Patel
Since 1949

PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

August 26, 2019

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 – Submission of Annual Report for F.Y. 2018-2019

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 2018-2019.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

Shobha Shetty

Shobha Shetty
Company Secretary
Membership No. F10047

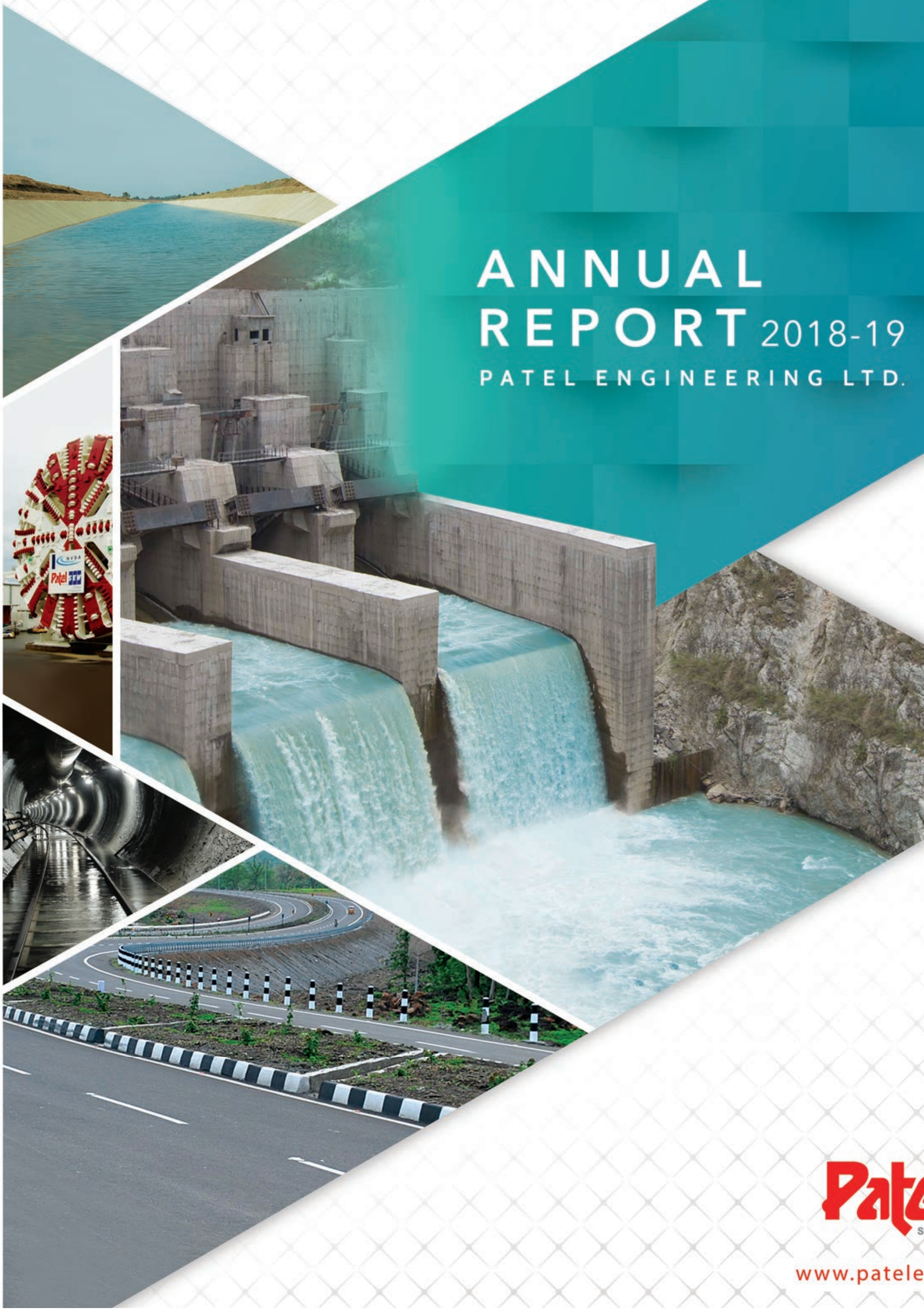
PATEL ENGINEERING LTD. MUMBAI 400 102.

Encl: as above

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

ANNUAL REPORT 2018-19

PATEL ENGINEERING LTD.



Patel

Since 1949

www.pateleng.com

PATEL ENGINEERING LTD.

Annual Report 2018 - 19

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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

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Limited
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel No: +91 22 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

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. 604, 6th floor,
Windsor, C.S.T. Road,
Kalina, Santacruz (East),
Mumbai 400098
Tel: +91-22-49220543
Email: umesh.salvi@ctltrustee.com
Website: www.catalysttrustee.com

Message from the

Managing Director

Dear Shareholders,

We, in the infrastructure industry, feel happy to have a stable and continuing government at the centre. Uncertainties prevailing in the economy in the last year or so before the general elections are left behind. We look forward to a resurgent India with inclusive growth and prosperity for all. There would be policy continuity at the centre on a long-term basis towards all sectors, especially infrastructure and construction sector. The real GDP growth is estimated to be lower at 6.8% in 2018-19 compared to 7.2% in the previous year, mainly due to election-related uncertainties, tight credit conditions, volatile crude oil prices and unpredictable currency fluctuations. Further, debacle of a few large NBFCs in India has also constrained the economy to grow at the expected rate. Infrastructure and construction sector was worst affected. Growth was also adversely affected due to global headwinds such as Brexit, intensification of trade war between the US and China, geo-political risks arising out of economic sanctions against a few countries etc.

The credit conditions of the economy are looking up, following early signs of improvement in the non-performing assets (NPAs) of the commercial banks. According to the latest RBI circular on resolution of stressed assets, banks have been given freedom to resolve repayment problem of each company in the best possible manner, instead of sticking to single set of guidelines issued earlier. India now stands at 77th position in the World Bank's Ease of Doing Business Index. With various measures being introduced by the government, the said position is poised to improve further. Infrastructure growth continues to remain the key focus area of the government. After the success of Make-in-India and Swatch Bharat Abhiyaan, the Government has planned several other schemes such as rural electrification, affordable housing, piped water supply to all households to push overall growth of the country in general and rural landscape in particular. These initiatives in the infrastructure sector will give the required boost to the economy to grow at a faster rate going forward. India has been the fastest-growing major economy in the world during recent years, lifting millions of Indians out of poverty. The authorities have initiated important structural reforms to spur India's growth and to improve living standards for all. The major reforms initiatives such as inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC), the Goods and Services Tax (GST), and Real Estate (Regulation and Development) Act (RERA), taken earlier, shall continue. In addition, the Union budget 2019-20 has proposed several new initiatives such as further opening up of the economy, digital push, empowerment of the Micro, Small, and Medium Enterprises (MSMEs), and capital market reforms to improve the investment climate.

Your company will also gain from various upcoming projects. As you are aware, your company is one of the few success stories where debt restructuring schemes have been successfully implemented. The company has shown stability and resilience post such event by outperforming other players in the industry on both financial and business fronts. Since implementation of S4A, your company has already received fresh orders of more than ₹ 4,000 crore. The order book of the company as on March 31, 2019 is ₹ 10,215 crore which gives us a strong revenue visibility over the next few years. Non-fund based limits are available for upcoming project requirements, which will ensure smooth execution of new projects in a timely manner with needed support from lenders. Company has been bidding wisely & selectively and expects at least 50-60% growth in order book in coming financial year with diversification in its project portfolios, which have smaller gestation periods and quicker turnarounds. Hence, from here onwards, your company will see massive growth acceleration while surpassing challenging situations that are common in the life of the company.

The financial year 2018-19 (henceforth FY 19) has been very stable, following focused decisions taken continuously by the management for retirement of debt, which, inter alia, include the following:

a) Monetization of non-core land assets; and

b) Receipt of funds under Niti Aayog Guidelines against Arbitration Awards for one of the projects executed by the company.

The performance of the FY 19 is as follows:

On a consolidated basis,

- Revenue from operations increased by 3.9% to ₹ 2,362.20 crore in FY 19 from ₹ 2,274.55 crore in FY 18, reflecting stable performance that the company has achieved post implementation of major restructuring exercise in FY 2018.
- Net Profit has increased from ₹ 95.91 crore in FY 18 to ₹ 148.73 crore in FY19.

On a standalone basis,

- Revenue from operations increased from ₹ 2,038.90 crore in FY18 to ₹ 2,069.89 crore in FY 19.
- Net profit for the FY19 increased by 46% to ₹ 83.03 crore, as compared to ₹ 56.88 crore in the previous year.

The cost of finance for FY 19 was lower by 39.86% over the previous year as total debt of the company, on a standalone basis, declined drastically from ₹ 4,474 crore in FY 17 to ₹ 2,403 crore in FY 18 and further to ₹ 2,215 crore in FY 19.

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 adding selected projects that are self-sustainable and get steady growth. The hassles faced by the economy in FY 19 may spill over to FY 20. However, the economic and business environment is expected to improve in second half of FY 20, as soon as the government settles down and the prospect of infrastructure industry brightens. Further, monetary and other public policy decisions may have a positive impact on the infrastructure industry.

The Company has already started witnessing growth, wherein the order books have increased significantly. Your company has come out as a winner under all odds. You will be glad to know that Lower Solu Hydro Project, executed by the company in Nepal, was awarded the Hydro Project of the Year 2019 on top of an award for Tuirial Project in Mizoram received in the previous year. With the urge to grow and stand out strong, I, as Chairman and Managing Director of your company, am confident that the positives are at the door step.

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

Yours truly,

Rupen

Rupen Patel

Chairman & Managing Director

COMPARATIVE CONSOLIDATED FINANCIALS

(₹ in million)

	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
A. FINANCIAL POSITION										
Share Capital	164.24	156.99	156.99	76.81	76.81	76.81	69.83	69.83	69.83	69.83
Reserves & Surplus	22,602.88	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
Shareholders Funds	**22,767.12**	**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**
Minority Interest	565.93	557.45	696.19	1,457.36	1247.37	1,293.29	988.98	834.06	704.27	615.24
Deferred Tax Liability (Net)	-	-	-	-	139.76	171.54	113.32	216.03	131.95	114.88
Loan Funds	26,980.07	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
Total Funds Employed	**50,313.12**	**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**
Fixed Assets (Net)	16,412.38	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
Investments	1,314.43	1,411.33	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88	780.35	698.17
Deferred Tax Assets (Net)	1,638.67	1,166.05	937.98	301.48	-	-	-	-	-	-
Net Current Assets & Non Current Assets	30,947.64	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
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-	-	-	-	-	82.44	66.97
Total Application of Funds	**50,313.12**	**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**
B. OPERATING RESULTS										
Income from Operations	23,622.05	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
Other Income	1,751.00	2,425.95	2,541.16	1,528.39	1,159.22	1,067.37	817.47	910.92	229.75	630.12
Total Income	**25,373.05**	**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**
Total Expenditure	**24,278.17**	**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**
Profit before Tax	1,986.40	935.20	-710.96	-2164.10	316.88	459.97	1,258.84	1,299.38	1,847.17	3,049.90
Profit after Tax	1,544.39	1,025.83	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87	1,307.26	2,120.57
Minority Interest and other adjustments	57.14	66.77	-441.81	-84.77	12.04	83.49	92.27	35.99	81.21	138.96
Net Profit	**1,487.25**	**959.07**	**-593.99**	**-1,885.52**	**84.69**	**163.69**	**650.03**	**665.88**	**1,226.05**	**1,981.61**
C. EQUITY SHARE DATA										
Earning per share (₹)	9.71	6.67	-9.83	-24.30	1.10	2.15	9.31	9.54	17.56	30.96
Number of Shares	164,248,506	156,994,691	156,994,691	76,806,282	76,806,282	76,244,325	69,827,151	69,827,151	69,827,151	69,827,151
Dividend %	-	-	-	-	-	-	-	30%	100%	200%

Board's Report

To the Members of Patel Engineering Limited,

The Directors hereby present the 70th Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2019:

FINANCIAL HIGHTLIGHTS

Standalone and Consolidated Financial Performance (₹ in millions)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	25,373.05	25,171.44	23,560.96	24,202.50
Total Expenses	20,073.55	17,437.59	17,928.53	15,829.80
EBITDA	5,299.50	7,733.85	5,632.43	8,372.70
Depreciation	501.95	542.73	409.25	444.70
Finance Cost	3702.67	4,894.23	3225.23	5,362.40
Exceptional Item#	(891.52)	1,361.70	844.34	2,043.00
Profit before tax	**1986.40**	**935.20**	**1153.61**	**522.60**
Tax expenses	**444.94**	**(112.69)**	**324.87**	**(68.20)**
Net Profit after tax	1541.46	1,047.89	828.74	590.80
Other Comprehensive Income (Net)	2.93	(22.06)	1.52	(22.06)
Total comprehensive income for the year attributable to:	**1544.39**	**1,025.83**	**830.26**	**568.74**
Minority Interest	57.14	66.77	-	-
Owners of the Parent	1487.25	959.06	-	-
Add: Opening Balance in Profit & Loss A/c	5,508.85	4604.22	6712.06	6,282.01
Appropriations / adjustments##	(461.08)	(54.43)	(67.66)	(138.70)
Surplus carried to the Balance sheet	**6,683.17**	**5,508.85**	**7,474.66**	**6,712.06**
Earnings per equity shares ₹ (face value ₹ 1 each)				
- Basic	9.71	6.67	5.22	3.76
- Diluted	4.87	5.28	2.97	3.44

Refer Note No. 31 of Financial Statements

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

Consolidated:

The Consolidated total income stood at ₹ 25,373.05 million as against ₹ 25,171.44 million for the previous year. The EBITDA was at ₹ 5,299.50 million as against ₹ 7,733.85 million for the previous year. The total comprehensive income is at ₹ 1,544.39 million as against ₹ 1,025.83 million for the previous year.

Standalone:

On Standalone basis, the total income stood at ₹ 23,560.96 million as against ₹ 24,202.50 million for the previous year. The EBITDA was at ₹ 5,632.43 million as against ₹ 8,372.70 million for the previous year. The total comprehensive income is at ₹ 830.26 million as against ₹ 568.74 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2018-19.

Share Capital

During the year under review, 72,53,815 Equity Shares of face value ₹ 1 each were allotted to Patel Engineering Employee Welfare Trust. Consequently, as at March 31, 2019, the total paid up share capital of the Company stood at ₹ 164.25 million divided into 16,42,48,506 Equity Shares of ₹ 1 each.

Finance

In total, the Company from time to time has raised money through borrowings (long and short terms, NCDs, OCDs and unsecured loans) and the total amount outstanding on standalone basis as on March 31, 2019 is ₹ 22,152.70 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 Optionally Convertible Debentures in terms of the Scheme, 7,52,200 OCDs in aggregate were allotted on December 31, 2018 converting ₹ 405 million NCDs and interest thereon. ₹ 734.9 million OCDs were redeemed during the year under review.

The outstanding OCDs as on March 31, 2019 stands at ₹ 6,067 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 the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Subsidiaries & Associates

As on March 31, 2019, the Company has 72 subsidiaries including step down subsidiaries.

ASI Australia Constructors Inc and HCP Constructors Inc ceased to be the subsidiaries of ASI Constructors Inc w.e.f June 20, 2018 and April 5, 2017 respectively on account of dissolution of these Companies.

Terra Land Developers Limited ceased to be an associate Company w.e.f December 27, 2018 on account of disinvestment.

Highlights of performance of key subsidiaries/Associates

Michigan Engineers Private Limited having presence in urban infrastructure Projects, has an order book totaling to ₹ 6,810.19 million. Majority of the orders are in the segment of Micro tunneling in Mumbai.

Raichur Sholapur Transmission Company Private Limited (RSTCPL) commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. Project 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, 96.8% in 2016 and 99.39% in 2017. 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 currently under operation and the debt obligation is timely serviced by RSTCPL. The Lenders have sanctioned Term Loan to refinance the existing ECB facility, which is under process.

