	PEL Port Pvt. Ltd.	17-Jul-2008	-	INR	89.46	-	91.26	91.26	6.83	-	-	-	-	NIL	India	89.46	100
35	Patel Thermal Energy Pvt. Ltd.	18-Feb-2011	-	INR	0.50	-	42.54	42.54	-	-	-	-	-	NIL	India	0.50	100
36	Jayshe Gas Power Pvt. Ltd.	24-Dec-2010	-	INR	0.10	-	42.87	42.87	-	-	-	-	-	NIL	India	0.10	100
37	Patel Hydro Power Pvt. Ltd.	29-Nov-2010	-	INR	362.88	(1,540.74)	835.50	835.50	229.49	-	(1,213.30)	-	(1,213.30)	NIL	India	362.88	100
38	Naulo Nepal Hydro Electric Pvt. Ltd.	2-Oct-2008		1 NPR = 0.625 INR	49.13	48.03	119.12	119.12	-	-	-	-	-	NIL	Nepal	44.21	90
SUBSIDIARIES OF PATEL HYDRIO POWER PVT. LTD.																	
39	Dirang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	1.84	6,171.61	6,171.61	-	-	-	-	-	NIL	India	710.00	100
40	West Kameng Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	179.62	179.62	-	-	-	-	-	NIL	India	0.10	100
41	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	200.64	200.64	-	-	-	-	-	NIL	India	0.73	100
42	Digin Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	231.26	231.26	-	-	-	-	-	NIL	India	0.10	100
43	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	188.90	188.90	-	-	-	-	-	NIL	India	4.78	100
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD																	
44	Les Salines Development Ltd.*	28-Mar-2008	-	INR	0.13	(35.07)	934.59	934.59	-	-	(32.50)	-	(32.50)	NIL	Mauritius	0.13	100
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																	
45	La Bourgade Development Ltd.*	14-Jul-2008	-	INR	0.00	(1.79)	0.05	0.05	-	-	(0.21)	-	(0.21)	NIL	Mauritius	0.00	100
46	Ville Magnifique Development Ltd.*	14-Jul-2008	-	INR	0.00	(1.46)	0.05	0.05	-	-	(0.20)	-	(0.20)	NIL	Mauritius	0.00	100
47	Sur La Plage Development Ltd.*	18-Jul-2008	-	INR	0.00	(1.73)	0.05	0.05	-	-	(0.22)	-	(0.22)	NIL	Mauritius	0.00	100
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																	
48	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	-	1 USD= 64.823 INR	64.82	(274.21)	0.16	0.16	-	-	(0.48)	-	(0.48)	NIL	Singapore	38.89	60
49	Patel Param Energy Pte Ltd.*	10-Aug-2008	-	1 USD= 64.823 INR	33.06	(101.31)	7.38	7.38	-	-	(0.43)	.	(0.43)	NIL	Singapore	19.84	60
50	Patel Param Natural Resources Pte Ltd.*	10-Aug-2008	-	1 USD= 64.823 INR	0.65	(42.82)	0.18	0.18	-	-	(0.43)	-	(0.43)	NIL	Singapore	0.39	60
51	Patel Param Minerals Pte Ltd.*	10-Aug-2008	-	1 USD= 64.823 INR	0.65	(238.04)	0.13	0.13	-	-	(0.43)	-	(0.43)	NIL	Singapore	0.39	60
52	PT PEL Minerals Resources *	3-Feb-2009	-	1 IDR = 0.00471200 INR	13.00	(33.23)	35.23	35.23	-	-	(0.32)	-	(0.32)	NIL	Indonesia	13.00	100
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																	
53	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.00471200 INR	25.99	(130.25)	210.99	210.99	-	-	(3.00)	-	(3.00)	NIL	Indonesia	25.99	100
SUBSIDIARY OF PT PEL MINERAL RESOURCES																	
54	**PT Patel Engineering Indonesia ***	23-May-2011	-	1 IDR = 0.00471200 INR	25.99	(7.44)	40.60	40.60	-	-	(16.41)	-	(16.41)	NIL	Indonesia	25.99	100
SUBSIDIARY OF PATEL PARAM MINERALS PTE LTD																	
55	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.00471200 INR	12.91	(117.66)	226.74	226.74	-	-	(8.60)	-	(8.60)	NIL	Indonesia	12.91	100
SUBSIDIARY OF PATEL PARAM ENERGY PTE LTD																	
56	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.00471200 INR	12.93	(157.54)	739.81	739.81	-	-	14.61	-	14.61	NIL	Indonesia	12.93	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	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
SUBSIDIARY OF PATEL PARAM NATURAL RESOURCES PTE LTD																	
57	PT Surpat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.00471200 INR	25.99	(0.45)	25.99	25.99	-	-	(0.00)	-	(0.00)	NIL	Indonesia	25.99	100
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																	
58	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD= 64.823 INR	30.14	(160.75)	91.57	91.57	88.63	-	(16.22)	-	(16.22)	NIL	Mauritius	30.14	100
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																	
59	Accord Mines Venture Lda*	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(12.68)	-	-	-	-	1.14	-	1.14	NIL	Mozambique	0.03	100
60	Patel Assignment Mozambique, Limitada *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(2.76)	10.78	10.78	-	-	1.23	-	1.23	NIL	Mozambique	0.03	100
61	Chivarro Mines Mozambique Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(3.49)	-	-	-	-	0.17	-	0.17	NIL	Mozambique	0.03	100
62	Enrich Mining Vision Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(20.30)	-	-	-	-	2.05	-	2.05	NIL	Mozambique	0.03	100
63	Fortune Mines Concession Lda*	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(32.15)	2.38	2.38	-	-	2.53	-	2.53	NIL	Mozambique	0.03	100
64	Metalline Mines Works Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(11.88)	0.06	0.06	-	-	1.14	-	1.14	NIL	Mozambique	0.03	100
65	Netcore Mining Operations Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(1.54)	0.23	0.23	-	-	0.22	-	(0.22)	NIL	Mozambique	0.03	100
66	Omini Mines Enterprises Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(1.79)	0.32	0.32	-	-	(0.26)	-	(0.26)	NIL	Mozambique	0.03	100
67	Patel Infrastructure, Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(14.49)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100
68	Patel Mining Priviledge, Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(1.06)	171.14	171.14	-	-	50.18	-	50.18	NIL	Mozambique	0.03	100
69	Quest Mining Activities, Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(2.10)	-	-	-	-	0.26	-	0.26	NIL	Mozambique	0.03	100
70	Trend Mining Projects Lda *	7-Jul-2007	-	1 MZM = 1.0436503 INR	0.03	(13.92)	-	-	-	-	1.14	-	1.14	NIL	Mozambique	0.03	100
SUBSIDIARY OF PATEL ENGINEERING INC.																	
71	ASI Global LLC*	15-Aug-2009	-	1 USD= 64.823 INR	-	0.11	1.07	1.07	0.52	-	(0.11)	-	(0.11)	NIL	USA	-	100

** 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

3 ASI Constructors Inc and its subsidiaries viz. ASI Constructors Australia Pyt Ltd, HCP Constructors have not been considered in the above Table as the same have not been consolidated as per Ind AS-110.

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

(₹ in million)

	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	PEL-PPCPL-HCPL JV	Patel - UEIPL
1. Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
2. Date on which the Associate or Joint Venture was associated or acquired	07-Jan-11	05-Dec-11	14-Oct-11	11-Jan-15	31-Mar-16	03-May-08	12-Jul-06	23-Jan-08	30-Sep-08	18-Dec-08	06-Dec-07	27-Mar-13	12-Jun-01	06-Jan-01	10-Jul-06	04-Dec-12	25-Feb-05	20-Apr-17	10-Dec-14
3. Shares of Associate or Joint Ventures held by the company on the year end:																			
No.	2,66,72,000	84,95,040	24,662	52,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	266.72	2,654.70	0.25	0.53	(13.28)	-	103.48	976.83	4.80	1.12	1.87	58.59	60.88	79.64	-	-	127.51	2.04	0.71
Extent of Holding (in percentage)	33.34%	32%	49.32%	37.57%	49%	42.23%	10%	60%	52.83%	60%	65%	99.99%	50%	49%	30%	50%	50%	51%	60%
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	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	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	240.00	1,936.3	-	(16.84)	(13.28)	-	103.48	976.83	4.80	1.12	1.87	58.59	60.88	79.64	-	-	127.51	2.04	0.71
7. Profit or Loss for the year: (i+ii)	(0.17)	(33.64)	(0.01)	(374.27)	(1.72)	-	0.93	59.43	0.02	0.25	0.04	5.89	84.08	65.93	-	-	(0.01)	2.04	6.93
i. Considered in Consolidation	-	(33.64)	(0.01)	(374.27)	(1.72)		0.93	59.43	0.02	0.25	0.04	5.89	84.08	65.93			(0.01)	2.04	6.93
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

Objective

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).

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.

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 Nomination and Remuneration Committee (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 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.

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.

Conclusion

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

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 FOR THE FINANCIAL YEAR 2017-18

(Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 pf Companies (Corporate Social Responsibility) Rules,2014)

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 of the Company is uploaded on the website of the Company at state below:

   Weblink: http://tinyurl.com/o6yczkx

2. The Composition of the CSR Committee is as under:

Name of the Directors	Designation
Mr. Rupen Patel	Chairman & Managing Director
Ms. Kavita Shirvaikar	Whole time Director & CFO
Mr. K. Ramasubramanian*	Independent director
Mr. Khizer Ahmed**	Independent director

   ** resigned as director on August 6, 2018*

   *** inducted as member on August 14, 2018.*

3. Average net profit of the Company for last three financial years: ₹ 1,041.29 million

   Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 20.83 million

4. Details of CSR spent during the financial year.

   a) Total amount to be spent during the financial year: ₹ 20.83 million

   b) Amount unspent : ₹ 20.83 million

   c) Manner in which the amount spent during the financial year: The Company has not spent any amount during the financial year during F.Y. 2017-2018 due to financial constraints.

5. 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/-
Rupen Patel
Chairman & Managing Director

Sd/-
Kavita Shirvaikar
Whole Time Director & CFO

August 14, 2018

ANNEXURE IV - FORM NO. MR.3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018 (hereinafter called the '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, 2018 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 thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(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 notified on 28 October, 2014;

  (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);

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to "LODR")

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) Listing agreement entered with Stock exchange.

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

1. *As per provisions of Regulation 17 of the LODR pertaining to Composition of Board of Directors, the Company is required to have optimum combination of Executive and Non-Executive Directors. Further, the Company on account of having an Executive Chairman is required to have a Board of Directors that comprises of atleast 50% Independent Directors.*

   However, the Company does not duly comply with the above required Board Composition from 01st April, 2017 to 29th December, 2017.

2. *The Company has submitted to the Stock Exchanges, the financial results, for the following period beyond the mandated time period:*

   (a) Audited Financial Statement for Year ended 31st March, 2017

   (b) Quarterly Financial Statement for the quarter ended 30th September, 2017

3. *The Company has made delay in filing of ODI Return for investment in Foreign Subsidiary, in submission of share certificates with RBI through the Authorised Dealer Bank with respect to said investment, in submission of ECB-2 in few cases and in filing annual return on foreign liability and assets.*

4. *There were few lapses of code of conduct by designated employee under Insider Trading Regulations for which management is in process of taking appropriate actions.*

We further report that, having regard to the compliance system prevailing in the company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Real Estate (Regulation and Development) Act, 2016 to the extent applicable.

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 except as mentioned above. 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

1. Mr. Pravin Patel (DIN: 00029453) & Mr. Rupen Patel (DIN: 00029583), Directors of the Company are mentioned in the List of disqualified Directors notified on the website of Ministry of Corporate Affairs (MCA).

   Further, MCA had issued a General Circular number 16/2017 dated 29.12.2017 with respect to Condonation of Delay Scheme, 2018 for providing relief to companies & directors under section 164 (2) and Section 167 of Companies Act, 2013. It is informed that the Companies had availed the benefit of the said Scheme.

2. The Lenders of the Company, due to liquidity concerns had invoked Strategic Debt Restructuring (SDR) on May 26, 2016 pursuant to which they acquired 51% Equity in the Wholly Owned Subsidiary Company (Hitodi Infrastructure Limited). Further, Lenders had 18 months period from the SDR reference date to resolve the debt of the Company until which time the lenders asset classification was standstill and continued at the same classification as on the reference date.

Further, during the period (April 17 – September 17), S4A scheme of RBI was invoked, reference date being August 8 2017, to be implemented upon the approval of Overseeing Committee of RBI which was received by the Company on November 10, 2017 and the Scheme was approved and implemented on November 24, 2017 by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year.

3. The Company has approved conversion of outstanding loan into Optionally Convertible Debentures (OCDs) pursuant to implementation of Reserve Bank of India S4A Scheme.

4. The Company has approved the offer and issue of OCDs for an amount not exceeding ₹ 1,240 Crores by way of Private Placement/ Preferential Basis pursuant to the approval of members of the Company via Postal Ballot dated 16th November, 2017.

5. Patel Realty (India) Limited was merged with the Company vide order on 6th July, 2017 passed by National Company Law Tribunal, Mumbai.

6. The Company has approved the issue of 76,92,740 Equity Shares to Patel Engineering Employee Welfare Trust pursuant to the approval of members of the Company via Postal Ballot dated 09th March 2018.

For MMJC & Associates LLP,

Deepti Joshi
Designated Partner
FCS 8167
CP. No. 8968

Place: Mumbai
Date: August 14, 2018

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,

Place: Mumbai
Date: August 14, 2018

Deepti Joshi
Designated Partner
FCS 8167
CP. No. 8968

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, 2018.

(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 CO2 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 CO2 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.

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 Railway tunnel Projects in J&K.

Foreign exchange earnings and outgo

Foreign Exchange Earnings and outgo during the year under review were ₹ 1,523.03 in million (previous year ₹ 241.47 million) and ₹ 1,401.66 million (previous year ₹ 11.19 million) respectively.

ANNEXURE VI - EXTRACTS OF ANNUAL RETURN

Form No. MGT – 9

As on financial year ended on March 31, 2018

[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 :	Company limited by shares
	Sub-Category of the Company:	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	91.40
2	Real Estate	681	8.60

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. CTC No.220, 23 Plot C, Bandivali village, Patel Estate road, Jogeshwari West, Mumbai 400102.	U70101MH2004PTC308856	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)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
7.	Patel Engineers Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70100MH2005PTC157559	Subsidiary	100	2(87)(ii)
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.	Hampus Infrastructure Pvt. Ltd. Unit no. 679, Rasta Jat Ka Kuwan, Chandpole Bazar, Jaipur, Rajasthan - 302001	U74999RJ2018PTC060722	Subsidiary	100	2(87)(ii)
13.	Shashvat land Projects Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70102MH2007PTC171886	Subsidiary	100	2(87)(ii)
14.	Patel Energy Resources Ltd. Door No.8-2-93/82/A/76, Third Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033.	U40102TG2008PLC073509	Subsidiary	100	2(87)(ii)
15.	Shreeanant Construction Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45200MH2005PTC158079	Subsidiary	100	2(87)(ii)
16.	Apollo Buildwell Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45200MH2007PTC167521	Subsidiary	100	2(87)(ii)
17.	Arsen Infra Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PTC164319	Subsidiary	100	2(87)(ii)
18.	Lucina Realtors Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70109MH2007PTC166898	Subsidiary	100	2(87)(ii)
19.	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)
20.	Phedra Projects Pvt. Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PTC164317	Subsidiary	100	2(87)(ii)
21.	Patel Hydro Power Pvt. Ltd. F-12, Ground Floor, Sector-8, Noida-201301, U.P	U40108UP2010PTC042685	Subsidiary	100	2(87)(ii)
22.	Dirang Energy Pvt. Ltd. A-5, Sector-6, Noida Gautam Buddha Nagar UP 201301	U40101UP2008PTC049630	Subsidiary	100	2(87)(ii)
23.	West Kameng Energy Pvt. Ltd. A-5, Sector-6, Noida Gautam Buddha Nagar UP 201301	U40101UP2008PTC048287	Subsidiary	100	2(87)(ii)
24.	Digin Hydro Power Pvt. Ltd. A-5, Sector-6, Noida Gautam Buddha Nagar UP 201301	U40102UP2008PTC048202	Subsidiary	100	2(87)(ii)
25.	Meyong Hydro Power Pvt. Ltd. A-5, Sector-6, Noida Gautam Buddha Nagar UP 201301	U40104UP2008PTC048337	Subsidiary	100	2(87)(ii)
26.	Saskang Rong Energy Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U40108MH2008PTC185929	Subsidiary	100	2(87)(ii)
27.	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)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
28.	PEL Power Ltd. Door No.8-2- 3/82/A/76, Ground Floor, Road No.9A, Jubilee Hills, Hyderabad – 500 033.	U40108TG2006PLC067638	Subsidiary	100	2(87)(ii)
29.	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)
30.	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)
31.	Patel Energy Projects Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40102TG2008PTC101411	Subsidiary	100	2(87)(ii)
32.	Patel Energy Assignment Pvt. Ltd. Door No.8-2-93/82/A/76, Road No.9A, Jubilee Hills, Hyderabad – 500 033	U40101TG2008PTC100513	Subsidiary	100	2(87)(ii)
33.	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)
34.	Patel Energy Ltd. Patel Estate Road, S V Road, Jogeshwari (west), Mumbai – 400102	U70100MH1996PLC102612	Subsidiary	99.99	2(87)(ii)
35.	Hera Realcon Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70109MH2007PTC166825	Subsidiary	97.13	2(87)(ii)
36.	Patel KNR Infrastructures Ltd. Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U45201MH2006PLC162856	Subsidiary	60	2(6)
37.	Michigan Engineers Pvt. Ltd. D-7 Commerce centre, 78, JavjiDadaji Road, Tardeo Mumbai - 400 034	U45300MH1973PTC016515	Subsidiary	51	2(87)(ii)
38.	Patel Engineering Lanka (Pvt.) Ltd. No. 45, Braybrooke, St. Colombo 02, Srilanka	N.A.	Subsidiary	100	2(87)(ii)
39.	Patel Engineering (Mauritius) Ltd. St. James Court – Suit 308, St. Denis Street, Port - Louis Mauritius	N.A.	Subsidiary	100	2(87)(ii)
40.	Patel Engineering Inc. 280 E 20th Ave, Denver CO, U.S.A - 80205-3148	N.A.	Subsidiary	100	2(87)(ii)
41.	Patel Engineering (Singapore) Pte. Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A	Subsidiary	100	2(87)(ii)
42.	Waterfront Developers Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
43.	Les Salines Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
44.	La Bourgade Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
45.	Ville Magnifique Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
46.	Sur La Plage Development Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	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
47.	PT PEL Mineral Resources Sahid Sudirman Center Lt.11 Suite A WS No.50, Jl. Jend Sudirman No.86 RT.10 RW.11,Kelurahan Karet Tengsin,Kecamatan Tanah Abang, Jakarta Pusat 10220	N.A.	Subsidiary	100	2(87)(ii)
48.	PT Patel Engineering Indonesia Sahid Sudirman Center Lt.11 Suite A Jl. Jend Sudirman No.86 RT.10 RW.11,Kelurahan Karet Tengsin,Kecamatan Tanah Abang, Jakarta Pusat 10220	N.A.	Subsidiary	100	2(87)(ii)
49.	Patel Mining (Mauritius) Ltd. Suite 308, St James Court, St Denis Street, Port-Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
50.	Enrich Mining Vision Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
51.	Patel Mining Privilege Lda. Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
52.	Patel Infrastructure, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
53.	Trend Mining Projects, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
54.	Accord Mines Venture, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
55.	Netcore Mining Operations, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
56.	Metalline Mine Works, Lda Av. Guerra popular, 1028 Maputo, Mozambique	N.A.	Subsidiary	100	2(87)(ii)
57.	Assignment Mozambique, Limitada, Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
58.	Chivarro Mines Mozambique, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
59.	Fortune Mines Concession, Lda Av. Guerra popular, 1028 Maputo. Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
60.	Omni Mines Enterprises, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
61.	Quest Mining Activities, Lda Av. Guerra popular, 1028 Maputo, Mozambique.	N.A.	Subsidiary	100	2(87)(ii)
62.	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)
63.	ASI Global LLC. 280 E 20th Ave, Denver CO, U.S.A - 80205	N.A.	Subsidiary	100	2(87)(ii)
64.	ASI Constructors Inc., USA 280 E 20th Ave, Denver CO, U.S.A - 80205-3148	N.A.	Subsidiary	66.37	2(87)(ii)
65.	ASI Constructors Australia Pty Ltd. Level 31 Waterfront Place, 1 Eagle Street, Brisbane 4000, Queensland Australia	N.A.	Subsidiary	66.37	2(87)(ii)
66.	HCP Constructors Inc., USA 280 E 20th Ave, Denver CO, U.S.A - 80205-3148	N.A.	Subsidiary	66.37	2(87)(ii)
67.	Patel Surya (Singapore) Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
68.	PT Surya Geo Minerals Sahid Sudirman Center Lt.11 Suite A Jl. Jend Sudirman No.86 RT.10 RW.11, Kelurahan Karet Tengsin, Kecamatan Tanah Abang, Jakarta Pusat 10220	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
69.	Patel Param Minerals Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
70.	Pt Patel Surya Minerals Sahid Sudirman Center Lt.11 Suite A Jl. Jend Sudirman No.86 RT.10 RW.11, Kelurahan Karet Tengsin, Kecamatan Tanah Abang, Jakarta Pusat 10220	N.A.	Subsidiary	60	2(87)(ii)
71.	Patel Param Energy Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
72.	Pt Patel Surya Jaya Sahid Sudirman Center Lt.11 Suite A Jl. Jend Sudirman No.86 RT.10 RW.11, Kelurahan Karet Tengsin, Kecamatan Tanah Abang, Jakarta Pusat 10220	N.A.	Subsidiary	60	2(87)(ii)
73.	Patel Param Natural Resources Pte Ltd. 79 Robinson Road, #16-01 CPF Building, Singapore 068897	N.A.	Subsidiary	60	2(87)(ii)
74.	PT Surpat Geo Minerals Gedung City lofts 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)
75.	Bellona Estate Developers Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U70200MH2007PLC166899	Associates	49	2(6)
76.	Hitodi Infrastructure Ltd. Unit no. 679, Rasta Jat ka Kuwan Chandpole Bazar Jaipur Rajasthan 302001	U74999RJ2017PLC059545	Associates	49	2(6)
77.	Terra Land Developers Ltd. 19B, Anand Vihar CHS Ltd., Danda Pada,19th Road, Khar (West), Mumbai 400 052	U45400MH2007PLC175486	Associates	49.33	2(6)
78.	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)
79.	PAN Realtors Pvt. Ltd. S-406 (LG), Greater Kailash-II, New Delhi - 110048	U70101DL2009PTC193609	Associates	37.57	2(6)
80.	Raichur Sholapur Transmission Co. Pvt. Ltd. Patel Engineering Compound, Patel Estate Road, Jogeshwari (W), Mumbai - 400 102.	U40108MH2009PTC220024	Associates	33.34	2(6)
81.	ACP Tollways Pvt. Ltd. B-9 Vibhuti Khand, Gomti Nagar, Lucknow, U.P-226010	U45400UP2011PTC047755	Associates	32	2(6)

IV. Share holding Pattern

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	29,23,300	0	29,23,300	1.86	29,23,300	0	29,23,300	1.86	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	3,54,09,681	0	3,54,09,681	22.55	2,90,86,149	0	2,90,86,149	18.53	-4.03
	Sub Total (A)(1)	**3,83,32,981**	**0**	**3,83,32,981**	**24.42**	**3,20,09,449**	**0**	**3,20,09,449**	**20.39**	**-4.03**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	5,50,450	0	5,50,450	0.35	5,50,450	0	5,50,450	0.35	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**5,50,450**	**0**	**5,50,450**	**0.35**	**5,50,450**	**0**	**5,50,450**	**0.35**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**3,88,83,431**	**0**	**3,88,83,431**	**24.77**	**3,25,59,899**	**0**	**3,25,59,899**	**20.74**	**-4.03**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	92,172	0	92,172	0.06	10,34,158	0	10,34,158	0.66	0.60
(f)	Financial Institutions / Banks	8,15,92,544	0	8,15,92,544	51.97	8,48,46,218	0	84,846,218	54.04	2.07
(g)	Insurance Companies	22,66,764	0	22,66,764	1.44	22,66,764	0	22,66,764	1.44	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**8,39,51,480**	**0**	**8,39,51,480**	**53.47**	**8,81,47,140**	**0**	**8,81,47,140**	**56.15**	**2.67**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	282	0	282	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	**282**	**0**	**282**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,78,25,716	7,84,940	1,86,10,656	11.85	1,96,83,340	7,74,440	2,04,57,780	13.03	1.18
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	27,39,538	1,20,000	28,59,538	1.82	29,75,431	0	29,75,431	1.90	0.07
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Trusts	2,107	0	2,107	0.00	1,04,607	0	1,04,607	0.07	0.07
	Hindu Undivided Family	10,87,246	0	10,87,246	0.69	15,39,447	0	15,39,447	0.98	0.29

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
	Non Resident Indians (Non Repat)	1,25,797	0	1,25,797	0.08	2,72,628	0	2,72,628	0.17	0.09
	Non Resident Indians (Repat)	6,38,372	22,200	6,60,572	0.42	5,99,470	22,200	6,21,670	0.40	-0.02
	Clearing Member	8,15,200	0	8,15,200	0.52	6,06,631	0	6,06,631	0.39	-0.13
	Bodies Corporate	39,65,582	3,900	39,69,482	2.53	36,76,658	3,900	36,80,558	2.34	-0.18
	Sub Total (B)(3)	**2,71,99,558**	**9,31,040**	**2,81,30,598**	**17.92**	**2,94,58,212**	**8,00,540**	**3,02,58,752**	**19.27**	**1.36**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**11,11,51,320**	**9,31,040**	**11,20,82,360**	**71.39**	**11,76,05,352**	**8,00,540**	**11,84,05,892**	**75.42**	**4.03**
	Total (A)+(B)	**15,00,34,751**	**9,31,040**	**15,09,65,791**	**96.16**	**15,01,65,251**	**8,00,540**	**15,09,65,791**	**96.16**	**0.00**
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	60,28,900	0	60,28,900	3.84	60,28,900	0	60,28,900	3.84	0.00
	Total (A)+(B)+(C)	**15,60,63,651**	**9,31,040**	**15,69,94,691**	**100.00**	**15,61,94,151**	**8,00,540**	**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			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares of the Company	
1	Patel Corporation LLP	1,86,65,257	11.89	-	1,86,65,257	11.89	11.89	-
2	Praham India LLP	1,67,44,424	10.67	-	1,04,20,892	6.64	6.47	4.03
3	Rupen Patel	13,52,600	0.86	-	13,52,600	0.86	0.86	-
4	Pravin Patel	40,800	0.03	-	40,800	0.03	0.03	-
5	Sonal Patel	3,50,500	0.22	-	3,50,500	0.22	-	-
6	Rianna Batra	1,99,950	0.13	-	1,99,950	0.13	-	-
7	Chandrika Pravin Patel	1,49,900	0.10	-	1,49,900	0.10	0.10	-
8	Alina Rupen Patel	12,90,000	0.82	-	12,90,000	0.82	-	-
9	Ryan Rupen Patel	90,000	0.06	-	90,000	0.06	-	-

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
1.	Praham India LLP	1,67,44,424	10.67	27-Nov-2017	20,98,429	Pledge Invocation	1,04,20,892	6.47
				28-Nov-2017	40,75,156			
				07-Dec-2017	1,49,947			
There is no Change in shareholding of Promoters other than the one reflected in table iii above. The shareholding of other Promoters is appearing in Table ii above.								

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

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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
1	DENA BANK	1,21,02,989	7.71			1,21,02,989	7.71
	Transfer			01 Dec 2017	15,02,880	1,36,05,869	8.67
	AT THE END OF THE YEAR					**1,36,05,869**	**8.67**
2	ICICI BANK LTD	72,21,128	4.60			72,21,128	4.60
	Transfer			07 Apr 2017	-19,456	72,01,672	4.59
	Transfer			14 Apr 2017	-2,625	71,99,047	4.59
	Transfer			21 Apr 2017	30,844	72,29,891	4.61
	Transfer			28 Apr 2017	-27,265	72,02,626	4.59
	Transfer			12 May 2017	39,819	72,42,445	4.61
	Transfer			19 May 2017	26,087	72,68,532	4.63
	Transfer			26 May 2017	-28,622	72,39,910	4.61
	Transfer			02 Jun 2017	-1,797	72,38,113	4.61
	Transfer			09 Jun 2017	-1,066	72,37,047	4.61
	Transfer			16 Jun 2017	-169	72,36,878	4.61
	Transfer			23 Jun 2017	-27,707	72,09,171	4.59
	Transfer			30 Jun 2017	-150	72,09,021	4.59
	Transfer			14 Jul 2017	1,247	72,10,268	4.59
	Transfer			21 Jul 2017	-170	72,10,098	4.59
	Transfer			28 Jul 2017	-1,021	72,09,077	4.59
	Transfer			04 Aug 2017	-6,154	72,02,923	4.59
	Transfer			11 Aug 2017	-15,723	71,87,200	4.58
	Transfer			18 Aug 2017	227	71,87,427	4.58
	Transfer			01 Sep 2017	5,972	71,93,399	4.58
	Transfer			08 Sep 2017	-1,678	71,91,721	4.58
	Transfer			15 Sep 2017	-1,719	71,90,002	4.58
	Transfer			22 Sep 2017	-760	71,89,242	4.58
	Transfer			29 Sep 2017	-1,402	71,87,840	4.58
	Transfer			06 Oct 2017	-51,544	71,36,296	4.55
	Transfer			13 Oct 2017	-3588	71,32,708	4.54
	Transfer			20 Oct 2017	623	71,33,331	4.54
	Transfer			27 Oct 2017	3,077	71,36,408	4.55
	Transfer			03 Nov 2017	-1215	71,35,193	4.54
	Transfer			10 Nov 2017	48,609	71,83,802	4.58
	Transfer			17 Nov 2017	11,910	71,95,712	4.58
	Transfer			24 Nov 2017	1,509	71,97,221	4.58
	Transfer			01 Dec 2017	5,21,591	77,18,812	4.92
	Transfer			08 Dec 2017	-100	77,18,712	4.92
	Transfer			15 Dec 2017	713	77,19,425	4.92
	Transfer			22 Dec 2017	684	77,20,109	4.92
	Transfer			29 Dec 2017	36,891	77,57,000	4.94
	Transfer			05 Jan 2018	-1,614	77,55,386	4.94
	Transfer			12 Jan 2018	5,824	77,61,210	4.94
	Transfer			19 Jan 2018	-11,034	77,50,176	4.94
	Transfer			26 Jan 2018	3,859	77,54,035	4.94
	Transfer			02 Feb 2018	330	77,54,365	4.94
	Transfer			09 Feb 2018	-58	77,54,307	4.94
	Transfer			16 Feb 2018	-510	77,53,797	4.94

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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 Feb 2018	-2,522	77,51,275	4.94
	Transfer			02 Mar 2018	8,904	77,60,179	4.94
	Transfer			09 Mar 2018	29,325	77,89,504	4.96
	Transfer			16 Mar 2018	-146	77,89,358	4.96
	Transfer			23 Mar 2018	-20,064	77,69,294	4.95
	Transfer			31 Mar 2018	-2,131	77,67,163	4.95
	AT THE END OF THE YEAR					**77,67,163**	**4.95**
3.	IDBI BANK LTD.	71,47,073	4.55			71,47,073	4.55
	Transfer			01 Dec 2017	2,73,925	74,20,998	4.73
	AT THE END OF THE YEAR					**74,20,998**	**4.73**
4.	BANK OF INDIA	66,02,605	4.21			66,02,605	4.21
	Transfer			01 Dec 2017	4,31,028	70,33,633	4.48
	AT THE END OF THE YEAR					**70,33,633**	**4.48**
5.	BANK OF BARODA	66,00,521	4.20			66,00,521	4.20
	Transfer			01 Dec 2017	3,65,978	69,66,499	4.44
	AT THE END OF THE YEAR					**69,66,499**	**4.44**
6.	BANK OF MAHARASHTRA	60,70,706	3.87			60,70,706	3.87
	AT THE END OF THE YEAR					**64,71,204**	**4.12**
7.	CANARA BANK-MUMBAI	55,58,410	3.54			55,58,410	3.54
	Transfer			01 Dec 2017	4,77,495	60,35,905	3.84
	Transfer			09 Feb 2018	625	60,36,530	3.85
	Transfer			16 Mar 2018	6,842	60,43,372	3.85
	Transfer			31 Mar 2018	-2,000	6,041,372	3.85
	AT THE END OF THE YEAR					**60,41,372**	**3.85**
8.	PATEL ENGINEERING EMPLOYEES WELFARE TRUST	60,28,900	3.84			60,28,900	3.84
	AT THE END OF THE YEAR					**60,28,900**	**3.84**
9.	STATE BANK OF INDIA	0	0			0	0.00
	Transfer			10 Nov 2017	46,36,277	46,36,277	2.95
	AT THE END OF THE YEAR					**46,36,277**	**2.95**
10.	CORPORATION BANK	42,04,840	2.68			42,04,840	2.68
	Transfer			01 Dec 2017	3,10,203	45,15,043	2.88
	AT THE END OF THE YEAR					**45,15,043**	**2.88**
11.	AXIS BANK LIMITED	65,60,768	4.18			65,60,768	4.18
	Transfer			07 Apr 2017	-1920	65,58,848	4.18
	Transfer			14 Apr 2017	6,090	65,64,938	4.18
	Transfer			21 Apr 2017	355	65,65,293	4.18
	Transfer			28 Apr 2017	-6,790	65,58,503	4.18
	Transfer			05 May 2017	-2,050	65,56,453	4.18
	Transfer			12 May 2017	7,888	65,64,341	4.18
	Transfer			19 May 2017	-12,704	65,51,637	4.17
	Transfer			26 May 2017	1,516	65,53,153	4.17
	Transfer			02 Jun 2017	1,730	65,54,883	4.18
	Transfer			09 Jun 2017	-200	65,54,683	4.18
	Transfer			23 Jun 2017	-2,400	65,52,283	4.17

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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			30 Jun 2017	-3,018	65,49,265	4.17
	Transfer			07 Jul 2017	-210	65,49,055	4.17
	Transfer			14 Jul 2017	889	65,49,944	4.17
	Transfer			21 Jul 2017	-2623	65,47,321	4.17
	Transfer			28 Jul 2017	-615	65,46,706	4.17
	Transfer			04 Aug 2017	-51,914	64,94,792	4.14
	Transfer			11 Aug 2017	36,845	65,31,637	4.16
	Transfer			18 Aug 2017	-5349	65,26,288	4.16
	Transfer			25 Aug 2017	-230	65,26,058	4.16
	Transfer			01 Sep 2017	-33,240	64,92,818	4.14
	Transfer			08 Sep 2017	32,860	65,25,678	4.16
	Transfer			15 Sep 2017	-13,895	65,11,783	4.15
	Transfer			22 Sep 2017	28,242	65,40,025	4.17
	Transfer			29 Sep 2017	-2,680	65,37,345	4.16
	Transfer			06 Oct 2017	-17,050	65,20,295	4.15
	Transfer			13 Oct 2017	730	65,21,025	4.15
	Transfer			20 Oct 2017	-220	65,20,805	4.15
	Transfer			27 Oct 2017	700	65,21,505	4.15
	Transfer			03 Nov 2017	-1,143	65,20,362	4.15
	Transfer			10 Nov 2017	450	65,20,812	4.15
	Transfer			17 Nov 2017	23,622	65,44,434	4.17
	Transfer			24 Nov 2017	-5,978	65,38,456	4.16
	Transfer			01 Dec 2017	5,86,531	71,24,987	4.54
	Transfer			08 Dec 2017	832	71,25,819	4.54
	Transfer			22 Dec 2017	-3,59,354	67,66,465	4.31
	Transfer			29 Dec 2017	-13,26,005	54,40,460	3.47
	Transfer			05 Jan 2018	-13,78,436	40,62,024	2.59
	Transfer			12 Jan 2018	10,918	40,72,942	2.59
	Transfer			19 Jan 2018	7,878	40,80,820	2.60
	Transfer			26 Jan 2018	-8,803	40,72,017	2.59
	Transfer			02 Feb 2018	-5,775	40,66,242	2.59
	Transfer			09 Feb 2018	24,383	40,90,625	2.61
	Transfer			16 Feb 2018	-8,795	40,81,830	2.60
	Transfer			23 Feb 2018	-1,838	40,79,992	2.60
	Transfer			02 Mar 2018	-2,388	40,77,604	2.60
	Transfer			09 Mar 2018	-50	40,77,554	2.60
	Transfer			16 Mar 2018	6,616	40,84,170	2.60
	Transfer			23 Mar 2018	1,590	40,85,760	2.60
	Transfer			31 Mar 2018	-14,667	40,71,093	2.59
	AT THE END OF THE YEAR					**40,71,093**	**2.59**
12.	STATE BANK OF PATIALA	46,36,277	2.95			46,36,277	2.95
	Transfer			10 Nov 2017	-46,36,277	0	0.00
	AT THE END OF THE YEAR					**0**	**0.00**

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

Sr. No.	Name of the Director/ KMP	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
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	-	-	-	-	-	-	-
	Mr. Sunil Sapre	-	-	-	-	-	-	-
8.	Ms. Kavita Shirvaikar	-	-	-	-	-	-	-
9.	*** Mr. Sunil Shinde	-	-	-	-	-	-	-

** retired w.e.f. December 30, 2017.*

*** resigned w.e.f August 6, 2018.*

**** Appointed as Whole Time Director & CEO w.e.f. April 01, 2017 and resigned w.e.f. June 02, 2017.*

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	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**
Change in Indebtedness during the financial year				
• Addition	-	262.72	-	262.72
• Reduction	22,941.47		-	22,941.47
Net Change	22,941.47	262.72	-	22,678.75
Indebtedness at the end of the financial year				
(i) Principal Amount	22,321.87	1,806.05	-	24,127.92
(ii) Interest due but not paid	490.56	-	-	490.56
(iii) Interest accrued but not due	268.00	-	-	268.00
Total (i+ii+iii)	**23,080.43**	**1,806.05**	**-**	**24,886.48**

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	Mr. Rupen Patel, Managing director	*Mr. Pravin Patel, Whole Time Director	Mr. C. K. Singh, Whole Time Director	Mr. Sunil Sapre, Whole time Director	Ms. Kavita Shirvaikar Whole Time Director & CFO	** Mr. Sunil Shinde, Whole Time Director & CEO	Total amount
1	Gross Salary	29.03	0.63	15.05	5.55	15.51	1.30	67.06
	(a) Salary as per provisions contained in section 17(1) of the income -tax Act, 1961	23.64	0.63	15.01	5.51	15.47	1.30	61.56
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	5.39	0.00	0.03	0.04	0.04	0.00	5.50
	(c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission - as % profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Others - Employers Contribution to PF	1.70	0.00	0.81	0.36	0.84	0.08	3.79
	Total (A)	**30.73**	**0.63**	**15.85**	**5.91**	**16.35**	**1.38**	**70.85**
	Ceiling as per Act				Refer Note			

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

** Retired w.e.f. Dec 30, 2018*

*** Appointed as Whole Time Director & CEO w.e.f. April 01, 2017 and resigned w.e.f. June 02, 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	0.53	0.20	0.73	0.35	1.80
	• Commission					
	• Others, please specify					
	Total (1)	**0.53**	**0.20**	**0.73**	**0.35**	**1.80**
2.	Other Non-Executive Directors					
	• Fee for attending board/committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**		**-**
	Total Managerial Remuneration (1+2)	**0.53**	**0.20**	**0.73**	**0.35**	**1.80**
	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
1.	Gross Salary			
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	2.72	2.72
b)	Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	0.03	0.03
c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	200 shares	200 shares
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	0.18	0.18
	Total	**-**	**2.93**	**2.93**

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.

Rupen Patel
Chairman & Managing Director
(DIN: 00029583)

August 14, 2018
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:

Sr. No.	Disclosure Requirement	Disclosure details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Rupen Patel	Managing Director	46.81
		Mr. Pravin Patel *	Whole Time Director	0.96
		Mr. C. K. Singh	Whole Time Director	24.16
		Mr. Sunil Sapre	Whole Time Director	9.01
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	24.90
		Mr. Sunil Shinde **	Whole Time Director & CEO	2.11
2	Percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager if any, in the financial year.	**Directors/KMP's**	**Title**	**% increase in remuneration**
		Mr. Rupen Patel	Managing Director	115.32
		Mr. Pravin Patel *	Whole Time Director	-
		Mr. C. K. Singh	Whole Time Director	80.69
		Mr. Sunil Sapre	Whole Time Director	5.23
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	76.99
		Ms. Shobha Shetty	Company Secretary	9.80
		Mr. Sunil Shinde **	Whole Time Director & CEO	0.00
3	Percentage increase in the median remuneration of employees in the financial year.	7.71		
4	Number of permanent employees on the rolls of the Company at the end of the year.	1464, permanent employees were on the rolls of the Company as on March 31, 2018		
5	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.	While the increase in Directors' remuneration for 17-18 over 2016-17 is 81.41%, the corresponding average remuneration increase for other employees is 7.71%. Though the increase in Directors' remuneration appears substantial, it is worthwhile to mention the fact that Mr. Rupen Patel, CMD conscientiously opted against any compensation revision in the previous years (Nil increment in 2016-17 & 7% in 2015-16). In addition, for the last three years ie 2014 to 2017 he accepted only 1/3rd of his incentive entitlement amount. Mr. Rupen Patel, CMD & other Directors played a stellar role in the Company's financial restructuring, conversion of idle assets into cash, obtaining larger non-fund limits from banks, conceived and implemented strategic business decisions and resolved pending legal and operational issues. All this provided the much required thrust and impetus for not only a smooth and seamless execution of ongoing projects, but also reaffirmed our Engineering competencies and risk taking capabilities, for us to foray into more profitable ventures in this highly competitive Infrastructure Industry. Keeping the above in mind the NRC/Board felt it fair & just to increase the Directors' remuneration commensurate with industry benchmark.		
6	Affirmations that the remuneration is as per the Remuneration Policy of the Company.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

** Mr. Pravin Patel retired as Director w.e.f. December 30, 2017.*

*** Mr. Sunil Shinde was appointed as Whole Time Director & CEO w.e.f. April 01, 2017 and resigned w.e.f. June 02, 2017.*

MANAGEMENT DISCUSSION AND ANALYSIS

Brief Introduction

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

The link between infrastructure and economic development is not a once-for-all affair. It is a continuous process; and progress in infrastructure has to be preceded, accompanied, and followed the development process so that we achieve the objective of making our economy self-sustaining. The infrastructure sector in India has been passing through a challenging period due to inadequate financial support from various capital partners despite keen interest shown by the government in boosting the sector by huge budgetary allocations. The private sector players in the infrastucture sector are increasingly chasing only E&C projects rather than PPP projects, as they do not have equity invesmnents. This is the fall out of banks' reluctance to finance infra companies following RBI's tightening of the resolution framework for non-performing loans.

Despite all these challenges, after successful implementation of the S4A Scheme of RBI, the Company is well placed to undertake various upcoming projects in the infrastructure space in the country.

Indian Macroeconomic review

The financial year 2017-18 (henceforth FY 18) was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017-18 to 6.7 % vis-à-vis 7.1% in 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy due to improvement in ease of doing business. Various economic reforms were undertaken in the year, which include: implementation of the Goods and Service Tax (GST), announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to Rs. 500 million; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; new measures to improve the ease of doing business; and major push to the digital economy. Other sectoral initiatives undertaken include: measures to revive the construction sector and promotion of exports in textile and apparel industry. Moreover, measures that were taken by the Government in the previous years to boost manufacturing, employment generation, improving ease of doing business and transparency via schemes such as Make-in-India, Skill India, direct benefit transfer and measures for financial inclusion were also taken forward in FY 18. An important macro-economic challenge currently faced by the Indian economy relates to jobless growth due to lack of inadequate investment by the private sector. Nonetheless, medium-term macro outlook remains bright against the backdrop of the implementation of GST sustained recovery in the global economy, relatively stable domestic prices and improvement in external sector indicators.

Inflation is hovering within the target band, with upside risks reflecting rising oil prices. The current account deficit has increased and job creation in the formal sector has remained sluggish, leaving the vast majority of workers in low-productivity, low-paid activities. Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the well-managed projects and avoiding further increase in non-performing loans. With capacity utilisation rising, corporate earnings recovering and recapitalisation of public sector banks, there are early signs of revival in private investment.

The central government has been pursuing a medium-term fiscal consolidation strategy. The gross fiscal deficit target for 2018-19 at 3.3% of GDP has been slightly higher than the medium term strategy to support the ongoing recovery. The overall fiscal stance is appropriate as India's public debt is by and large sustainable over the medium run. The expected real GDP growth in 2018-19 is around 7.5%, which may accelerate further to about 8% going forward. To achieve this growth, sectors like infrastructure / power, which are capital intensive, have to play a critical role and a lot depends upon the health of banks to support them. The Public Sector Banks' NPA has already hit more than Rs. 8.41 trillion.

Recent measures to speed up the asset quality review should help improve the resolution of non-performing loans. However, in the interim, it may create unintended hurdles with more provisioning at various banks whose capital adequacy is already a concern unless fresh infusion is made. Further, the effectiveness of bankruptcy laws and newly created National Company Law Tribunal (NCLT) should be revisited. Reforms to improve bank governance are also needed to avoid fresh build-up of non-performing loans. Better risk management and proper auditing in public sector banks would improve the quality of banks' portfolio.

Infrastructure Industry

Infrastructure industry, being the 2nd largest industry in India after agriculture, accounts for about 8% of the GDP. With its backward and forward linkages with various other industries like cement, steel bricks etc., it makes significant contribution to the national economy

and it catalyzes employment generation in a big way in the country. Recognizing the same, the government has increased the budgetary allocation for the sector by Rs. 1 trillion to Rs. 5.97 trilion for the 2018-19 fiscal.

India needs investments of over Rs. 50 trillion by 2022 for the development of its infrastructure in order to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. The Road Transport & Highways Ministry has invested around Rs. 3.17 trillion, while the Shipping Ministry has invested around Rs. 800,000 million in the past two and a half years for building world class highways and shipping infrastructure in the country. The Government of India is taking every possible initiative to boost the infrastructure sector. The 90 smart cities, shortlisted by the Government of India, have proposed projects with investments of Rs. 19,11,550 million.

The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban missions like the Pradhan Mantri Awas Yojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission (Urban) under the urban habitat model.

India's national highway network is expected to cover 50,000 kilometers by 2019, with around 20,000 km of works scheduled for completion in the next couple of years, according to the Ministry of Road Transport and Highways.

The Government of India is devising a plan to provide Wi-Fi facility to 550,000 villages by March 2019 for an estimated cost of Rs. 37,000 million, as per the Department of Telecommunications. India and Japan have joined hands for infrastructure development in India's North-Eastern states and are also setting up an India-Japan Coordination Forum for undertaking strategic infrastructure projects in the North East.

Sweden is interested in smart cities development in India and has put forward a Common Plan of Action for developing sustainable and environment-friendly public transport solutions and solid waste management for the smart cities under development. The Ambassador of Japan to Indiahas conveyed Government of Japan's inclination to invest and offer any other feasible support for various ongoing as well as upcoming development and infrastructure projects in the North-Eastern region of India. Indian companies have enough knowhow, indigenous technology and local engineering talents which empower them to deliver the upcoming works, similar to their works that are appreciated all across in Gulf etc.

With the Government providing fresh impetus to the infra sector, we expect to see a number of projects coming up for development in the roads sector, including those under the Sagarmala project, several new ports, airports in particular where the Airports Authority of India (AAI) will take up development of about 100 airports. The Railways is another major opportunity for private sector players to engage with in terms of creating new infrastructure and strengthening the existing network of lines. All villages in India will be connected through a road network by 2019 under Pradhan Mantri Gram Sadak Yojana (PMGSY). In August 2017, a new Metro Rail Policy was announced to boost private investment in the sector. In January 2018, the National Investment and Infrastructure Fund (NIIF) partnered with UAE-based DP World to create a platform that mobilise investments worth US$ 3 billion into ports, terminals, transportation, and logistics businesses in India. The Government is also working on improving energy infrastructure in the country and investment opportunities worth US$ 300 billion will be available in the sector in the coming 10 years.

One of the most important factor for infrastructure development is availability of facilities from banks to cater to the capital intensive nature of the business and guarantees required to be given to clients for undertaking such projects. The players in this industry have been under a lot of stress in the last few years due to delay in payments and decision making by clients, which are mostly PSUs or other government entities.

Company Update

Engineering and Construction:

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

During the year, one of our landmark projects, (2x 30) MW Tuirial Hydro Power Project, in Mizoram was completed and inaugurated by our honorable Prime Minister, Mr. Narendra Modi. Mizoram is a state which traces its economic roots in agricultural production. However, despite having potential of generating 4500 MW power, Mizoram was unable to provide sufficient electricity to industries and continued to be called as power deficit state. Out of this capacity, only 0.6 per cent (29.35MW) has been harnessed so far. Though the government has taken priority to develop the available Hydro Potential of the state for all round development of Mizoram

Tuirial Hydroelectric power project is a long leap for Mizoram state as, with commissioning of this project, Mizoram became third power surplus state in India. On inclusion of 60 MW capacity of Tuirial Hydroelectric power station project, the total installed capacity of the state became 89.35 MW.

Challenges in Execution

- Geology of the project location was the toughest element of challenge while execution of project. Himalayan Geology is world's most surprising geology for underground construction. It envelops different gradation of rock strata and difficult to comprehend.

- Lack of transport infrastructure is one of the major challenge while execution of the project. The reasonable mode of transportation was Road network. However, due to heavy occurrence of rains and lack of maintenance sometime roads were became unpliable and leading to complete cessation of supply line and project work.
- There were immense local populous disturbance at the time of commencement of project. Subsequently project had faced a prolonged suspension resultant of mass uprising of local population for compensation. However, with the due diligence of project's management project has been successfully completed with the cordial relationship with local populous.
- Availability of construction material was also a major challenge. The construction materials have been arranged from places outside of Mizoram and transported to the site despite of appalling condition of road.

Achievements:

- Project was successfully completed and Prime Minister Narendra Modi dedicated the project to nation on 16th December 2017 at Aizawl.
- Patel Engineering Ltd awarded with Letter of Appreciation by NEEPCO for excellent execution of project.
- Patel engineering Ltd had worked with utmost safety and awarded a Certificate for 5 million safe hours by NEEPCO.

Apart from Turial , Kameng H.E. Project (600 MW) – Package I, II, III in Arunachal Pradesh have been substantially completed during the year.

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

Power, Dams and Tunnel –

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

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

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

b) Shimoga – Shikaripura – Anandpuram Road Project, Karnataka for a length of 82 km valued at Rs. 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 stalled 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:

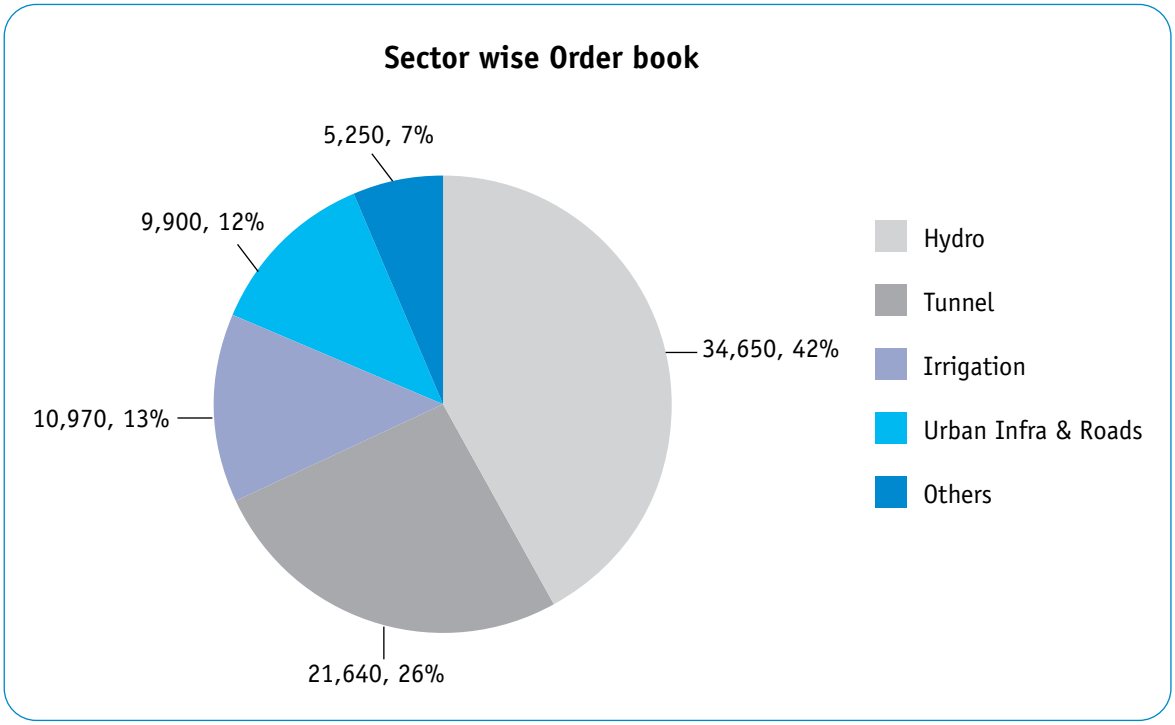
The Company owns a large land bank primarily concentrated in or around the metro cities of Mumbai, Hyderabad, Bangalore and Chennai. These lands are primarily identified for real estate development.

The Company plans to monetize these land parcels either on a Joint Development Agreement (JDA) basis or by way of outright sale. The company is under discussion to hive off the mall asset in Electronic City.

Company Analysis

Our Company has all necessary capabilities & resources to tap the upcoming opportunities in the sector and move forward and grow despite the complexities and other external factors involved. The company continues to focus on core E&C business and take selective projects which are self-sustainable and undertake all required steps to sell other non-core assets while maintaining the equilibrium of growing the order book and execution and completion of existing projects with the limited available working capital.

The Order book of the company as on March 31, 2018 was Rs. 82,400 million, out of which sectoral break up is as follows Hydro – 42%, Tunnels – 26%, Irrigation – 13%, Urban Infra & Roads – 12% and Others– 6%.



The following are the details of the order inflows (new projects) received by the company post completion of S4A,

- Kundah Hydro Electric Project (500 MW), Tamil Nadu

The Company received an LOI from Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) for construction of Kundah Pumped Storage Hydro Electric Project (500 MW) near Oooty, costing INR 6,676.3 million. The Project is funded by Rural Electrification Corporation (REC).

The Project comprise Head Race tunnel of 2.2 Km, Tail Race Tunnel between Portimund Reservoir (Upper Reservoir) and Emerald-Avalanche Reservoir (Lower Reservoir), several Adit, Tunnels of 1.9 Km, Main Access Tunnel of length 0.28KM and Cable cum Ventilation Tunnel of length 0.36 Km. Upon its ultimate completion it would provide peaking benefit of 500 MW of Hydro Power to the State of Tamil Nadu.

- ARUN-3 Hydro Electric Project (900 MW), Nepal

This Project is being executed by SJVN ARUN-3 Power Development Co. (P) Ltd. which is wholly owned subsidiary of Satluj Jalvidyut Nigam Ltd. (PSU).

The Civil work is divided into two lots, the Company has been awarded LOT-2 where work includes construction of head race tunnel, underground power house, pressure shaft, surge shaft and other connected structures with contract value of ₹ 11,258.7 million.

At present ARUN-3 is largest hydro project so far being executed in Nepal. This is one of the biggest FDI proposal for Nepal i.e. ₹ 57,000 million.

- Tunnel from Amar Mahal to Trombay

The Company has received LOI from Municipal Corporation of Greater Mumbai (MCGM) for Construction of tunnel from Amar Mahal (Hedgwar Udyan) to Trombay Low Reservoir (TLLR) and further upto Trombay High Level Reservoir (THLR) – Contract AMT-II for a contract value of ₹ 6,182.1 million.