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144MW Gongri Hydroelectric Power Project in West Kameng district in Arunachal Pradesh. The physical progress of the project is on halt mainly due to delay in obtaining consent from State Pollution Control Board, untimely disbursement by project lenders, untimely infusion of equity. Dirang and the Company is in discussion with the lenders for resolution of outstanding debt and the same is under consideration. Dirang and the Company has approached 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 mall on as is where basis. After following due process as suggested by the Bankers the identified buyer is in process to mobilise funds for purchase of mall as is where is basis. However due to current turmoil, in the financial markets mobilization of funds taking longer time than expected.

The status of *Patel KNR Infrastructure Ltd* and *Patel KNR Heavy Infrastructure Limited* continue to remain the same. The Company holds substantial stake in these road project companies. Both the NHAI annuity projects are under operation and the respective companies are receiving the annuity on semi-annual basis. The respective Companies are maintaining the assets as per the contract conditions. The Company and KNR Construction, the promoters of these companies are looking for the divestment in the Projects.

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 is substantially completed and internal finishing works are going on. The company has mobilized various agencies to expedite MEP works.

Step Down Subsidiaries of Patel Energy Resources Limited, wholly owned subsidiary of the Company, 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 the process of arbitration.

The salient features of the financial statement of each of the subsidiaries, associates and joint ventures as required under the Companies Act, 2013 is provided in **Annexure I** of the Boards' Report. The financial statement of the subsidiary companies are available on the website of the Company at the link https://tinyurl.com/y6j9wcml. 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: https://tinyurl.com/y4dpmjxu.

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.

Related Party Transactions

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: http://tinyurl.com/nrqnhhs

Directors and Key Managerial Personnel

i. Independent Director

The Board of Directors on recommendation of Nomination and Remuneration Committee and in accordance of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 recommended re-appointment Mr. Khizer Ahmed and appointment of Mr. Ramasubramanian, for second term of 1 (one) year and 5 (five) years respectively. The said re-appointment and appointment have been included in the Notice convening the ensuing Annual General Meeting (AGM) for approval of the Members and shall be effective from the conclusion of the 70th AGM.

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

ii. Executive Director

The Board of Directors at their meeting dated August 14, 2018 re-appointed Mr. C. K. Singh as Whole Time Director, designated as "Whole time Director – Operations", for a period of 5 years effective from May 30, 2019. The same was approved by the shareholders at the last AGM held on September 27, 2018. Post approval, the terms of re-appointment as approved by the Board and shareholders was recorded in the form of an agreement.

iii. Other Directors / Key Managerial Personnel

Ms. Kavita Shirvaikar retires by rotation at the ensuing AGM and being eligible, offer herself for re-appointment.

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 2018-19

During the year ended March 31, 2019, the Board met 4 (four) times.

Remuneration Policy

The Company has formulated 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 the performance of the Board

Based on Boards' Evaluation Policy, the performance of the Board Directors, its Committees, Chairman, Executive Directors, Independent Directors and Non–executive Directors was evaluated.

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

Internal Financial Controls and Risk Management

The Company has in place adequate internal financial control with reference to financial statement. The Company ensures operational efficiency, protection and conservation of resources, accuracy in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process.

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

Audit Committee

The Audit Committee presently comprises of:

Mr. Khizer Ahmed (as Chairman) - Independent Director

Mr. S. Jambunathan- Independent Director

Mrs. Geetha Sitaraman- Independent Director

Mr. Rupen Patel – Managing Director

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.

Corporate Social Responsibility

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 – Managing Director

Ms. Kavita Shirvaikar – Executive Director

Mr. Khizer Ahmed – Independent Director

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

Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Corporate Social Responsibility Rules, 2014, the CSR Report forms part of the Board Report as **Annexure III**. On account of financial constraints, the Company could not spend on CSR activities. The Board intend to utilize the allocated amount to the best extent in FY 2019-20.

Auditors

At the 68th Annual General Meeting held on December 30, 2017, the Members has appointed M/s. T. P Ostwal Associates LLP (FRN: 124444W/W100150) as Auditors of the Company for a term of 5 years to hold office until 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, 2017, members has appointed M/s. R. S. Parekh & Co., Chartered Accountants as the Branch Auditor to audit the Realty Division of the Company for a term of 5 years to hold office until the conclusion of the 73rd AGM to be held in the year 2022.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Audit

MMJC & Associates LLP, Company Secretaries were appointed as the Secretarial Auditor to conduct the Secretarial Audit for the financial year ended March 31, 2019. The Report of the Secretarial Auditor is provided as **Annexure IV** to this Report.

With respect to one observation pertaining to delay of 1 day in intimating the record date to NSE in terms of SEBI LODR , the shareholders may note that the same has been taken note of and the company shall take extra precaution in future to avoid such delay.

Cost Records

The provisions of Section 148(1) of the Companies Act, 2013 are applicable to the Company and accordingly the Company has maintained cost accounts and records for the year ended March 31, 2019.

Prevention of sexual harassment of Women at workplace

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

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.

iv. The Company has complied with the Secretarial Standard issued by the Institute of Company Secretaries of India.

v. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Annual Return

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Annual return in Form MGT -7 for the year 2018-19 is available on the website of the Company at the link: https://tinyurl.com/yyu4y7pl.

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 VI** 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.

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.

Employee Stock Option / General Benefits Scheme

The Company currently has two Schemes for its employees viz Patel Engineering Employee Stock Option Plan and Patel Engineering General Employee Benefits Scheme 2015

The applicable disclosure under SEBI (share Based employee Benefits) Regulations, 2014 ("the ESOP Regulations") as at March 31, 2019 is uploaded on the Company's website at the link https://tinyurl.com/y3on8ym8.

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

Directors' Responsibility Statement

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

i. in preparation of the annual accounts, the applicable accounting standards had been followed;

ii. such accounting policies 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, 2019;

iii. 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 accounts have been prepared on a going concern basis;

v. internal financial controls were followed by the Company and the same are adequate and were operating effectively; and

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

Acknowledgements

The Board of Directors wish to place on record their appreciation for continued support and co-operation by Shareholders, Financial Institutions, Banks, Government Authorities and other Stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors,
Patel Engineering Limited

Rupen Patel
Chairman & Managing Director
(DIN: 00029583)

Mumbai
August 14, 2019

Annexure I AOC - 1

Statement containing the salient features of the financial statements of subsidiaries

(pursuant to first provision 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 millions)

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
DIRECT SUBSIDIARIES																
1	Zeus Minerals Trading Pvt. Ltd.	1-Apr-2009	INR	0.60	(0.39)	144.09	144.09	-	-	(0.05)	-	(0.05)	NIL	India	0.60	100
2	Patel Concrete & Quarries Pvt. Ltd.	10-Mar-2008	INR	1.00	(0.38)	145.84	145.84	-	-	(0.05)	-	(0.05)	NIL	India	1.00	100
3	Friends Nirman Pvt. Ltd.	14-Jun-2010	INR	0.33	22.32	22.84	22.84	-	-	0.05	-	0.05	NIL	India	0.33	100
4	Energy Design Pvt. Ltd.	15-Jun-2009	INR	0.50	(69.73)	4.91	4.91	-	-	(11.66)	-	(11.66)	NIL	India	0.50	100
5	Shreeanant Constructions Private Limited*	10-Dec-2005	INR	0.10	(35.49)	78.80	78.80	-	-	(11.31)	-	(11.31)	NIL	India	0.10	100
6	Patel Lands Ltd.	25-Aug-2010	INR	0.50	(0.19)	48.01	48.01	-	-	(0.03)	-	(0.03)	NIL	India	0.50	100
7	Michigan Engineers Pvt. Ltd.	1-May-1973	INR	17.36	1,127.48	2,504.31	2,504.31	-	-	91.68	(17.96)	73.72	NIL	India	0.89	51
8	Patel Engineering Infrastructure Ltd.	30-Jun-2006	INR	100.00	8.69	645.59	645.59	100.06	-	-	-	-	NIL	India	100.00	100
9	Patel Energy Resources Ltd.	18-Mar-2008	INR	3,440.73	(1,547.05)	6,825.06	6,825.06	4,021.14	-	662.28	-	662.28	NIL	India	3,440.73	100
10	Pandora Infra Pvt. Ltd.	28-Jun-2012	INR	70.00	(1.20)	547.23	547.23	-	-	(0.09)	-	(0.09)	NIL	India	70.00	100
11	Patel Engineers Pvt. Ltd.	2-Jul-2012	INR	91.00	2.00	96.10	96.10	96.02	-	(0.41)	-	(0.41)	NIL	India	91.00	100
12	Patel Patron Pvt. Ltd.	28-Jun-2012	INR	140.70	(1.85)	207.88	207.88	-	-	(0.14)	-	(0.14)	NIL	India	140.70	100
13	Vismaya Constructions Pvt. Ltd.	21-May-2007	INR	55.10	(1.15)	121.57	121.57	-	-	(0.10)	-	(0.10)	NIL	India	55.10	100
14	Bhooma Realties Pvt. Ltd.	22-May-2007	INR	72.10	46.59	552.34	552.34	-	-	(1.85)	(0.61)	(1.24)	NIL	India	72.10	100
15	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	INR	78.80	(1.29)	410.55	410.55	-	-	(0.10)	-	(0.10)	NIL	India	78.80	100
16	Apollo Buildwell Pvt. Ltd.	18-Jan-2007	INR	0.50	(37.46)	139.83	139.83	0.01	-	(22.53)	-	(22.53)	NIL	India	0.50	100
17	Arsen Infra Pvt. Ltd.	5-Sep-2006	INR	0.50	(0.20)	17.07	17.07	-	-	(0.99)	(0.01)	(0.98)	NIL	India	0.50	100
18	Hera Realcon Pvt. Ltd.	28-Dec-2006	INR	0.50	(1.47)	0.28	0.28	-	-	(0.19)	-	(0.19)	NIL	India	0.49	97.13
19	Lucina Realtors Pvt. Ltd.	30-Dec-2006	INR	0.50	0.05	0.57	0.57	-	-	(0.04)	-	(0.04)	NIL	India	0.50	100
20	PBSR Developers Pvt. Ltd.	1-Feb-2012	INR	0.10	(102.13)	2,996.59	2,996.59	-	11.50	(4.00)	64.73	(68.73)	NIL	India	0.10	100
21	Patel KNR Infrastructure Limited	26-Jun-2006	INR	370.00	59.91	3,653.91	3,653.91	273.64	507.31	35.18	4.57	30.61	NIL	India	222.00	60
22	Hampus Infrastructure Limited	27-Mar-2018	INR	0.10	(0.08)	0.09	0.09	-	-	(0.08)	-	(0.08)	Nil	India	0.10	100
23	Waterfront Developers Ltd.*	18-Jan-2007	INR	0.16	(43.05)	999.45	999.45	0.20	70.30	1.12	-	1.12	NIL	Mauritius	0.16	100
24	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	1 USD= 69.4460 INR	164.24	(1,098.18)	214.59	214.59	-	-	(10.36)	(33.94)	(44.30)	NIL	Singapore	164.24	100
25	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	1 USD= 69.4460 INR	34.72	(16.61)	51.26	51.26	32.29	-	(2.78)	-	(2.78)	NIL	Mauritius	34.72	100
26	Patel Engineering Inc.*	30-Sep-1999	1 USD= 69.4460 INR	0.03	(189.78)	198.64	198.64	1.12	-	(192.59)	-	(192.59)	NIL	USA	391.53	100
27	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	1 LKR = 0.39580 INR	36.24	(10.20)	43.80	43.80	4.35	-	(13.86)	-	(13.86)	NIL	Srilanka	36.33	100
SUBSIDIARY OF PATEL ENGINEERS PVT. LTD																
28	Phedra Projects Pvt. Ltd.	5-Sep-2006	INR	27.71	5.05	49.94	49.94	29.18	-	(0.18)	(0.05)	(0.13)	NIL	India	27.71	100
SUBSIDIARIES OF PATEL ENERGY RESOURCES LTD.																
29	Patel Energy Ltd.	17-Sep-1996	INR	186.45	(20.96)	1,062.54	1,062.54	-	-	-	-	-	NIL	India	186.45	100
30	Patel Energy Operations Pvt. Ltd.	3-Jun-2008	INR	0.73	-	77.79	77.79	-	-	-	-	-	NIL	India	0.73	100

(₹ in millions)

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
31	Patel Energy Projects Pvt. Ltd.	3-Jun-2008	INR	0.10	-	68.10	68.10	-	-	-	-	-	NIL	India	0.10	100
32	Patel Energy Assignment Pvt. Ltd.	26-Jun-2008	INR	0.10	-	51.56	51.56	-	-	-	-	-	NIL	India	0.10	100
33	PEL Power Ltd.	5-Sep-2006	INR	1,380.81	3.71	3,915.72	3,915.72	-	-	-	-	-	NIL	India	1,380.81	100
34	PEL Port Pvt. Ltd.	17-Jul-2008	INR	89.46	-	91.35	91.35	6.83	-	-	-	-	NIL	India	89.46	100
35	Patel Thermal Energy Pvt. Ltd.	18-Feb-2011	INR	0.50	-	48.02	48.02	-	-	-	-	-	NIL	India	0.50	100
36	Jayshe Gas Power Pvt. Ltd.	24-Dec-2010	INR	0.10	-	48.88	48.88	-	-	-	-	-	NIL	India	0.10	100
37	Patel Hydro Power Pvt. Ltd.	29-Nov-2010	INR	362.88	(513.27)	903.51	903.51	229.49	-	1,027.46	-	1,027.46	NIL	India	362.88	100
38	Naulo Nepal Hydro Electric Pvt. Ltd.	2-Oct-2008	1 NPR = 0.625 INR	97.15	-	120.50	120.50	-	-	-	-	-	NIL	Nepal	92.24	95
SUBSIDIARIES OF PATEL HYDRO POWER PVT. LTD.																
39	Dirang Energy Pvt. Ltd.	23-Jun-2008	INR	710.00	1.84	6,562.97	6,562.97	-	-	-	-	-	NIL	India	710.00	100
40	West Kameng Energy Pvt. Ltd.	26-Jun-2008	INR	0.10	-	201.00	201.00	-	-	-	-	-	NIL	India	0.10	100
41	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	INR	0.73	-	223.81	223.81	-	-	-	-	-	NIL	India	0.73	100
42	Digin Hydro Power Pvt. Ltd.	2-Jul-2008	INR	0.10	-	259.08	259.08	-	-	-	-	-	NIL	India	0.10	100
43	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	INR	4.78	-	208.02	208.02	-	-	-	-	-	NIL	India	4.78	100
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD																
44	Les Salines Development Ltd.*	28-Mar-2008	INR	0.13	(136.62)	976.53	976.53	0.00	-	(37.93)	-	(37.93)	NIL	Mauritius	0.13	80
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																
45	La Bourgade Development Ltd.*	14-Jul-2008	INR	0.00	(2.05)	0.05	0.05	-	-	(0.02)	-	(0.02)	NIL	Mauritius	0.00	100
46	Ville Magnifique Development Ltd.*	14-Jul-2008	INR	0.00	(1.79)	0.05	0.05	-	-	(0.26)	-	(0.26)	NIL	Mauritius	0.00	100
47	Sur La Plage Development Ltd.*	18-Jul-2008	INR	0.00	(0.21)	0.05	0.05	-	-	(0.25)	-	(0.25)	NIL	Mauritius	0.00	100
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																
48	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	1 USD= 69.4460 INR	69.45	(293.66)	0.10	0.10	-	-	0.11	-	0.11	NIL	Singapore	41.67	60
49	Patel Param Energy Pte Ltd.*	10-Aug-2008	1 USD= 69.4460 INR	35.42	(108.53)	7.84	7.84	-	-	0.01	.	0.01	NIL	Singapore	21.25	60
50	Patel Param Natural Resources Pte Ltd.*	10-Aug-2008	1 USD= 69.4460 INR	0.69	(45.87)	0.14	0.14	-	-	0.01	-	0.01	NIL	Singapore	0.42	60
51	Patel Param Minerals Pte Ltd.*	10-Aug-2008	1 USD= 69.4460 INR	0.69	(255.01)	0.08	0.08	-	-	0.01	-	0.01	NIL	Singapore	0.42	60
52	PT PEL Minerals Resources *	3-Feb-2009	1 IDR = 0.004875 INR	13.44	(33.42)	36.67	36.67	-	-	(0.36)	-	(0.36)	NIL	Indonesia	13.44	100
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																
53	PT Surya Geo Minerals *	23-May-2011	1 IDR = 0.004875 INR	26.89	(138.14)	225.81	225.81	-	-	(3.39)	-	(3.39)	NIL	Indonesia	26.89	100
SUBSIDIARY OF PT PEL MINERAL RESOURCES																
54	PT Patel Engineering Indonesia *	23-May-2011	1 IDR = 0.004875 INR	26.89	(9.10)	41.36	41.36	-	-	(1.41)	-	(1.41)	NIL	Indonesia	26.89	100
SUBSIDIARY OF PATEL PARAM MINERALS PTE LTD																
55	PT Patel Surya Minerals *	12-Nov-2008	1 IDR = 0.004875 INR	13.36	(164.22)	203.41	203.41	-	-	(8.56)	-	(8.56)	NIL	Indonesia	13.36	100

(₹ in millions)

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
SUBSIDIARY OF PATEL PARAM ENERGY PTE LTD																
56	PT Patel Surya Jaya *	10-Oct-2008	1 IDR = 0.004875 INR	13.38	(179.57)	780.82	780.82	-	-	16.58	-	16.58	NIL	Indonesia	13.38	100
SUBSIDIARY OF PATEL PARAM NATURAL RESOURCES PTE LTD																
57	PT Surpat Geo Minerals *	7-Apr-2011	1 IDR = 0.004875 INR	26.89	(0.47)	26.89	26.89	-	-	(0.00)	-	(0.00)	NIL	Indonesia	26.89	100
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																
58	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	1 USD= 69.4460 INR	32.29	(189.46)	97.92	97.92	94.95	-	(17.25)	-	(17.25)	NIL	Mauritius	32.29	100
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																
59	Accord Mines Venture Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(13.42)	-	-	-	-	(0.31)	-	(0.31)	NIL	Mozambique	0.03	100
60	Patel Assignment Mozambique Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(2.10)	11.17	11.17	-	-	(0.33)	-	(0.33)	NIL	Mozambique	0.03	100
61	Chivarro Mines Mozambique Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(3.30)	-	-	-	-	(0.05)	-	(0.05)	NIL	Mozambique	0.03	100
62	Enrich Mining Vision Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(21.58)	-	-	-	-	(0.55)	-	0.55	NIL	Mozambique	0.03	100
63	Fortune Mines Concession Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(33.99)	2.47	2.47	-	-	(0.68)	-	0.68	NIL	Mozambique	0.03	100
64	Metalline Mines Works Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(12.62)	0.07	0.07	-	-	(0.31)	-	0.31	NIL	Mozambique	0.03	100
65	Netcore Mining Operations Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(1.66)	0.24	0.24	-	-	(0.06)	-	0.06	NIL	Mozambique	0.03	100
66	Omini Mines Enterprises Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(1.93)	0.33	0.33	-	-	(0.07)	-	(0.07)	NIL	Mozambique	0.03	100
67	Patel Infrastructure, Lda *	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(15.01)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100
68	Patel Mining Priviledge, Lda*	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(8.27)	177.29	177.29	-	-	7.18	-	7.18	NIL	Mozambique	0.03	100
69	Quest Mining Activities, Lda*	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(2.25)	0.00	0.00	-	-	0.07	-	0.07	NIL	Mozambique	0.03	100
70	Trend Mining Projects Lda*	7-Jul-2007	1 MZM = 1.081154 INR	0.03	(14.73)	-	-	-	-	(0.31)	-	(0.31)	NIL	Mozambique	0.03	100
SUBSIDIARY OF PATEL ENGINEERING INC.																
71	ASI Global LLC*	15-Aug-2009	1 USD= 69.4460 INR	-	(0.02)	1.11	1.11	0.56	-	(0.02)	-	(0.02)	Nil	USA	-	100

* Financial information is based on unaudited results

Note

i. the Financial year for all the subsidiaries is March 31 same as that of the Company

ii. proposed dividend from any of the subsidiaries is nil

iii. ASI Constructors Inc 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 provision 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 millions)

	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	Patel KNR Heavy Infrastructure Limited	Hitodi Infrastructure Pvt. Ltd.	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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
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	20-Apr-06	14-Jun-17	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.	26,672,000	84,95,040	24,662	52,600	10,006,000	24,009,594	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (Rs. in Millions)	266.72	2654.7	0.25	0.53	100.06	240.10	(55.32)	-	100.90	1,110.81	4.79	1.14	1.86	65.97	17.37	78.94	-	-	127.10	-	(3.34)
Extent of Holding (in percentage)	33.34%	32%	49.32%	37.57%	42.00%	49.87%	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%	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	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	240.00	1936.3	-	(16.84)	267.21	(249.36)	(55.32)	-	100.90	1,110.81	4.79	1.14	1.86	65.97	17.37	78.94	-	-	127.10	-	(3.34)
7. Profit or Loss for the year: (i+ii)	(0.17)	(33.64)	(0.01)	(374.27)	(88.98)	(990.22)	(2.10)	-	0.59	13.21	(0.01)	0.03	(0.01)	13.16	(17.59)	(0.70)	-	-	0.20	20.51	5.50
i. Considered in Consolidation		(33.64)	(0.01)	(374.27)		(493.82)	(2.10)		0.59	13.21	(0.01)	0.03	(0.01)	13.16	(17.59)	(0.70)			0.20	20.51	5.50
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	N.A	N.A	N.A	N.A

* ceased to be associate effective from December 27, 2018

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 2018-19

(Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of 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 as stated below:

   Weblink: https://tinyurl.com/csrpolicy

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. Khizer Ahmed*	Independent director

   * inducted as member effective from August 14, 2018

3. Average net profit of the Company for last three financial years: ₹ 1,215.59 million

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 24.31 million.

5. Details of CSR spent during the financial year.

   a) Total amount to be spent during the financial year: ₹ 24.31 million

   b) Amount unspent : ₹ 24.31 million

   c) Manner in which the amount spent during the financial year: The Company has not spent any amount during the financial year F.Y. 2018-2019 due to financial constraints.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: The Company has not spent any amount on CSR activities due to financial constraints.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company: 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, 2019

Annexure IV - Secretarial Audit Report for the financial year ended March 31, 2019

[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, 2019 (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, 2019 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;
- (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)**;

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above *except the intimation of record date i.e. 14th June, 2018 for the purpose of payment of interest was filed with NSE on 07th June, 2018 which is in delay of 1 day under Regulation 60 of LODR*.

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. 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. The Company has invested in Patel Energy Resources Ltd, the wholly owned subsidiary by conversion of loan of Rs. 90.21 crore into equity shares by way of right issue made by Patel Energy Resources Ltd.
2. Pursuant to approval of members of the Company via postal ballot dated 16th November,2017, the Allotment Committee allotted 12,69,900 Optionally Convertible Debentures of Rs. 1,000 each to SREI Equipment Finance Ltd, the lender of the Company against conversion of existing part debt under S4A Scheme implemented by the lenders.
3. Pursuant to approval of members of the Company at the Annual General Meeting dated 27th September, 2018, the Allotment Committee allotted 7,08,300 and 43,900 Optionally Convertible Debentures of Rs. 1,000 each to LIC of India and GIC of India, the lenders of the Company respectively against conversion of existing part debt under S4A Scheme implemented by the lenders.

For **MMJC & Associates LLP**
Practicing Company Secretaries

Deepti Joshi
Designated Partner
FCS: 8167
CP. No. 8968

Place: Mumbai
Date: 11th June, 2019

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**
Practicing Company Secretaries

Deepti Joshi
Designated Partner
FCS: 8167
CP. No. 8968

Place: Mumbai
Date: 11th June, 2019

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, 2019.

(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.
- Use of Steel Fibre Reinforced Concrete in tunnel lining instead of RCC (Reinforced Cement Concrete); thus saving in wastage of reinforcement, time & cost.

(C) Foreign exchange earnings and outgo

Foreign Exchange Earnings and Outgo during the year under review were ₹ 4,133.26 million (previous year ₹ 3,437.49 million) and ₹ 3,428.95 million (previous year ₹ 2,008.27 million) respectively.

Annexure VI- 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	57.52
		Mr. C. K. Singh	Whole Time Director	23.04
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	23.75
		Mr. Sunil Sapre	Whole Time Director	9.01
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any, in the financial year.	Directors/KMP's	Title	% increase in remuneration
		Mr. Rupen Patel	Managing Director	0.00
		Mr. C. K. Singh	Whole Time Director	0.00
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	0.00
		Mr. Sunil Sapre	Whole Time Director	4.90
		Ms. Shobha Shetty	Company Secretary	9.11
3	Percentage increase in the median remuneration of employees in the financial year.	4.86%		
4	Number of permanent employees on the rolls of the Company at the end of the year.	1,545 as on March 31, 2019		
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 2018-19 over 2017-18 is 4.08%, the corresponding average remuneration increase for other employees is 4.86%. Mr. Rupen Patel, CMD & other Directors' untiring efforts have improved the company's stressed financial situation, which in turn has enabled the organization to successfully bag key projects and limp back into its position of strength. Our Directors' active involvement in the operations and guiding the management team to achieve desired goals and objectives, has yielded rich dividends in the smooth & seamless execution of projects amidst extremely adverse circumstances.		
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.		

Management Discussion and Analysis

Indian Macroeconomic review

India has been among the fastest-growing economies in the world over the past few years, lifting millions out of poverty. The authorities have initiated important structural reforms to spur India's catch up with more advanced economies and to improve living standards for all. The main reforms include the inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC), the goods and services tax (GST), and steps to liberalize FDI flows and improve the business climate.

In recent years, the supply side of the economy has been strengthened through large investments in airports, roads, telecom, and power generation. Nevertheless, there is a general recognition that sustainably higher growth will require more action on addressing infrastructure bottlenecks. India's Project Monitoring Group (PMG) has been empowered to speed up investment approvals, but many projects are still pending PMG approval.

Stability of government for next 5 years after the recently concluded general elections indicates continuity in economic policy going forward, notably rising government spending with a focus on infrastructure and financial support for farmers. The economy should maintain momentum this fiscal year, which started in April, supported by robust government spending, accommodative monetary policy and greater political certainty following the elections. Weak public finances and rising global trade protectionism, however, weigh on prospects. Experts expect GDP growth of 7% in FY 2019 and 7.3% in FY 2020.

Union budget 2019-20 continues to emphasize the need for large investment in infrastructure- physical, financial and digital. Arrangement is being made to meet the large expenditure on infrastructure through extra-budgetary resources and off-budget financing. The budget has proposed to set up a high-level committee to study and recommend the financing options for long-term investment.

Within the physical infrastructure, we expect roads and railways to continue to garner a larger share of the total investment pie. During FY18, Ministry of Road Transport and Highways (India) (MoRTH) along with NHAI awarded 17,055 km and constructed 9,829 km roads. During FY19, the target is to achieve 20 per cent growth over FY18 in terms of awarding and 45 km a day in terms of construction.

For railways, electrification, station development and port connectivity projects will continue to offer large opportunities. Metro will continue to offer EPC opportunities to various construction players, as more than 25 cities in India will have metro rail networks in the coming years. Policy and regulatory environment has seen continuous improvement, but private participation is still lagging.

The policy and regulatory environment for public–private partnership in India has seen continuous improvement driven by 1) revival of stuck projects / faster dispute resolution, 2) availability of funding (through multilateral agencies and bonds), 3) large scale programmes like Bharatmala, UDAY, UJALA, UDAN etc. and 4) schemes like INViTs, REiTs.

Despite easing regulations, private investment has lagged substantially in the infrastructure space, largely due to unwillingness or lack of capacity of banks to fund these projects. Given the stress in the banking space, we expect private participation to remain subdued, but higher public spending should more than make up for it.

The Indian economy grew 5.8 percent year-on-year in the first quarter of 2019, slowing from a 6.6 percent expansion in the previous quarter and missing market expectations of 6.3 percent. It was the weakest growth rate since the first quarter of 2014, amid weaker consumer demand and fixed investment. Annual growth rate of India's GDP averaged 6.21 percent from 1951 until 2019, reaching an all-time high of 11.40 percent in the first quarter of 2010 and a record low of - 5.20 percent in the fourth quarter of 1979. Despite global headwinds and domestic disruptions like demonetization, GST, India's average GDP growth was 7.5 percent in the last five years.

India's CPI inflation increased to 2.92 percent year-on-year in April 2019 from 2.86 percent in March and below market expectations of 2.97 percent. It was the highest inflation rate in six months, as food prices rose the most since July last year. Inflation Rate in India averaged 6.15 percent from 2012 until 2019, reaching an all-time high of 12.17 percent in November of 2013 and a record low of 1.54 percent in June of 2017.

Overall outlook

INFRASTRUCTURE SECTOR IN INDIA

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. India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018.

Considering India's growth and the government's focus on infrastructure development, all infrastructure sectors including roads, railways, ports, airports and power are marked for massive capacity expansion in the near future. This presents a great opportunity for all stakeholders such as developers, financial institutions and suppliers to invest in this sector.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. The Government of India is taking every possible initiative to boost the infrastructure sector. Announcements in Union Budget 2019-20:

- The Government of India has given a massive push to the infrastructure sector by allocating ₹ 45,60,000 million (US$ 63.20 billion) for the sector.

- The Indian Railways received allocation of ₹ 66.77 billion (US$ 9.25 billion) under Union Budget 2019-20. Out of this allocation, ₹ 64.587 billion (US$ 8.95 billion) is capital expenditure.
- ₹ 83,0159 million (US$11.51 billion) allocated towards road transport and highway.
- ₹ 3,8999 million (US$ 540.53 billion) to increase capacity of Green Energy Corridor Project along with wind and solar power projects.
- Allocation of ₹ 8,3500 million (US$ 1.16 billion) to boost telecom infrastructure.
- Water supply to be provided to all households in 500 cities.
- Allocation of ₹ 8,880 million (US$ 110.88 million) for the upgradation of state government medical colleges (PG seats) at the district hospitals and ₹ 1,3610 million (US$ 188.63 million) for government medical colleges (UG seats) and government health institutions.

With the driving force of government capex, the construction sector has witnessed a spike in order inflow in FY 19. Driven by the general elections and given the favorable macro situation, the pace of implementation of infra projects has improved considerably in FY 2018-19.

Power sector continues to remain one of the important sectors, with various projects in pipeline and also with the inclusion of large hydro power projects under renewable energy benefits. Electrification Projects under Saubhagya Scheme has ensured electrification in rural areas.

On the irrigation and water front, various states have increased their spending like - Telangana, Andhra Pradesh, Karnataka, Gujarat, Haryana and Madhya Pradesh and Odisha.

Urban Infrastructure, which is the key focus of the current Government, played a key role over the years and is likely to continue in future with implementation of Smart Cities, Water Infrastructure, Housing for All under Pradhan Mantri Awas Yojana.

Road Sector

At present, National Highway network of about 92,851 km comprises only 1.9% of the total length of roads, but carries over 40% of the total traffic across the length and breadth of the country.

ROAD NETWORK IN INDIA

Category of Road	Length in Km
Total Road Network	48.65 lakhs
National Highways	92,851
State Highways	1,38,489
Major District Road, Rural Road and Urban Road	46.34 lakhs

Source: Overview published by the Ministry of Road Transport and Highways, Government of India

The National Highways have a total length of 115435 km to serve as the arterial network of the country

Target and performance

Sr. No.	Parameter	Target (2018-2019)	Achievement (2018-19)
1	Road length to be Awarded (Km)	20,000 (Proposed)	892
2	Completion of construction (Km)	16,418	2,345
3	Highway Length Tolled (Km)	4,000	554.74
4	Collection of Toll Revenue by NHAI (₹ Crore)	8.000	2,257.6

Source: Targets and Performance, Ministry of Road Transport & Highways, Government of India

Highways being the lifeline for any economy, the Ministry of Road Transport & Highways (MoRT&H), Government of India has decided to induct technology to make travel across Indian National highways seamless. Electronic Toll Collection (ETC) is the recent most initiative to enable a near non-stop travel for highway commuters across the Country. *(Source: Report by Apex Committee, National Highways Authority of India)*

Power Sector in India

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

As on March 31, 2018, there were 712 HE generating units installed in 206 Hydro-Electric Stations with an aggregate installed capacity of 45293.42 MW in operation.