It has 3 Nos. of shaft having 10m, 8m & 8m diameter with 81m, 105m & 110m depth. The Tunnel has a diameter of 3.2 m and 5.532 Km length to be constructed by TBM method.

Also, the Company is currently L1 for ₹ 22,520 million project.

The performance of the FY 18 is as follows:

On a consolidated basis

- Revenue from operations declined by 41.44% from ₹ 38,838.4 million in FY 17 to ₹ 22,745.5 million in FY 18, mainly due to reduced order inflows in earlier years and substantial completion of a few large existing projects, besides closure of operations by the US subsidiary.
- Net Profit after minority interest has increased to ₹ 959.1 million in FY 18 as against a loss of ₹ 594 million in the previous year.

On a standalone basis

- Revenue from operations declined by 30.31% from ₹ 29,255.6 million in FY 17 to ₹ 20,389.0 million in FY 18.
- Total comprehensive income for the FY 18 stood at ₹ 568.7 million, which was higher by 38% as compared to ₹ 412.1 million in the previous year.

This year was one of the remarkable years in the history of the Company wherein the company has recovered from one of its lowest state. In the beginning of the year, the company was looming with a debt of ~ ₹ 45,890 million, which increased to ~ ₹ 49,000 million by November, 2017. Although the company had sufficient assets in terms of actionable claims being arbitration awards and claims pending with government clients, real estate and other assets to cover the repayment of the debt, they were all having a long gestation period to realize and there was a huge timing difference in debt servicing requirement vs. expected realizations. Hence, the key to sustain was to reduce and realign the debt with the expected cash inflows of the company and so the company undertook the following steps to reduce the debt-

- The company transferred a chunk of its Actionable Claims and certain other real estate asset rights, amounting to ₹ 21,685.97 million along with corresponding debt and liabilities to another SPV, viz, Hitodi Infrastructure Ltd. whose 51% equity has been subscribed by an Eight Capital Group Entity, effecting change in management.
- 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 ₹ 3,833.45 million.
- The company also sold certain other real estate assets in Electronic City, Bengaluru to reduce debt secured by these assets.

In addition to the above transactions, the Company has successfully implemented the debt resolution plan under the S4A Scheme as mandated by the overseeing committee of RBI which super majority of lenders approved in November 2017, before all the restructuring schemes was withdrawn by the Feb' 2018 circular of RBI. Under the scheme, the total debt of the company is split into Sustainable PART A Debt and unsustainable PART B 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 had until now issued ~ ₹ 6,050 million 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, starting from 6th year onwards. Hence, the company has limited cash outflows in next 5 years for repayment of debt obligations enabling the company to deploy the funds generated back into the business and help it grow.

Further, the company will continue to focus on realizing arbitration award monies against submission of Bank Guarantees, under the NITI Aayog Initiatives to reduce the fund based debt further and shall also continuously look to monetize its other non-core assets, being real estate and ownership assets. In parallel, the company expects to grow its order book steadily.

The interest cost which was bringing down the profits is expected to reduce drastically going forward due to reduction in debt post the implementation of the above S4A scheme in Nov 2017.

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), the 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.

Management Systems

Patel's prime focus lies on performance improvement around major parameters like resource utilization, quality management, safety controls, environment protection, HR development, design engineering, etc. Timely achievement of the tasks with all round effectiveness is the main motto of Patel for its customers.

Integrated Management System (IMS) based on standards stipulated by ISO 9001:2015 for Quality, ISO 14001:2015 for Environment and OHSAS 18001:2007 for Health and Safety is judiciously managed and maintained by the Company covering all corners of activities. The key objective is to promote the improvement of the quality of the constructed facility to reduce the environmental pollution, occupational accidents and professional diseases. For this we conduct safety & environment training programs periodically on all work fronts. Our efforts have been proven at Tuirial Hydro Electric Project (60 Mw), Mizoram, where our client NEEPCO has appreciated our efforts for achieving 3 million safe man-hours. We also have achieved 5 million safe man-hours at Udhampur-Srinagar Railway line Project (T2), Jammu.

We strongly believe in delivering quality work to our customers and thus have well defined procedures for various functions. Periodical audits bring out shortcomings those are taken care of in management review meetings. Thus, build a strong system in and around the periphery of the organization.

Information Technology

At Patel, Information Technology and business are becoming inextricably interwoven. Our construction job sites have transformed into vibrant digital workspaces and we're using technology to get the right data, to the right person, at the right time.

In 2017-18, Patel's Information Technology Services (ITS) made strategic investments in upgrading its network, telecommunication infrastructure, introduced Design Thinking for Creative Problem Solving, and initiated the Technology Innovation Lab to support the current and future needs of our company and customers. The team worked with the head office and some of the remote project sites to implement internet phone service, also known as VoIP. Over the next two years, ITS plans to introduce VoIP technology at all our project sites, further reducing the company's telecommunication costs. This advancement has reduced the telecommunication costs and the increased communication between the offices and divisions, which has improved the performance and stability of the business process cycle times within several core business divisions. This initiative has created new training opportunities with multi-site conferencing that has helped in sharing expertise and technical knowledge transfer between Patel's business units, enhancing skills and education, all of which add value and help us build and support a team of smart and exceptional employees.

We are working on many exciting opportunities including drones to help monitor site progress through photos or video; assist with inspections of hard-to-reach areas; complete aerial photogrammetry and laser scans; and augment the modeling process. This will help reduce the costs of site surveying and project monitoring. The Internet of Things (IoT), sensing devices, robust wireless networks, artificial intelligence, GPS and real-time location tracking systems (RTLS) are providing unprecedented access to information about the infrastructure and the buildings we construct. Connecting data from multiple sources and delivering information quickly with mobile devices helps us improve the safety of individual workers and enhances job site visibility for our teams and owners, enabling real-time decision making.

In the summer of 2017-18, the ITS team was trained in the Design Thinking Process to break free from traditional and obsolete thought patterns and working structures. It has enabled the team to work collaboratively across the company in multidisciplinary teams to activate new sources of ideas and inspiration in order to identify and solve complex problems and create new solutions. Design Thinking is now a standard part of the Innovation and Problem Solving Process of the team.

In today's lightning-paced world, technology must be adaptable and robust, ready to change at a moment's notice. In 2018-19, Patel's ITS team will strive to extend a robust and flexible IT infrastructure to all our corners of our company, exploring more cloud-based services and improving service to some of our most remote sites. Significant updates to our core applications will give each application a fluid

user interface, making the systems fully responsive on mobile devices. In addition, new cloud-based services will augment employee-to-employee collaboration while reducing infrastructure costs.

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

In our continuing pursuit of building a high performance work culture aligned to the Corporate Vision, Mission & Core values, sustained efforts were made to equip the work force of nearly 1,500 employees to adopt the latest technological development in the construction field with a view to achieve excellence and gain a distinct advantage over competition.

Effective training sessions, both technical and behavioural, were organized at project sites to build in employee competency. Special emphasis was given to up-skilling to boost employees' productivity.

A conscious effort to realign major functions was undertaken to improve internal communication channels, sharing best practices and promote seamless working directed towards attainment of desired goals. Roles and responsibilities were defined to bring in more clarity in terms of deliverables expected from individuals as well as teams. Open & candid performance related discussion and constructive feedback mechanism provided the required impetus to induce a climate of respect and mutual trust, thus facilitating individuals & teams to strive to excel and achieve organizational goals & objectives.

Recreational events, games and festivals were celebrated at our project sites to reinforce the emotional connect with employees and motivate them to give their best in adverse circumstances.

The Top management continued to provide leadership and necessary direction to bring the Company ship out of financially troubled waters and augment the available resources for a long challenging haul ahead.

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.

Board of Directors

Composition

The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. As on March 31, 2018, the Board comprise of 8 Directors out of which 4 were independent Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act").

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year 2017-18 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, 2018 are as under.

Name and DIN no. of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on December 30, 2017	$ No. of directorships in other Public Limited Companies	*Committee Position	
		Held	attended			Chairman	Member
Mr. Rupen Patel, Chairman & Managing Director (DIN 00029583)	Executive (Promoter)	7	7	Yes	6	Nil	Nil
Mr. Khizer Ahmed (DIN 00032567)	Independent	7	5	Yes	4	4	4
Mr. S. Jambunathan (DIN 00063729)	Independent	7	2	No	Nil	Nil	Nil
Mr. K. Ramasubramanian (DIN 01623890)	Independent	7	7	Yes	5	1	6
Ms. Geetha Sitaraman (DIN 07138206)	Independent	7	7	Yes	Nil	Nil	Nil
Mr. C. K. Singh (DIN 00196978)	Executive	7	3	Yes	2	Nil	Nil
# Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	7	6	Yes	4	Nil	Nil
# Mr. Sunil Sapre (DIN: 05356483)	Executive	7	4	Yes	7	Nil	Nil

$ only Directorship of public limited companies (includes deemed public companies) incorporated in India have been considered.

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

Ms. Kavita Shirvaikar, CFO was appointed as Whole Time Director & CFO w.e.f. April 01, 2017 and

Mr. Sunil Sapre was appointed as Whole Time Director w.e.f. April 01, 2017

Mr. Pravin Patel, did not offer himself for re-appointment at 68th Annual General Meeting of the Company held on December 30, 2017. He attended the last AGM held on December 30, 2017 and 6 Board meetings during the year before his cessation.

Mr. Sunil Shinde was appointed as Whole Time Director & CEO w.e.f. April 01, 2017, however he resigned from the Company w.e.f. June 02, 2017.

None of Directors in the table are related to each other.

The Board met 7 times during the financial year 2017-18 ie on: May 05, 2017; July 24, 2017; August 14, 2017; October 05, 2017; December 15, 2017; December 30, 2017 and February 14, 2018.

Meeting of Independent Directors

During the year, a 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

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 scrutinze 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 7 times during the financial year 2017-18 i.e. on: May 05, 2017; July 24, 2017; August 14, 2017; December 07, 2017; December 15, 2017; December 30, 2017; February 14, 2018. The necessary quorum was present for all the meetings of the Committee.

Composition and Attendance as at March 31, 2018

Composition and Name of members	Number of meetings during the year 2017-18	
	Held	Attended
Mr. Khizer Ahmed, Chairman	7	5
Mr. S. Jambunathan	7	2
Mr. K. Ramasubramanian	7	7
Mr. Rupen Patel	1	1*

* Mr. Rupen Patel was inducted as a member of Audit Committee on December 30, 2017.

Mr. Pravin Patel attended 6 meetings during the year before his cessation.

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on December 30, 2017.

All the members of the Committee have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirement of Section 177 of the Act and the Listing Regulations

(B) Nomination and Remuneration Committee:

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.

Meetings held:

The Nomination and Remuneration Committee met 1 time during the financial year 2017-18 i.e. on December 06, 2017 (adjourned to February 14, 2018). The necessary quorum was present for the meetings of the Committee

Composition and Attendance as at March 31, 2018

Composition and Name of members	No. of meeting	
	Held	Attended
Mr. Khizer Ahmed, Chairman	1	1
Mr. S. Jambunathan	1	1
Mr. K. Ramasubramanian	1	1
Mr. Rupen Patel	1	1*

* Mr. Rupen Patel was inducted as a member of Committee on December 30, 2017.

Mr. Pravin Patel attended the meeting held on December 06, 2017 during the year before his cessation.

Mr. Khizer Ahmed attended the meeting held on December 06, 2017, however couldn't participate in the adjourned meeting held on February 14, 2018.

Mr. S. Jambunathan attended the adjourned meeting held February 14, 2018.

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on December 30, 2017.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

Board Evaluation

The Board Evaluation Policy has been framed for evaluating the performance of the Board as a whole, its Committees and individual directors including evaluation of independent Directors. Based on the same, the performance evaluation was carried out for the financial year ended March 31, 2018.

Familiarization Programme:

The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of the business, Company's performance/business model. The details are uploaded on the website of the Company at https://tinyurl.com/y97vk65t.

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, 2018 are as under:

(₹ in millions)

Name	Sitting fees
Mr. Khizer Ahmed	0.53
Mr. S. Jambunathan	0.20
Mr. K. Ramasubramanian	0.73
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, 2018 are as under:

(₹ in millions)

	Mr. Pravin Patel, (upto December 30, 2017)	Mr. Rupen Patel, Chairman & Managing Director	Mr. C. K. Singh, Executive Director	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director	Mr. Sunil Shinde, Executive Director (upto June 02, 2017)
Salary	0.63	23.64	15.01	15.47	5.51	1.30
Perquisites	0	5.39	0.04	0.04	0.04	0
Total (Gross Salary)	0.63	29.03	15.05	15.51	5.55	1.30
Service Contracts	-	April 1, 2014 to March 31, 2019	May 30, 2016 to May 29,2019	April 1, 2017 to March 31, 2022	April 1, 2017 to March 31, 2022	-
No. of Stock Options granted	Nil	Nil	1,00,000*	1,00,000*	Nil	Nil

* The Stock Options are granted on February 14, 2018 under Patel Engineering Employee Stock Option Plan. The vesting and exercise is as per the said Plan.

The shareholding of the Directors in the Company as on March 31, 2018 is as under:

Name	Number of equity shares*	% of the paid up capital
Mr. Rupen Patel, Chairman & Managing Director	13,52,600	0.86
Mr. Khizer Ahmed	26,500	0.02
Mr. S. Jambunathan	50	0.00
Mr. K. Ramasubramanian	357	0.00
Ms. Geetha Sitaraman	Nil	Nil
Mr. C. K. Singh	200	0.00
Ms. Kavita Shirvaikar	Nil	Nil
Mr. Sunil Sapre	Nil	Nil

*shares held singly or as a first holder are only considered.

(C) Stakeholders' Relationship Committee:

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.

The composition of the Committee as at March 31, 2018 is as under.

- Mr. Khizer Ahmed, Chairman
- Mr. S. Jambunathan
- Mr. K. Ramasubramanian

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

Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has received 10 complaints during the year ended March 31, 2018 which were satisfactorily resolved / replied to. As on March 31, 2018 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 composition of the Committee as at March 31, 2018 is as under:

- Mr. Rupen Patel
- Mr. K. Ramasubramanian
- Ms. Kavita Shirvaikar

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, 2018, 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:

Sr. No.	Financial Year	Date	Time	Venue	No. of special resolutions passed
1	2014-15	September 28, 2015	3.30 pm	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102	4
2	2015-16	December 22, 2016	11:00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102	3
3	2016-17	December 30, 2017	11:00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102	5

Postal Ballot:

During the year, Special Resolutions on the following matters were passed with the requisite majority through Postal Ballot by the members of the Company on:

November 16, 2017

1. Conversion of Loan by Lenders into Optionally Convertible Debentures (OCDs) of the Company pursuant to implementation of the Reserve Bank of India S4A Scheme for the Company.
2. Offer and Issue of Optionally Convertible Debentures (OCDs) on Preferential Basis / Private Placement.

Mr. Makarand Joshi from M/s. Makarand M. Joshi & Co., Practising Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot and E-Voting in the fair and transparent manner.

Details of Voting Pattern for the above mentioned Resolutions are as under:

Resolutions	Vote cast in favour		Votes cast against	
	Number	%	Number	%
1	4,79,17,262	100.00	2,214	0.00
2	4,79,05,108	99.99	4,843	0.01

March 09, 2018

1. Issue of Equity shares to Patel Engineering Employee Welfare Trust
2. Amendment to Patel Engineering Employees' Stock Option Plan 2007.
3. Issue of balance Optionally Convertible Debentures pursuant to implementation of S4A.

Mr. Makarand Joshi from M/s. Makarand M. Joshi & Co., Practising Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot and E-Voting in the fair and transparent manner.

Details of Voting Pattern for the above mentioned Resolutions are as under:

Resolutions	Vote cast in favour		Votes cast against	
	Number	%	Number	%
1	3,26,29,275	99.97	9,154	0.03
2	3,26,33,177	99.99	4,202	0.01
3	3,26,33,202	99.99	3,777	0.01

The Company follows the procedure as prescribed under the Companies Act, 2013, the Rules framed thereunder and other applicable statutes, if any, for conducting the postal ballot.

Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

Means of communication:

I. The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations are 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.

II. General Shareholder information

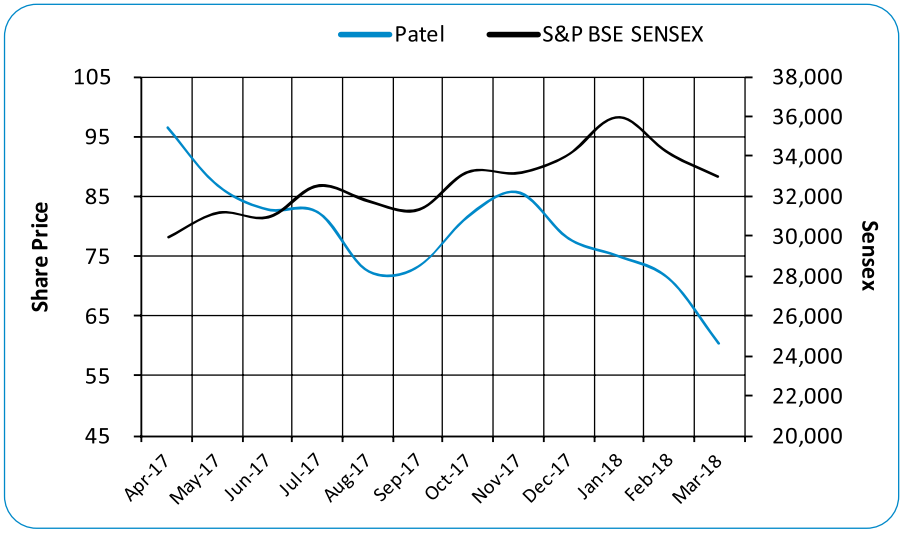
a)	**Annual General Meeting:**	
	Date	Thursday, September 27, 2018
	Time	11:00 am
	Venue	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102.
b)	**Financial year**	April 1, 2017 to March 31, 2018
III.	**Listing on Stock Exchanges**	
	The Equity Shares of the Company are 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
d)	Stock codes (Equity Share)	
	BSE Limited	531120
	National Stock Exchange Limited	PATELENG
	The Company has paid the listing fees, to these Stock Exchanges for the financial year 2018-19 ISIN with NSDL and CDSL (Equity): INE244B01030	

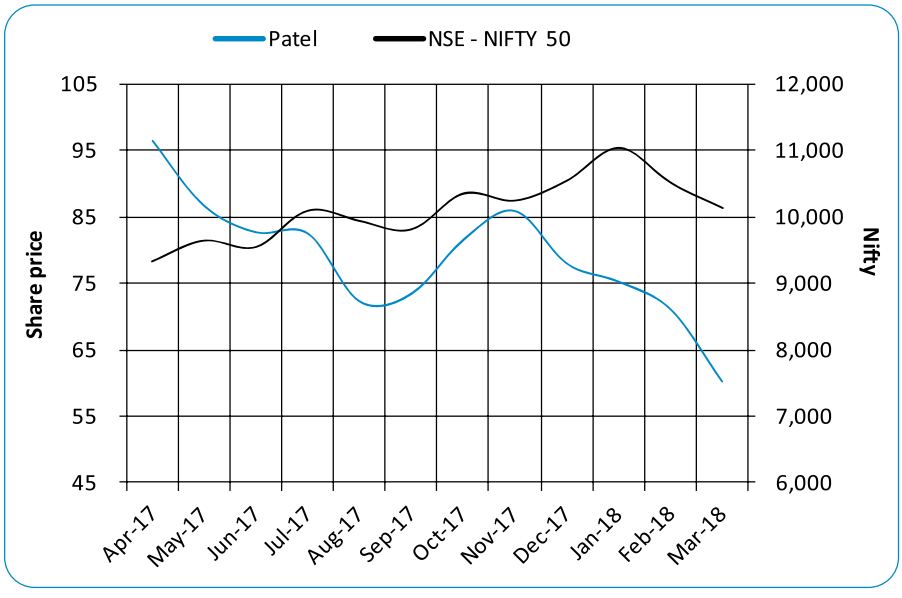
IV) Market Price Data

High, Low (based on the closing Prices) and number of Company's' shares traded during each month in the financial year 2017 - 2018 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 - 2017	106.90	78.70	68,87,664	107.00	78.80	2,26,39,743
May - 2017	101.50	81.90	43,42,320	101.50	82.60	1,56,10,842
June - 2017	91.80	81.15	18,18,309	91.95	81.80	62,22,334
July - 2017	87.80	82.05	15,99,859	88.20	82.10	49,81,272
Aug - 2017	83.00	64.00	13,21,858	82.95	64.15	39,00,776
Sep - 2017	86.90	68.75	20,23,063	85.00	70.05	93,88,287
Oct - 2017	84.80	73.50	15,74,785	84.70	73.65	86,49,654
Nov - 2017	96.05	74.20	34,76,290	95.85	74.00	1,86,48,817
Dec - 2017	88.70	74.00	19,09,310	88.85	73.30	92,06,651
Jan - 2018	93.70	74.50	56,29,644	93.70	74.50	2,82,15,150
Feb - 2018	85.35	61.55	24,93,723	85.40	62.10	1,04,53,060
Mar - 2018	71.90	60.10	12,57,554	71.90	60.00	42,49,454

V) Performance of the share price of the Company in comparison to the S&P BSE Sensex & NSE Nifty:





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

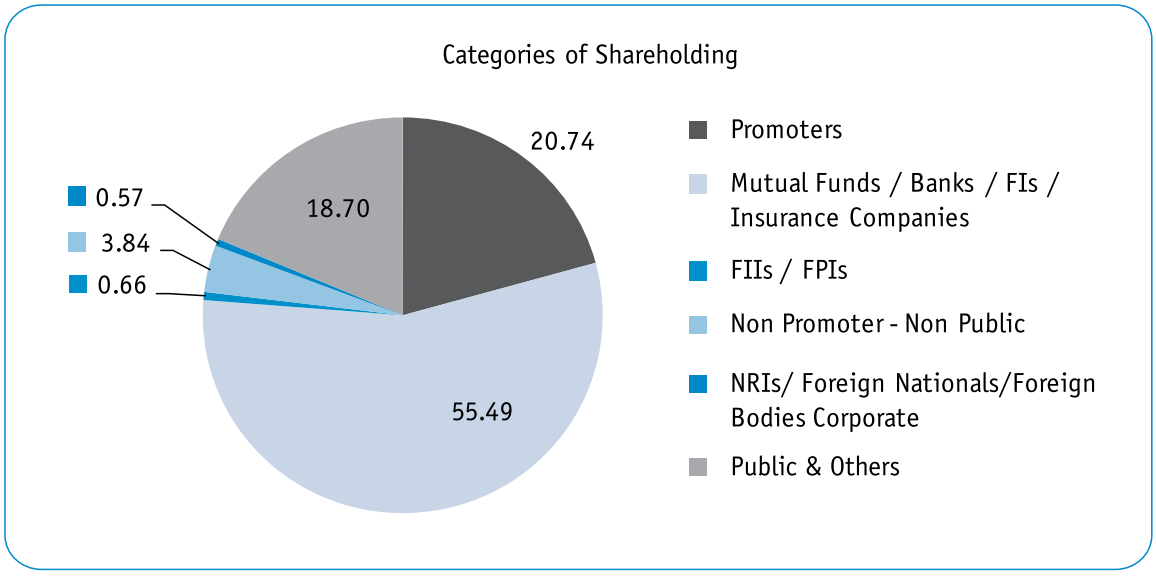
VII) **Share Transfer System:** The Company's shares are compulsorily traded in demat mode on BSE and NSE. As regards transfer of shares in physical form, the same is normally processed within 15 days by the Registrar from the date of receipt if the documents are complete in all respects. Ms. Shobha 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.

VIII) **Distribution of shareholding as on March 31, 2018:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	52,921	87.78	57,28,759	3.65
501-1000	3,551	5.89	29,01,634	1.85
1001-2000	1,856	3.08	28,59,249	1.82
2001-3000	713	1.18	18,84,795	1.20
3001-4000	273	0.45	9,87,240	0.63
4001-5000	260	0.43	12,35,484	0.79
5001-10000	351	0.58	25,96,666	1.65
Above 10000	363	0.60	13,88,00,864	88.41
Grand Total	**60,288**	**100.00**	**15,69,94,691**	**100.00**

Shareholding Pattern as on March 31, 2018

Category	No. of shares	% of Total Holding
Promoters	3,25,59,899	20.74
Mutual Funds / Banks / FIs / Insurance Companies	8,71,12,982	55.49
FIIs / FPIs	10,34,158	0.66
NRIs/ Foreign Nationals/Foreign Bodies Corporate	8,94,298	0.57
Public & others	2,93,64,454	18.70
Non Promoter - Non Public	60,28,900	3.84
Grand Total	**15,69,94,691**	**100.00**



IX) 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 99.49% of the Company's share capital are dematerialized as on March 31, 2018.

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

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

XI) Plant locations- Not Applicable

XII) 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
B-26/1, Aver House, Veera Desai Industrial Road,
Off. New Link Road, Andheri (West), Mumbai - 400053.
Tel: +91 22 26767500
Fax: +91 22 26300902
E-mail: investors@pateleng.com

XIII) 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.

Other 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. Transactions with the related parties are disclosed in the audited financial statements.

(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/nrqnhhs

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

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, 2018, 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.

On behalf of the Board of Directors
For **Patel Engineering Limited**

Rupen Patel
Chairman & Managing Director
DIN: 00029583

Mumbai
August 14, 2018

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Patel Engineering Limited

The Corporate Governance Report prepared by Patel Engineering Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Managements' Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

With respect to Regulation 17 of the Listing Regulations pertaining to Composition of Board of Directors, the Company did not duly comply with the required Board Composition (i.e. to have at least 50% Independent Directors on the Board) from 01st April, 2017 to 29th December, 2017.

Subject to the above, based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.