Reassessment studies of Hydro Electric Potential in various river basins of the country were carried out by Central Electricity Authority during the period 1978-87. As per these studies, total Hydro Electric Power potential in the country was assessed as 84044 MW (at 60% load factor) from a total of 845 identified H.E. Schemes which when fully developed would result in an installed capacity of about 148701 MW.

Indian Renewable Energy Industry Analysis

The Indian renewable energy sector is the fourth most attractive renewable energy market in the world as per the Renewable Energy Attractiveness Index 2018. Installed renewable power generation capacity has increased at a fast pace over the past few years, posting a CAGR of 19.78 per cent between FY14-18. India ranked second among the emerging economies to lead to transition to clean energy in 2018. The Ministry of New and Renewable Energy, Government of India, has formulated an action plan to achieve a total capacity of 60 GW from hydro power and 175 GW from other RES by March 2022, which includes 100 GW of Solar power, 60 GW from wind power, 10 GW from biomass power and 5 GW from small hydro power.

Company Update

Engineering and Construction:

India, to sustain its economic growth trajectory, will need to develop and augment construction and infrastructure sector. In order to bridge this deficiency in infrastructure the government plans a total investment of ₹ 59,00,000 million in next year.

By 2025, Construction market in India is expected to emerge as the third largest globally

By 2025, Construction output is expected to grow on average by 7.1% each year

By 2020, Construction equipment industry's revenue is estimated to reach $ 5 billion

Out of the total allocation, more than 80.00% is planned to be spent on hydropower, irrigation and urban infrastructure.

We intend to leverage our experience in the hydro-power projects, irrigation and urban infrastructure segments to bid for projects in which the Government is investing funds. Our Company will continue to focus on its core business segments: hydro power, irrigation and urban infrastructure.

Currently, our construction business undertakes:

- Hydro-power projects including dams, tunnels, power-houses and barrages;
- Irrigation and water supply projects including dams, weirs and pump houses;
- Urban infrastructure projects & Others including sewerage, Microtunnelling and horizontal directional drilling and pipelines; and
- Transportation projects including roads, bridges, flyovers and tunnels for railways.

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 Hydro mechanical Works)

c) Tunnel T-2, & T-15 in J&K.

d) Parnai H.E. Project, J&K.

e) Ganol H.E. Project, Meghalaya.

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 –

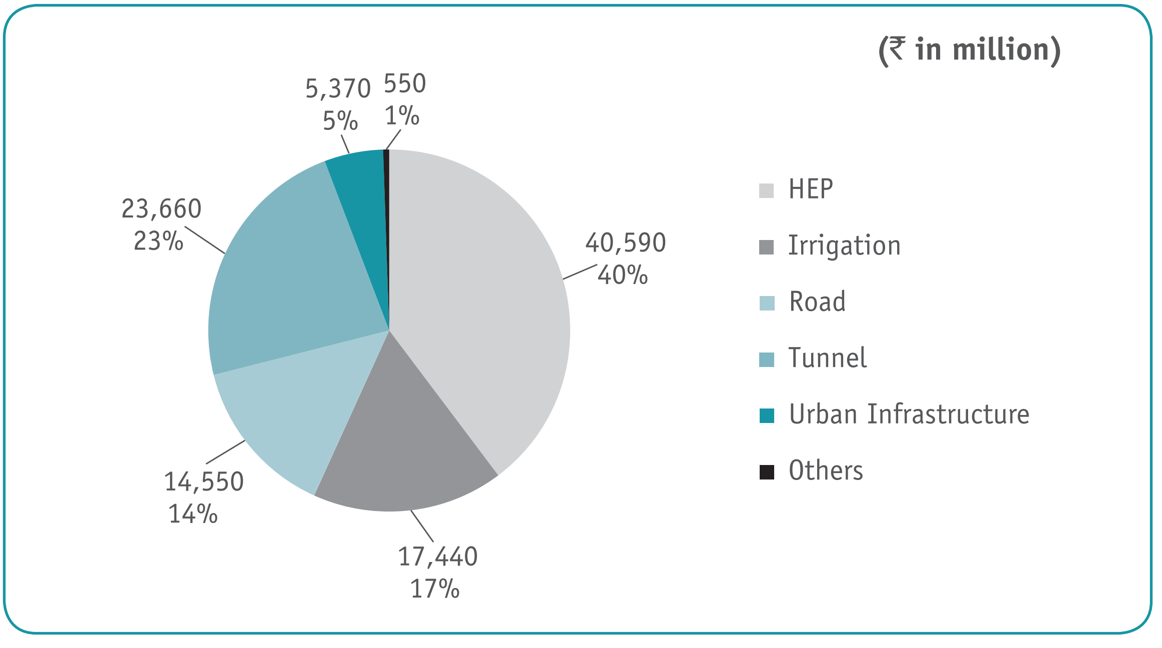
a) 4 Laning of Sangrur-Punjab / Haryana Border, Punjab for a length of 30 km valued at ₹ 2,700 million.

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

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, 2019 was ₹ 102,150 million, out of which sectoral break up is as follows Hydro – 40%, Tunnels – 23%, Irrigation – 17%, Urban Infra & Roads – 18% and Others – 2%.



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

The Company has secured Substantial Orders since implementation of the Resolution plan as under:.

Project Name	Client	Segment	(₹ in million)	Client
Kundah HE Project, Package I	State Government	HEP	3,460	Tamil nadu Generation & Distribution Corporation Limited
Kundah HE Project, Package II	State Government	HEP	3,210	Tamil nadu Generation & Distribution Corporation Limited
Arun HE Project	SJVNL, Nepal	HEP	11,260	SAPDC/SJVN
Amar Mahal to Trombay Water Tunnel	State Government	Tunnel	6,180	MCGM

Project Name	Client	Segment	(₹ in million)	Client
Meghalaya Power Distribution Corporation Limited, Shilong, Meghalaya	State Government	Urban Infrastructure	1,790	Meghalaya Power Distribution Corporation Limited, Shilong, Meghalaya
Balipara – Chardaur Tawang Road, Arunachal Pradesh	Central Government	Road	6,470	Border Road Organisation, Ministry of Defence, New Delhi
Gond Irrigation Project	State Government	Irrigation	7,450	Government of Madhya Pradesh
Barauni Project	Central Government	Irrigation	732	WAPCOS Limited
Totals			**40,552**	

The performance of FY 19 is as follows:

On a consolidated basis,

- Revenue from operations increased by nominal 0.8% from ₹ 22,745.49 million in FY 18 to ₹ 23,622.05 million in FY 19. The period is reflection of the stable performance that the company has achieved post implementation of major restructuring exercise in FY 2018.
- Net Profit after minority interest has increased from ₹ 959.06 million in FY 18 to 1,487.25 million in FY19.

On a standalone basis,

- Revenue from operations increased from ₹ 2,0389 million in FY 18 to ₹ 2,0698.90 million in FY 19.
- Total comprehensive income for the FY19 stood at ₹ 830.26 million, as compared to ₹ 568.74 million in the previous year.
- The cost of finance for the FY 19 was lower by 39.86% over the previous year as the total debt of the company, on a standalone basis, as debt has come down drastically from ₹ 44,740 million in FY 17 to ₹ 5362.40 million in FY 18 to ₹ 3225.23 million in FY 19. The outstanding debt as on March 31, 2019 includes ₹ 6060 million worth of Optionally Convertible Debentures (OCD) issued as part of the S4A Scheme in November 2017, which is repayable over 10 years, beginning 6th year. 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 several banks have just moved out of prompt corrective action (PCA) norms, the decision making process among lenders is slow and availability of additional non-fund based limits is being restricted to some extent. However, the company has been able to add more than ₹ 40,000 million of orders in a span of less than 6 months and the order book stands approximately at ₹ 1,02,150 million as on March 31, 2019.
- The credit rating of the company continues to be in investment grade with stable outlook, which is expected to improve further with better performance. The company has also been able to expand its foot print in international geographies.
- 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 and expects to receive more funds from FY 20 onwards, which shall reduce the debt burden of the company further.

Further, the company will continue to focus on realizing arbitration award monies 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. We have put in place a monitoring system for our working capital management. Our Company focuses on bidding for projects with reputed clients with well-funded projects. This results in efficient working capital management. Further, we endeavor to going forward take self-funded projects, i.e. which can be funded through advances received from clients, which advance would be recovered through project billings, and hence, need of minimum additional fund based limits to be taken from lenders.

We intend to continue bidding for projects that are funded by either multilateral agencies like the Japanese Bank for International Co-operation, the World Bank and the Asian Development Bank or by central or state governments. The advantage of bidding for projects that have guaranteed funding by the multilateral agencies is that these agencies regularly monitor the progress of the projects and ensure timely completion and payment to the contractors. In addition, since these segments are critical for the growth of the economy and are of strong socio-political importance, their funding is generally provided for by budgetary allocations of central or state governments. This typically results in a lower default risk. We intend to bid for future projects taking into consideration the reputation of the client or its funding partner.

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.

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 PEL 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

Operating at the heart of the digital transformation

In a world undergoing constant change, the Information Technology team at Patel Engineering Ltd. focuses on connections, performance, energy efficiency and data to fast-track the rollout of new technologies and support digital transformation. The IT Team across India leverages its broad range of expertise in data collection, sharing, processing, storage and protection to build a customised approach to IT infrastructure and services for the company, operators and service providers and to boost their performance. Keeping pace with market change, the team supports its internal customers and relevant team partners as required to put innovation into practice, from network design to implementation, process optimization, operation, maintenance and ensure that every project, from the smallest to the most complex, has the benefit of the latest technological progress.

Making project sites smarter and more sustainable

"Smart Construction" is the result of a combination of several factors: changing technologies applied to the industrial sector; changing customer demand; and changing industry processes. It achieves four main goals, making industry more human, intelligent, responsible and efficient. Digital and online technologies are now an indispensable part of connected sites in which tools, products and work stations constantly interact to optimise plant and equipment. In the second phase of digital transformation the IT team will provide solutions to deliver information from the machines on the field to the stakeholders across the country. The team combines energy efficiency and smart building technologies ranging from multi-technical maintenance to operation and end-user services. The underlying trend, which improves processes as well as service quality and creates new services, is driven by the exponential growth of IT services with the development of cloud and "as a service" systems. The application now takes precedence over the infrastructure in guiding the resources used. This complete reversal of the conventional IT sequence is generating growing demand for greater agility, flexibility and speed on the part of both businesses and users.

Sustainable IT projects

A VOIP service adopted in 2017 has enabled us to further reduce travel within the PEL Group. The service allows employees to link up with each other on the web from wherever they are. This also promotes teamwork across time zones and regions. Over 600 online meetings using the tool were held in 2018 alone. The technology was taken a step further during the reporting period with the installation of advanced communication systems at the Patel Engineering Ltd. headquarters in Mumbai and the new project sites in the remote projects in the high mountain areas of the country and abroad. The new communication medium cuts out business travel and thus reduces carbon emissions.

Summer of 2018 saw the launch of the CORE IT project to identify desktop and laptop computers that are surplus to requirements at the Patel Project sites throughout India. A total of 350 devices will be reconditioned and reused, sold on through a reseller or professionally disposed of in an environmentally sustainable way. As well as saving operating costs, this gives devices that are still serviceable a new lease on life.

Human resources

Gainfully engaging over 1,540 employees across various project sites/locations has been the hallmark of yet another year of growth and sustained leadership position. The company's mission has always been in creating an exciting workplace where opportunities are made available for employees to perform, deliver results to their fullest potential and add value to the organizational growth.

Effective and judicious redeployment of manpower played a significant role in ensuring timely mobilization of key personnel required at new project sites. Focussed training programmes aimed at building employees' competencies and continuous skills upgradation primarily for foreman, operators & technicians, provided the impetus in boosting employee productivity.

Improved communication channels, periodic brain-storming sessions, sharing best practices and use of technology to our advantage, augmented the seamless working between sites and various departments and brought in the required coordination for achieving our company's goals & objectives. Periodic reviews and visits were undertaken to ensure costs are kept under control amidst stringent monitoring.

Open & candid performance related discussion with constructive inputs on development, between employee & superior paved way for institutionalization of the performance appraisal system and build the culture of meritocracy. 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's active involvement in Operations provided the thrust & impetus for smooth & effective execution of ongoing projects. Senior leadership team continued to guide, mentor and instill the sense of pride, ownership & commitment amongst the employees so as to strive to excel in this highly competitive Infrastructure industry.

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

(1) 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.

(2) Board of Directors

- The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. As on March 31, 2019, 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 ('SEBI 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 2018-19 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, 2019 are as under:

Name and DIN no. of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on September 27, 2018	No. of directorships in other Companies	Name of other listed entities where directorship held	* Committee Position	
		Held	Attended				Chairman	Member
Mr. Rupen Patel Chairman & Managing Director (DIN 00029583)	Executive (Promoter)	4	4	Yes	8	Nil	Nil	Nil
Mr. Khizer Ahmed (DIN 00032567)	Independent non - executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. S. Jambunathan (DIN 00063729)	Independent non - executive	4	1	No	Nil	Nil	Nil	Nil
# Mr. K. Ramasubramanian (DIN 01623890)	Independent non - executive	4	1	N.A	N.A.	N.A.	N.A.	N.A.
Ms. Geetha Sitaraman (DIN 07138206)	Independent non - executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. C. K. Singh (DIN 00196978)	Executive	4	2	No	4	Nil	Nil	Nil
Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	4	4	Yes	4	Nil	Nil	Nil
Mr. Sunil Sapre (DIN: 05356483)	Executive	4	2	Yes	7	Nil	Nil	Nil
@ Mr. Barendra Kumar Bhoi (DIN: 08197173)	Independent non - executive	4	2	Yes	Nil	Nil	Nil	Nil

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

\# Mr. K. Ramasubramanian resigned w.e.f. August 06, 2018 due to certain personal reasons.

@ Mr. Barendra Kumar Bhoi was appointed w.e.f August 14, 2018

- The Board met 4 times during the financial year 2018-19 i.e. on: May 28, 2018; August 14, 2018; November 14, 2018; and February 12, 2019.
- None of Directors listed above are related to each other.
- 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

- Board Skill Matrix : The matrix setting out the skills / expertise / competence of the Board of Directors is given below:

Sr. No.	Experience / Expertise / Attribute	Comments
1.	Industry Knowledge	Should demonstrate sound knowledge & possess thorough working experience of the industry in which the organization operates with specific reference to the relevant laws, rules, regulation policies applicable to the organisation / industry / sector and level / status of compliances; the best corporate governance practices, relevant governance codes, governance structure, processes and practices; business ethics, ethical policies, codes and practices of the organization; the structures and systems which enable the organisation to effectively identify, asses and manage risks and crises and bench mark global practices.
2.	Functional Expertise	Should possess ability to obtain, analyse, interpret and use data/information effectively to develop plans and take appropriate decisions with respect to interpretation of financial statements and accounts in order to assess the financial health of an organization; build operational excellence by constantly focusing on upgrading methods, technology, costs, quality. Monitor/review performance for better results and focus on a culture for zero tolerance; maximize technology usage to create robust processes, minimize ambiguity & encourage inter-dependence and seamless working across departments and assess the costs & risks involved with regard to existing & potential business proposition, while evaluating the sources of finance available to an organisation vis-à-vis their related merits and risks.
3.	Behavioural Competencies	Should display highest standards of values & personal conduct, ability to assume ownership & accountability for own performance, working effectively, respectfully & inclusively with people from different backgrounds with different perspectives, while remaining calm & optimistic even under adverse circumstances & taking tough decisions when necessary.
4.	Strategic Orientation	Ability to identify vision and value creation and seize opportunities for short & long term business growth, bring in new insights & innovative ways to build robust execution plans for implementing.

The above list of core skills / expertise / competencies identified by the Board of Directors are required in the context of its business(es) and sector(s) for it to function effectively, are available with the Board.

- The Board of Directors confirm that in their opinion the Independent Directors of the company fulfil conditions specified in SEBI Listing Regulations and are independent of the management.