Other matters and Restriction on Use

This Certificate 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 addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **T. P. Ostwal & Associates LLP**
Chartered Accountants
Registration Number: 12444W/W100150

T. P. Ostwal
Partner
Membership Number: 30848

Place: Mumbai
Date: August 14, 2018

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") and its subsidiaries (the company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes 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 Board of Directors, 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 (iii) & (iv) 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 31st March, 2018 and their consolidated profit, 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

We draw attention to:

a) The independent Branch Auditors of, Patel Engineering Limited (Real Estate Division), have without qualifying their audit report on the Standalone Financial Statement for the year ended 31st March 2018, have drawn attention in respect to.

   i. Note No. 27 (a)(i) regarding Bellona Estate Developers Limited which ceased to be a subsidiary of the company from 30th March 2016 after invoking of Strategic Debt Restructuring (SDR). Previous Year, the management has decided to write off its investments along with outstanding loans after adjusting any dues against the same. Hence, the

Company has written off ₹ 2.63 million (P.Y. ₹ 398.50 million) as irrecoverable dues.

ii. Note No. 47 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, 2018 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 the 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

i. The Consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed a unmodified opinion on those statement on December 15, 2017. Our opinion is not modified in respect of this matter.

ii. The Consolidated Ind AS financial statements include the financial statements of 8 unincorporated 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 ₹ 899.98 Million as at 31st March 2018, Company's Share in Total revenue after elimination is ₹ 1570.30 Million, Total Profit (net) after tax of ₹ 225.21 Million, total comprehensive income (net) of Nil and Net cash outflow amounting to ₹ 72.51 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, 2018 are prepared by the management in accordance with accounting principle generally accepted in India, including 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 management certified accounts. Our opinion is not qualified in respect of this matter.

iii. The Consolidated Ind AS financial statement also includes the financial statement of 4 unincorporated joint operations which have been audited by other auditors, whose financial statement reflect the Net Total Assets of ₹ (2.91) Million as at 31st March 2018, Company's Share in Total revenue after elimination is ₹ 29.66 Million, Total loss (net) after tax of ₹ (1.40) Million, Total comprehensive income (net) of Nil and Net cash inflow amounting to ₹ 70.69 Million for the year ended on that date, as considered in these Consolidated Ind AS financial statements. 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 consolidated Ind AS financial statements, 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. Our opinion is not qualified in respect of this matter.

iv. We did not audit the financial statements of 18 subsidiaries, whose financial statements/financial information reflect Net Total Assets of ₹ 2,691.70 Million as at 31st March, 2018, Total Revenues of ₹ 1,178.21 Million and net cash inflows amounting to ₹ 7.80 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. 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, is based solely on the report of the auditors.

v. We did not audit the financial statements of 8 subsidiaries, whose financial statements/financial information reflect Net Total Assets of ₹ 1,021.88 Million as at 31st March, 2018, Total Revenues of ₹ 1,839.11 Million and net cash inflows amounting to ₹ 13.11 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 Profit of ₹ 0.06 Million for the year ended 31st March,2018, as considered in the consolidated Ind AS financial statements, in respect of 4 associates, whose financial statements/ financial information have not been audited by us. 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

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/consolidated Ind AS financial statements, as applicable, and the other financial information of subsidiaries,

associates and joint ventures 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 Changes 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, 2018 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, 2018 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 to the extent determinable/ascertainable. - Refer Note 49 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its audited subsidiary companies.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. Ostwal
Partner
Membership Number: 30848

Mumbai,
May 28, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENT OF PATEL ENGINEERING LIMITED

Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

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

i 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, 2018 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 (the "Guidance Note") 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 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 judgment, 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, 2018, 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 18 subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. Ostwal
Partner
Membership Number: 30848

Mumbai,
May 28, 2018

Consolidated Balance Sheet as at March 31, 2018

		Notes	As at March 31, 2018 ₹ million	As at March 31, 2017 ₹ million
I.	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	2	5,253.68	5,973.69
	(b) Capital work-in-progress		7,921.30	8,684.42
	(c) Intangible assets		2.22	2.03
	(d) Goodwill on consolidation		306.96	316.97
	(e) Financial assets			
	(i) Investments	3	1,411.33	1,381.93
	(ii) Trade receivables	4	5,615.24	8,084.11
	(iii) Loans	5	476.94	452.71
	(iv) Other financial assets	6	113.92	126.11
	(f) Deferred tax assets (net)	7	1,166.05	937.98
	(g) Current tax assets (net)	8	2,122.84	2,768.04
	(h) Other non current assets	9	5,736.08	7,150.21
	Total non current assets		**30,126.56**	**35,878.19**
	2 Current assets			
	(a) Inventories	10	31,615.65	48,552.15
	(b) Financial assets			
	(i) Trade receivables	4	2,411.62	2,539.24
	(ii) Cash and cash equivalents	10A	1,316.29	603.38
	(iii) Other bank balances	10B	0.51	3.19
	(iv) Loans	5	778.22	642.46
	(v) Other financial assets	6	58.25	56.63
	(c) Current tax assets (net)	8	146.28	184.01
	(d) Other current assets	9	7,532.67	8,150.51
	(e) Assets classified as held for sale	3	158.74	150.00
	Total current assets		**44,018.23**	**60,881.57**
	TOTAL ASSETS		**74,144.79**	**96,759.76**
II.	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	11	156.99	156.99
	(b) Other equity		21,441.05	21,231.47
	Equity attributable to owners of the parent		21,598.04	21,388.46
	Non-controlling interests		557.45	696.18
	Total equity		**22,155.49**	**22,084.64**
	2 Liabilities			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	13,330.28	15,987.72
	(ii) Trade payables	13	3,015.34	2,406.86
	(iii) Other financial liability	14	3.26	17.77
	(b) Provisions	15	70.30	66.11
	(c) Other non current liabilities	16	1,299.75	4,446.64
	(d) Deferred revenue		37.91	125.80
	Total non current liabilities		**17,756.84**	**23,050.90**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	15,388.29	27,397.00
	(ii) Trade payables	18	10,948.27	8,613.59
	(iii) Other financial liabilities	19	1,370.37	9,431.67
	(b) Provisions	15	21.65	17.04
	(c) Other current liabilities	20	6,503.88	6,164.92
	Total current liabilities		**34,232.46**	**51,624.22**
	TOTAL EQUITY AND LIABILITIES		**74,144.79**	**96,759.76**
	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 **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

Rupen Patel
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

		Notes	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I.	**Revenue from operations**	21	22,745.49	38,838.37
II.	**Other income**	22	2,425.95	2,541.16
III.	**Total revenue (I + II)**		**25,171.44**	**41,379.53**
IV.	**Expenses:**			
	Cost of construction	23	14,149.50	30,066.27
	Purchase of stock in trade		-	98.33
	Employee benefits expense	24	1,509.73	1,497.35
	Finance costs	25	4,894.23	5,792.14
	Depreciation and amortization expense	2	542.73	780.36
	Other expenses	26	1,778.35	2,966.26
	Total expenses		**22,874.54**	**41,200.71**
V.	**Profit before exceptional items and tax (III-IV)**		**2,296.90**	**178.82**
VI.	**Exceptional items**	27	1,361.70	889.79
VII.	**Profit before tax (V - VI)**		**935.20**	**(710.96)**
VIII.	**Tax expense:**			
	(1) Current tax		117.91	574.40
	(2) Deferred tax		(234.06)	(259.27)
	(3) Tax adjustments for earlier years		3.46	2.80
IX.	**Profit for the year (VII-VIII)**		**1,047.89**	**(1,028.89)**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(34.51)	(7.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.45	0.16
XI.	**Total comprehensive income for the year (IX+X) (Comprising profit /(loss) and other comprehensive income for the year)**		**1,025.83**	**(1,035.80)**
XII.	**Minority interest**		66.77	(441.81)
XIII.	**Owners of the parent (XI- XII)**		**959.06**	**(593.99)**
XIV.	**Earnings per equity share:**			
	(1) Basic	32	6.67	(9.83)
	(2) Diluted		5.28	(9.83)
	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 **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	935.20	(710.96)
	Adjustment for:		
	Depreciation/ amortisation	542.73	780.36
	Finance charges	4,894.23	5,792.14
	Interest and dividend received	(1,484.46)	(1,498.48)
	Foreign exchange loss/ (gain)	(8.52)	39.27
	Provision for leave salary	8.75	4.46
	Provision for gratuity	0.04	0.70
	Profit on sale of investment	-	(107.53)
	Provision for impairment	1,560.22	839.56
	Profit on sale of assets	(354.38)	(90.54)
	Excess credit written back	(285.72)	(308.98)
	Transfer of actionable claims (refer note no. 36)	(21,685.97)	-
	Irrecoverable debts and advances written off	114.29	1,652.39
	ESOP compensation expenses	1.03	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(15,762.56)**	**6,392.39**
	Adjustment for changes in:		
	Trade and other receivables	1,528.86	509.87
	Inventories	16,936.50	(1,544.36)
	Trade payable, liabilities and provisions (excluding income tax)	389.67	500.55
	Cash from operations	**3,092.47**	**5,858.45**
	Direct tax paid / (refund received)	1,139.58	(191.27)
	NET CASH FROM OPERATING ACTIVITIES (A)	**4,232.05**	**5,667.18**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / adjustments of fixed assets (including capital work in progress and capital advances)	747.89	(1,183.04)
	Sale of fixed assets	738.05	103.68
	Increase in loans to JV/ associates	(1,720.21)	(1,517.08)
	Sale /(Purchase) of investments	(29.40)	219.29
	Increase in other bank balances	17.25	-
	Interest and dividend received	2,692.41	154.83
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**2,445.99**	**(2,222.32)**

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Shares	-	2.68
	Redemption of equity component of financial	-	(169.67)
	Proceeds from long term borrowings	1,367.00	2,637.98
	Repayment of long term borrowings	(5,320.46)	(1,666.73)
	Increase in other borrowings (net) (refer note no. 36)	3,871.96	-
	Dividend paid	(0.78)	-
	Finance charges	(5,891.37)	(4,230.20)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(5,973.65)**	**(3,425.95)**
	Net increase in cash and cash equivalents (A+B+C)	**704.39**	18.90
	Opening balance of cash and cash equivalents	**603.38**	623.75
	Balance of cash and cash equivalents	**1,307.77**	642.65
	Notes to Cash flow Statement		
	a. Cash and Cash Equivalents		
	Cash on hand and balance with banks	1,316.29	603.38
	Effect of exchange rate changes	(8.52)	39.27
	Closing cash and cash equivalents as restated	1,307.77	642.65
	b. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.		

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of Re 1 each issued, subscribed and paid		
As at 31 March, 2016	**76,806,282**	**76.81**
Issue of equity shares	80,188,409	80.19
As at March 31, 2017	**156,994,691**	**156.99**
Issue of equity shares	-	-
As at March 31, 2018	**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	Non - controlling interest	Total equity attributable to equity holders
As at March 31, 2016	**194.16**	**277.57**	**2,537.45**	**7,906.99**	**462.50**	**-**	**933.99**	**-**	**4,745.02**	**(8.68)**	**17,049.01**	**1,457.36**	**18,506.37**
- 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	2.34	736.64	(319.37)	417.27
- 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 31 March, 2017	**61.15**	**277.57**	**2,524.95**	**12,015.32**	**475.00**	**-**	**973.26**	**300.00**	**4,617.47**	**(13.25)**	**21,231.47**	**696.18**	**21,927.65**

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

₹ 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	Non - controlling interest	Total equity attributable to equity holders
- Profit for the year	-	-	-	-	-	-	-	-	981.13	-	981.13	66.77	1,047.89
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(22.06)	(22.06)		(22.06)
- Adjustment during the year	-	-	-	(2.47)	-	-	-	-	(54.43)	-	(56.90)	(205.49)	(262.40)
- Adjustment on account fluctuation in foreign exchange	-						(632.45)		-	-	(632.45)		(632.45)
- Stock option	-	-	-	-	-	1.03	-	-	-	-	1.03		1.03
- Redemption of equity component	(61.15)	-	-	-	-	-	-	-	-	-	(61.15)		(61.15)
- Transfer from / to debenture redemption reserve	-	-	225.00	-	(225.00)	-	-	-	-	-	-		-
As at March 31, 2018	**-**	**277.57**	**2,749.95**	**12,012.85**	**250.00**	**1.03**	**340.81**	**300.00**	**5,544.16**	**(35.32)**	**21,441.05**	**557.45**	**21,998.50**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

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.

Effective from April 1, 2016, the Company has adopted all the IND AS standards, except mentioned in the financial statements, and the adoption was carried out in accordance with IND AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date.
The transaction was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP).
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 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" and Ind AS 28 "Investment in Associates and Joint Ventures", issued by the Ministry of Corporate Affairs.

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 recognized 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 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 recognized 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 .

Notes to Consolidated Financial Statement for the year ended March 31, 2018

f) 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 capitalized 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 capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

g) 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

Depreciation on leasehold land will be amortized after commencement of operation of the power house. It will be amortized over the useful life of the lease.

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

h) 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 recognized in the Statement of Profit and Loss whenever the carrying amount of an assets 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 recognized impairment loss is increased or reversed depending on changes in circumstances. 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.

i) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized 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.

j) Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost (on weighted average basis), or net realizable 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 mobilization expenditure of incomplete contracts is stated at lower of cost or net realizable value.

k) Recognition of income and expenditure

i) Accounting for construction contracts :

Revenue from contracts is recognized 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 recognized 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 recognized 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 recognized on execution of sale agreement. Dividend income is recognized when the right to receive payment is established. Other revenues and expenses are accounted on accrual basis.

ii) Revenue from building development is recognized on the percentage completion method of accounting. Revenue is recognized, 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 recognized 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 recognized in the same financial year.

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

l) 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 recognizes 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.

m) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of property, plant and equipment are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount, at the prevailing exchange rates between the functional currency and foreign currency 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 amortized 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.

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.

n) 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 assets, 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:

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

Notes to Consolidated Financial Statement for the year ended March 31, 2018

(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 recognized 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 amortized 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 recognized 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. The difference between the carrying amount and fair value of the liabilities shall be recognized in the Statement of Profit and Loss.

o) 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.

p) Employee benefits

Short term employee benefits :

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 recognized in Statement of Profit and Loss.

q) Taxation

Current tax:

Provision for current tax is recognized 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 recognized for the future tax consequences attributable to temporary differences between the financial 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 recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

r) 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.

s) 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.

t) 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.

u) 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

Notes to Consolidated Financial Statement for the year ended March 31, 2018

recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term

v) 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.

w) 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.

x) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard: Ind AS 115 Revenue from contracts with customers Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS and the guidance note of real estate issued by ICAI. Ind AS 115 is applicable to the Company for annual periods beginning on or after April 1, 2018.

Based on the preliminary discussion with legal experts, management believes that the contract satisfies the conditions of Ind AS 115 for recognition of revenue at a point of time.

y) Preliminary and preoperative expenses

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

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2018

₹ million

Particulars	Gross Block						Depreciation and Amortization						Net Book Value	
	As at April 1, 2017	Addition	Deduction/ retirement	Sub total	Foreign currency fluctuation	As at March 31, 2018	As at April 1, 2017	For the year	Deduction	Sub total	Foreign currency fluctuation	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
TANGIBLE ASSETS														
Land [1]	2,621.64	-	100.49	2,521.15	0.27	2,521.42	-	-	-	-	-	-	2,521.42	2,621.64
Building [2]	610.85	-	53.64	557.21	(0.11)	557.10	129.90	34.00	3.54	160.36	(12.56)	147.80	409.30	480.95
Plant and equipment [3]	6,484.60	151.26	708.16	5,927.70	0.26	5,927.96	4,094.66	397.82	499.76	3,992.72	0.05	3,992.77	1,935.19	2,389.94
Furniture and fixtures	103.67	2.40	3.58	102.49	(0.04)	102.45	88.63	5.43	0.85	93.21	(2.26)	90.95	11.50	15.04
Vehicles [4]	1,356.16	21.36	63.39	1,314.13	(0.04)	1,314.09	939.68	94.36	51.46	982.58	(0.08)	982.50	331.59	416.48
Office equipments	63.74	3.77	2.08	65.43	(0.03)	65.40	60.18	1.72	2.08	59.82	(0.03)	59.79	5.61	3.56
Others [5]	34.37	-	2.75	31.62	-	31.62	28.88	0.37	2.75	26.50	-	26.50	5.12	5.49
Electric equipment	78.29	2.66	4.26	76.69	-	76.69	55.02	6.28	4.25	57.05	-	57.05	19.64	23.27
Computer equipments	97.95	4.13	3.14	98.94	(0.04)	98.90	85.45	6.57	3.14	88.88	-	88.88	10.02	12.50
Container	14.68	0.81	-	15.49	-	15.49	9.85	1.34	-	11.19	-	11.19	4.30	4.83
Total	**11,465.94**	**186.39**	**941.48**	**10,710.85**	**0.27**	**10,711.12**	**5,492.25**	**547.89**	**567.83**	**5,472.31**	**(14.88)**	**5,457.43**	**5,253.68**	**5,973.69**
INTANGIBLE ASSETS														
Computer software	50.98	1.34	-	52.32	-	52.32	48.95	1.15	-	50.10	-	50.10	2.22	2.03
Goodwill	316.97	-	10.01	306.96	-	306.96	-	-	-	-	-	-	306.96	316.97
Total	**367.95**	**1.34**	**10.01**	**359.28**	**-**	**359.28**	**48.95**	**1.15**	**-**	**50.10**	**-**	**50.10**	**309.18**	**319.00**
Less : Transferred to Capital WIP								6.31						
GROSS TOTAL	**11,833.89**	**187.73**	**951.49**	**11,070.13**	**0.27**	**11,070.40**	**5,541.20**	**542.73**	**567.83**	**5,522.41**	**(14.88)**	**5,507.53**	**5,562.86**	**6,292.69**
CAPITAL WORK IN PROGRESS	**8,684.42**	**1,513.15**	**2,276.54**	**7,921.04**	**0.26**	**7,921.30**	**-**	**-**	**-**	**-**	**-**	**-**	**7,921.30**	**8,684.42**
TOTAL	**20,518.31**	**1,700.88**	**3,228.03**	**18,991.16**	**0.53**	**18,991.70**	**5,541.20**	**542.73**	**567.83**	**5,522.41**	**(14.88)**	**5,507.53**	**13,484.16**	**14,977.11**

1 Land includes ₹ 7.13 million (P.Y. ₹ 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 - ₹ 374.14 million (P.Y. ₹ 412.84 million), accumulated depreciation ₹ 83.08 million (P.Y. ₹ 81.40 million)] and factory building [gross block - ₹ 182.96 million (P.Y. ₹ 198.01 million), accumulated depreciation ₹ 64.76 million (P.Y. ₹ 48.50 million)].

b) Includes ₹ 0.009 million (P.Y. ₹ 0.009 million) being the value of 175 shares and share deposits in Co - operative Societies.

3 Includes Assets costing Nil (P.Y. ₹ 37.71 million) not commissioned/erected/put to use, ₹ 0.12 million (P.Y. Nil) towards exchange rate difference.

₹ million

4	Vehicles includes	Gross Block 2017-18	Gross Block 2016-17	Acc Dep. 2017-18	Acc Dep. 2016-17
	Motor car	276.39	278.45	199.90	181.01
	Motor truck	1,034.52	1,074.54	780.54	756.67
	Motor cycle	3.18	3.17	2.06	2.00

₹ million

5	Others Include	Gross Block 2017-18	Gross Block 2016-17	Acc Dep. 2017-18	Acc Dep. 2016-17
	Ship	0.06	2.81	0.04	2.79
	Rails and Trolley	31.57	31.57	26.45	26.09

Note : 2 (Contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2017

₹ million

Particulars	Gross Block						Depreciation and Amortization						Net Book Value	
	As at April 1, 2016	Addition	Deduction/ retirement	Sub total	Foreign currency fluctuation	As at March 31, 2017	As at April 1, 2016	For the year	Deduction	Sub total	Foreign currency fuctuation	As at March 31, 2017	As at March 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 and equipment[3]	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 and 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[4]	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[5]	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
TOTAL	**20,596.79**	**3,415.44**	**3,369.98**	**20,642.25**	**(123.94)**	**20,518.31**	**6,009.22**	**780.36**	**1,210.96**	**5,585.38**	**(44.18)**	**5,541.20**	**14,977.11**	**14,587.57**

1 Land includes ₹ 7.71 million (P.Y. ₹ 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 (P.Y. ₹ 0.009 million) being the value of 180 shares and share deposits in Co - operative Societies.

3 Includes assets costing ₹ 37.71 million (P.Y. ₹ 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 of excise duty claimed in earlier year as CENVAT credit.

₹ million

4	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

₹ million

5	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

6 Deductions to land and building includes Nil (P.Y. ₹ 0.58 million) transferred to project development expenses. Adjustments includes ₹ 6.06 million on account of difference between audited and un-audited financials of Joint ventures.

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	As at March 31, 2018 ₹ million	As at March 31, 2017 ₹ million
Trade investments - In others		
- In equity instrument, Unquoted		
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	170.54	-
- In preference instruments, Unquoted		
59,375 shares (59,375) of ASI Const. Inc, Par value US$ 100 per share	391.33	-
Other investments - unquoted		
In joint ventures	13.41	16.78
In others	-	223.56
In associates		
Other Investments (Accounted under equity method)		
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Limited, Face Value ₹ 10/- per share	240.00	240.06
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Limited, Face Value ₹ 10/- per share	132.20	145.26
5,000 shares (5,000) of APS Michigan Engineering Private Limited, Face Value ₹ 10/- per share	-	0.05
5,000 shares (5,000) of PLS Private Limited, Face Value LKR.10/- per share	0.02	0.02
8,495,040 Shares (8,495,040) of ACP Tollways Private Limited, Face Value ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	650.25	650.26
24,019,600 shares (Nil) of Hitodi Infrastructure Ltd. Face Value ₹ 10/- per share	240.20	-
	1,262.67	**1,035.65**
Investment in government securities[IV]	0.14	0.12
Investment in partnership firms[V]	160.21	160.21
Investment in mutual funds	23.36	-
Share application money	6.56	4.59
Total	**2,028.22**	**1,440.92**
Less : Provision for impairment	616.89	58.99
TOTAL NON - CURRENT INVESTMENT	**1,411.33**	**1,381.93**
ASSETS CLASSIFIED AS HELD FOR SALE		
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	222.00	222.00
Less : Provision for impairment	72.00	72.00
TOTAL	**150.00**	**150.00**
Add: Fixed assets	8.74	-
Total Assets classified as held for sale	**158.74**	**150.00**

I. Aggregated amount of unquoted investments as at March 31, 2018 ₹ 1,371.22 million (P.Y. ₹ 1,367.12 million)

II. Aggregated amount of quoted investments as at March 31, 2018 ₹ 23.36 million, Market value ₹ 23.36 million (P.Y. Nil, Market value ₹ 0.09 million)

III. Aggregated amount of impairment in value of investments as at March 31, 2018 ₹ 688.87 million (P.Y. ₹ 130.99 million)

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

V. A firm AHCL - PEL having fixed capital of ₹ 0.075 million (P.Y. ₹ 0.075 million), 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 had by a notice sent to other partner of the firm, dissolved the firm. The partners have subsequently gone into arbitration as directed by court the proceedings of which are on and the final outcome of which is awaited.

Notes to Consolidated Financial Statement for the year ended March 31, 2018

A firm Patel Advance JV having nil fixed capital, partnership sharing has been as follows : the Company 26% (P.Y.26%), Advance Construction 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, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good* (refer note no. 36)	5,047.51	7,331.52	813.96	941.92
Considered doubtful	-	-	2.39	2.39
	5,047.51	**7,331.52**	**816.35**	**944.31**
Less : Provision for doubtful debts	-	-	2.39	2.39
(A)	**5,047.51**	**7,331.52**	**813.96**	**941.92**
Other receivables				
Considered good (B)	**567.73**	**758.91**	**1,597.66**	**1,591.00**
(A+B)	**5,615.24**	**8,084.11**	**2,411.62**	**2,539.24**

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

NOTE : 5

LOANS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Balance in current account with				
Associates/Joint ventures/partnership firms				
Unsecured, considered good	476.94	452.71	778.22	642.46
Doubtful	10.01	681.27	27.30	27.30
	486.95	**1,133.98**	**805.52**	**669.75**
Less: Provision for impairment	10.01	681.27	27.30	27.30
	476.94	**452.71**	**778.22**	642.46

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Deferred finance cost	107.80	119.51	-	-
Secured deposit				
Unsecured, considered good	6.12	6.60	58.25	56.63
	113.92	**126.11**	**58.25**	56.63

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2018 ₹ million	March 31, 2018 ₹ million
Retaled to depreciation on property, plant and equipment	2.21	(100.32)
Other disallowances under the income tax act	1,163.84	1,038.30
	1,166.05	**937.98**

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

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortization	2.21	(100.32)
Others	(1.18)	(41.44)
Deferred income tax asset		
Disallowances on account of income tax act	1,100.68	1,052.74
Future losses	64.34	27.00
Total deferred tax assets (net)	**1,166.05**	**937.98**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Advance tax (net) [1]	2,122.84	2,768.04	146.28	184.01
	2,122.84	**2,768.04**	**146.28**	**184.01**

1 Includes advance tax which is net of provision for tax ₹ 983.16 million (P.Y. ₹ 1589.05 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, 2018 ₹ million	March 31, 2017 ₹ million
Profit / loss before income tax	935.20	(710.96)
Income tax expense calculated at 21.34% /34.608%	199.57	(246.05)
Effect of expenses not allowed for tax purpose	194.10	1,164.05
Effect of income not considered for tax purpose	(204.19)	(296.84)
Effect of income that is exempted from tax	-	(17.76)
Effect of income which is taxed at special rates	-	1.13
Others	(71.58)	(30.13)
	117.90	**574.40**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 9

OTHER ASSETS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Capital advance				
Secured, considered good				
Unsecured, considered good	29.76	189.11	-	-
Security deposit				
Unsecured, considered good	2,181.58	2,130.90	1,445.94	1,989.43
Advance recoverable in cash or in kind				
Secured, considered good				
Unsecured, considered good	1,394.22	1,532.64	4,428.90	5,306.09
Doubtful	540.36	836.65	-	-
Advance against immovable property	275.13	275.13	242.25	-
Prepaid expenses	19.35	31.34	170.49	131.52
Balance with statutory authorities	178.37	553.05	522.95	213.89
Service tax and cenvat credit	18.93	79.21	523.46	329.35
Accrued interest	1,148.25	3,019.82	11.18	11.26
Preoperative and preliminary expenses	395.66	365.91	3.29	3.33
Other advances	-	-	43.52	66.46
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	0.01	2.72	29.60	20.38
Advances to employees	3.69	7.02	44.21	11.92
	6,185.31	**9,023.50**	**7,532.67**	**8,150.51**
Less: Provision for impairment	-	1,152.89	-	-
Less: Provision for doubtful debts	540.36	836.65	-	-
	5,644.95	**7,033.96**	**7,532.67**	**8,150.51**
Cash and bank balances				
- On current accounts with scheduled banks	2.27	-	-	-
- On fixed deposits accounts with scheduled banks*	88.86	116.25	-	-
	5,736.08	**7,150.21**	**7,532.67**	**8,150.51**

* Includes amount given towards margin money and earnest money deposits

NOTE : 10

INVENTORIES *

(At lower of cost or net realizable value/contract rates)

	Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Stores, embedded goods and spare parts etc.	1,327.76	1,411.66
(Includes stores in transit ₹ 19.18 Million (P.Y. ₹ 35.13 Million)		
Work in progress (refer note no. 36)	30,287.89	47,140.49
	31,615.65	**48,552.15**

* (As technically valued and certified by the management)

NOTE : 10A

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Balance with Banks		
- On current accounts with scheduled banks	1,156.71	532.35
- On fixed deposits accounts with scheduled banks*	148.90	5.01
- Balances with non scheduled banks	0.46	40.97
- Cheques in hand	-	15.22
- Foreign currency in hand	0.01	0.01
- Cash on hand	10.21	9.82
	1,316.29	**603.38**

NOTE : 10B

OTHER BANK BALANCES

	Current	
	March 31, 2018 ₹ million	April 1, 2017 ₹ million
- Deposits with maturity more than 3 months but less than 12 months*	-	1.90
Balances with bank for unpaid dividend	0.51	1.29
	0.51	**3.29**

* Includes amount given towards margin money and earnest money deposits

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 11

SHARE CAPITAL

		March 31, 2018		March 31, 2017	
		No. of shares	₹ million	No. of shares	₹ million
a)	**Authorized**				
	Equity shares of ₹ 1/- each	2,750,000,000	2,750.00	250,000,000	250.00
	Preference shares of ₹ 10,000,000/- each	800,000,000	800.00	-	-
b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 1/- each	156,994,691	156.99	156,994,691	156.99
		156,994,691	**156.99**	**156,994,691**	**156.99**

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
d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**				
	Outstanding at the beginning of the year	156,994,691	156.99	76,806,282	76.81
	Add :- Issued during the year	-	-	80,188,409	80.18
	Outstanding at the end of the year	**156,994,691**	**156.99**	**156,994,691**	**156.99**

		No. of shares	% holding	No. of shares	% holding
e)	**Share held by each shareholder more than 5% Equity shares**				
	Name of the shareholder				
	i) Patel Corporation LLP	18,665,257	11.89	18,665,257	11.89
	ii) Dena bank	13,605,869	8.67	12,102,989	7.70
	iii) Praham India LLP	10,420,892	6.64	16,744,424	10.67

NOTE : 12

BORROWINGS*

		Non-Current Portion		Current Maturities	
		March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I	**Secured Loans**				
	a) Debentures [1]	6,691.37	1,500.00	-	-
	b) Term loans				
	- From bank [2]	4,432.25	13,149.09	195.02	6,233.26
	- From others [3]	998.84	1,338.63	188.76	201.79
II	**Unsecured Loans**				
	- From related parties	1,207.82			
	Amount disclosed under "Other financial liabilities" in Note No. 19	-	-	(383.78)	(6,435.05)
		13,330.28	**15,987.72**	**-**	**-**

* refer note no. 36

1 Debentures

a) 9.80% secured redeemable Non Convertible Debentures was allotted on July 20, 2009 for a period of 7 years. These debentures had a face value of ₹ 1.0 million each aggregating to Nil (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 was secured against charge on land held on stock in trade of the Company and its subsidiaries. Previous year Interest rate 9.80% p.a. for Syndicate Bank, IDBI Bank 13.32% p.a. & in case of others it is 13.16% p.a. The same is disclosed under the head "Other Financial Liabilities" in note no 19 in P.Y. The company had requested its lenders to reduce the rate of interest to 9.80% p.a. as per minutes of meeting held on 29th August 2016.

b) 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 Nil (P.Y. ₹ 500 million). The same was secured against charge on land held on stock in trade of the Company and its subsidiaries. Interest rates P.Y. 13% p.a. These debentures were due for redemption on July 11, 2016 and were disclosed under the head "Other Financial Liabilities" in note no 19 in P.Y. During the year these debentures have been redeemed.

c) During the year, S4A (Scheme for Sustainable Structuring of Stressed Assets) of RBI for Debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8 2017 was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Approval & implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) are still pending, post which their servicing shall also be done as per the scheme with effect from the reference date.