(3) Audit Committee

(a) Terms of Reference:

- To oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- 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, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter; This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company, if any;
- 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 scrutinize valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To oversee the functioning of the Vigil mechanism (Whistle Blower Policy) and provide direct access to directors and employees to report their genuine concern and grievances to the Audit Committee chairperson under vigil mechanism;
- To discuss with internal auditors of any significant findings and follow up there on;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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.
- To review the utilization of loans and / or advances from / investment by the Company in its subsidiary(ies) exceeding rupees 100 crore or 10% of the asset size of the respective subsidiary(ies), whichever is lower including existing loans/ advances/ investments.
- To investigate into any of the matters specified above or any matters referred by the Board

(b) Composition, name of members / chairperson and number of meetings attended by the members.

Composition and Name of members	Number of meetings during the year 2018-19	
	Held	Attended
Mr. Khizer Ahmed, Chairman	4	4
Mr. Rupen Patel	4	4
Mr. S. Jambunathan	4	1
Ms. Geetha Sitaraman	4	3*

* Ms. Geetha Sitaraman was inducted as a member of Audit Committee on August 14, 2018.

Mr. K. Ramasubramaniam attended 1 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 September 27, 2018.

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.

(c) Audit Committee meetings during the year

The Audit Committee met 4 times during the year 2018-19 i.e. on: May 28, 2018; August 14, 2018; November 14, 2018; February 12, 2019. The necessary quorum was present for all the meetings of the Committee.

(4) Nomination and Remuneration Committee:

(a) Terms of Reference:

- To identify individuals who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To formulate criteria for evaluation of independent directors and the performance of the Board;
- To formulate the policy to determine the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;.
- To devise the policy on the Board diversity.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- To frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including – The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- To perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- To recommend to the Board all remuneration, in whatever form, payable to senior management of the Company.

(b) Composition, name of members/chairperson and number of meetings attended by the members.

Composition and Name of members	No. of meeting	
	Held	Attended
Mr. Khizer Ahmed, Chairman	2	2
Mr. Rupen Patel	2	2
Mr. S. Jambunathan	2	-
Ms. Geetha Sitaraman*	2	2

* Ms. Geetha Sitaraman is inducted as a member of Committee on August 14, 2018.

(c) Nomination and Remuneration Committee Meetings during the year

The Nomination and Remuneration Committee met twice during the year 2018-19 i.e. on August 14, 2018 and November 14, 2018. The necessary quorum was present for the meetings of the Committee.

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 27, 2018.

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

(5) Remuneration of Directors

(a) There is no pecuniary relationship or transaction of the non-executive director's vis-à-vis the listed entity.

(b) 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 are as under:

(₹ in millions)

Name	Sitting fees
Mr. Khizer Ahmed	0.475
Mr. S. Jambunathan	0.100
Mr. K. Ramasubramanian*	0.125
Ms. Geetha Sitaraman	0.400
Mr. Barendra Kumar Bhoi	0.100

* resigned w.e.f. August 06, 2018

(c) Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year are as under:

(₹ in millions)

	Mr. Rupen Patel, Chairman & Managing Director	Mr. C. K. Singh, Executive Director	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director
Salary	28.37	15.01	15.47	5.79
Perquisites	9.52	0.04	0.04	0.04
Total (Gross Salary)	37.89	15.05	15.51	5.83
Service Contracts	01-04-2019 to 31-03-2024	30-05-2019 to 29-05-2024	01-04-2017 to 31-03-2022	01-04-2017 to 31-03-2022
Notice period	3 months	3 months	3 months	3 months

No option was granted during the year to the aforementioned directors.

The shareholding of the Directors in the Company as on March 31, 2019 is as under:

Name	Number of equity shares	% of the paid up capital
Mr. Rupen Patel, Chairman & Managing Director	13,52,600	0.82
Mr. Khizer Ahmed	26,500	0.02
Mr. S. Jambunathan*	50	0.00
Ms. Geetha Sitaraman	Nil	Nil
Mr. C. K. Singh	200	0.00
Ms. Kavita Shirvaikar	Nil	Nil
Mr. Sunil Sapre	Nil	Nil
Mr. Barendra Kumar Bhoi	Nil	Nil

*shares held as a joint holder.

(6) Stakeholders' Relationship Committee:

(a) Terms of Reference:

- To resolve the grievances of the security holders of the Company including compliants related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend, issue of new/duplicate certificates, general meetings;
- To review measures taken for the effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

- To issue duplicate certificates and new certificates on split/consolidation/renewal;
- To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- To carry out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

(b) The composition of the Committee as at March 31, 2019 is as under

- Mr. Khizer Ahmed, Independent Director (non- executive) as Chairman
- Ms. Kavita Shirvaikar
- Mr. Sunil Sapre

(c) Ms. Shobha Shetty, the Company Secretary is the Compliance Officer of the Company. The Board of Directors have authorized the Company Secretary to individually approve, resolve and to do all such acts, things and deeds as may be required with respect to the Transfer, transmission of shares of the Company in terms of Section 56 of the Companies Act, 2013 and Regulations 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including transposition, name deletion, exchange of shares on account of sub-division or consolidation, re-materialisation of shares and issue of duplicate certificates and periodically submit to the Board all the reports and documents with respect to the transfer, transmission and transposition of shares for noting.

(d) Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has not received any complaints during the year ended March 31, 2019 and thus as on March 31, 2019 there were no pending requests /complaints.

(7) General Body meetings

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

Financial Year	Date	Time	Venue
2015-16	December 22, 2016	11:00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2016-17	December 30, 2017	11:00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2017-18	September 27, 2018	11.00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102

(b) Special resolutions passed in the previous three Annual General Meetings (AGMs) are given below:

i. AGM on December 22, 2016

- Re-appointment of Mr. Pravin Patel as Whole time Director
- Appointment of Mr. Chittaranjan Kumar Singh as Whole time Director
- Payment of minimum remuneration to Mr. Rupen Patel, Managing Director

ii. AGM on December 30, 2017

- Appointment of Mr. Sunil Sapre as Whole time Director
- Appointment of Ms. Kavita Shirvaikar as Whole time Director
- Variation in terms of appointment of Mr. Rupen Patel, Managing Director
- Variation in terms of appointment of Mr. Chittranajn Kumar Singh, Whole time Director
- Holding of office or place of Profit by Mr. Pravin Patel

iii. AGM on September 27, 2018

- Continuation of Directorship of Mr. Khizer Ahmed as an Independent Director – Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018
- Continuation of Directorship of Mr. Srinivasa Jambunathan as an Independent Director - Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018
- Issue of balance Optionally Convertible debentures pursuant to implementation of S4A
- Amendment to the terms of issue of OCDs

- Amendment to Patel Engineering Employees' Stock Option Plan
- Extending the benefits of Patel Engineering Employees' Stock Option Plan to the employees of the Subsidiaries
- Reclassification from Promoter and Promoter Group Category to Public Category

(c) No special resolution was passed during the year 2018-19 through postal ballot. Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

(d) 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.

(8) Means of communication:

(a) The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations.

(b) The said financials results are published in Financial Express in English Language and in Navshakti in Marathi Language.

(c) 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.

(9) General Shareholder information

(a) Annual general meeting – date, time and venue**:** September 20, 2019 at 11.30 am at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102.

(b) Financial year : April 1, 2018 to March 31, 2019

(c) The Equity Shares (ISIN : **INE244B01030)** of the Company are listed on following Stock Exchanges:

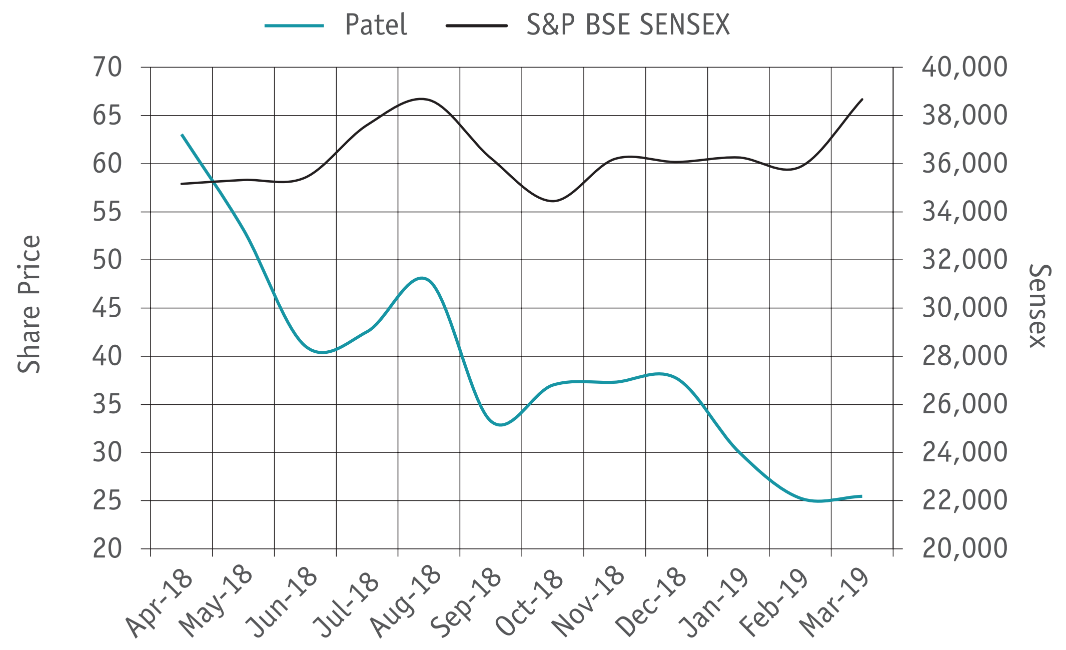
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares) : Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	PATELENG

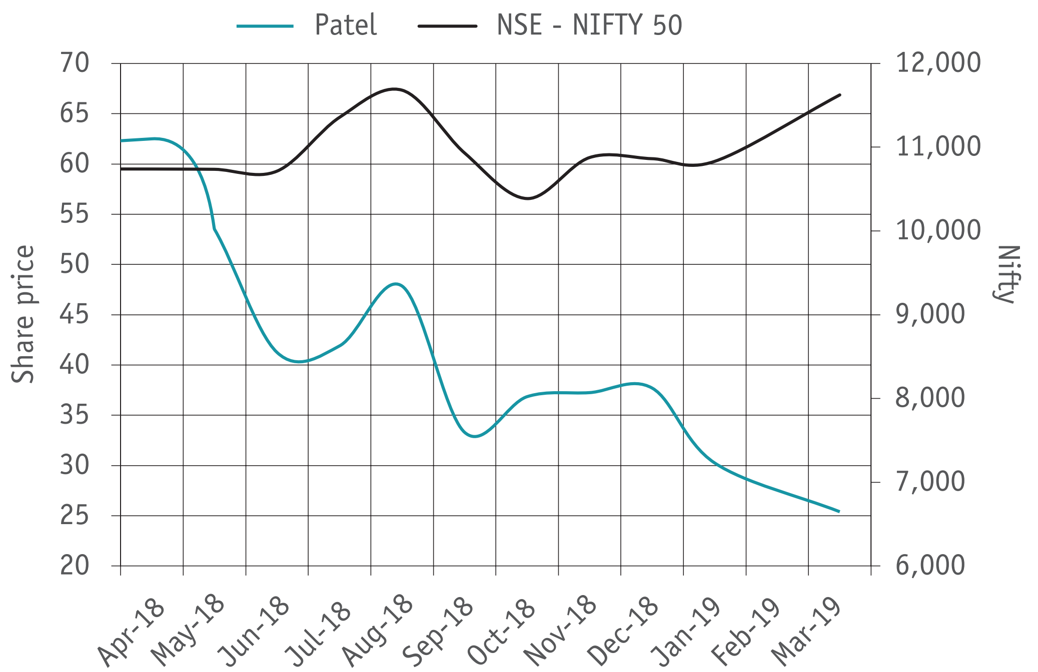
The Company confirm payment of annual listing fees to these Stock Exchanges for the financial year 2019-20.

(d) **Market Price Data :** High, Low (based on the closing Prices) and number of Company's' shares traded during each month in the financial year 2018-2019 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-18	69.35	60.50	8,79,450	69.50	60.35	32,90,117
May-18	63.70	45.00	13,09,678	63.60	45.20	56,01,164
Jun-18	54.60	39.40	6,13,024	54.70	39.40	28,11,182
Jul-18	44.40	36.10	5,48,592	44.60	36.50	26,29,083
Aug-18	56.25	41.85	20,28,320	56.45	42.05	1,13,57,046
Sep-18	50.10	33.00	6,67,139	50.35	32.50	29,52,041
Oct-18	40.55	32.15	4,58,504	40.50	31.80	23,14,690
Nov-18	45.00	36.05	7,05,777	44.95	35.95	42,39,473
Dec-18	40.80	32.55	8,01,101	40.70	32.75	44,71,629
Jan-19	39.85	28.15	5,59,759	39.80	28.25	44,83,340
Feb-19	31.15	22.95	5,15,776	31.10	22.75	38,44,786
Mar-19	30.45	24.20	5,54,538	30.50	23.95	37,28,914

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





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

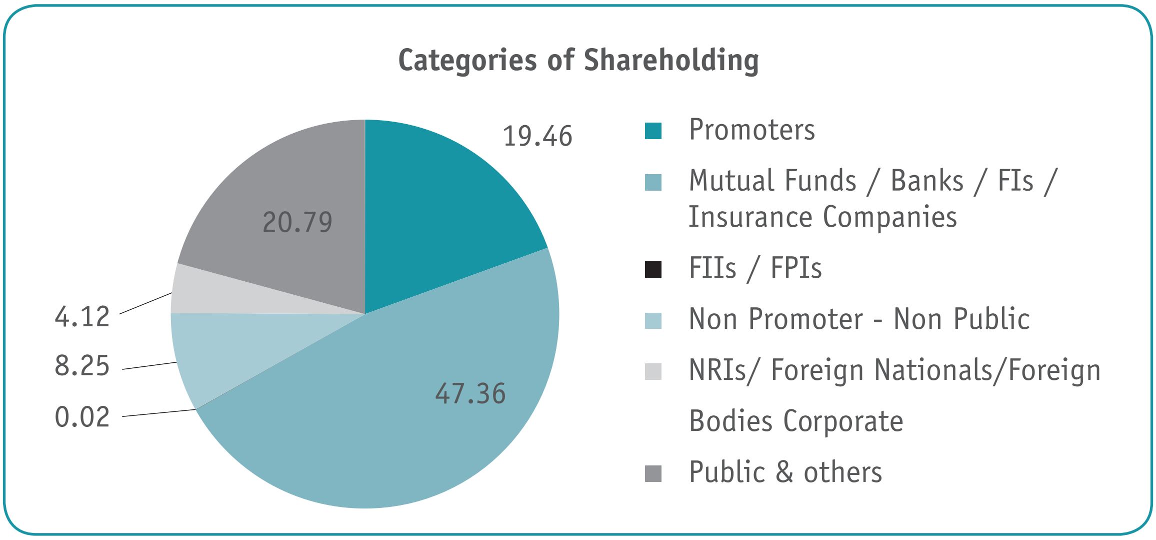
(g) **Share Transfer System:** The Company's shares are compulsorily traded in demat mode on BSE and NSE. As regards transfer of shares in physical form, the same is normally processed within 15 days by the Registrar from the date of receipt if the documents are complete in all respects. Ms. Shobha Shetty,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

(h) Distribution of shareholding as on March 31, 2019:

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	50,735	85.49	57,78,688	3.52
501-1000	4,124	6.95	33,63,427	2.05
1001-2000	2,239	3.77	34,57,123	2.10
2001-3000	781	1.31	20,38,244	1.24
3001-4000	337	0.58	12,14,296	0.74
4001-5000	292	0.49	13,77,731	0.84
5001-10000	414	0.70	30,50,462	1.86
Above 10000	424	0.71	14,39,68,535	87.65
Grand Total	**59,346**	**100.00**	**16,42,48,506**	**100.00**

Shareholding Pattern as on March 31, 2019

Category	No. of shares	% of Total Holding
Promoters	3,19,68,649	19.46
Mutual Funds / Banks / FIs / Insurance Companies	7,77,88,769	47.36
FIIs / FPIs	30,639	0.02
NRIs / Foreign Nationals/Foreign Bodies Corporate	67,60,293	4.12
Public & others	3,41,47,931	20.79
Non Promoter - Non Public	1,35,52,225	8.25
GRAND TOTAL	**16,42,48,506**	**100.00**



(i) Dematerialization 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 99.61% of the Company's share capital are dematerialized as on March 31, 2019.