GIC - 10.75% NCD (ISIN INE244B07102) - 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. ₹ 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 Liabilities" in note no 19 . The principal was due on March 3, 2016 and is pending to be paid. Approval for above scheme received, implementation is in process, post which the same shall be paid as per the scheme with effect from the reference date.
The above debentures are listed on The National Stock Exchange of India.

LIC - 11.30% NCD (ISIN INE244B07144) : 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). The same is secured against charge on land held on stock in trade of the Company and its subsidiaries. The previous interest upto March 17, 2018 is yet to be paid. Approval for above scheme is in process, post implementation of the same, it shall be paid as per the scheme with effect from the reference date. The Principal instalment is due on September 17, 2022 and the next interest instalment is due on June 17, 2018.
The above debentures are listed on The National Stock Exchange of India.

d) As part of the above S4A scheme, lenders of the company converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2018 are as follows -

Tranche 1 (WCTL) ₹ 2,487.61 million ,Tranche 2 (CC) ₹ 2,823.22 million, Tranche 5 (NCD) ₹ 1.30 million, Tranche 4 (STL) ₹ 262.40 million, Tranche 9 (STL) ₹ 349 million. These debentures have a face value of ₹ 1000 each aggregating to ₹ 5,923.53 million as on March 31, 2018 (P.Y. Nil).

Further, another OCD was issued subsequently for Tranche 1 (WCTL) ₹ 126.9 million subsequent to the financial year for which applications were received as on March 31, 2018. This liability is shown under other liabilities in note 19.

The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a Yield to Maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 and redeemable over a period of 10 years as follows -

at the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%.

Tranche 1 is secured against the same security as for WCTL - refer note 12 - 2 b) below in Term Loan Banks, Working Capital Term Loan note,

Notes to Consolidated Financial Statement for the year ended March 31, 2018

Tranche 2 is secured against the same security as for CC - refer note 17 - 2) below in Working capital Demand loan Note, Tranche 1 & Tranche 2 are also secured by share pledge of 5.50 % of Patel Engineering Limited held by promoters of the company and pledge of 49% holding of the company in Hitodi Infrastructure Ltd. The said OCDs are also secured by personal guarantees of Mr. Rupen Patel and Mr. Pravin Patel. These securities are also for Part A Debt.

Tranche 5 is secured against the share pledge of 5.50 % of Patel Engineering Limited, held by promoters of the company. Tranche 4 & Tranch 9 is secured against the same security as for STL of SCB & DBS respectively - refer note 17 - 1) below in Short Term Loans Note.

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, no deposit / investment was made by the Company due to implementation of S4A as mentioned in pt. c) above and as there were no additional debentures which were maturing during the year 2017-18.

2 Term Loan Banks

a) Term loans includes loans taken from Standard Chartered Bank in form of FCNR / ECB Loan, outstanding amount out of the same is ₹ 13.31 million (P.Y. ₹ 93.04 million) and rate of interest on the same has been LIBOR + 400 i.e. 4.23% p.a. As per the terms agreed with the ECB lender, the last installment of the said ECB loan of ₹ 13.31 million was due in April 2018, which was paid on due date. It also includes equipment loans from other bank, secured against said equipments, outstanding amount out of the same is ₹ 60.3 million (P.Y. ₹ 33.44 million), as per the term agreed balance equipment loan are repayable till June 18. The said amounts are included in current maturity of long term debt.

b) The Term loans are secured by first charge on the specific assets acquired out of the term loan alongwith specifically identified unencumbered assets & 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. The promoters - Mr. Pravin Patel and Mr. Rupen Patel in their personal capacity and Ms. Sonal Patel, Mr. Bhim 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 cash flows will be deposited from real estate projects to be developed by respective companies, Pledge on 5.50 % shares of Patel Engineering Limited held by promoters and 49% share holding of Hitodi Infrastructures Ltd. held by the Company. The WCTL are repayable over 3 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal due for repayment & outstanding for such loans taken by the company as on March 31, 2018.

c) Term loan of ₹ 3.82 million (PY ₹ 3.82 million) secured by Hypothecation of specified motor vehicles acquired under the said loans. Interest rate ranging from 9.25% to 10%.

d) Term loan of ₹ 663.71 million (PY ₹ 650.33 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The Loan is repayable starting from Jan. 2019 in 14 quarterly instalment. The loan is secured by pari passu charge over the current assets of the PBSR Developers Pvt Ltd ('PBSR') including receivables of the PBSR. The charge to cover escrow account established / to be established for the project under PBSR. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

e) Term loans of ₹ 2655.93 millions (PY ₹ 2649.48 millions) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future of the Dirang Energy Pvt Ltd (DEPL). Also, Collaterally secured by pledging of 51% of the equity shares of the DEPL. The rate of interest is 13.25% and the repayment instalment shall be due between April, 2018 to January, 2030.

3 From Others

a) The Term Loan of ₹ 207.53 million from financial institutions on equipments, secured against the said equipments. These loans carried 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. Presently there are no interest and principal due for repayment and outstanding for such loans taken by the company as on March 31, 2018. The said amounts are included in current maturity of long term debt.

b) Term loan of ₹ 48.78 million (PY ₹ 11.46 million) secured by hypothecation of specified machineries acquired under the said loan. Interest rate ranging from 9.24% to 13%. Further loan of ₹ 47.80 million (PY Nil) is secured by personal guarantee of managing director of the Michigan Engineers Pvt Ltd.

c) Term loan of ₹ 742.52 million (PY ₹ 743.43 million) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future of the DEPL. Also, Collaterally secured by pledging of 51% of the

equity shares of DEPL. The rate of interest is 13.25% and the repayment instalment shall be due between April, 2018 to January, 2030.

4. **From Related Parties**

The amount payable to promoters of the company which is unsecured . The repayment of the same is subordinated to the repayment of bank loans.

5. The company has implemented the debt resolution plan under S4A (Scheme for Sustainable Structuring of Stressed Assets) with majority of JLF lenders approval and documentation after Overseeing Committee (OC) under the aegis of RBI approved the scheme on Nov 10, 2017 effective from 8th August, 2017 including NCDs.

NOTE : 13

TRADE PAYABLES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Trade payables	2,979.85	2,387.22
Capital creditors	35.49	19.64
	3,015.34	**2,406.86**

NOTE : 14

OTHER FINANCIAL LIABILITIES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	3.26	17.77
	3.26	**17.77**

NOTE : 15

PROVISIONS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Provision for Employee Benefits (Refer note no 29)				
Provision for gratuity	20.63	21.09	5.09	4.58
Provision for leave entitlements	49.67	45.02	16.56	12.46
	70.30	**66.11**	**21.65**	**17.04**

NOTE : 16

OTHER NON CURRENT LIABILITY

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Contractee advances	1,042.34	3,921.88
Deposits	94.22	440.64
Other liability	163.19	84.12
	1,299.75	**4,446.64**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 17

BORROWINGS*

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I Secured loans		
Short term loans		
- From bank [1]	1,560.99	4,271.68
- From financial institution	-	71.32
Loans repayable on demand		
- From bank [2]	12,021.24	21,510.67
II Unsecured loans		
- From bank[3]	201.08	1,233.26
- From others	41.45	-
- From related parties	1,563.53	310.07
	15,388.29	**27,397.00**

* refer note no. 36

1 Short Term Loan

a. Includes short term loans from various banks against various immovable properties of company at Interest rate of 11.60% - 12.75% (PY 12-13%) due for rollover in next financial year. Presently there are no interest and principal due for repayment & outstanding for such loans taken by the company as on March 31, 2018.

b. Includes short term loans (in foreign currency) from bank of ₹ 33.48 million (PY ₹ 75.52 million) is secured by first pari passu charge on the current assets and movable fixed assets (including plant & machinery) of the Michigan Engineers Pvt Ltd ('MEPL') except for the assets specifically charged against relevant term loans. Additionally secured by first pari passu charge on the office bearing no. F-27, Commerce Centre and personal guarantee of Managing Director of the MEPL. Interest rate ranging from 4% to 5%.

2 Loans Repayable on Demand

a) Includes Cash Credit and Working Capital Demand Loan from various Banks. These loans have been given against first charge hypothecation of stocks, spare parts, book debts, work in progress & guarantees; Secured against Pledge on 5.50 % shares of Patel Engineering Limited held by promoters and 49% share holding of Hitodi Infrastructures Ltd. held by the Company. It also has second charge on receivable upto 180 days, subservient charge over plant and equipment except specifically charged to any lenders and over certain immovable properties.

Terms of Repayment:

Cash Credit- Yearly renewal, rate of interest ranges between 10%-13.86% p.a. (PY 11.50%-15% p.a.).

b) i) Includes cash credit of ₹ 342.20 million (PY ₹ 246.50 million) is secured by first pari passu charge on the movable and immovable assets of the MEPL except the assets specifically charged for project/lease based finance. Interest rate ranging from 13% to 14%.

ii) Includes cash credit & Working Capital Demand loan of ₹ 226 million (PY ₹ 213.80 million) is secured by first pari passu charge on the current assets and movable fixed assets (including Plant & machinery) of the MEPL except for the assets specifically charged against relevant term loans. Additionally secured by first pari passu charge on the office bearing no. F-27, Commerce Centre and personal guarantee of Managing Director of MEPL. Interest rate ranging from 14% to 15%.

c) Loan of ₹ 230.61 million (PY 134.75 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The Loan is repayable starting from Jan. 2019 in 14 quarterly Instalments. The loan is secured by pari passu charge over the current assets of the PBSR including receivables of the PBSR. The charge to cover escrow account established / to be established for the project. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

3 **Unsecured Loan**

It includes short term loans from banks ₹ 201.08 million (P.Y. 1,134.02 million) which are repayable in next financial year.

It includes inter corporate deposit at an interest rate of 6%.

It also includes short term inter corporate payables to related parties of ₹ 1,563.53 million (P.Y. ₹ 310.07 million). The repayment of the same is subordinated to the repayment of bank loans.

NOTE : 18

TRADE PAYABLES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Micro small and medium enterprises [1]	2.49	6.93
Other payables	10,945.78	8,606.66
	10,948.27	**8,613.59**

1 The Company has ₹ 2.49 million (PY ₹ 6.93 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2018. Principal amount due to suppliers under the Act is ₹ 0.75 million (P.Y. ₹ 5.81 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.03 million (PY ₹ 0.85 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 0.91 million (PY ₹ 4.99 million). Interest paid to the suppliers under the Act is ₹ 0.40 million (PY ₹ 1.68 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.01 million (PY ₹ 0.26 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 1.73 million (PY ₹ 1.12 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 ₹ 1.73 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, 2018 ₹ million	March 31, 2017 ₹ million
Current maturities of long-term debt (refer note no. 36)	383.78	6,435.05
Interest accrued but not due on borrowings	274.36	6.97
Interest accrued and due on borrowings	490.56	1,667.21
Unpaid dividend	0.71	1.49
Deposits	120.96	134.15
Other liabilities	-	36.80
Unpaid matured debentures (refer note no. 36)	100.00	1,150.00
	1,370.37	**9,431.67**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 20

OTHER CURRENT LIABILITIES

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
(a)	**Other Liabilities**		
	Contractee advances	5,242.84	2,626.15
	Other payables		
	Payable to employees	347.32	304.91
	Other liabilities	698.60	2,814.93
(b)	**Balance in current account**		
	(i) With subsidiaries, associates	0.17	0.17
	(ii) With joint ventures	214.95	418.76
		6,503.88	**6,164.92**

NOTE : 21

REVENUE FROM OPERATIONS

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
(a)	**Revenue/turnover (refer note no. 36)**	38,623.51	34,250.35
	Add: Increase/(decrease) in work in progress (refer note no. 36)	(16,596.95)	2,294.81
	Sale of goods	-	127.21
	Total turnover	**22,026.56**	**36,672.37**
(b)	**Other operating income**		
	Lease and service charges [TDS. ₹ 0.17 million (P.Y. ₹ 0.21 million)]	1.62	2.30
	Other income	717.31	2,163.70
		22,745.49	**38,838.37**

NOTE : 22

OTHER INCOME

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Dividend income	-	82.38
Gain on sale of assets (net)	354.38	90.54
Other non operating income	292.87	503.75
Interest income (Gross) [TDS. ₹ 7.00 million (₹ 9.54 million)]	1,484.46	1,416.10
Net gain on foreign currency translation	8.52	31.87
Excess credit written back	285.72	308.99
Net gain on sale of non current investments	-	107.53
	2,425.95	**2,541.16**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 23

COST OF CONSTRUCTION

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,411.66	1,523.79
Add : Purchase (net)	2,471.02	4,788.99
	3,882.68	**6,312.78**
Inventories at the end of the year	1,327.76	1,411.66
Consumption of stores and spares	**2,554.91**	**4,901.12**
Purchase of land / development rights	5.61	242.37
Corpus fund to society	31.27	21.77
Piece rate expenses (net)	9,577.55	20,038.52
Repairs to machinery	19.29	257.50
Transportation, hire etc.	652.55	2,461.54
Power, electricity and water charges	479.61	484.94
Project development cost	380.42	394.58
Technical consultancy fees	69.53	134.40
Other construction costs	378.76	1,129.53
	14,149.50	**30,066.27**

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

NOTE : 24

EMPLOYEE BENEFITS EXPENSE

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Salaries, wages and bonus	1,362.01	1,348.47
Contribution to provident and other funds	96.62	88.11
Employee stock option (ESOP) (Refer note no. 30)	1.03	-
Staff welfare expenses	50.07	60.77
	1,509.73	**1,497.35**

NOTE : 25

FINANCE COSTS

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Interest expense [1]	4,441.02	5,424.92
Unwinding of interest component	-	9.16
Other borrowing costs	453.21	358.06
	4,894.23	**5,792.14**

1 Interest capitalized of ₹ 109.30 million (P.Y. ₹ 387.25 million) towards fixed assets and project development expenses.

Notes to Consolidated Financial Statement for the year ended March 31, 2018

NOTE : 26

OTHER EXPENSES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Other administrative costs		
Rent	40.58	42.62
Repairs and maintenance - building	0.06	1.35
Insurance	90.78	98.11
Rates and taxes	204.10	268.81
Advertisement and selling expenses	14.26	7.73
Travelling and conveyance	64.91	69.83
Directors fees	2.09	2.93
Auditor's remuneration		
Audit fees	7.56	7.83
Tax audit fees	-	1.25
Taxation matters	-	2.30
Company law matters	-	1.40
Certification	0.28	1.50
Other Service	0.06	-
	7.90	14.28
Communication expenses	19.70	32.51
Printing and stationery	12.76	45.82
Legal and consultancy charges	361.08	310.42
Loss on sale of asset discarded	4.31	
Irrecoverable debts written off / provided	111.66	1,602.16
Sewage water disposal	2.23	7.06
Preliminary expenses written off	0.58	-
Share of loss from associates / joint ventures	13.12	47.33
Other expenses	828.23	415.30
	1,778.35	**2,966.26**

NOTE : 27

EXCEPTIONAL ITEMS:

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Provision for impairment on investment / loans and advances [a]	1,560.22	889.78
Compensation towards invocation of shares [b]	533.64	-
Gain on Conversion of loan liability in debt [c]	(732.16)	-
	1,361.70	**889.78**

a) i) Company has in the previous year written off the outstanding loan of Bellona Estate Developers Limited after adjusting its advances and debtors balance along with 49% investment in associates.

ii) Provision made for impairment based on indication of diminution in value of the investment in / advance.

b) Pursuant to S4A (Scheme for Sustainable Structuring of Stressed Assets), the lenders had taken pledge of 10% of equity of the Company, held by the promoters and has invoked & taken over 6,323,532 shares out of the same with a credit of face value of ₹ 1 per share to the Company. The Company has been advised that the amount payable is not a related party transaction as per section 188 of the Companies Act, 2013.

c) As per terms of S4A part B, the Debt of the Company has been converted into Optionally Convertible Debenture (OCD) @7% p.a. including coupon rate. As per Ind As 109 Financial Instruments, this qualifies for derecognition of existing financial liability and

recognition of the new financial liability. On initial recognition of these financial liability (OCDs) is to be fair valued. Fair value of the OCDs is based on the difference in market interest rate at which the Company borrows the money and the interest rate on OCDs, after considering fair value of conversion option. Due to difference in fair value and book value of the liability, a gain of ₹ 732.16 million arises in the current year. This amount will be reversed in subsequent years, during tenure of the OCDs, through unwinding of interest as per effective interest rate method to increase the debt to it's face value at the end of the terms of the OCDs.

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. Apollo Buildwell Private Limited
21. Arsen Infra Private Limited
22. Hera Realcon Private Limited
23. Lucina Realtors Private Limited
24. Nirman Constructions Private Limited (upto 27.12.2016)
25. PBSR Developers Private Limited
26. Waterfront Developers Limited

B) Other Subsidiaries:

	Name of Subsidiaries	% holding
1.	Michigan Engineers Private Limited	51.00%

C) Joint Ventures:

	Name of Subsidiaries	% 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	49.00%
12.	PEL - UEIPL JV	60.00%
13.	PEL-PPCPL-HCPL JV	51.00%

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

Notes to Consolidated Financial Statement for the year ended March 31, 2018

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.

E) As the company no longer has any control over ASI Constructors Inc., a subsidiary, as per Ind AS 110, the assets and liabilities of the subsidiary has been derecognised.

F) Patel KNR Infrastructures Limited has not been consolidated as the same has been held for sale.

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 recognized immediately in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognized 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, 2018 and March 31, 2017:

(i) Expenses recognized in the Statement of Profit and Loss:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	13.74	3.89	17.70
	(11.70)	(3.59)	(17.28)
Interest cost (net)	2.04	0.91	3.72
	(0.71)	(0.99)	(4.00)
Past Service Cost	2.10	-	-
	-	-	-
Net actuarial (gain) / losses	(0.63)	(4.82)	(13.54)
	(13.46)	(-4.06)	(-17.60)
Total expenses recognized in the statement of profit and loss	**17.25**	**(0.01)**	**7.88**
	(25.86)	**(0.52)**	**(3.67)**

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognized in balance sheet):

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Present value of funded obligation as at the year end	(82.22)	(12.09)	(59.16)
	(-68.39)	(-11.90)	(-51.54)
Fair value of plan assets as at the year end	49.98	-	-
	(39.61)	-	-
Funded liability recognized in the balance sheet	**(32.24)**	**(12.09)**	**(59.16)**
	(-28.78)	**(-11.90)**	**(-51.54)**

(iii) Changes in defined benefit obligation :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	67.99	12.30	51.54
	(47.72)	(12.41)	(49.62)
Interest cost	4.90	0.91	3.72
	(3.85)	(0.99)	(4.00)
Current service cost	13.74	3.89	17.70
	(11.70)	(3.59)	(17.28)
Past Service Cost	2.10	-	-
	-	-	-
Benefit paid	(5.36)	(0.19)	(0.26)
	(-5.96)	(-1.02)	(-1.75)
Actuarial (gains) / losses on obligations	(1.15)	(4.82)	(13.54)
	(11.09)	(-4.06)	(-17.60)
Liability at the end of the year	**82.22**	**12.09**	**59.16**
	(68.39)	**(11.91)**	**(51.54)**

(iv) Changes in the fair value of plan asset :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Fair value of plan assets at the beginning of the year	39.61	-	-
	(38.95)	-	-
Expected return on plan assets	2.85	-	-
	(3.14)	-	-
Contributions by the employer	13.39	-	-
	(5.86)	-	-
Benefit paid	(5.36)	-	-
	(-6.01)	-	-
Actuarial gain on plan assets	(0.52)	-	-
	(-2.32)	-	-
Fair value of plan assets at the end of the year	49.98	-	-
	(39.61)	-	-
Total actuarial gain to be recognized	**(0.63)**	**-**	**-**
	(13.39)	**-**	**-**

(v) Actual return on plan assets :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	2.85	-	-
	(3.14)	-	-
Actuarial gain on plan assets	(0.52)	-	-
	(-2.26)	-	-
Actuarial gain on plan assets	**2.34**	**-**	**-**
	(0.88)	**-**	**-**

Notes to Consolidated Financial Statement for the year ended March 31, 2018

(vi) The Company expects to contribute ₹ 42.09 million (P. Y. ₹ 37.27 million) to gratuity funded plan in FY 2018-19.

(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%		

(viii) Sensitivity analysis for significant assumption is as below :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Discount rate	7.20%	7.52%	7.20%
	(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	7.20%	-	-
	(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	3.06	(2.16)	(10.66)
	(6.12)	(-4.12)	(-21.12)
On plan asset (loss)/gain	(0.52)	-	-
	(-2.32)	-	-

(x) Figure in brackets indicates amounts pertaining to previous year.

30 In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 2,00,000 option under the company's existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2005 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

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, 2018 are as follows:

Minimum lease obligation payable as at March 31	2018 ₹ million	**2017 ₹ million**
a) within one year of the Balance Sheet date	104.09	110.14
b) due in a period between one year and five years	168.53	83.48
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.

32 EARNING PER SHARE

	2018 ₹ million	2017 ₹ 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	1,047.89	(1,028.89)
Weighted average number of equity shares for earning per share	156,994,691	104,707,454
Face value of Share ₹	1	1
Earning Per Share (Basic) ₹	6.67	(9.83)
Earning Per Share (Diluted) ₹	5.28	(9.83)

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 Ltd.
2 Terra Land Developers Ltd.
3 ACP Tollways Pvt. Ltd.
4 Bellona Estate Developers Ltd.
5 Raichur Sholapur Transmission Company Pvt. Ltd.
6 PAN Realtors Pvt.Ltd.
7 Hitodi Infrastructure Ltd (from November 20, 2017)

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 (resigned w.e.f. December 30, 2017)
Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Sunil Shinde	Whole Time Director and CEO (from April 1, 2017 to June 2, 2017)
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

Notes to Consolidated Financial Statement for the year ended March 31, 2018

C. Transaction with related parties with associate companies, partnership and others referred to in item (A) above.

₹ million

Particular	Associates/partnership/others	
	2017-18	2016-17
- Investment in equity / purchase of shares	240.20	-
- Loans/advances given	21,338.85	7.09
- Loans / advances recovered	23,809.97	406.90
- Corporate guarantee outstanding as at the end of the year	6,255.37	6,143.06
- Bank guarantee outstanding as at the end of the year	38.23	-
- Outstanding balance included in current/ non current assets	177.45	91.40
- Outstanding balance included in current / non current liabilities	2.64	93.93
- Interest income	0.91	0.18
- Reimbursement of expenses from	19.57	-
- Sundry balances written off	2.63	396.00
- Provision for impairment of investment	-	55.01
- Provision for impairment of loans and advances	-	27.30
- Compensation towards invocation of shares	533.64	-

D. Disclosures of material transactions with related parties with associate companies, partnership and others referred to in item (A) above.

₹ million

Particular	Name of the Company	2017-18	2016-17
- Investment in equity / purchase of shares	Hitodi Infrastructure Ltd	240.20	-
- Loans/advances given	AHCL-PEL Partnership Firm	-	0.00
	Hitodi Infrastructure Ltd	21,328.45	-
	Raichur Solapur Transmission Company Pvt. Ltd.	-	3.71
	Bellona Estate Developers Ltd.	-	3.37
- Loan/ advances recovered	Hitodi Infrastructure Ltd	22,604.63	-
	Bellona Estate Developers Ltd.	-	406.89
- Interest income	Hitodi Infrastructure Ltd	0.23	-
	Raichur Solapur Transmission Company Pvt. Ltd.	0.68	0.18
- Sundry balances written off	Bellona Estate Developers Ltd.	2.63	396.00
- Reimbursement of Expenses	Hitodi Infrastructure Ltd	19.32	-
- Provision for impairment of investment	Patel KNR Heavy Infrastructure Ltd.	-	55.01
- Provision for impairment of loans and advances	Patel KNR Heavy Infrastructure Ltd.	-	27.30
- Compensation towards invocation of shares	Praham India LLP	533.64	-

E. Details of transactions relating to persons referred in item (B) above.

₹ million

Particular	2017-18	2016-17
Managerial remuneration	69.81	54.66
Salary and contribution to provident fund	3.97	2.19
Rent income	-	1.17
Deposit	-	0.40
Loan taken	1.00	1.50
Loan repaid	-	24.38
ESOP	1.03	-
Outstanding balance payable	308.47	34.49
Outstanding balance receivable	20.49	0.20

34 SEGMENT REPORTING

Primary Segment :

₹ million

Particulars	As at March 31, 2018			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	21,543.20	1,202.33	-	22,745.53
Segment results	1,006.50	(98.35)	27.15	935.30
Segment assets	67,665.20	4,659.60	1,820.00	74,144.80
Segment liabilities	45,364.10	1,358.15	5,266.90	51,989.15
Addition to fixed assets	1,702.08	(1.20)	-	1,700.88
Segment depreciation	539.94	0.07	2.71	542.73

₹ 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

Notes to Consolidated Financial Statement for the year ended March 31, 2018

Geographical Segment :

₹ million

Particulars	As at March 31, 2018		
	Within India	Outside India	Total
Revenue	22,026.56	-	22,026.56
Non current assets	28,388.29	548.86	28,937.15

₹ million

Particulars	As at March 31, 2017		
	Within India	Outside India	Total
Revenue	29,053.29	7,619.07	36,672.36
Non current assets	33,958.36	981.85	34,940.21

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, 2018	As As at March 31, 2017
Revenue from top customer	1,770.40	4,965.95
Revenue from top five customers	6,788.81	14,847.04

35 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.

36 The company has transferred / assigned certain actionable claims comprising of receivables, accrued interest and work-in-progress for various projects along with corresponding liabilities, debt and obligations to Hitodi Infrastructure Limited , it's wholly owned subsidiary (WOS) for a net consideration being investment in equity shares in the said WOS of ₹ 240.20 million, where 51% has been taken by a new investor resulting in change in management.

37 In terms of Provisions of Section 135 of the Companies Act 2013 and Rules made thereunder, the company is required to spend an amount of ₹ 20.83 million (P.Y. ₹ 8.02 million) 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 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 the said section. 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.

39 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 April 1, 2003, contract revenue recognized as gross construction ₹ 23,381.92 million (P.Y. ₹ 23,066.98 million) contract costs incurred and recognized profit (less recognized losses) ₹ 1,98,566.51 million (P.Y. ₹ 154,973.69 million) advance received ₹ 2,281.32 million (P.Y. ₹ 594.46 million) retention deposit ₹ 2,956.2 million (P.Y. ₹ 2,145.86 million) and gross amount due from clients for contract works included under current assets ₹ 18,246.51 million (P.Y. ₹ 29,465.86 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) 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. Out of above, Company has received award in its favour and same has shown as construction receipts in respective years. Management expects that all balance cost as well as claims will be recovered in full and hence the cost incurred on the project up to March 31, 2018 ₹ 1230.93 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.

c) Arbitration awards received in favour of the Company amounting to ₹ 617.83 Million (P.Y. ₹ 855.95 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, the Patel Energy Resources Limited (PERL) had offered to reduce by way of disallowances, an aggregate sum of ₹ 795.77 million (As on March 31, 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 March 25, 2013 has also held that the above pre-operative expenses, amounting to ₹ 795.77 million (As on March 31 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 March 31, 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 Assurance (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees aggregating 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 sought a further direction that the change of location be approved and the LOA be extended in view of the delay by MOC. In the mean time Patel Energy Limited has represented the matter to the Honorable 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 Ministry of Coal. The matter is under process in Ministry of Coal. The petition in Delhi High Court was last heard on February 22, 2016 and the same is posted for final hearing on August 11, 2016. Patel Energy Limited is confident that requisite clearance shall be obtained and hence the accounts of the Patel Energy Limited 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, 2018 amounting to ₹ 1,429.23 Million (P.Y ₹ 615.13 Million).