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

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

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

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

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

(l) **credit ratings :** Acuité has assigned long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short term rating of 'ACUITE A3' (read as ACUITE A three) on the ₹ 62,150 million bank facilities of the Company Limited.

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

	Particulars	
i	Aggregate number of shareholders at the beginning of the year	57
ii	Outstanding shares in the suspense account lying at the beginning of the year	1085
iii	No. of shareholders who approached the company for transfer of shares from suspense account during the year;	0
iv	Number of shareholders to whom shares were transferred from the suspense account during the year	0
v	Aggregate number of shareholders at the end of the year	57
vi	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.

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

(d) The Material subsidiaries policy web link: https://tinyurl.com/y4dpmjxu

(e) The related party policy web link: http://tinyurl.com/nrqnhhs

(f) A certificate from Makrand M. Joshi & Co., Company Secretaries has been obtained confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(g) During the year ended March 31, 2019 a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 48,08,160. No service has been provided by M/s. T. P. Ostwal & Associates LLP, the statutory auditor of the Company in any of Company's subsidiary/associate/joint venture. Hence no fees has been paid from any such subsidiary/associate/joint venture to the statutory auditor.

(h) The Company has Policy on Sexual Harassment at Workplace. During the year, the Company has not received any complaint under the policy.

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

(j) 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.

(k) Declaration by the CEO under SEBI 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, 2019 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,
Patel Engineering Ltd

Rupen Patel
Chairman & Managing Director
DIN: 00029583

Mumbai
August 14, 2019

INDEPENDENT AUDITOR'S REPORT 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

1) The accompanying Corporate Governance Report prepared by Patel Engineering Limited (here in after the "Company"), contains details as required by the provisions of Chapter IV 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, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2) 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.

3) 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.

Auditor's Responsibility

4) Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the company has complied with specified requirements of the Listing Regulations referred to paragraph 1 above.

5) 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 Notes on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants (ICAI). The Guidance Note on Reports or Certificates on Special Purposes require that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6) We have complied 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.

7) The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii Obtained and Verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met through-out the reporting period;

   iii Obtained and read the Directors Registers as on 31st March, 2019 and verified that atleast one women director was on the Board during the year;

   iv Obtained and read the minutes of the following meetings held throughout the period from 1st April 2018 to 31st March, 2019 viz;

      (a) Board of Directors Meeting;

      (b) Audit Committee Meeting;

      (c) Annual General Meeting;

      (d) Nomination and Remuneration Committee Meeting; and

      (e) Stakeholders Relationship Committee Meeting;

   v Obtained necessary representations and declarations from directors of the Company including the independent directors; and

   vi Performed necessary enquiry with the management and also obtained necessary specific representation from the management.

The above-mentioned procedures 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 purpose 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

8) Based on the procedure performed by us as referred in the paragraph number 7 above, and according to the information and explanation given to us, we are of the opinion that the company has complied with the conditions of Corporate Governance has stipulated in the Listing Regulations, as applicable for the year ended 31st March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9) This report 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.

10) This report 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 with reference to compliance with the relevant regulations of Corporate Governance 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 report for events and circumstances occurring after the date of this report.

For **T. P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No. 12444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai,
Date: August 14, 2019

Independent Auditors' Report

TO THE MEMBERS OF

PATEL ENGINEERING LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

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 Holding 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, 2019, 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"). These also includes financials of the Joint operations and Real Estate Division Branch of the company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai

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 Companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019 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.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provision of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)** The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 1.j and 25 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit process included to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts.

Sr. No.	Key Audit Matter	Auditor's Response
		• Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation • Samples in respect of revenue recorded for time and material contracts were tested using a combination customer acceptances, subsequent invoicing and historical trend of collections and disputes. • Performed analytical procedures for reasonableness of revenues disclosed.
2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer Notes 1.i and 10 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.
3	**Litigation matters** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Refer Notes 1.r, 46 and 49 to the Consolidated Financial Statements	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2019. Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.
4	**IT Systems and control over financial reporting** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue, material consumption, and sub contract costs. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and	**Principal Audit Procedures** Our audit procedures included to the following: • Assessment of the complexity of the environment through discussion with the head of IT. • Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations.

Sr. No.	Key Audit Matter	Auditor's Response
	Changes, access to programs and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	• Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company. Assessment of the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the "Other Information". The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

As and when we receive and read the Other Information identified above, in the event we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance in the manner required

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation 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 jointly controlled entities 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 jointly controlled entities 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.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its Associates and Jointly Control Entities are responsible for assessing the ability of the Group and its of its Associates and Jointly Control Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Associates and Jointly Control Entities are responsible for overseeing the company's financial reporting process of the Group and its of its Associates and Jointly Control Entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associates and Jointly Controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities with the Group and its Associates and jointly controlled entities to express an opinion on the consolidated financial statement. We are Responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the consolidated financial statement of which we are the independent auditor. For the other entities included in the financial statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

We draw attention to:

i. The Independent Branch Auditors of, Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Financial Statement for the year ended March 31, 2019, have drawn attention in respect to 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.

ii. The Consolidated Financial results of the company for the year ended March 31st, 2019 regarding the subsidiaries; Apollo Buildwell Pvt. Ltd and Hera Realcon Pvt. Ltd. wherein their auditors without qualifying their opinion have drawn attention with respect to the material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern however the Financial statements are prepared on going concern basis.

Our opinion is not modified in respect to above matter.

Other Matters

i. We did not audit the financials statements of a branch of the Holding Company included in the Consolidated financial statements of the Company whose financial statements reflect total assets of ₹ 4609.93Million as at 31st March 2019 and the total revenue of the ₹ ₹1722.88 Million for the year ended on that date, as considered in the consolidated financial statements of this Branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor. Our report is not modified with respect to above matter.

ii. The Consolidated Ind AS financial statements include the financial statements of 9unincorporated 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 ₹ 1,041.59 Million as at 31st March 2019, Company's Share in Total revenue after elimination is ₹1,587.39Million, Total Profit (net) after tax of ₹28.94Million, total comprehensive income (net) of ₹ Nil and Net cash outflow amounting to ₹ 42.51Millionfor 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, 2019 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 and our report in term of the subsection (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations is solely based on the report of the management certified accounts. Our report is not modified with respect to above matter.

iii. The Consolidated Ind AS financial statement also includes the financial statement of 5unincorporated joint operations which have been audited by other auditors, whose financial statement reflect the Net Total Assets of ₹ (33.89) Million as at 31st March 2019, Company's Share in Total revenue after elimination is ₹ 674.51Million, Total Profit (net) after tax of ₹18.45Million, Total comprehensive income (net) of ₹ Nil and Net cash outflow amounting to ₹ 58.18 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 consolidation Ind AS financial statements, in so far it relates to the amounts and disclosure in respect of these joint operations and our report in term of the subsection (3) and (11) of Section 143 of the Act, in so far as it relates to the afore said Joint Operations is solely based on the report of the other auditors. Our report is not modified with respect to above matter.

iv. We did not audit the financial statements of 21 subsidiaries, whose financial statements/financial information reflect Net Total Assets of ₹ 6565.55 Million as at 31st March, 2019, Total Revenues of ₹ 1917.08Million and net cash outflows amounting to ₹ 13.40Million 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 and our report in term of the subsection (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the auditors. Our report is not modified with respect to above matter.

v. We did not audit the financial statements of 6 subsidiaries, whose financial statements/financial information reflect Net Total Assets of ₹ 249.22 Million as at 31st March, 2019, Total Revenues of ₹ 291.69 Million and net cash outflows amounting to ₹ 318.99 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of Net Loss of ₹ 292.72 Million for the year ended 31st March,2019, as considered in the consolidated Ind AS financial statements, in respect of 3 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 and our report in term of the subsection (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid 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 report is not modified with respect to above matter.

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, 2019 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, 2019 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 Group,it's associates and jointly controlled entities to the extent determinable/ascertainable.

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

   iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

Anil A. Mehta
Partner
Membership Number: 030529

Mumbai,
April 30, 2019

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.

1. We have audited the internal financial controls over financial reporting ("IFCOFR") of Patel Engineering Limited ("the Holding Company" and its subsidiaries and an Associate companies (collectively referred to as "the Patel Group" which are companies incorporated in India) as of March 31,2019 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 matters 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, 2019, 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 of21 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)

Anil A. Mehta
Partner
Membership Number: 030529

Mumbai,
April 30, 2019

Consolidated Balance Sheet as at March 31, 2019

	Notes	As At March 31, 2019 ₹ Million	As At March 31, 2018 ₹ Million
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	5,472.79	5,253.68
(b) Capital work-in-progress		10,627.45	7,921.30
(c) Intangible assets		5.18	2.22
(d) Goodwill on consolidation		306.96	306.96
(e) Financial assets			
(i) Investments	3	1,164.43	1,404.77
(ii) Trade receivables	4	6,396.64	5,615.24
(iii) Loans	5	655.81	476.94
(iv) Other financial assets	6	316.88	205.05
(f) Deferred tax assets (net)	7	1,638.67	1,166.05
(g) Current tax assets (net)	8	511.88	2,122.84
(h) Other non current assets	9	6,508.49	5,893.76
Total non current assets		**33,605.18**	**30,368.82**
2 Current assets			
(a) Inventories	10	35,463.37	31,615.65
(b) Financial assets			
(i) Trade receivables	4	2,295.99	2,411.62
(ii) Cash and cash equivalents	11	1,244.79	1,316.29
(iii) Other bank balances	12	0.21	0.51
(iv) Loans	5	800.20	778.22
(v) Other financial assets	6	116.67	58.25
(c) Current tax assets (net)	8	146.40	146.28
(d) Other current assets	9	8,183.05	7,290.41
(e) Assets classified as held for sale	13	150.00	158.74
Total current assets		**48,400.68**	**43,775.98**
TOTAL ASSETS		**82,005.86**	**74,144.80**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	164.24	156.99
(b) Other equity		22,602.88	21,441.05
Equity attributable to owners of the parent		22,767.12	21,598.04
Non-controlling interests		565.93	557.45
Total Equity		**23,333.05**	**22,155.50**
2 Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	13,047.97	13,324.29
(ii) Trade payables	16		
a) Total Outstanding dues of micro enterprises and Small enterprises		-	-
b) Total Outstanding dues of creditors other than micro enterprises and Small enterprises		3,168.50	3,015.34
(iii) Other financial liability	17	4.38	3.26
(b) Provisions	18	68.86	70.30
(c) Other non current liabilities	19	4,329.55	1,299.75
(d) Deferred revenue	20	55.04	37.91
Total non current liabilities		**20,674.30**	**17,750.85**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	13,437.80	15,394.28
(ii) Trade payables	22		
a) Total Outstanding dues of micro enterprises and Small enterprises		16.90	2.49
b) Total Outstanding dues of creditors other than micro enterprises and Small enterprises		10,910.87	10,945.78
(iii) Other financial liabilities	23	1,542.15	1,370.37
(b) Provisions	18	16.68	21.65
(c) Other current liabilities	24	12,074.11	6,503.88
Total current liabilities		**37,998.51**	**34,238.45**
TOTAL EQUITY AND LIABILITIES		**82,005.86**	**74,144.80**
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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director, Operations
DIN : 00196978

Shobha Shetty
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

		Notes	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
I.	**Revenue from operations**	25	23,622.05	22,745.49
II.	**Other income**	26	1,751.00	2,425.95
III.	**Total revenue (I + II)**		**25,373.05**	**25,171.44**
IV.	**Expenses:**			
	Cost of construction	27	16,601.92	14,149.50
	Purchase of stock in trade		22.94	-
	Employee benefits expense	28	1,676.27	1,509.73
	Finance costs	29	3,702.67	4,894.23
	Depreciation and amortization expense	2	501.95	542.73
	Other expenses	30	1,772.42	1,778.35
	Total expenses		**24,278.17**	**22,874.54**
V.	**Profit before exceptional items and tax (III-IV)**		1,094.88	2,296.90
VI.	**Exceptional items**	31	(891.52)	1,361.70
VII.	**Profit before tax (V - VI)**		**1,986.40**	**935.20**
VIII.	**Tax expense:**			
	(1) Current tax		950.93	117.91
	(2) Deferred tax		(506.00)	(234.06)
	(3) Tax adjustments for earlier years		0.01	3.46
IX.	**Profit for the year (VII-VIII)**		**1,541.46**	**1,047.89**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		2.37	(34.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.56	12.45
XI.	**Total other comprehensive income**		2.93	(22.06)
XII.	**Total comprehensive income for the year (IX+XI) (comprising profit /(loss) and other comprehensive income for the year)**		**1,544.39**	**1,025.83**
XIII.	**Minority interest**		57.14	66.77
XIV.	**Owners of the parent (XII- XIII)**		1,487.25	959.06
XV.	**Earnings per equity share:**			
	(1) Basic	36	9.71	6.67
	(2) Diluted		4.87	5.28
	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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director, Operations
DIN : 00196978

Shobha Shetty
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

		March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit After tax	1,541.46	1,047.89
	Adjustment for:		
	Depreciation/ amortisation	501.95	542.73
	Tax Expenses	444.95	(112.70)
	Finance charges	3,702.67	4,894.23
	Interest income and dividend received	(864.11)	(1,484.46)
	Foreign exchange loss/ (gain)	26.98	(8.52)
	Provision for leave salary	(2.65)	8.75
	Provision for gratuity	(3.77)	0.04
	Share in associates	292.84	-
	Impact of IND AS 115	109.42	-
	Gain on de-recognition of financial assets	(103.50)	(732.16)
	Profit on sale of investment	-	533.64
	Provision for impairment	(788.02)	1,560.22
	Profit on sale of assets	(53.84)	(354.38)
	Excess credit written back	(437.23)	(285.72)
	Transfer of actionable claims	-	(21,685.97)
	Irrecoverable debts and advances written off	303.68	114.29
	ESOP compensation expenses	7.82	1.03
	OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	**4,678.65**	(15,961.09)
	Adjustment for changes in:		
	Trade and other receivables	(2,559.44)	1,528.86
	Inventories	(3,847.72)	16,936.50
	Trade and other payables (excluding income tax)	9,390.02	389.64
	Cash from operations	**7,661.50**	**2,893.91**
	Direct tax refund received	695.42	1,139.58
	NET CASH FROM OPERATING ACTIVITIES (A)	**8,356.93**	**4,033.48**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / adjustments of fixed assets (including capital work in progress and capital advances)	(3,190.25)	747.89
	Sale of fixed assets	64.76	738.05
	Increase in loans to JV/ associates	(483.24)	(1,720.21)
	Purchase of investments	(43.76)	(29.40)
	Increase in other bank balances	21.00	17.25
	Interest and dividend received	357.11	2,692.41
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**(3,274.38)**	**2,445.98**

		March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Shares	7.25	-
	Proceeds from long term borrowings	1,797.31	1,998.57
	Repayment of long term borrowings	(3,963.84)	(6,253.31)
	Dividend paid	(0.50)	(0.78)
	Finance charges paid	(2,967.28)	(1,519.57)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(5,127.06)**	**(5,775.08)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(44.51)**	**704.38**
	Opening balance of cash and cash equivalents	1,316.29	603.38
	Balance of cash and cash equivalents	1,271.77	1,307.77
	Notes to Cash flow Statement		
a)	Cash and Cash Equivalents		
	Cash on hand and balance with banks	1,244.79	1,316.29
	Effect of exchange rate changes	26.98	(8.52)
	Closing cash and cash equivalents as restated	1,271.77	1,307.77

b) Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act, 2013.

c) **Reconcilation of liabilities arising from financing activities** ₹ Million

March 31, 2019	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	29,202.35	(2,166.53)	(55.76)	26,980.07
Unpaid dividend	0.71	(0.50)		0.21
Total	**29,203.06**	**(2,167.03)**	**(55.76)**	**26,980.28**

March 31, 2018	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	50,969.77	(4,254.74)	(17,512.68)	29,202.35
Unpaid dividend	1.49	(0.78)		0.71
Total	**50,971.26**	**(4,255.52)**	**(17,512.68)**	**29,203.06**

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director, Operations
DIN : 00196978

Shobha Shetty
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at 31 March 2017	156,994,691	156.99
Issue of equity shares	-	-
As at 31 March 2018	**156,994,691**	**156.99**
Issue of equity shares	7,253,815	7.25
As at 31 March 2019	**164,248,506**	**164.24**

(B) OTHER EQUITY

₹ million

Particulars	Equity component of compound financial instruments	Reserves and surplus										
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
As at March 31, 2017	**61.15**	**277.57**	**2,524.95**	**12,015.32**	**475.00**	**-**	**973.26**	**300.00**	**4,604.22**	**21,231.47**	**696.18**	**21,927.65**
- 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**	**5,508.85**	**21,441.05**	**557.45**	**21,998.50**
- Profit for the year	-	-	-	-	-	-	-	-	1,484.32	1,484.32	57.14	1,541.46
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	2.93	2.93	-	2.93
- Other comprehensive income	-	-	-	-	-	-	-	-	148.16	148.16	-	148.16
- Adjustment during the year	-	-	-	-	-	-	-	-	(570.50)	(570.50)	(48.66)	(619.16)
- Adjustment on account of IND AS	-	-	-	-	-	-	-	-	109.42	109.42	-	109.42

₹ million

Particulars	Equity component of compound financial instruments	Reserves and surplus										
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	(20.32)	-	-	(20.32)	-	(20.32)
- Stock option	-	-	-	-	-	7.82	-	-	-	7.82	-	7.82
- Transfer from / to debenture redemption reserve	-	-	78.00	-	(78.00)	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**277.57**	**2,827.95**	**12,012.85**	**172.00**	**8.85**	**320.49**	**300.00**	**6,683.17**	**22,602.88**	**565.93**	**23,168.81**

Capital reserve : The Company recognizes reserve on investment in parthnership firm.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

Stock Option Outstanding Account: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Capital redemption reserve: The company has recognised Capital Redemption reserve on buyback of preference shares from its retained earning. The amount in capital redemption reserve is equal to nominal amount of preference share bought back.