Foreign currency exposure outstanding at ₹ million

Currency	March 31, 2018	March 31, 2017
USD	1,863.94	651.71
EURO	(488.49)	(410.97)
SGD	(7.70)	88.29
JPY	22.13	20.97
MUR	61.07	280.89
LKR	14.89	13.49
NPR	(36.62)	(29.25)

Notes to Consolidated Financial Statement for the year ended March 31, 2018

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 ₹ 4.33 million and appropriate disclosure for contingent liabilities is given.

47 The Company has 100% investment in Waterfront Developers Ltd (Waterfront) and has granted loans and advances amounting to ₹ 909.92 million till March 31, 2018 (P.Y. ₹ 842.17 million). 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. In this case the process of arbitration has been initiated with the Government of Mauritius and PEL/LSDL is confident to get the such compensation.

48 PEL Port Private Ltd was primarily incorporated to build a captive Port to cater to the needs of PEL Power Ltd. 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 Ltd. is confident in getting the clearance in the near 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 Ltd. are compiled on "Going Concern" basis.

49 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 122.07 million (P.Y. ₹ 301.00 million), advance paid ₹ 33.93 million (P.Y. ₹ 47.95 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 ₹ 12,391.11 million (P.Y. ₹ 13,010.00 million) (including Customs ₹ 66.17 million (P.Y.₹ 109.17 million) Entry Tax ₹ 37.57 million (P.Y. ₹ 37.57 million) for the current year. Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 9,441.08 million (P.Y. ₹ 9889.50 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 ₹ 2,504.10 million (P.Y. ₹ 2,321.78 million) and advance paid ₹ 82.92 million (P.Y. ₹ 82.92 million). Out of the above, ₹ 1,881.53 million (P.Y. ₹ 1,810.02 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 105.32 million (P.Y. ₹ 105.29 million) (Advance paid ₹ 18.57 million (P.Y. ₹ 18.57 million)), Cess ₹ 120.11 million (P.Y. ₹ 110.42 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 ₹ 1,167.54 million (P.Y. ₹ 1,511.19 million). Proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 for the past assessment years initiated quantum currently not ascertainable, are being contested by the Company.

(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, management 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 Bellona Estate Developers Limited and Dirang Energy Private Limited to its lenders.

(k) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 7.45 million), against which amount of ₹ 0.50 million (P.Y. 0.50 million and bank guarantee for balance amount) have been paid.

(l) On Settlement with a vendor, company has given flats of ₹ 50.00 million against his outstanding due & also given assurance that if re-sell price of that flat is lower than settlement price then company will compensate that differences.

(m) In respect of Shreeanant Construction Private Limited, a SLP was filed in the Supreme Court by the State Govt. of Arunachal Pradesh against the judgment of the Hon'ble Guwahati High Court in favour of the M/s Patel Engineering Ltd. 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. But in case of adverse judgment, M/s Patel Engineering Ltd. will transfer Entry Tax liability of Ka HEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote. A Writ petition was filed by M/s Patel Engineering Ltd. 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. Hence the management is presently not paying entry tax on import of goods from outside of Arunachal Pradesh rather M/s Patel Engineering Ltd. has offered bank guarantee of the same value. The matter is still pending and final judgment is yet to be delivered. But in case of adverse judgment the contractee M/s Patel Engineering Ltd. will transfer Entry Tax liability of KaHEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.

(n) Claims not acknowledged as debt in respect of Solar Power Plant project in joint venture with Savitar Solar Power Systems Pvt. Ltd. ₹ 303.26 million.

(o) Trade receivables to the extent of ₹ 744.49 million (P. Y. Nil) have been discounted with bank on recourse basis.

50. 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	100.48%	22,261.20	59.30%	568.74
	Subsidiaries				
	Indian				
1	Apollo Buildwell Private Limited	-0.07%	(14.43)	-0.19%	(1.80)
2	Arsen Infra Private Limited	0.01%	1.28	0.01%	0.12
3	Lucina Realtors Private Limited	0.00%	0.59	0.00%	(0.03)
4	Hera Realcon Private Limited - (97.13%)	0.00%	(0.78)	-0.02%	(0.15)
5	PBSR Developers Private Limited	-0.81%	(179.98)	-16.73%	(160.47)
6	Waterfront Developers Limited	0.11%	24.02	9.40%	90.11
7	Patel Energy Resources Limited	10.13%	2,243.89	-1.02%	(9.82)
8	Patel Engineering Infrastructure Limited	0.64%	140.83	-1.36%	(13.07)
9	Patel Concrete and Quarries Private Limited	0.00%	0.67	0.00%	(0.02)
10	Friends Nirman Private Limited	0.10%	22.60	1.97%	18.85
11	Zeus Minerals Trading Private Limited	0.00%	0.26	0.00%	(0.02)
12	Patel Patron Private Limited	0.63%	138.99	0.00%	(0.04)
13	Patel Engineers Private Limited	0.42%	93.44	-0.02%	(0.23)
14	Pandora Infra Private Limited	0.31%	68.89	-0.01%	(0.06)
15	Shashvat Land Projects Private Limited	0.35%	77.61	0.00%	(0.04)
16	Vismaya Constructions Private Limited	0.24%	54.05	0.00%	(0.04)

Notes to Consolidated Financial Statement for the year ended March 31, 2018

	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
17	Bhooma Realties Private Limited	0.54%	119.93	-0.12%	(1.13)
18	Patel Lands Limited	0.00%	0.34	0.00%	(0.01)
19	Energy Design Private Limited	-0.26%	(57.58)	-0.59%	(5.65)
20	Shreeanant Construction Private Limited	-0.11%	(24.14)	-1.02%	(9.80)
21	Michigan Engineers Private Limited	2.60%	575.09	7.25%	69.49
	Foreign				
1	Patel Engineering Inc.	0.27%	59.41	-0.74%	(7.06)
2	Patel Engineering (Mauritius) Limited	-1.04%	(230.22)	-4.31%	(41.38)
3	Patel Engineering (Singapore) Pte. Limited	-3.01%	(666.06)	-1.32%	(12.71)
4	Patel Engineering Lanka Limited	0.18%	40.29	0.13%	1.24
	Non-controlling interest	2.52%	557.45	6.96%	66.77
	Associate (as per proportionate consolidation/ Investment as per the equity method)				
1	ACP Tollways Private Limited	2.93%	650.25	0.00%	-
2	Raichur Sholapur Transmission Company Limited	1.08%	240.00	-0.02%	(0.17)
3	Terra Land Developers Limited	0.00%	-	0.00%	-
4	Pan Realtors Private Limited	0.00%	-	0.00%	-

Note : 51

Category -wise classification of financials instruments

₹ million

Financial assets measured at amortized cost	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets measured at amortised cost				
Investments	1,411.33	1,381.92	150.00	150.00
Trade receivables	5,615.24	8,084.11	2,411.62	2,539.24
Loans	476.94	452.71	778.22	642.46
Deferred finance cost	107.80	119.51	-	-
Secured deposit	6.12	6.60	58.25	56.63
Cash and cash equivalents	-	-	1,316.29	603.38
Other bank balances	-	-	0.51	3.19

₹ million

Financial liabilities measured at amortized cost	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Borrowings	13,330.28	15,987.72	15,388.29	27,397.00
Trade payables	3,015.34	2,406.86	10,948.27	8,613.59
Other financial liabilities	3.26	17.77	1,370.37	9,431.67

Note : 52

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, 2018

₹ million

Financial asset measured at amortized cost for which fair values are disclosed	Fair value as at March 31, 2018	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	1,561.33	-	-	1,561.33

As at March 31, 2017

₹ million

Financial asset measured at amortized 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	1,381.92	-	-	1,381.92

ii) Financial instrument measured at amortized cost

The carrying amount of financial assets and liabilities measured at amortized 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 received or settled.

Note : 53

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 endeavor 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2018

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitiviy

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constant, the Company's profit before tax is affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

₹ million

	Effect on profit before tax	
Change in interest rate	As at March 31, 2018	As at March 31, 2017
+50 basis point	(177.64)	(217.00)
-50 basis point	177.64	217.00

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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
EURO	521.20	438.19	32.72	27.21
JPY	-	-	22.13	20.97
LKR	-	-	14.89	13.49
MUR	-	-	61.07	280.89
NPR	1,450.39	1,168.61	1,413.78	1,139.36
USD	28.96	145.35	1,892.91	797.06
SGD	7.70	7.24	-	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 USD & 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 USD & 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 before tax		Effect on total equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
+5%	(24.43)	(20.58)	(24.43)	(20.58)
-5%	24.42	20.58	24.42	20.58

₹ million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
+5%	92.28	31.54	92.28	31.54
-5%	(92.28)	(31.54)	(92.28)	(31.54)

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. 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.

2) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party 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, 2018				
Borrowings	16,536.99	7,280.28	6,050.00	29,867.27
Trade payables	10,948.27	3,015.34	-	13,963.61
Other financial liability	-	3.26	-	3.26
At March 31, 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

Notes to Consolidated Financial Statement for the year ended March 31, 2018

Note : 54

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, 2018, 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, 2018	As at March 31, 2017
Total debt	29,202.35	52,661.72
Total equity	21,598.04	21,388.46
Total debt to total equity ratio (gearing ratio)	1.35	2.46

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.

55 a) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

b) Figure in brackets indicates amounts pertaining to previous year.

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary

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, 2018, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement, the Statement of Change in Equity for the year then ended, and a summary of the significant accounting policies, other explanatory information. These also includes financials of the Real Estate Division Branch of the company 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 to 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 read with relevant rules issued there under.

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' judgment, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, 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 of the Company as at March 31, 2018, and its Profit (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) As per Section 71 of Companies Act, 2013 the Company has created adequate Debenture Redemption Reserve for the Secured Redeemable Non-Convertible Debenture issued by the Company. However, in terms of Section 71 read with Rule 18(7)(C) of Companies Share Capital and Debentures Rules, 2014, the Company has not made the required deposit/investment to secure the repayment of debentures. Our opinion is not qualified in respect of this matter.

b) The independent Branch Auditors of, Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Ind AS financial statement for the year ended 31st March 2018 have drawn attention with respect to:

   i. Note No. 27(a) (i) regarding Bellona Developers Limited which ceased to be a subsidiary of the company from 30th March 2016 after invoking of Strategic Debt Restructuring (SDR). Previous, year, the management has decided to write off its investments along with outstanding loans after adjusting any dues against the same. Hence, the Company has written off ₹ 2.63 million (P.Y. ₹ 398.50 million) as irrecoverable dues.

   ii. Note No. 44 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.

Our report is not modified with respect to above matter.

Other Matters

a) The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed a qualified opinion on those statement on July 24, 2017. Our opinion is not modified in respect of this matter.

b) The standalone financial results include the financial results of 8 unincorporated joint operations which have not been audited by their auditors, whose financial results reflect the Net Total Assets of ₹ 899.98 million as at 31st March 2018, Company's Share in Total revenue after elimination is ₹1,570.30 million, Total Profit (net) after tax of ₹ 225.21 million and total comprehensive income (net) of Nil for the year ended on that date, as considered in these standalone financial results. The separate set of financials of these joint operations for the year ended March 31, 2018 are prepared by the management in accordance with accounting principle generally accepted in India, including 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 management certified accounts. Our opinion is not qualified in respect of this matter.

c) The standalone financial results also include the financial results of 4 unincorporated joint operations which have been audited by other auditors, whose financial results reflect the Net Total Assets of ₹ (2.91) million as at 31st March 2018, Company's Share in Total revenue after elimination is ₹ 29.66 million, Total loss (net) after tax of ₹ (1.40) million and total comprehensive income (net) of Nil for the year ended on that date, as considered in these standalone financial results. The separate set of financials of these joint operations for the year ended March 31, 2018 are 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.

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. Our opinion is not qualified in respect of this matter.

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) 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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" to this report;

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, 2018 on its financial position in its Standalone Ind AS financial statements to the extent determinable/ascertainable. - Refer Note 45 to the Standalone Ind AS financial statements;

   ii. the Company has made provision as at March, 31,2018 as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contract.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. Ostwal
Partner
Membership Number: 30848

Mumbai,
May 28, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENT OF PATEL ENGINEERING LIMITED

Referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date.

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 by the management, the title deeds of immovable properties included in property, plant and equipments / investment properties are held in the name of the Company, except for Freehold lands with gross block and net block of ₹ 7.13 millions.

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. According to 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.

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 records 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.

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, duty of Custom, duty of excise, Value Added Tax, Cess, goods and service tax (GST) and other statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities except for the Sales Tax, Entry Tax, Service Tax and Municipality Tax amounting to Rs 373.03 million outstanding as at 31st March 2018 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	Financial Year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
The Sales Tax Act	2001-2002 to 2003-2004	14.99	Appellate Tribunal
	2005-2006, 2006-2007 and 2012-2013	19.16	Appellate Tribunal, Kolkata
	2007-2008 to 2011-12	41.92	W.B.C.T. Appellate and Revisional Board, Kolkata
	2007-2008	10.69	Deputy Commissioner Appellate -III, Mumbai
Entry Tax	2015-2016	6.95	Joint Commissioner of Commercial Tax (Appeals)-Central division Patna
The Finance Act, 1994	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 2015	17.96	

Particulars	Financial Year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
The Income Tax Act,1961	2003-04 to 2006-07	220.33	Hon'ble High Court
	2011-12	169.99	Commissioner of Income Tax (Appeals)
	2013-14	154.28	Income Tax Appellate Tribunal
	2014-15	263.15	Commissioner of Income Tax (Appeals)
	2015-16	114.73	Commissioner of Income Tax (Appeals)
Provident fund	2008-09, 2009-10 & 2010-11	7.14	Hon'ble High Court
Custom Duty	2011-2012	9.16	CESTAT, Chennai
With respect to Independent Branch Patel Engineering Ltd (Real Estate Division)			
The Finance Act, 1994	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	14.05	
	April 2015 to June 2017	54.14	Commissioner of Service Tax
Income Tax Act, 1961	2008-2009 to 2010-2011	Amount not quantified	
	2011-2012	1.22	Income Tax Appellate Tribunal
	2012-2013	4.88	
	2013-2014	120.06	Commissioner of Income Tax (Appeals)
	2014-2015	69.45	

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. However, these balances were paid before the balance sheet date.

Debenture Holders

Amounts in million (₹)

Particular	Days	Principal	Interest
Axis Bank Limited – Non-Convertible	>90	500	90.24
Corporation Bank – Non-Convertible	31-60	-	3.31
	61-90	150	49.67
	>90	-	7.1
UCO Bank - Non-Convertible	61-90	150	18.71
Syndicate Bank - Non-Convertible	61-90	100	-
	>90	-	15.24
IDBI Bank Limited - Non-Convertible	61-90	150	38.1
	>90	-	10.58
GIC - Non-Convertible	31-60	-	2.71
	>90	-	5.39

Banks

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
Standard Chartered Bank	01-30	-	-	42.72
	31-60	-	-	3.95
	61-90	-	-	240.65
	>90	93.04	-	21.03
DBS Bank Limited	01-30	-	-	63.2
	31-60	-	-	51.98
	61-90	2.25	-	144.91
	>90	-	-	32.92
Indusind Bank Limited	01-30	-	-	12.99
	31-60	29.88	-	0.48
	61-90	29.88	-	6.91
	>90	-	-	28.88
Corporation Bank	01-30	-	-	59.62
	61-90	627.37	-	48.59
	>90	-	-	17.46
Axis Bank Limited	01-30	-	63.58	81.62
	61-90	417	231.11	315.97
	>90	-	-	21.46
HDFC Bank Limited	61-90	16	-	0.22
	>90	74.24	-	7.41
Canara Bank	01-30	-	-	18.33
	31-60	-	-	17.4
	61-90	-	-	54.69
Bank of Baroda	01-30	-	98.51	43.49
	31-60	-	-	4.7
	61-90	35.63	-	709.88
Bank of India	01-30	-	-	56.84
	31-60	-	60	17.16
	61-90	71.25	-	990.77
IDBI Bank Limited	01-30	-	45.73	78.36
	31-60	-	-	44.47
	61-90	-	-	591.3
Bank of Maharashtra	01-30	-	-	77.33
	31-60	-	-	21.51
	61-90	154.35	-	299.16
Ratnakar Bank Limited	01-30	-	-	8.08
	31-60	-	-	1.11
	61-90	-	-	4.95
	>90	-	-	48.62
Dena Bank	01-30	-	126.34	129.19
	31-60	250	50.14	39.1
	61-90	37.5	-	354.04
	>90	1,500.00	-	251.93

Amounts in million (₹)

Particular	Days	Principal	Letter of Credit/Bank Guarantees	Interest
State Bank of India	01-30	-	-	2.69
	31-60	-	-	2.11
	61-90	10.34	-	17.85
	>90	-	-	8.14
ICICI Bank Limited	01-30	-	-	74.95
	31-60	-	-	11.28
	61-90	93.6	902.91	205.25
Society General Bank	01-30	19.16	-	20.63
	31-60	-	-	4.3
	61-90	-	-	82.22
	>90	-	-	1.32
Exim Bank	01-30	91.4	-	26.23
	31-60	225	-	3.35
	61-90	751.63	-	35.28

Equipment Finance Company

Amounts in million (₹)

Particular	Days	Principal	Interest
Srei Equipment Finance Ltd.	01-30	3.59	1.84
	31-60	1.42	0.82
	61-90	0.71	0.41

The Company has defaulted in repayment of following dues to the debenture holders during the year, which were not paid as at the balance sheet date:

Debenture Holders

Amounts in million (₹)

Particular	Days	Principal	Interest
LIC- Non-Convertible	1-30	-	8.56
	>90	-	30.92
GIC- Non-Convertible	61-90	-	0.27
	>90	100.00	0.63

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. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has paid / 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture except for allotment of optionally convertible debentures during the year to lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) adopted by the Joint Lender's Forum as stated in notes 27(d) to the standalone financial statements. In respect of the same, in our opinion, the Company has complied with the requirements of section 42 of the Act and Rules framed there under.

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 T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. Ostwal
Partner
Membership Number: 30848

Mumbai,
May 28, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENT OF PATEL ENGINEERING LIMITED

Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date

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 of Patel Engineering Limited ("the Company") as of March 31, 2018 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 (the "Guidance Note") 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 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 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 judgment, 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, 2018, 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 the Independent Branch "Patel Engineering Limited (Real Estate Division). The internal financial control over financial reporting of this Branch 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 Branch, is based solely on the report of their auditor.

Our opinion is not modified in respect of this matter.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

T. P. Ostwal
Partner
Membership Number: 30848

Mumbai,
May 28, 2018

Balance Sheet as at March 31, 2018

		Notes	As at March 31, 2018 ₹ million	As at March 31, 2017 ₹ million
I.	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	2	2,483.20	2,932.40
	(b) Capital work-in-progress		17.16	52.93
	(c) Intangible assets		2.10	1.86
	(d) Financial assets			
	(i) Investments	3	4,948.96	4,918.68
	(ii) Trade receivables	4	5,615.24	8,101.51
	(iii) Loans	5	8,490.17	10,147.55
	(iv) Other financial assets	6	113.92	126.11
	(e) Deferred tax assets (net)	7	639.21	474.38
	(f) Current tax assets (net)	8	2,058.15	2,707.63
	(g) Other non current assets	9	5,297.42	7,794.12
	Total non current assets		**29,665.53**	**37,257.16**
	2 Current assets			
	(a) Inventories	10	26,852.25	42,587.08
	(b) Financial assets			
	(i) Trade receivables	4	1,985.58	1,898.81
	(ii) Cash and cash equivalents	10A	1,176.54	523.31
	(iii) Other bank balances	10B	0.51	1.29
	(iv) Loans	5	1,626.39	1,774.25
	(v) Other financial assets	6	58.25	56.63
	(c) Other current assets	9	5,870.14	5,206.56
	(d) Assets classified as held for sale	3A	158.74	150.00
	Total current assets		**37,728.40**	**52,197.93**
	TOTAL ASSETS		**67,393.93**	**89,455.09**
II.	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	11	156.99	156.99
	(b) Other equity		22,104.21	21,673.14
	Total equity		**22,261.20**	**21,830.13**
	2 Liabilities			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	9,209.50	11,957.63
	(ii) Trade payables	13	2,474.42	2,365.69
	(iii) Other financial liability	14	3.26	17.77
	(b) Provisions	15	60.76	56.82
	(c) Other non current liabilities	16	3,294.80	6,273.89
	(d) Deferred revenue		37.91	125.80
	Total non current liabilities		**15,080.65**	**20,797.60**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	14,556.06	26,542.35
	(ii) Trade payables	18	6,628.29	6,392.76
	(iii) Other financial liabilities	19	1,240.22	9,236.48
	(b) Provisions	15	16.05	12.56
	(c) Other current liabilities	20	7,611.46	4,643.21
	Total current liabilities		**30,052.08**	**46,827.36**
	TOTAL EQUITY AND LIABILITIES		**67,393.93**	**89,455.09**
	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 **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

Rupen Patel
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Shobha Shetty
Company Secretary

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Statement of Profit and Loss for the year ended March 31, 2018

		Notes	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I.	**Revenue from operations**	21	20,389.00	29,255.52
II.	**Other income**	22	3,813.50	3,703.60
III.	**Total revenue (I + II)**		**24,202.50**	**32,959.12**
IV.	**Expenses:**			
	Cost of construction	23	12,682.30	20,123.30
	Purchase of stock in trade		-	76.15
	Employee benefits expense	24	1,387.00	1,288.86
	Finance costs	25	5,362.40	6,379.10
	Depreciation and amortization expense	2	444.70	460.10
	Other expenses	26	1,760.50	2,478.72
	Total expenses		**21,636.90**	**30,806.23**
V.	**Profit before exceptional items and tax (III-IV)**		**2,565.60**	**2,152.89**
VI.	**Exceptional items**	27	2,043.00	1,079.77
VII.	**Profit before tax (V - VI)**		**522.60**	**1,073.12**
VIII.	**Tax expense:**			
	(1) Current tax		98.75	919.15
	(2) Deferred tax		(166.95)	(264.26)
IX.	**Profit for the year (VII-VIII)**		**590.80**	**418.23**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(34.51)	(5.95)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.45	0.16
XI.	**Total comprehensive income for the year (IX+X) (Comprising profit and other comprehensive income for the year)**		**568.74**	**412.12**
XII.	**Earnings per equity share:**			
	(1) Basic	31	3.76	3.99
	(2) Diluted		3.44	3.99
	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 **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	522.60	1,073.12
	Adjustment for:		
	Depreciation/ amortisation	444.70	460.10
	Finance charges	5,362.40	6,379.10
	Interest and dividend received	(2,913.85)	(2,748.21)
	Foreign exchange loss/ (gain)	(4.20)	(56.80)
	Provision for leave salary	8.26	3.82
	Provision for gratuity	(0.82)	0.67
	Profit on sale of investment	-	(107.53)
	Provision for impairment	595.89	681.27
	Profit on sale of assets	(319.93)	(27.22)
	Excess credit written back	(285.54)	(275.72)
	Transfer of actionable claims (refer note no. 35)	(21,685.97)	-
	Irrecoverable debts and advances written off	2,337.01	1,922.82
	ESOP compensation expenses	1.03	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(15,938.42)**	**7,305.42**
	Adjustment for changes in:		
	Trade and other receivables	2,086.30	(1,459.81)
	Inventories	15,734.83	(1,830.56)
	Trade payable, liabilities and provisions (excluding income tax)	586.54	665.00
	Cash from operations	**2,469.26**	**4,680.05**
	Direct tax paid	1,128.75	(633.08)
	NET CASH FROM OPERATING ACTIVITIES (A)	**3,598.01**	**4,046.98**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(58.76)	(634.07)
	Sale of fixed assets	439.82	40.36
	(Increase) / decrease in loans to subsidiaries/ JV/ associates	954.19	(142.15)
	Sale /(Purchase) of investments	(612.19)	244.15
	Increase / (decrease) in other bank balances	40.47	(6.03)
	Interest and dividend received	2,731.33	202.72
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**3,494.87**	**(295.02)**

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	1,367.00	478.00
	Repayment of long term borrowings	(5,320.46)	(2,012.70)
	Increase in other borrowings (net) (refer note no. 35)	3,876.30	2,628.38
	Dividend paid	(0.78)	(0.27)
	Finance charges	(6,365.91)	(4,794.34)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(6,443.85)**	**(3,700.93)**
	Net increase in cash and cash equivalent (A+B+C)	649.02	51.03
	Opening balance of cash and cash equivalents	523.31	415.48
	Balance of cash and cash equivalents	1,172.33	466.51
	Notes to Cash flow Statement		
	a. Cash and Cash Equivalents		
	Cash on hand and balance with banks	1,176.54	523.31
	Effect of exchange rate changes	(4.20)	(56.80)
	Closing cash and cash equivalents as restated	1,172.33	466.51
	b. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013		

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
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Chief Financial Officer & Director
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Director, Operations
DIN : 00196978

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at 31 March, 2016	**76,806,282**	**76.81**
Issue of equity shares	80,188,409	80.19
As at March 31, 2017	**156,994,691**	**156.99**
Issue of equity shares	-	-
As at March 31, 2018	**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	Capital redemption reserve	Surplus in the statement of profit and loss	Other comprehensive income	Total equity attributable to equity holders
As at 31 March, 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 31 March, 2017	**-**	**266.51**	**2,336.97**	**12,012.64**	**475.00**	**-**	**300.00**	**6,296.80**	**(14.79)**	**21,673.14**
Profit for the year	-	-	-	-	-	-	-	590.80	-	590.80
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	(22.06)	(22.06)
- On account of consolidation of joint venture	-	-	-	-	-	-	-	(138.70)	-	(138.70)
- Employee Stock Option	-	-	-	-	-	1.03	-	-	-	1.03
- Transfer from / to debenture redemption reserve	-	-	225.00	-	(225.00)	-	-	-	-	-
As at 31 March, 2018	**-**	**266.51**	**2,561.97**	**12,012.64**	**250.00**	**1.03**	**300.00**	**6,748.90**	**(36.85)**	**22,104.21**

Notes to Standalone Financial Statement for the year ended March 31, 2018

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.

Effective from April 1, 2016, the Company has adopted all the IND AS statandards, except mention in the financial statements, and the adoption was carried out in accordance with *IND AS 101, First-time Adoption of Indian Accounting Standarads,* with April 1, 2015 as the transition date. The transaction was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

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) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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”.

Notes to Standalone Financial Statement for the year ended March 31, 2018

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.

l) 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 assets 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. The difference between the carrying amount and fair value of the liabilities shall be recognised in the statement of profit and loss.

m) 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.

n) 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.

o) 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.

p) 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

Notes to Standalone Financial Statement for the year ended March 31, 2018

remote , no provision or disclosure is made.
Contingent assets are disclosed where an inflow of economic benefits is probable.

q) 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.

r) 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.

s) 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.

t) 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.

u) 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.

v) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.
The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:
Ind AS 115 Revenue from Contracts with Customers Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The new revenue standard will supersede all current revenue recognition requirements under Ind AS and the guidance note of real estate issued by ICAI. Ind AS 115 is applicable to the Company for annual periods beginning on or after April 1, 2018.
Based on the preliminary discussion with legal experts, management believes that the contract satisfies the conditions of Ind AS 115 for recognition of revenue at a point of time.