Surplus in the statement of profit and loss: Retained earning are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

Foreign currency monetary item translation difference : Exchange difference on translating the financial statement of foreign operations.

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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 consolidated 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 and amendment thereof issued by Ministry of Corporate Affairs in exercise of the power conferred by section 133 of the Companies Act 2013 and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These consolidated financial statement have been approved for issue by Board of Directors at their meeting held on April 30, 2019.

b) Basis of preparation

The consolidated 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 in 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, except otherwise stated.

The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest millions (Rupees 000,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

c) 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 including joint operations and its subsidiaries 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.

(iv) Goodwill arising out of Consolidation of financial statements of subsidiaries and joint ventures are tested for impairment at each reporting date.

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.

d) Current/Non-current classification

The Group as required by Ind AS 1 presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities, as it is not possible to identify the normal operating cycle.

e) 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.

f) Critical accounting estimates and judgements

The preparation of consolidated 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 consolidated 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, 2019

g) Property, plant and equipment

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

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

Machinery Spares that meet the defination of PPE are capitalised.

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 Group.

The carrying amount of an items of PPE are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

h) Depreciation

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

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

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.

i) Impairment of non-financial 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 consolidated 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 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.

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) The company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over a period of time on a cost-to-cost method, i.e. 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. 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. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

The company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference.

Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

ii) The company constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before or after construction of the residential properties begins. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and does not have an enforceable right to payment for work done. Revenue from construction of Real Estate properties is therefore recognised at a point of time.

Revenue from building development is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

l) 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.

m) Financial instrument:

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

(I) Financial asset:

Initial recognition and measurement :

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

(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 consolidated statement of profit and loss. The Group while applying above criteria has classified the following at amortized cost:

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(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 Consolidated 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 Consolidated 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 Consolidated 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 consolidated statement of profit and loss.

Impairment of financial assets:

In accordance with Ind AS 109, the Group 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 consolidated 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 Group 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 consolidated statement of profit and loss.

n) Financial derivative and hedging transactions

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

o) Fair value measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 Group 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 Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group 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 consolidated 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.

Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

r) Provisions, contingent liabilities and contingent assets

The Group 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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 consolidated 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 recognized as expense in the consolidated 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 Group incurs in connection with a business combination are expensed as incurred.

w) Earning per share

The Group 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 Group 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) Preliminary and preoperative expenses

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

y) Non-current assets held for sale and discontinuoed operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

z) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after April 1, 2019 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing these standalone financial statements.

A. Ind AS 116 Leases

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Ind AS 116 replaces existing leases standard Ind AS 17.

i. Leases in which the Group is a lessee

The company will recognize new assets and liabilities for its operating leases of consturction equipment. The nature of expenses related to those leases will now change because the compnay will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the company will no longer recognize provisions for operating leases that it assesses to be onerous. Instead, the compay will include the payments due under the lease in its lease liability. No significant impact is expected for the company's finance leases.

B. Other standards

The following amended standards and interpretations are not expected to have a significant impact on the company's standalone financial statements.

- Uncertainty over Tax Treatments. (Appendix C of Ind AS 12)
- Prepayment Features with Negative Compensation (Amendments to Ind AS 109).
- Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28).
- Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19).

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2019

₹ million

Particulars	Gross Block						Depreciation and Amortization						Net Book Value	
	As at April 1, 2018	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at Mar 31, 2019	As at April 1, 2018	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
TANGIBLE ASSETS														
Land[1]	2,521.42	14.55	0.35	2,535.62	7.89	2,543.51	-	-	-	-	-	-	2,543.51	2,521.42
Building [2]	557.10	71.52	7.08	621.54	2.51	624.05	147.80	25.18	1.81	171.17	2.60	173.77	450.28	409.30
Plant and equipment[3]	5,927.96	307.02	72.92	6,162.06	0.06	6,162.12	3,992.77	363.29	82.11	4,273.95	(0.16)	4,273.79	1,888.33	1,935.19
Lease Plant and equipment		267.94		267.94		267.94		14.50		14.50		14.50	253.44	-
Furniture and fixtures	102.45	1.82	2.73	101.54	0.05	101.59	90.95	4.53	2.62	92.86	0.05	92.91	8.68	11.50
Vehicles[4]	1,314.09	26.98	67.93	1,273.13	0.05	1,273.18	982.50	81.10	59.61	1,003.99	0.01	1,004.00	269.19	331.59
Lease Vehicle		12.06		12.06		12.06		0.69		0.69		0.69	11.37	-
Office equipments	65.40	1.89	4.17	63.12	0.05	63.17	59.79	1.99	3.92	57.86	0.03	57.89	5.28	5.61
Others[5]	31.62	7.97	-	39.59	-	39.59	26.50	0.71	-	27.21	-	27.21	12.38	5.12
Electric equipment	76.69	5.36	-	82.05	-	82.05	57.05	6.18	-	63.23		63.23	18.82	19.64
Computer equipments	98.90	4.12	2.68	100.34	0.04	100.38	88.88	6.65	2.80	92.73	0.04	92.77	7.60	10.02
Container	15.49	0.65	-	16.14	-	16.14	11.19	1.04	-	12.23	-	12.23	3.91	4.30
Total	**10,711.12**	**721.88**	**157.86**	**11,275.13**	**10.65**	**11,285.78**	**5,457.43**	**505.86**	**152.87**	**5,810.42**	**2.57**	**5,812.99**	**5,472.79**	**5,253.68**
INTANGIBLE ASSETS														
Computer software	52.32	4.99	-	57.31	-	57.31	50.10	2.03	-	52.13	-	52.13	5.18	2.22
Goodwill	306.96	-	-	306.96	-	306.96	-	-	-	-	-	-	306.96	306.96
TOTAL	**359.28**	**4.99**	**-**	**364.27**	**-**	**364.27**	**50.10**	**2.03**	**-**	**52.13**	**-**	**52.13**	**312.14**	**309.18**
Less : Transferred to Capital WIP								5.93	5.93	-				
GROSS TOTAL	**11,070.40**	**726.87**	**157.86**	**11,639.40**	**10.65**	**11,650.05**	**5,507.53**	**501.96**	**146.94**	**5,862.55**	**2.57**	**5,865.12**	**5,784.93**	**5,562.86**
Capital Work-In-Progress	7,921.30	4,962.15	2,271.95	10,611.50	15.95	10,627.45	-	-	-	-	-	-	10,627.45	7,921.30
TOTAL	**18,991.70**	**5,689.02**	**2,429.82**	**22,250.90**	**26.60**	**22,277.50**	**5,507.53**	**501.96**	**146.94**	**5,862.55**	**2.57**	**5,865.12**	**16,412.38**	**13,484.16**

1 Land includes ₹ 7.09 million (P.Y. ₹ 7.13 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 - ₹ 438.45 million (P.Y. ₹ 374.14 million), accumulated depreciation ₹ 97.76 million (P.Y. ₹ 83.08 million)] and factory building [gross block - ₹ 182.96 million (P.Y. ₹ 182.96 million), accumulated depreciation ₹ 75.91 million (P.Y. ₹ 64.76 million)]

b) Includes ₹ 0.0083 million (P.Y. ₹ 0.0088 million) being the value of 165 shares (P.Y. 175 shares) and share deposits in Co - operative Societies

3 Includes ₹ 0.47 million (P.Y. ₹ 0.12 million) towards exchange rate difference.

₹ million

4	Vehicles includes	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
	Motor car	273.69	276.39	203.69	199.90
	Motor truck	998.94	1,034.52	789.36	780.54
	Motor cycle	3.17	3.18	2.26	2.06

₹ million

5	Others Include	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
	Ship	0.06	0.06	0.05	0.04
	Rails and trolley	39.53	31.57	27.15	26.45

Notes to Consolidated Financial Statement for the year ended March 31, 2019

Note : 2 (Contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2019

₹ million

	Gross Block						Depreciation and Amortization						Net Book Value	
Particulars	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
Others5	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 : Trfd to Capital WIP								6.76						
GROSS TOTAL	**11,833.89**	**187.73**	**951.49**	**11,070.13**	**0.27**	**11,070.40**	**5,541.20**	**542.28**	**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**	**542.28**	**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 (P.Y. 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 : 3

INVESTMENT

NON- CURRENT INVESTMENTS	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
- In equity instrument, unquoted		
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	170.54	170.54
- In preference instruments, unquoted		
59,375 shares (59,375) of ASI Const. Inc, Par value US$ 100 per share	391.33	391.33
Other equity investments- unquoted		
In joint ventures	12.72	13.41
In associates		
Other Investments (Accounted under equity method)		
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., F.V. ₹ 10/- per share	240.06	240.00
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Limited, F.V. ₹ 10/- per share	79.50	132.20
5,000 shares (5,000) of PLS Private Limited, F.V. LKR.10/- per share	0.02	0.02
8,495,040 Shares (8,495,040) of ACP Tollways Private Limited, F.V. ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	650.25	650.25
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Ltd. Face Value ₹10 per share	-	240.20
	969.82	**1,262.67**
Investment in government securities IV	0.12	0.14
Investment by joint venture	76.00	-
Investment in partnership firms V	160.24	160.21
Investment in mutual funds (quoted)	0.52	23.36
Total	**1,781.30**	**2,021.66**
Less : Provision for impairment III	616.87	616.89
TOTAL NON -CURRENT INVESTMENT	**1,164.43**	**1,404.77**

I. Aggregated amount of unquoted investments as at March 31, 2019 ₹ 1,003.67 million (P.Y. ₹ 1,221.20 million).

II. Aggregated amount of quoted investments as at March 31, 2019 ₹ 0.52 million, Market value ₹ 0.52 million (P.Y. ₹ 23.36 million, Market value ₹ 23.36 million).

III. Aggregated amount of impairment in value of investments as at March 31, 2019 ₹ 688.87 million (P.Y. ₹ 688.89 million) (Also refer note 13).

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 ₹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.

In Patel Advance JV partnership firm, Group having fixed capital of ₹0.04/- million. In the firm, partnership sharing has been as follows : the Group 38.5% (P.Y.38.5%), Advance Construction Co. Pvt. Ltd. 12.5% (P.Y. 25%), Advance Equipment Finance Pvt. Ltd. Nil (P.Y. 24%), Mascot Developers Pvt. Ltd. 24% (P.Y. Nil) & Cash Infrastructure Private Limited 25% (P.Y. Nil). The Group will retire from the firm once the occupation certificate is received as specified in the partnership deed & will get compensation as decided in the said deed.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 4
TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	6,070.62	5,047.51	1,421.06	813.96
Considered doubtful	-	-	2.39	2.39
	6,070.62	5,047.51	**1,423.45**	816.35
Less : Provision for doubtful debts	-	-	2.39	2.39
(A)	**6,070.62**	5,047.51	**1,421.06**	813.96
Other receivables				
Considered good (B)	**326.02**	567.73	**874.93**	1,597.66
(A+B)	**6,396.64**	5,615.24	**2,295.99**	2,411.62

NOTE : 5
LOANS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balance in current account with				
associates / joint ventures / partnership firms				
Unsecured, considered good	655.81	476.94	800.20	778.22
Balance which have significant increase in credit risk	10.01	10.01	27.30	27.30
	665.82	486.95	**827.50**	805.52
Less: Provision for impairment	10.01	10.01	27.30	27.30
	655.81	476.94	**800.20**	778.22

NOTE : 6
OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Cash and bank balance				
- On current accounts with scheduled banks	-	2.27	-	-
- On fixed deposits accounts with scheduled banks*	232.03	88.86	-	-
Deferred finance cost	79.79	107.80	-	-
Secured deposit				
Unsecured, considered good	5.06	6.12	116.67	58.25
	316.88	205.05	**116.67**	58.25

* Includes amount given towards margin money and earnest money deposits

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Retaled to depreciation on property, plant and equipment	79.87	2.21
Other disallowances under the income tax act	1,558.80	1,163.84
	1,638.67	**1,166.05**

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

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	-	2.21
Others	(182.87)	(1.18)
Deferred income tax asset		
Disallowances on account of income tax act	1,741.67	1,100.68
Timing difference on tangible and intangible assets depreciation and amortisation	79.87	-
Future losses	-	64.34
Total deferred tax assets (net)	**1,638.67**	**1,166.05**

NOTE : 8
CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Advance tax (net) [1]	511.88	2,122.84	**146.40**	146.28
	511.88	2,122.84	**146.40**	146.28

1 Includes advance tax which is net of provision for tax ₹ 2,497.24 million (P.Y. ₹ 983.16 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, 2019 ₹ million	March 31, 2018 ₹ million
Profit / loss before income tax	1,986.40	935.20
Income tax expense calculated at 21.548% /34.944%	694.13	199.57
Effect of expenses not allowed for tax purpose	792.19	194.10
Effect of income not considered for tax purpose	(289.32)	(204.19)
Others	(246.06)	(71.57)
	950.93	**117.91**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Capital advance				
Secured, considered good				
Unsecured, considered good	581.12	547.14	-	-
Security deposit				
Unsecured, considered good	2,585.48	2,181.58	1,420.02	1,445.94
Advance recoverable				
Secured, considered good				
Unsecured, considered good	1,006.06	1,400.78	5,358.84	4,428.90
Doubtful	594.59	540.36	-	-
Prepaid expenses	88.09	19.35	76.53	170.49
Balance with statutory authorities	239.27	197.29	1,191.02	1,046.41
Accrued interest	1,523.28	1,148.25	18.20	11.18
Preoperative and preliminary expenses	481.13	395.66	3.30	3.29
Other advances	-	-	-	43.52
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	-	0.01	26.75	29.60
Advances to employees	4.06	3.69	21.51	44.21
	7,103.08	6,434.12	**8,183.05**	7,290.41
Less: Allowance for Doubtful advances	594.59	540.36	-	-
	6,508.49	5,893.76	**8,183.05**	7,290.41

NOTE : 10
INVENTORIES *
(At lower of cost or net realizable value/contract rates)

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Stores, embedded goods and spare parts etc.	1,438.02	1,327.76
(Includes stores in transit ₹ 23.75 Million (P.Y. ₹19.18 Million)		
Work in progress (Refer Note 50)	34,025.35	30,287.89
	35,463.37	**31,615.65**

*(As technically valued and certified by the management)

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balance with Banks		
- On current accounts with scheduled banks	946.70	1,135.16
- On fixed deposits accounts with scheduled banks	108.92	148.90
- Balances with non scheduled banks	181.50	22.01
- Foreign currency in hand	0.22	0.01
Cash on hand	7.45	10.21
	1,244.79	**1,316.29**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balances with bank for unpaid dividend	0.21	0.51
	0.21	**0.51**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Investment		
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., F.V. ₹10/- per share	222.00	222.00
Less : Provision for impairment	72.00	72.00
TOTAL	**150.00**	**150.00**
Fixed assets		
Plant and machinery	-	1.93
Vehicles	-	6.80
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**150.00**	**158.74**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 14
SHARE CAPITAL

	March 31, 2019		March 31, 2018	
	No. of shares	₹ million	No. of shares	₹ million
a) Authorized				
Equity shares of ₹1 each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
Preference shares of ₹10,000,000 each	80	800.00	80	800.00
b) Issued, subscribed and fully paid up				
Equity shares of ₹1 each	164,248,506	164.24	156,994,691	156.99
	164,248,506	**164.24**	**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	156,994,691	156.99
Add :- Issued during the year	7,253,815	7.25	-	-
Outstanding at the end of the year	**164,248,506**	**164.24**	**156,994,691**	**156.99**

Pursuant to the ESOP scheme, the Company has alloted 72,53,815 equity shares of face value ₹ 1/- each to Patel Engineering Employees' Welfare Trust at a price of ₹ 1/- each.