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2018

₹ million

Particulars	Gross Block				Depreciation and Amortization				Net Book Value	
	As at April 1, 2017	Addition	Deduction/ Retirement	As at Mar 31, 2018	As at April 1, 2017	For the year	Adjustment /Deduction	As at Mar 31, 2018	As at Mar 31, 2018	As at March 31, 2017
TANGIBLE ASSETS										
Land[1]	175.10	-	0.58	174.52	-	-	-	-	174.52	175.10
Building[2]	380.98	-	10.14	370.86	70.88	16.16	1.83	85.21	285.66	310.11
Plant and equipment[3]	5,117.14	85.76	504.63	4,698.27	3,118.25	321.95	404.90	3,035.30	1,662.97	1,998.89
Furniture and fixtures	42.29	1.53	0.81	43.01	37.18	2.44	0.81	38.82	4.20	5.11
Vehicles[4]	1,319.42	17.62	59.99	1,277.05	916.60	89.59	48.72	957.47	319.58	402.82
Office equipments	46.51	2.76	2.05	47.22	43.67	1.39	2.05	43.02	4.20	2.84
Others[5]	34.39	-	2.75	31.63	28.87	0.36	2.75	26.49	5.14	5.52
Electric equipment	60.96	2.66	4.19	59.44	41.08	5.30	4.19	42.19	17.25	19.88
Computer equipments	80.19	3.96	3.07	81.09	68.05	6.39	3.06	71.39	9.70	12.14
	7,256.97	**114.29**	**588.20**	**6,783.09**	**4,324.58**	**443.61**	**468.31**	**4,299.89**	**2,483.20**	**2,932.40**
INTANGIBLE ASSETS										
Computer software	50.10	1.34	-	51.44	48.24	1.09	-	49.34	2.10	1.86
TOTAL	**7,307.07**	**115.63**	**588.20**	**6,834.53**	**4,372.82**	**444.70**	**468.31**	**4,349.23**	**2,485.30**	**2,934.25**
CAPITAL WORK IN PROGRESS									**17.16**	**52.93**
TOTAL	**7,307.07**	**115.63**	**588.20**	**6,834.53**	**4,372.82**	**444.70**	**468.31**	**4,349.23**	**2,502.46**	**2,987.18**

1 Land includes ₹ 7.13 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 ₹ 223.67 million (₹ 202.85 million), accumulated depreciation ₹ 35.01 million (₹ 21.59 million)] and factory building [gross block ₹ 147.19 million (₹156.01 million), accumulated depreciation ₹ 50.20 million (₹ 46.02 million)]

b) ₹ 0.0088 million (₹ 0.009 million) being the value of 175 shares and share deposits in Co - operative Societies.

3 Includes assets costing Nil (₹ 37.71 million) not commissioned/erected/put to use, ₹ 0.12 million (P.Y. Nil) towards exchange rate difference.

₹ million

4	**Vehicles includes**	**Gross Block 2017-18**	**Gross Block 2016-17**	**Acc Dep. 2017-18**	**Acc Dep. 2016-17**
	Motor car	251.98	254.95	184.65	168.80
	Motor truck	1,021.93	1,061.34	770.80	745.84
	Motor cycle	3.13	3.12	2.02	1.96

₹ million

5	**Others Include**	**Gross Block 2017-18**	**Gross Block 2016-17**	**Acc Dep. 2017-18**	**Acc Dep. 2016-17**
	Ship	0.06	2.81	0.04	2.79
	Rails and Trolley	31.57	31.57	26.45	26.09

Note : 2 (Contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2017

₹ million

Particulars	Gross Block				Depreciation and Amortization				Net Book Value	
	As at April 1, 2016	Addition	Deduction/ Retirement	As at Mar 31, 2017	As at April 1, 2016	For the year	Deduction	As at Mar 31, 2017	As at Mar 31, 2017	As at April 1, 2016
TANGIBLE ASSETS										
Land	175.10	-	-	175.10	-	-	-	-	175.10	175.10
Building	359.93	27.05	6.00	380.98	60.48	11.98	1.59	70.88	310.11	299.46
Plant and 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	999.19
Furniture and fixtures	41.05	1.24	-	42.29	35.34	1.84	(0.01)	37.18	5.11	5.71
Vehicles	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	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**
CAPITAL WORK IN PROGRESS									**52.93**	**1,007.60**
TOTAL	**5,765.24**	**1,569.11**	**27.27**	**7,307.08**	**3,926.85**	**460.09**	**14.12**	**4,372.82**	**2,987.19**	**2,846.00**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 3

INVESTMENT

NON- CURRENT INVESTMENTS	As at March 31, 2018 ₹ million	As at March 31, 2017 ₹ 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	111.86	111.86
10,000shares (10,000) of Shreeanant Construction Pvt. Ltd., Face Value ₹ 10/- per share	0.10	0.10
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	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
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
409,422 shares (409,422) of Patel Engineering Inc. of par value US $0.001 per share	391.53	391.53
60,000 shares (60,000) of Zeus Minerals Trading Pvt. Ltd., Face Value ₹ 10/- per share	0.60	0.60
7,210,000 shares (7,210,000) of Bhooma Realties Pvt. Ltd., Face Value ₹ 10/-per share	72.28	72.28
7,880,000 shares (7,880,000) of Shashvat Land Projects Pvt. Ltd., Face Value ₹ 10/- per share	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
9,100,000 shares (9,100,000) of Patel Engineers Pvt. Ltd., Face Value ₹ 10/- per share	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
14,070,000 shares (14,070,000) of Patel Patron Pvt. Ltd., Face Value ₹ 10/- per share	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
50,000 shares (50,000) of Energy Design Pvt. Ltd., Face Value ₹ 10/- per share	0.50	0.50
50,000 Shares (50,000) of Patel Lands Ltd., Face Value ₹ 10/- per share	0.50	0.50
1,705,000 shares (1,705,000) of Patel Engineering Mauritius Ltd., Face Value Mauritius Rupee 10/- per share	25.76	25.76
33,000 shares (33,000) of Friends Nirman Ltd., Face Value ₹ 10/- per share	24.15	24.15
100,000 shares (100,000) of Patel Concrete & Quarries Pvt . Ltd., Face Value ₹ 10/- share	1.00	1.00
2,365,000 shares (2,365,000) of Patel Engineering Singapore Pte. Ltd., Face Value US $ 1/- per share	94.46	94.46
243,833,334 shares (209,000,000) of Patel Energy Resources Ltd., Face Value ₹ 10/- per share	2,438.33	2,090.00
Nil (10,000) shares of Patel Land Developers Pvt. Ltd., Face Value ₹ 10/- per share	-	0.10
26,193,077 shares (26,193,077) of Patel Engineering Lanka Ltd., Face Value LKR 1/- per share	11.21	11.21
	3,881.75	3,533.52
Investment in redeemable preference shares		
- In subsidiaries		
59,375 (59,375) Shares of ASI Constructor Inc, Par value US$ 100 per share	391.33	391.33
59,288,795 shares (59,288,795) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	26.32	26.32
	417.65	417.65

Notes to Standalone Financial Statement for the year ended March 31, 2018

NON- CURRENT INVESTMENTS	As at March 31, 2018 ₹ million	As at March 31, 2017 ₹ million
In associates		
Other Investments		
24,665 Shares (24,665) of Terra Land Developers Ltd., Face Value ₹ 10/- per share	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
51,000 shares (51,000) of Pan Realtors Pvt. Ltd. Face Value ₹ 10/- per share	4.35	4.35
24,019,600 shares (Nil) of Hitodi Infra Ltd. Face Value ₹ 10/- per share	240.20	-
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., Face Value ₹ 10/- per share	266.72	266.72
	1,361.02	**1,120.82**
Less : Provision for impairment	735.35	153.45
	4,925.06	4,918.53
OTHER INVESTMENTS		
Investment in Government Securities [IV]	0.14	0.12
Investment in partnership firms [V]	0.03	0.03
Investment in Mutual Funds	23.36	-
Share Application Money	0.38	-
TOTAL NON-CURRENT INVESTMENT	**4,948.96**	**4,918.68**

NOTE : 3A

ASSETS CLASSIFIED AS HELD FOR SALE

22,200,000 shares (22,200,000) of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	222.00	222.00
Less : Provision for impairment	72.00	72.00
Total	**150.00**	**150.00**
Add: Fixed assets	8.74	-
TOTAL CURRENT INVESTMENT	**158.74**	**150.00**

I. Aggregated amount of unquoted investments as at March 31, 2018 ₹ 5,075.20 Million (P.Y. ₹ 5,068.65 Million)

II. Aggregated amount of quoted investments as at March 31, 2018 ₹ 23.36 million, Market value ₹ 23.36 million (P.Y. Nil, Market value ₹ 0.09 Million)

III. Aggregated amount of impairment in value of investments as at March 31, 2018 ₹ 807.35 Million (P.Y. ₹ 225.45 Million)

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

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 had by a notice sent to other partner of the firm, dissolved the firm. The partners have subsequently gone into arbitration as directed by court the proceedings of which are on and the 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 Construction Co. Pvt. Ltd. 25% (P.Y. 25%), Apollo Buildwell Pvt. Ltd. 25% (P.Y. 25%) & Advance Equipment Finance Pvt. Ltd. 24% (P.Y. 24%).

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 4

TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good* (refer note no. 35)	5,047.51	7,342.60	456.64	710.03
Considered doubtful	-	-	2.39	2.39
	5,047.51	7,342.60	**459.03**	712.42
Less : Provision for doubtful debts	-	-	2.39	2.39
(A)	**5,047.51**	7,342.60	**456.64**	710.03
Other receivables				
Considered good (B)	**567.73**	758.91	**1,528.94**	1,188.78
(A+B)	**5,615.24**	8,101.51	**1,985.58**	1,898.81

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

NOTE : 5

LOANS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Balance in current account with				
Subsidiaries/associates/joint ventures/partnership				
Unsecured, considered good	8,490.17	10,147.54	1,626.39	1,774.25
Doubtful	790.79	776.80	27.30	27.30
	9,280.96	10,924.35	**1,653.69**	1,801.55
Less: Provision for impairment	790.79	776.80	27.30	27.30
	8,490.17	10,147.55	**1,626.39**	1,774.25

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Deferred finance cost	**107.80**	119.51	**-**	-
Secured deposit				
Unsecured, considered good	6.12	6.60	58.25	56.63
	113.92	126.11	**58.25**	56.63

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2018 ₹ million	March 31, 2018 ₹ million
Retaled to depreciation on fixed assets	(63.72)	(56.62)
Other disallowances under the income tax act	702.93	531.00
	639.21	**474.38**

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

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	(63.72)	(54.70)
Others	-	(19.66)
Deferred income tax asset		
Disallowances under income tax act	695.16	521.74
Future losses	7.77	27.00
Total deferred tax assets (net)	**639.21**	**474.38**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Advance tax (net) [1]	2,058.15	2,707.63	-	-
	2,058.15	2,707.63	-	-

1 Includes advance tax which is net of provision for tax ₹ 976.53 Million (P.Y. ₹ 1,585.41 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, 2018 ₹ million	March 31, 2017 ₹ million
Profit / loss before income tax	522.60	1,073.12
Income tax expense calculated at 21.34% /34.608%	111.52	371.39
Effect of expenses not allowed for tax purpose	194.10	844.99
Effect of income not considered for tax purpose	(204.19)	(254.65)
Effect of income that is exempted from tax	-	(12.44)
Others	(2.73)	(30.13)
	98.70	**919.16**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 9

OTHER ASSETS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Capital advance				
Secured, considered good				
Unsecured, considered good	29.76	43.78	-	-
Security deposit				
Unsecured, considered good	2,180.12	2,128.89	1,491.76	1,618.16
Advance recoverable in cash or in kind				
Secured, considered good				
Unsecured, considered good	1,352.70	1,537.23	2,729.28	2,584.78
Doubtful	540.36	775.69	-	-
Advance against immovable property	275.13	275.13	242.25	242.25
Prepaid expenses	19.35	31.34	165.28	122.97
Balance with statutory authorities	178.37	553.06	522.90	213.84
Service tax and cenvat credit	18.93	78.89	523.46	250.46
Accrued interest (refer note no. 35)	1,148.24	3,019.81	11.18	11.26
Other advances	-	-	43.52	66.46
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	0.01	2.72	29.60	20.38
Advances to employees	3.69	7.02	44.03	9.12
	5,746.66	8,453.56	**5,870.14**	5,206.56
Less: Provision for Doubtful Debts	540.36	775.69	-	-
	5,206.30	7,677.87	**5,870.14**	**5,206.56**
Cash and bank balances				
Balance with Banks				
- On current accounts with scheduled banks	2.27	-	-	-
- On fixed deposits accounts with scheduled banks*	88.86	116.25	-	-
	91.13	**116.25**	**-**	**-**
	5,297.42	**7,794.12**	**5,870.14**	**5,206.56**

* Includes amount given towards margin money and earnest money deposits

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 10

INVENTORIES *

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

	Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Stores, embedded goods and spare parts etc.	1,112.76	1,080.04
(Includes stores in transit ₹ 19.18 Million (P.Y. ₹ 35.13 Million)		
Work in progress (refer note no. 35)	25,739.49	41,507.04
	26,852.25	**42,587.08**

*(As technically valued and certified by the management)

NOTE : 10A

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Balance with Banks		
- On current accounts with scheduled banks	1,048.44	498.30
- On fixed deposits accounts with scheduled banks*	123.64	5.01
- Balances with non scheduled banks	0.46	0.45
- Cheques in hand	-	15.12
- Foreign currency in hand	0.01	0.01
- Cash on hand	3.99	4.42
	1,176.54	**523.31**

* Includes amount given towards margin money and earnest money deposits.

NOTE : 10B

OTHER BANK BALANCES

	Current	
	March 31, 2018 ₹ million	April 1, 2017 ₹ million
Balances with bank for unpaid dividend	0.51	1.29
	0.51	**1.29**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 11
SHARE CAPITAL

	March 31, 2018		March 31, 2017	
	No. of shares	₹ million	No. of shares	₹ million
a) Authorized				
Equity shares of ₹ 1 each	2,750,000,000	2,750.00	250,000,000	250.00
Preference shares of ₹ 10,000,000 each	800,000,000	800.00	-	-
b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each	156,994,691	156.99	156,994,691	156.99
	156,994,691	**156.99**	**156,994,691**	**156.99**

c) Terms/rights attached to equity shares

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

	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	156,994,691	156.99	76,806,282	76.81
Add :- Issued during the year	-	-	80,188,409	80.18
Outstanding at the end of the year	**156,994,691**	**156.99**	**156,994,691**	**156.99**

Name of the shareholder	No. of shares	% holding	No. of shares	% holding
e) Share held by each shareholder more than 5% Equity shares				
i) Patel Corporation LLP	18,665,257	11.89	18,665,257	11.89
ii) Dena bank	13,605,869	8.67	12,102,989	7.70
iii) Praham India LLP	10,420,892	6.64	16,744,424	10.67

NOTE : 12
BORROWINGS*

	Non-Current Portion		Current Maturities	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I Secured Loans				
a) Debentures [1]	6,691.37	1,500.00	-	-
b) Term loans				
- From bank [2]	1,102.80	9,845.40	73.60	6,067.49
- From others [3]	207.53	612.23	188.76	173.58
II Unsecured Loans				
- From related parties	1,207.80			
Amount disclosed under "Other financial liabilities" in Note No. 19	-	-	(262.36)	(6,241.07)
	9,209.50	**11,957.63**	**-**	**-**

*** refer note no. 35**

Notes to Standalone Financial Statement for the year ended March 31, 2018

1 Debentures

a) 9.80% secured redeemable Non Convertible Debentures was allotted on July 20, 2009 for a period of 7 years. These debentures had a face value of ₹ 1.0 Million each aggregating to Nil (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 was secured against charge on land held on stock in trade of the Company and its subsidiaries. Previous year Interest rate 9.80% p.a. for Syndicate Bank , IDBI Bank 13.32% p.a. & in case of others it is 13.16% p.a. The same is disclosed under the head "Other Financial Liabilities" in note no 19 in P.Y. The company had requested its lenders to reduce the rate of interest to 9.80% p.a. as per minutes of meeting held on 29th August 2016.
During the year, this liability has been extinguished.

b) 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 Nil (P.Y. ₹ 500 Million). The same was secured against charge on land held on stock in trade of the Company and its subsidiaries. Interest rates P.Y. 13% p.a. These debentures were due for redemption on July 11, 2016 and were disclosed under the head "Other Financial Liabilities" in note no 19 in P.Y.
During the year these debentures have been redeemed.

c) During the year, S4A (Scheme for Sustainable Structuring of Stressed Assets) of RBI for Debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8 2017 was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Approval & implementation from LIC (Life Insurance Coproration of India) & GIC (General Insurance Coproration of India) are still pending, post which their servicing shall also be done as per the scheme with effect from the reference date.

GIC - 10.75% NCD (ISIN INE244B07102) - 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. ₹ 100 Million). Interest rate on the same has remained unchaged 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 Liabilities" in note no 19 .
The principal was due on March 3, 2016 and is pending to be paid. Approval for above scheme received, implementation is in process, post which the same shall be paid as per the scheme with effect from the reference date.
The above debentures are listed on The National Stock Exchange of India.

LIC - 11.30% NCD (ISIN INE244B07144) : 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). The same is secured against charge on land held on stock in trade of the Company and its subsidiaries. The previous interest upto March 17, 2018 is yet to be paid. Approval for above scheme is in process, post implementation of the same, it shall be paid as per the scheme with effect from the reference date. The principal instalment is due on September 17, 2022 and the next interest instalment is due on June 17, 2018.
The above debentures are listed on The National Stock Exchange of India.

d) As part of the above S4A scheme, lenders of the company converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2018 are as follows -

Tranche 1 (WCTL) ₹ 2,487.61 Million ,Tranche 2 (CC) ₹ 2,823.22 Million , Tranche 5 (NCD) ₹ 1.30 Million, Tranche 4 (STL) ₹ 262.40 Million, Tranche 9 (STL) ₹ 349 Million. These debentures have a face value of ₹ 1000 each aggregating to ₹ 5,923.53 Million as on March 31, 2018 (P.Y. Nil).

Further, another OCD was issued subsequently for Tranche 1 (WCTL) ₹ 126.9 million subsequent to the financial year for which applications were received as on March 31, 2018. This liability is shown under other liabilities in note 19.

The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a Yield to Maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 and redeemable over a period of 10 years as follows -

at the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%.

Tranche 1 is secured against the same security as for WCTL - refer note 12 - 2 b) below in Term Loan Banks, Working Capital Term Loan note,

Tranche 2 is secured against the same security as for CC - refer note 17 - 2) below in Working capital Demand loan Note,

Tranche 1 & Tranche 2 are also secured by share pledge of 5.50 % of Patel Engineering Limited held by promoters of the company and pledge of 49% holding of the company in Hitodi Infrastructure Ltd. The said OCDs are also secured by personal guarantees of Mr. Rupen Patel and Mr. Pravin Patel. These securities are also for Part A Debt.

Tranche 5 is secured agaisnt the share pledge of 5.50 % of Patel Engineering Limited, held by promoters of the company.

Tranche 4 & Tranch 9 is secured against the same security as for STL of SCB & DBS respectively - refer note 17 - 1) below in Short Term Loans Note.

e) 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, no deposit / investment was made by the Company due to implementation of S4A as mentioned in pt. c) above and as there were no additional debentures which were maturing during the year 2017-18.

2 Term Loan Banks

a) Term loans includes loans taken from Standard Charterered Bank in form of FCNR / ECB Loan, outstanding amount out of the same is ₹13.31 Million (P.Y. ₹ 93.04 Million) and rate of interest on the same has been LIBOR + 400 i.e. 4.23% p.a. As per the terms agreed with the ECB lender, the last installment of the said ECB loan of ₹ 13.31 Million was due in April 2018, which was paid on due date. It also includes equipment loans from other bank, secured against said equipments, outstanding amount out of the same is ₹ 60.3 million (P.Y. ₹ 33.44 Million), as per the term agreed balance equipment loan are repayable till June 18. The said amounts are included in Current Matuirty of Long term debt.

b) The Term loans are secured by first charge on the specific assets acquired out of the term loan alongwith specifically identified unencumbered assets & 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. The promoters - Mr. Pravin Patel and Mr. Rupen Patel in their personal capacity and Ms. Sonal Patel, Mr. Bhim 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 cash flows will be deposited from real estate projects to be developed by respective companies, Pledge on 5.50 % shares of Patel Engineering Limited held by promoters and 49% share holding of Hitodi Infrastructures Ltd. held by the Company. The WCTL are repayable over 3 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal due for repayment & outstanding for such loans taken by the company as on March 31, 2018.

3 From Others

The Term Loan of ₹ 207.53 million from financial institutions on equipments, secured against the said equipments. These loans carried 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. Presently there are no interest and principal due for repayment & outstanding for such loans taken by the company as on March 31, 2018. The said amounts are inlcuded in current maturity of long term debt.

4. From Related Parties

The amount payable to promoters of the company which is unsecured . The repayment of the same is subordinated to the repayment of bank loans.

5. The company has implemented the debt resolution plan under S4A (Scheme for Sustainable Structuring of Stressed Assets) with majority of JLF lenders approval and documentation after Overseeing Committee (OC) under the aegis of RBI approved the scheme on Nov 10, 2017 effective from 8th August, 2017 including NCDs.

NOTE : 13

TRADE PAYABLES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Trade payables	2,438.93	2,346.05
Capital creditors	35.49	19.64
	2,474.42	**2,365.69**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 14

OTHER FINANCIAL LIABILITIES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completeion of work)	3.26	17.77
	3.26	**17.77**

NOTE : 15

PROVISIONS

	Non-Current		Current	
	March 31, 2018 ₹ million	March 31, 2017 ₹ million	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Provision for Employee Benefits (Refer note no 28)				
Provision for gratuity	11.90	12.65	0.36	0.42
Provision for leave entitlements	48.86	44.17	15.69	12.14
	60.76	**56.82**	**16.05**	**12.56**

NOTE : 16

OTHER NON CURRENT LIABILITY

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Contractee advances	3,037.39	5,753.75
Deposits	94.22	436.02
Other liability	163.19	84.12
	3,294.80	**6,273.89**

NOTE : 17

BORROWINGS*

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
I Secured loans		
Short term loans		
- From bank [1]	1,527.51	3,948.63
Loans repayable on demand		
- From bank [2]	11,222.50	21,050.38
II Unsecured loans		
- From bank[3]	201.08	1,233.26
- From others	41.44	-
- From related parties	1,563.53	310.07
	14,556.06	**26,542.35**

* refer note no. 35

1 **Short Term Loan**

Includes short term loans from various banks against various immovable properties of company at interest rate of 11.60% - 12.75% (PY 12-13%) due for rollover in next financial year. Presently there are no interest and principal due for repayment & outstanding for such loans taken by the company as on March 31, 2018.

2 **Loans Repayable on Demand**

Includes Cash Credit and Working Capital Demand Loan from various banks. These loans have been given against first charge hypothecation of stocks, spare parts, book debts, work in progress & guarantees; Secured against pledge on 5.50 % shares of Patel Engineering Limited held by promoters and 49% share holding of Hitodi Infrastructures Ltd. held by the Company. It also has second charge on receiveable upto 180 days, subservient charge over plant and equipment except specifically charged to any lenders and over certain immovable properties.

Terms of Repayment:

Cash Credit- Yearly renewal, rate of interest ranges between 10%-13.86% p.a. (PY 11.50%-15% p.a.)

3 **Unsecured Loan**

It includes short term loans from banks ₹ 201.08 million (P.Y. 1,134.02 million) which are repayable in next financial year.

It includes inter corporate deposit at an interest rate of 6%.

It also includes short term inter corporate payables to related parties of ₹ 1,563.53 million (P.Y. ₹ 310.07 million).The repayment of the same is subordinated to the repayment of bank loans.

NOTE : 18

TRADE PAYABLES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Micro small and medium enterprises [1]	2.49	6.93
Other payables	6,625.80	6,385.83
	6,628.29	**6,392.76**

1 The Company has ₹ 2.49 million (PY ₹ 6.93 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2018. Principal amount due to suppliers under the Act is ₹ 0.75 million (P.Y. ₹ 5.81 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.03 million (PY ₹ 0.85 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 0.91 million (PY ₹ 4.99 million). Interest paid to the suppliers under the Act is ₹ 0.40 million (PY ₹ 1.68 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.01 million (PY ₹ 0.26 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 1.73 million (PY ₹ 1.12 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 ₹ 1.73 million (P.Y. ₹ 1.12 million).

The above information is 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, 2018 ₹ million	March 31, 2017 ₹ million
Current maturities of long-term debt (refer note no. 35)	262.36	6,241.07
Interest accrued but not due on borrowings	268.00	6.97
Interest accrued and due on borrowings	490.56	1,667.21
Unpaid dividend	0.71	1.49
Deposits	118.59	132.94
Other liabilities	-	36.80
Unpaid matured debentures (refer note no. 35)	100.00	1,150.00
	1,240.22	**9,236.48**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 20

OTHER CURRENT LIABILITIES

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
(a)	**Other Liabilities**		
	Contractee advances	5,398.25	2,597.99
	Other payables		
	Payable to employees	320.08	282.03
	Other liabilities	1,750.69	1,436.90
(b)	**Balance in current account**		
	(i) With subsidiaries, associates	20.88	0.88
	(ii) With joint ventures	121.56	325.38
		7,611.46	**4,643.18**

NOTE : 21

REVENUE FROM OPERATIONS

		March 31, 2018 ₹ million	March 31, 2017 ₹ million
(a)	**Revenue/turnover (refer note no. 35)**	35,919.50	25,437.36
	Add: Increase/(decrease) in work in progress (refer note no. 35)	(15,708.87)	2,018.07
	Sale of goods	-	76.20
	Total turnover	**20,210.63**	**27,531.63**
(b)	**Other operating income**		
	Lease and service charges [TDS. ₹ 0.17 Million (P.Y. ₹ 0.21 Million)]	1.61	2.30
	Other income	176.76	1,721.59
		20,389.00	**29,255.52**

NOTE : 22

OTHER INCOME

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Dividend income	-	82.38
Gain on sale of assets (net)	319.93	27.22
Other non operating income	289.98	471.12
Interest income (Gross) [TDS ₹ 7.00 million (₹ 9.54 million)]	2,913.85	2,665.84
Net gain on foreign currency translation	4.20	73.79
Excess credit written back	285.54	275.72
Net gain on sale of non current investments	-	107.53
	3,813.50	**3,703.60**

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 23

COST OF CONSTRUCTION

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,080.04	1,143.95
Add : Purchase (net)	2,104.67	2,309.43
	3,184.71	**3,453.38**
Inventories at the end of the year	1,112.76	1,080.04
Consumption of stores and spares	**2,071.95**	**2,373.34**
Purchase of land / development rights	5.60	242.37
Corpus fund to society	31.27	21.77
Piece rate expenses (net)	8,994.33	15,056.76
Repairs to machinery	19.29	9.71
Transportation, hire etc.	593.73	1,200.98
Power, electricity and water charges	420.69	386.62
Project developement cost	353.04	385.82
Technical consultancy fees	69.53	134.40
Other construction costs	122.87	311.53
	12,682.30	**20,123.30**

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

NOTE : 24

EMPLOYEE BENEFITS EXPENSE

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Salaries, wages and bonus	1,244.21	1,134.81
Contribution to provident and other funds	92.60	93.84
Employee stock option (ESOP) (Refer note no 29)	1.03	-
Staff welfare expenses	49.16	60.21
	1,387.00	**1,288.86**

NOTE : 25

FINANCE COSTS

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Interest expense [1]	4,947.34	6,028.06
Unwinding of interest component	-	9.16
Other borrowing costs	415.06	341.88
	5,362.40	**6,379.10**

1 Interest capitalised of ₹ 109.30 million (P.Y. ₹ 387.25 million) towards fixed assets and project development expenses.

Notes to Standalone Financial Statement for the year ended March 31, 2018

NOTE : 26

OTHER EXPENSES

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Other administrative costs		
Rent	44.26	40.20
Repairs and maintenance - building	0.06	6.40
Insurance	82.38	74.49
Rates and taxes	198.95	210.04
Advertisement and selling expenses	1.35	0.88
Travelling and conveyance	57.64	55.13
Directors fees	1.97	2.88
Auditor's remuneration		
Audit fees	4.81	5.80
Tax audit fees	-	1.20
Taxation matters	-	2.30
Company law matters	-	1.20
Certification	0.45	1.50
Reimbursement of expenses	0.02	0.20
	5.28	12.20
Communication expenses	18.22	20.94
Printing and stationery	12.40	11.71
Legal and consultancy charges	302.28	188.35
Loss on sale of asset discarded	11.47	-
Irrecoverable debts written off / provided	105.51	1,524.32
Sewage water disposal	2.22	7.06
Net loss on foreign currency translation	134.56	-
Other expenses	781.95	324.12
	1,760.50	**2,478.72**

NOTE : 27

EXCEPTIONAL ITEMS:

	March 31, 2018 ₹ million	March 31, 2017 ₹ million
Investment / loans and advances written off [a]	2,231.51	398.50
Provision for impairment on loan and advances [b]	10.01	681.27
Compensation towards invocation of shares [c]	533.64	-
Gain on Conversion of loan liability in debt [d]	(732.16)	-
	2,043.00	**1,079.77**

a) i) Company has in the previous year written off the oustanding loan of Bellona Estate Developers Limited after adjusting its advances and debtors balance along with 49% investment in associates.

ii) Considering the irrecoverability of advances given to subsidiaries viz; Patel Energy Resources Limited, Dirang Energy Pvt. Ltd, the same has been considered to be written off.

b) Provision made for impairment based on indication of diminution in value of advance to a subsidiary, PT Patel Surya Minerals.

c) Pursuant to S4A (Scheme for Sustainable Structuring of Stressed Assets), the lenders had taken pledge of 10% of equity of the Company, held by the promoters and has invoked & taken over 6,323,532 shares out of the same with a credit of face value of ₹ 1 per share to the Company. The Comapny has been advised that the amount payable is not a related party transaction as per section 188 of the Companies Act, 2013.

d) As per terms of S4A part B, the Debt of the Company has been converted into Optionally Convertible Debenture (OCD) @7% p.a. including cupon rate. As per Ind As 109 Financial Instruments, this qualifies for derecognition of existing financial liability and recognition of the new financial liability. On initial recognition of these financial liability (OCDs) is to be fair valued. Fair value of the OCDs is based on the difference in market interest rate at which the Company borrows the money and the interest rate on OCDs, after considering fair value of conversion option. Due to difference in fair value and book value of the liability, a gain of ₹ 732.16 million arises in the current year. This amount will be reversed in subsqeuent years, during tenure of the OCDs, through unwinding of interest as per effective interest rate method to increase the debt to it's face value at the end of the terms of the OCDs.

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, 2018 and March 31, 2017:

(i) Expenses recognised in the statement of profit and loss :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	13.74	3.74	17.70
	(11.58)	(3.59)	(17.28)
Interest cost (net)	2.04	0.88	3.72
	(0.69)	(0.99)	(4.00)
Past Service Cost	2.10	-	-
	-	-	-
Net actuarial (gain) / losses	(0.63)	(4.80)	(13.54)
	(13.39)	(-4.06)	(-17.60)
Total expenses recognized in the statement of profit and loss	**17.25**	**(0.17)**	**7.88**
	(25.66)	**(0.52)**	**(3.67)**

(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	(82.22)	(11.53)	(59.16)
	(-67.99)	(-11.90)	(-51.54)
Fair value of plan assets as at the year end	49.98	-	-
	(39.61)	-	-
Funded liability recognized in the balance sheet	**(32.24)**	**(11.53)**	**(59.16)**
	(-28.38)	**(-11.90)**	**(-51.54)**

Notes to Standalone Financial Statement for the year ended March 31, 2018

(iii) Changes in defined benefit obligation :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	67.99	11.90	51.54
	(47.52)	(12.41)	(49.62)
Interest cost	4.90	0.88	3.72
	(3.83)	(0.99)	(4.00)
Current service cost	13.74	3.74	17.70
	(11.58)	(3.59)	(17.28)
Past Service Cost	2.10	-	-
	-	-	-
Benefit paid	(5.36)	(0.19)	(0.26)
	(-6.01)	(-1.02)	(-1.75)
Actuarial (gains) / losses on obligations	(1.15)	(4.80)	(13.54)
	(11.06)	(-4.06)	(-17.60)
Liability at the end of the year	**82.22**	**11.53**	**59.16**
	(67.99)	**(11.91)**	**(51.54)**

(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	39.61	-	-
	(38.95)	-	-
Expected return on plan assets	2.85	-	-
	(3.14)	-	-
Contributions by the employer	13.39	-	-
	(5.86)	-	-
Benefit paid	(5.36)	-	-
	(-6.01)	-	-
Actuarial gain on plan assets	(0.52)	-	-
	(-2.32)	-	-
Fair value of plan assets at the end of the year	49.98	-	-
	(39.61)	-	-
Total actuarial gain to be recognized	**(0.63)**	**-**	**-**
	(13.39)	**-**	**-**

(v) Actual return on plan assets

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	2.85	-	-
	(3.14)	-	-
Actuarial gain on plan assets	(0.52)	-	-
	(-2.32)	-	-
Actuarial gain on plan assets	2.34	-	-
	(0.82)	-	-

(vi) The Company expects to contribute ₹ 42.09 million (P.Y. ₹ 37.27 million) to gratuity funded plan in FY 2018-19.

(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%		

(viii) Sensitivity analysis for significant assumption is as below:

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Discount rate	7.20%	7.52%	7.20%
	(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	7.20%	-	-
	(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	3.06	(2.16)	(10.66)
	(6.12)	(-4.12)	(-21.12)
On plan asset (loss)/gain	(0.52)	-	-
	(-2.32)	-	-

(x) Figure in brackets indicates amounts pertaining to previous year.

Notes to Standalone Financial Statement for the year ended March 31, 2018

29 In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 200,000 option under the company's existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2005 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

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, 2018 are as follows:

Minimum lease obligation payable as at March 31	2018 ₹ million	**2017** **₹ million**
a) within one year of the Balance Sheet date	104.09	64.62
b) due in a period between one year and five years	168.53	83.48
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**

	2018 ₹ million	**2017** **₹ million**
Net profit as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1 Each	590.80	418.23
Weighted average number of equity shares for earning per share	156,994,691	104,707,454
Earning Per Share (Basic) ₹	3.76	3.99
Earning Per Share (Diluted) ₹	3.44	3.99

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 to 23.11.2017)
22 Patel KNR Infrastructure Ltd (from 08.12.2016)
23 Apollo Buildwell Pvt. Ltd.
24 Arsen Infra Pvt. Ltd.
25 Hera Realcon Pvt. Ltd.
26 Lucina Realtors Pvt. Ltd.
27 PBSR Developers Pvt. Ltd.
28 Waterfront Developers Ltd.
29 Hitodi Infrastructure Ltd (from 14.06.2017 to 20.11.2017)
30 Hampus Infrastructure Pvt. Ltd. (incorporated on 27.03.2018)

Subsidiaries of Waterfront Developers Ltd.

Les Salines Development Ltd.

Subsidiaries of Les Salines Development Ltd.

La Bourgade Development Ltd.

Ville Magnifique Development Ltd.

Sur la Plage Development 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 PEL Port Pvt. Ltd.
8 Patel Energy Ltd.
9 Jayshe Gas Power Pvt. Ltd.
10 Naulo Nepal Hydro Electric Pvt. Ltd.

Subsidiaries of Patel Hydro Power Pvt. Ltd.

1 Dirang Energy Pvt. Ltd.
2 West Kameng Energy Pvt. Ltd.
3 Digin Hydro Power Pvt. Ltd.
4 Meyong Hydro Power Pvt. Ltd.
5 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 Patel Param Energy Pte Ltd.
5 Patel Param Natural Resources Pte Ltd.

Subsidiary of Patel Surya (Singapore) Pte. Ltd.

Surya Geo Minerals

Subsidiary of PT PEL Minerals Resources

PT Patel Engineering Indonesia

Subsidiary of Patel Param Minerals Pte Ltd.

PT Patel Surya Minerals

Subsidiary of Patel Param Energy Pte Ltd.

PT Patel Surya Jaya

Subsidiary of Patel Param Natural Resources Pte Ltd.

PT Surpat Geo Minerals

Subsidiaries of Patel Engineering Inc.

ASI Global LLC

Notes to Standalone Financial Statement for the year ended March 31, 2018

Subsidiary of Patel Engineering (Mauritius) Ltd.

Patel Mining (Mauritius) Ltd.

Subsidiaries of Patel Mining (Mauritius) Ltd.

1 Enrich Mining Vision Lda
2 Patel Mining Priviledge, Lda
3 Patel Infrastructure, Lda
4 Trend Mining Projects, Lda
5 Accord Mines Venture,Lda
6 Netcore Mining Operations,Lda
7 Metalline Mine Works,Lda
8 Patel Mining Assignments, Lda
9 Chivarro Mines Mozambique,Lda
10 Fortune Mines Concession,Lda
11 Omini Mines Enterprises,Lda
12 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.
5 ACP Tollways Pvt. Ltd.
6 PAN Realtors Pvt.Ltd.
7 Hitodi Infrastructure Ltd (from November 20, 2017)

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 (resigned w.e.f. December 30, 2017)
Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Sunil Shinde	Whole Time Director and CEO (from April 1, 2017 to June 2, 2017)
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
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.

₹ million

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2017-18	2016-17	2017-18	2016-17
- Revenue/turnover	-	-	1,858.94	5,536.96
- Investment in equity / purchase of shares	348.33	0.10	240.20	-
- Loans / advances received	-	-	-	18.92
- Loans / advances repaid	-	44.93	-	5.55
- Share of profit	-	-	-	75.25
- Share of loss	-	-	-	16.24
- Miscellaneous receipts	4.57	3.75	2.27	4.45
- Loans/advances given	5,478.04	1,766.85	21,768.36	480.57
- Loans / advances recovered	4,945.83	1,291.50	23,970.72	665.81
- Corporate guarantee outstanding as at the end of the year	2,154.51	2,566.19	7,286.57	7,323.30
- Bank guarantee outstanding as at the end of the year	704.24	620.36	572.02	3,565.36
- Outstanding balance included in current/ non current assets	11,068.18	11,401.14	1,477.13	2,016.99
- Outstanding balance included in current / non current liabilities	3,015.63	1,999.60	1,941.32	1,821.36
- Reimbursement of expenses from	8.00	12.14	30.44	5.09
- Reimbursement of expenses to	-	-	-	0.02
- Rent income	-	0.92	-	-
- Rent paid	3.68	3.69	-	-
- Interest income	1,487.48	1,279.25	4.47	5.94
- Sundry balances written off	2,228.87	-	36.66	396.00
- Debtors Retention	-	-	105.36	-
- Debtors Withheld	-	-	55.16	-
- Refund of Mobilisation advance	150.00	-	-	-
- Machinery advance received	-	-	34.06	-
- Mobilisation advance received	-	-	6.39	-
- Issue of stores	-	-	-	0.11
- Provision for impairment of investment	585.89	-	-	127.01
- Provision for impairment of loans and advances	10.01	681.27	-	27.30
- Advance against immovable property	-	160.77	-	-
- STP Maintenance Income	1.69	-	-	-
- Compensation towards invocation of shares	-	-	533.64	-
- Property maintenance expenses	3.88	5.05	-	(0.74)

Notes to Standalone Financial Statement for the year ended March 31, 2018

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	2017-18	2016-17
- Revenue/turnover	Navyuga-Patel-BHEL	-	4965.95
	Age Patel JV	1,858.94	-
- Investment in equity / purchase of shares	Patel Land Developers Ltd	-	0.10
	Patel Energy Resources Ltd	348.33	-
	Hitodi Infrastructure Ltd	240.20	-
- Loans / advances received	Patel Sew JV	-	18.92
- Loans / advances repaid	Dirang Energy Pvt. Ltd.	-	44.93
	Patel Sew JV	-	5.55
- Share of profit	Patel Michigan JV	-	0.04
	PEL-UEIPL JV	-	10.81
	KNR - PATEL JV	-	50.42
- Share of loss	Age Patel JV	-	15.74
- Miscellaneous receipts	PEL Power Ltd.	3.93	3.75
	Patel-Michigan JV	1.23	2.46
	CICO Patel JV	1.01	1.21
	Patel Leena JV	-	0.63
	Arsen Infra Pvt Ltd	0.61	-
- Loans/advances given	Patel Energy Resources Ltd.	-	64.04
	Dirang Energy Pvt. Ltd.	-	79.56
	Patel KNR Infrastructure Ltd.	-	0.04
	Raichur Solapur Transmission Company Pvt. Ltd.	-	3.71
	Patel Land Developers	3,833.66	-
	Patel SEW JV	394.84	343.54
	AGE-Patel JV	-	129.69
	Hitodi Infrastructure Ltd	21,328.45	-
	Patel Eng. (Singapore) Pvt. Ltd.	681.27	681.27
	Bellona Estate Developers Ltd.	-	3.37
	Waterfront Developers Ltd.	-	112.00
	PBSR Developers Pvt. Ltd.	-	325.22
- Loan/ advances recovered	Patel Energy Resources Ltd.	586.09	0.23
	Patel Land Developers Ltd	3,833.67	-
	Patel Engineering Infrastructure Ltd.	-	34.82
	Hitodi Infrastructure Ltd.	22,604.63	-
	Patel SEW JV	69.44	104.88
	Navayuga Patel BHEL Consortium	21.67	-
	AGE-Patel JV	42.52	112.58
	Bellona Estate Developers Ltd.	-	406.89
	Apollo Buildwell Pvt. Ltd.	-	160.77
	PBSR Developers Pvt. Ltd.	-	965.17

Notes to Standalone Financial Statement for the year ended March 31, 2018

₹ million

Particular	Name of the Company	2017-18	2016-17
- Reimbursement of expenses from	PEL Power Ltd.	4.02	3.92
	Patel Michigan JV	4.83	2.09
	CICO PATEL JV	1.56	2.63
	Patel Leena JV	-	34.82
	Dirang Energy Pvt. Ltd.	2.17	160.77
	Arsen Infra Pvt Ltd	1.80	6.33
	Waterfront Developers Ltd	-	1.89
	Patel V Arks Precision JV	4.33	-
	Hitodi Infrastructure Ltd	19.32	-
- Reimbursement of expenses to	Patel SEW JV	-	0.02
- Rent income	Dirang Energy Pvt. Ltd.	-	0.92
- Rent paid	PEL Power Ltd.	3.68	3.68
- Interest income	Patel Energy Resources Ltd.	930.22	816.48
	CICO Patel JV	1.16	1.16
	Patel Michigan JV	2.04	2.04
	Raichur Solapur Transmission Company Pvt. Ltd.	0.68	0.18
	Hitodi Infrastructure Ltd.	0.23	-
	Patel SEW JV	0.36	2.10
- Sundry balances written off	Bellona Estate Developers Ltd.	2.63	396.00
	Patel SEW JV	34.03	-
	Dirang Energy Pvt. Ltd.	184.90	-
	Patel Energy Resources Ltd.	2043.95	-
- Debtors Retention	AGE-Patel JV	105.36	-
- Debtors Withheld	AGE-Patel JV	55.16	-
- Refund of Mobilisation advance	Michigan Engineers Pvt. Ltd.	150.00	-
- Machinery advance received	AGE-Patel JV	34.06	-
- Mobilisation advance received	AGE-Patel JV	6.39	-
- Issue of stores	Patel SEW JV	-	0.11
- Provision for impairment of investment	ASI Constructors Inc	561.86	-
	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
	Patel Surya Minerals	10.01	-
	Patel KNR Heavy Infrastructure Ltd.	-	27.30
- STP Maintenance income	Arsen Infra Pvt. Ltd.	1.69	-
- Compensation towards invocation of shares	Praham India LLP	533.64	-
- Property maintenance expenses	Arsen Infra Pvt. Ltd.	3.88	5.05

Notes to Standalone Financial Statement for the year ended March 31, 2018

E. Details of transactions relating to persons referred in item (B) above.

₹ million

Particular	2017-18	2016-17
Managerial remuneration	69.81	33.76
Salary and contribution to provident fund	3.97	2.04
Rent income	-	1.17
Deposit	-	0.40
Loan taken	1.00	1.50
Loan repaid	-	24.38
ESOP	1.03	-
Outstanding balance payable	308.47	34.49
Outstanding balance receivable	20.49	0.20

33 SEGMENT REPORTING

Primary Segment :

₹ million

Particulars	As at March 31, 2018		
	Business Segments		
	EPC	Real Estate	Total
Segment revenue	18,635.80	1,753.20	20,389.00
Segment results	(88.10)	610.70	522.60
Segment assets	64,317.20	3,076.70	67,393.90
Segment liabilities	44,984.90	147.80	45,132.70
Addition to fixed assets	115.63	-	115.63
Segment depreciation	440.74	3.96	444.70

₹ 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

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, 2018	As at March 31, 2017
Revenue from top customer	1,770.40	4,965.95
Revenue from top five customers	6,788.81	14,847.04

Notes to Standalone Financial Statement for the year ended March 31, 2018

34 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.

35 The company has transferred / assigned certain actionable claims comprising of receivables, accrued interest and work-in-progress for various projects along with corresponding liabilities, debt and obligations to Hitodi Infrastructure Limited , it's wholly owned subsidiary (WOS) for a net consideration being investment in equity shares in the said WOS of ₹ 240.20 million, where 51% has been taken by a new investor resulting in change in management.

36 In terms of Provisions of Section 135 of the Companies Act 2013 and Rules made thereunder, the company is required to spend an amount of ₹ 20.83 million (P.Y. ₹ 8.02 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 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 the said section. 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%
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%
PEL-PPCPL-HCPL JV	Power Patkar Construction Private Limited & Harsh Construction Pvt. Ltd.	51%
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%

Notes to Standalone Financial Statement for the year ended March 31, 2018

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 ₹ 22,222.92 million (P.Y. ₹ 23,066.98 million) contract costs incurred and recognized profit (less recognized losses) ₹ 1,97,204.17 million (P.Y. ₹ 154,973.69 million) advance received ₹ 1,963.20 million (P.Y. ₹ 594.46 million) retention deposit ₹ 2,956.20 million (P.Y. ₹ 2,145.86 million) and gross amount due from clients for contract works included under current assets ₹ 18,147.06 million (P.Y. ₹ 29,465.86 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) 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. Out of above, Company has received award in its favour and same has shown as construction receipts in respective years. Management expects that all balance cost as well as claims will be recovered in full and hence the cost incurred on the project up to March 31, 2018 ₹ 1230.93 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.

c) Arbitration awards received in favour of the Company amounting to ₹ 617.83 Million (P.Y. ₹ 855.95 Million) is accounted for as construction Receipts.

42 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2018 amounting to ₹ 1,429.23 million (P.Y ₹ 615.13 million).

Foreign currency exposure outstanding at ₹ million

Currency	March 31, 2018	March 31, 2017
USD	1,863.94	651.71
EURO	(488.49)	(410.97)
SGD	(7.70)	88.29
JPY	22.13	20.97
MUR	61.07	280.89
LKR	14.89	13.49
NPR	(36.62)	(29.25)

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 ₹ 4.33 million and appropriate disclosure for contingent liabilities is given.

44 The Company has 100% investment in Waterfront Developers Ltd (Waterfront) and has granted loans and advances amounting to ₹ 909.92 million (P.Y. ₹ 842.17 million) till March 31, 2018 . 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 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. In this case the process of arbitration has been initiated with the Government of Mauritius and PEL/LSDL is confident to get the such compensation.

45 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 111.25 million (P.Y. Rs 294.35 million), advance paid ₹ 29.76 million (P.Y. ₹ 43.78 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 ₹ 12,390.11 million

(P.Y. ₹ 12,076.30 million) (including Customs ₹ 66.17 million (P.Y. ₹ 109.17 million) Entry Tax ₹ 37.57 million (P.Y. ₹ 37.57 million) for the current year. Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 9,441.08 million (P.Y. ₹ 9,889.50 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 ₹ 2,395.90 million (P.Y. ₹ 2,321.78 million) and advance paid ₹ 82.92 million (P.Y. ₹ 82.92 million). Out of the above, ₹ 1,881.53 million (P.Y. ₹ 1,810.02 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 105.32 million (P.Y. ₹ 105.29 million) (Advance paid ₹ 18.57 million (P.Y. ₹ 18.57 million)), Cess ₹ 120.11 million (P.Y. ₹ 110.42 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 ₹ 1,118.08 million (P.Y. ₹ 1,511.19 million). 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.

(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 and DEPL to its lenders.

(k) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 7.45 million), against which amount of ₹ 0.50 million (P.Y. 0.50 million and bank guarantee for balance amount) have been paid.

(l) On Settlement with the vendor, company has given flats of ₹ 50.00 million against his outstanding due & also given assurance that if re-sell price of that flat is lower than settlement price then company will compensate that differences.

(m) Trade receivables to the extent of ₹ 744.49 million (P. Y. Nil) have been discounted with bank on recourse basis..

46 The company has transferred approx. 5 acres of property in mumbai, along with its corresponding liability and debt to one of it's wholly owned subsidiary, which has been subsequently taken over by a real estate developer.

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, 2018	As at March 31, 2017	Maximum Amount outstanding (2017 – 18)	Maximum Amount outstanding (2016 – 17)
Subsidiaries					
1	Michigan Engineers Pvt.Ltd.	37.29	7.15	37.29	7.15
2	Patel Patron Pvt. Ltd.	60.29	52.60	60.29	95.81
3	PEL Power Ltd.	793.26	672.62	793.57	672.93
4	Patel Land Developers Ltd.	-	0.01	3,805.22	0.01
5	Patel Energy Ltd.	572.39	501.54	572.45	501.54
6	Patel Engineering (Mauritius) Ltd.	28.32	25.79	28.32	29.13
7	Patel Engineering Infrastructure Ltd.	469.80	341.83	469.80	341.83
8	Phedra Projects Pvt. Ltd.	11.89	9.55	11.89	9.55

Notes to Standalone Financial Statement for the year ended March 31, 2018

₹ million

	Name of subsidiaries / associates	As at March 31, 2018	As at March 31, 2017	Maximum Amount outstanding (2017 – 18)	Maximum Amount outstanding (2016 – 17)
9	Vismaya Constructions Pvt. Ltd.	40.64	35.62	40.64	35.62
10	Shashvat Land Projects Pvt. Ltd.	291.92	256.04	291.92	256.04
11	Bhooma Realties Pvt. Ltd.	343.49	301.22	343.49	301.22
12	Pandora Infra Pvt. Ltd.	419.45	367.90	419.45	367.90
13	Patel Eng. (Singapore) Pte. Ltd.	780.78	95.53	780.78	95.53
14	Dirang Energy Pvt. Ltd.	-	108.28	184.90	108.48
15	Patel Mining Divn. Lda,	13.73	12.37	13.73	12.63
16	Patel Energy Resources Ltd.	5,263.11	6,689.04	7,652.95	6,689.04
17	Patel Mining (Mauritius) Ltd.	218.55	201.92	218.55	207.44
18	Energy Design Pvt.Ltd.	57.25	89.32	389.11	89.32
19	PT Patel Surya Minerals	10.01	9.08	10.01	9.28
20	Patel Lands Ltd.	41.80	36.66	41.80	36.66
21	Patel Hydro Power Pvt. Ltd.	15.72	2.92	15.72	2.92
22	Patel Engineering (Lanka Pvt. Ltd.)	14.87	13.48	14.87	13.84
23	Patel Engineers Pvt. Ltd.	2.53	2.21	2.53	2.21
24	Patel Concrete and Quaries Pvt. Ltd.	127.25	111.51	130.73	111.51
25	Zeus Minerals Trading Pvt. Ltd.	126.10	110.61	126.10	110.61
26	Naulo Nepal Hydroelectric Pvt. Ltd.	3.13	2.80	3.19	2.80
27	Shreeanant Constructions Pvt. Ltd.	74.74	64.85	74.74	64.85
28	Apollo Buildwell Pvt. Ltd.	13.97	12.24	13.97	12.24
29	Arsen Infra Pvt. Ltd.	8.93	5.88	8.93	5.88
30	Hera Realcon Pvt. Ltd.	1.07	0.94	1.07	0.94
31	Lucina Realtors Pvt. Ltd.	0.00	0.00	0.00	0.00
32	Nirman Constructions Pvt. Ltd.	-	0.08	-	0.08
33	PBSR Developers Pvt. Ltd.	295.46	243.02	295.46	243.02
34	Waterfront Developers Ltd.	909.92	842.17	909.92	842.17
35	PATEL-KNR Infrastructure Ltd.	0.29	0.28	0.29	0.57
Associates					
36	Raichur Solapur Transmission Company Pvt. Ltd.	9.07	4.22	12.45	4.22
37	PATEL-KNR Heavy Infrastructure Ltd.	25.01	25.01	25.01	25.01
38	Bellona Estate Developers Ltd.	-	-	2.63	-
	Total	**11,082.04**	**11,256.29**	**17,803.78**	**11,309.97**

Notes to Standalone Financial Statement for the year ended March 31, 2018

Note : 48

Category -wise classification of financials instruments

₹ million

Financial assets measured at amortised cost	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets measured at amortised cost				
Investments	4,948.96	4,950.41	150.00	150.00
Trade receivables	5,615.24	8,101.52	1,985.58	1,898.81
Loans	8,490.17	10,115.81	1,626.39	1,774.25
Deferred finance cost	107.80	119.51	-	-
Secured deposit	6.12	6.60	58.25	56.63
Cash and cash equivalents	-	-	1,176.54	523.31
Other bank balances	-	-	0.51	1.29

₹ million

Financial liabilities measured at amortised cost	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Borrowings	9,209.50	11,957.64	14,556.06	26,542.35
Trade payables	2,474.42	2,365.69	6,628.29	6,392.76
Other financial liabilities	3.26	17.77	1,240.22	9,236.48

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, 2018

₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at March 31, 2018	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5,098.96	-	-	5,098.96

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

Notes to Standalone Financial Statement for the year ended March 31, 2018

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constatnt, the Company's profit before tax is affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

As at March 31, 2017

₹ million

	Effect on profit before tax	
	As at March 31, 2018	As at March 31, 2017
+50 basis point	(197.89)	(241.12)
-50 basis point	197.89	241.12

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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
EURO	521.20	438.19	32.72	27.21
JPY	-	-	22.13	20.97
LKR	-	-	14.89	13.49
MUR	-	-	61.07	280.89
NPR	1,450.39	1,168.61	1,413.78	1,139.36
USD	28.96	145.35	1,892.91	797.06
SGD	7.70	7.24	-	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 USD & 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 USD & 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 before tax		Effect on total equity	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
+5%	(24.43)	(20.58)	(24.43)	(20.58)
-5%	24.42	20.58	24.42	20.58

₹ million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
+5%	92.28	31.54	92.28	31.54
-5%	(92.28)	(31.54)	(92.28)	(31.54)

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. 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.

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.

Notes to Standalone Financial Statement for the year ended March 31, 2018

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, 2018				
Borrowings	15,576.98	3,159.50	6,050.00	24,786.48
Trade payables	6,628.29	2,474.42	-	9,102.71
Other financial liability	-	3.26	-	3.26
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

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, 2018, 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, 2018	As at March 31, 2017
Total debt	24,127.92	47,754.22
Total equity	22,261.20	21,830.10
Total debt to total equity ratio (gearing ratio)	1.08	2.19

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 **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

T. P. Ostwal
Partner
Membership No. 30848

Place : Mumbai
Date : May 28, 2018

For and on behalf of Board

Rupen Patel
Managing Director
DIN : 00029583

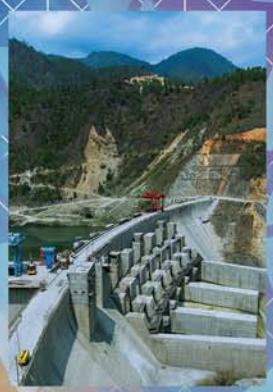
Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

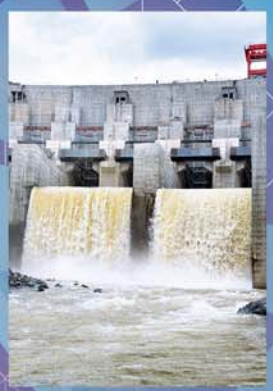
Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary











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