Equity shares Name of the shareholder	No. of shares	% holding	No. of shares	% holding
e) Share held by each shareholder more than 5%				
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	18,665,257	11.36	18,665,257	11.89
ii) Patel Engineering Employees' Welfare Trust	13,282,715	8.09	6,028,900	3.84
iii) Dena bank	12,102,989	7.37	13,605,869	8.67
iv) Praham India LLP	10,420,892	6.34	10,420,892	6.64

B) OTHER EQUITY - Refer statement of change in equity for detailed disclosure.

NOTE : 15
BORROWINGS*

	Non-Current Portion		Current Maturities	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
I Secured Loans				
a) Debentures [1]	6,370.98	6,691.37	-	-
b) Term loans				
- From bank [2]	3,895.05	4,426.26	342.17	195.02
- From others [3]	1,280.44	998.84	152.13	188.76
II Unsecured Loans				
- From related parties [4]	1,501.50	1,207.82		
Amount disclosed under "Other financial liabilities" in Note No. 23	-	-	(494.30)	(383.78)
	13,047.97	**13,324.29**	**-**	**-**

1 Debentures

1) During last financial 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. During the year, Implementation from LIC (Life Insurance Coproration of India) & GIC (General Insurance Coproration of India) completed as per the scheme and Units of OCD under Part B Debt was issued by the company.

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 Nil (P.Y. ₹ 100 Million). The same is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company . The company has redeemed these NCD's which was classifed as Part A as per the scheme and New Units of OCD were issued under Part B amounting ₹ 43.9 Millions (P.Y. Nil). The OCD Units were credited to GIC , effective July 1, 2018 with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 & Year 10. The OCD are 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. 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 ₹ 1,138.00 Million (P.Y. ₹ 1,500.00 Million). The company had redeemed existing ₹ 362 Million under Resolution plan by issuance of new OCD Units. The existing units and newly issued OCD units are secured against charge on certian land held on stock in trade of the Company and its subsidiaries. As per the scheme new OCDs were issued under Part B amounting ₹ 708.30 Millions (P.Y. Nil), effective December 17, 2018 with a Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 &Year 10 . The OCD are 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. The above debentures are listed on The National Stock Exchange of India.

b) As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL), Working Capital facilities (CC), Non Convertible Debentures (NCD) and 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, 2019 are as follows -

Tranche 1. (WCTL) ₹ 1,946.36 Million ,Tranche 2 (CC) ₹ 2,765.81 Million , Tranche 3 (GIC OCD) ₹ 43.90 Million, Tranche 4 (SCB STL) ₹ 253.0 Tranche 5 (NCD) ₹ 1.30 Million, Tranche 7 (LIC) ₹ 708.30 Million & Tranche 9 (STL) ₹ 349.00 Million. These debentures have a face value of ₹ 1000 each aggregating to ₹ 6067.67 Million as on March 31, 2019 (P.Y. ₹ 5,923.53 Million).

During the current year, OCD under Tranche 3 to GIC amounting to ₹ 43.90 Million and OCD under Tranche 7 amounting to ₹ 708.30 Million to LIC was issued.

The OCDs 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 (for Tranches 1,2,4,5,9) 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%. For Tranch 3 (GIC) & Tranch 7 (LIC) refer Note 15- 1(a) above.

Tranche 1 is secured against the same security as for WCTL - refer note 15 - 1 b) below in Term Loan Banks, Working Capital Term Loan note,

Tranche 2 is secured against the same security as for CC - refer note 21 - 2) below in Working capital Demand loan Note, Tranche 3 is secured against the same security as for NCDs which were issued to GIC presently nil -refer note 15- 1a) above, Tranche 7 is secured against the same security as for OCD earlier which were issued to LIC - refer note 15- 1a) above.

Tranche 1 & Tranche 2 are also secured by pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) of Patel Engineeering 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 pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) of Patel Engineeering 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 21 - 1) below in Short Term Loans Note.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

c) 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 as there are no additional debentures which are maturing during the year.

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 Nil (P.Y. ₹13.31 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 and was paid on due date. It also includes equipment loans, secured against said equipments, outstanding amount out of the same is Nil (P.Y. ₹ 60.3 million).

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. BhimBatra and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a Charge on escrow accounts of Company , wherein cashflows will be deposited from real estate projects to be developed/monetized by respective companies, Pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) shares of Patel Engineering Limited held by promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. . The WCTL Term loans are repayable over 1 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019.

c) Term loan of ₹1.77 million (P.Y. ₹ 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 ₹ 519.51 million (P.Y. ₹ 663.71 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 ₹2675.47 millions (P.Y. ₹ 2655.93 millions) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in 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 ₹ 676.74 million includes loans from Financial Institutions on Equipments, secured against the said Equipments. These loans carried an interest rate of average between 13%-14%, with a repayment period of 3-5 years . 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 overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019. The said amounts are inlcuded in current maturity of long term debt. The above amount also incudes ₹ 280.0 million. (P.Y . Nil) as finance lease against equipments carring an interest rate of 12.50 % with repayment up to 4 years ending October 2023 and starting from May 2020.

b) Term loan of ₹4.63 million (P.Y. ₹ 44.48 million) Secured by Hypothecation of specified machineries acquired under the said loan. Interest rate ranging from 9.24% to 13%. Further loan is secured by personal guarantee of managing director of the Michigan Engineers Pvt Ltd.

c) Term loan of ₹742.52 million (P.Y. ₹ 742.52 million) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in 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.

d) Secured Loan of USD 125,000 @ 7% p.a. repayable after 2 years with interest secured against property.

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 along with IRR of 6.99%.

NOTE : 16
TRADE PAYABLES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,125.61	2,979.85
Capital creditors	42.89	35.49
	3,168.50	**3,015.34**

NOTE : 17
OTHER FINANCIAL LIABILITIES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	4.38	3.26
	4.38	**3.26**

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Provision for employee benefits (Refer note 33)				
Provision for gratuity	17.06	20.63	4.89	5.09
Provision for leave entitlements	51.80	49.67	11.79	16.56
	68.86	**70.30**	**16.68**	**21.65**

NOTE : 19
OTHER NON CURRENT LIABILITY

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Contractee advances	3,080.64	1,042.34
Deposits	147.49	94.22
Other liability	1,101.42	163.19
	4,329.55	**1,299.75**

NOTE : 20
DEFERRED REVENUE

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Deferred revenue	55.04	37.91
	55.04	**37.91**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 21
BORROWINGS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
I Secured loans		
Short term loans		
- From bank [1]	1,131.48	1,560.99
Loans repayable on demand		
- From bank [2]	11,167.16	12,021.24
II Unsecured loans		
- From bank[3]	-	201.08
- From others	48.07	47.43
- From related parties	1,091.09	1,563.53
	13,437.80	**15,394.28**

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% (P.Y. 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019.

b) Includes short term loans (in foreign currency) from bank of Nil (P.Y. ₹ 33.48 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 of 63,23,532 Shares (P.Y. 63,23,532 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 above 180 days, subservient charge over plant & machinery except specifically charged to any lenders and over certain immovable properties and right over residual cash flows from sale of real estate charged to WCTL lenders.

Terms of Repayment:

Cash Credit- Yearly renewal, Rate of Interest ranges between 10%-12.85% p.a.. (P.Y. 10%-13.86% p.a.)

b) i) Includes cash credit of ₹ 342.20 million (P.Y. ₹ 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 ₹ 196 million (P.Y. ₹ 153.8. 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 ₹ 177.19 million (P.Y. ₹ 230.61 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. 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 inter corporate payables to releated parties of ₹ 1,091.09 million (P.Y. ₹ 1,563.53 million).The repayment of the same is subordinated to the repayment of bank loans. Inter Corporate deposits from others are at an interest rate of 6%.

NOTE : 22
TRADE PAYABLES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Total outstanding dues of micro enterprises and small enterprises[1]	16.90	2.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,910.87	10,945.78
	10,927.77	**10,948.27**

[1]The Company has ₹ 16.99 million (P.Y. ₹ 2.49 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2019. Principal amount due to suppliers under the Act is Rs. 13.18 million (P.Y. ₹ 0.75 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.78 million (P.Y. ₹ 0.03 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 7.52 million (P.Y. ₹ 0.91 million). Interest paid to the suppliers under the Act is Nil million (P.Y. ₹ 0.40 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.71 million (P.Y. ₹ 0.01 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 1.50 million (P.Y. ₹ 1.73 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 ₹ 2.22 million (P.Y. ₹ 1.73 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 : 23
OTHER FINANCIAL LIABILITIES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Current maturities of long-term debt	494.30	383.78
Interest accrued but not due on borrowings	654.82	274.36
Interest accrued and due on borrowings	265.03	490.56
Unpaid dividend	0.21	0.71
Deposits	127.79	120.96
Unpaid matured debentures	-	100.00
	1,542.15	**1,370.37**

The group has transferred ₹ 0.51 Million to Investor Education & Protection Fund as at March 31, 2019. (P.Y. Nil)

NOTE : 24
OTHER CURRENT LIABILITIES

			March 31, 2019 ₹ million	March 31, 2018 ₹ million
(a)	**Other Liabilities**			
	Contractee advances		5,010.75	5,242.84
	Other payables			
	Payable to employees		396.45	347.32
	Other liabilities		5,784.49	698.60
(b)	**Balance in current account**			
	(i)	With subsidiaries, associates	-	0.17
	(ii)	With joint ventures	882.42	214.95
			12,074.11	**6,503.88**

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 25
REVENUE FROM OPERATIONS

		March 31, 2019 ₹ million	March 31, 2018 ₹ million
(a)	**Revenue/turnover**	21,602.43	38,623.51
	Add: Increase/(decrease) in work in progress	1,516.87	(16,596.95)
	Sale of goods	23.31	-
	Total turnover	**23,142.61**	**22,026.56**
(b)	**Other operating income**		
	Lease and service charges	1.91	1.62
	Miscellaneous operating income	477.53	717.31
		23,622.05	**22,745.49**

Disaggregation of revenue on the basis of	March 31, 2019 ₹ million
Primary geographical market wise	
Domestic	21,750.69
International	1,871.36
Major product/service lines wise	
EPC	23,236.88
Real Estate	385.17
Others	-
Timing of revenue recognition wise	-
At a point in time	887.91
Over period of time	22,734.14

NOTE : 26
OTHER INCOME

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Gain on sale of assets (net)	53.84	354.38
Other non operating income	395.82	292.87
Interest income	864.11	1,484.46
Net gain on foreign currency translation	-	8.52
Excess credit written back	437.23	285.72
	1,751.00	**2,425.95**

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,327.76	1,411.66
Add : Purchase (net)	2,670.71	2,471.02
	3,998.47	**3,882.68**
Less : Inventories at the end of the year	1,438.02	1,327.76
Consumption of stores and spares	**2,560.45**	**2,554.92**
Purchase of land / development rights	290.99	5.61
Corpus fund to society	48.29	31.27
Piece rate expenses (net)	11,177.06	9,577.55
Repairs to machinery	17.40	19.29
Transportation, hire etc.	509.85	652.55
Power, electricity and water charges	598.62	479.61
Project development cost	122.54	380.42
Technical consultancy fees	134.86	69.52
Other construction costs	1,141.86	378.76
	16,601.92	**14,149.50**

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

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Salaries, wages and bonus	1,466.03	1,362.01
Contribution to provident and other funds (Refer note no. 33)	103.62	96.62
Employee stock option (ESOP) (Refer note no. 34)	7.82	1.03
Staff welfare expenses	98.80	50.07
	1,676.27	**1,509.73**

NOTE : 29
FINANCE COSTS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Interest expense [1]	3,257.66	4,441.02
Other borrowing costs	445.01	453.21
	3,702.67	**4,894.23**

[1] Interest capitalized of ₹ 125.33 million (P.Y. ₹ 109.30 million) towards fixed assets and project development expenses.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

NOTE : 30
OTHER EXPENSES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Other administrative costs		
Rent	60.59	40.58
Repairs and maintenance - building	14.90	0.06
Insurance	83.58	90.78
Rates and taxes	219.99	204.10
Advertisement and selling expenses	11.18	14.26
Travelling and conveyance	55.57	64.91
Directors fees	1.30	2.09
Auditor's remuneration		
Audit fees	6.36	7.56
Certification	0.71	0.28
Other Service	-	0.06
	7.07	**7.90**
Communication expenses	16.14	19.70
Printing and stationery	11.47	12.76
Legal and consultancy charges	334.30	361.08
Loss on sale of asset discarded	168.24	4.31
Irrecoverable debts written off / provided	303.68	111.66
Sewage water disposal	2.19	2.23
Net loss on foreign currency translation	26.98	-
Preliminary expenses written off	0.37	0.58
Share of loss from associates / joint ventures	52.70	13.12
Other expenses	402.17	828.23
	1,772.42	**1,778.35**

NOTE : 31
EXCEPTIONAL ITEMS:

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Investment / loans and advances written off [a]	7.25	1,560.22
Gain on Conversion of loan liability in debt [b]	(103.50)	(732.16)
Provision for impairment on loan and advances [c]	(795.27)	533.64
	(891.52)	**1,361.70**

a) Considering the irrecoverability of advances given to a subsidiary the same has been considered to be written off.

b) As per terms of S4A part B, two NCDs of the Company have 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 OCD 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 ₹ 103.50 millions 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 term of the OCDs.

c) Provision made for impairment based on indication of dimunition in value of advance to a firm/ subsidiaries and against corporate guarantee given on behalf of an associate company. Also, excess provision made in earlier years have been reversed.

32 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 to 23.11.2017)
20. Apollo Buildwell Private Limited
21. Arsen Infra Private Limited
22. Hera Realcon Private Limited
23. Lucina Realtors Private Limited
24. PBSR Developers Private Limited
25. Waterfront Developers Limited
26. Hampus Infrastructure Pvt. Ltd. (incorporated on 27.03.2018)

B) Other Subsidiaries:

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

C) Joint Ventures:

Name of Joint Ventures	% of share
1. Patel Michigan JV	10.00%
2. CICO Patel JV	99.90%
3. Patel SEW JV	60.00%
4. PATEL –KNR J.V.	50.00%
5. KNR – PATEL J.V.	49.00%
6. PATEL – SOMA J.V	50.00%
7. Patel – V Arks JV	65.00%
8. Patel VI JV	51.00%
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%
14. Onycon Enterprises	60.00%

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

E) As the Group 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 in F.Y. 2017-18.

F) Bellona Estate Developers limited and Patel KNR Infrastructures Limited has not been consolidated as the same has been held for sale.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

33 EMPLOYEE BENEFITS

I Brief description of the Plans

The Group 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 Group'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 Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Group are also entitled to leave encashment and compensated absences as per the Group's policy. The Provident fund scheme additionally requires the Group to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognized immediately in the consolidated 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, 2019 and March 31, 2018:

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

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	14.45	4.21	20.34
	(13.74)	(4.62)	(17.70)
Interest cost (net)	2.51	1.54	4.86
	(2.04)	(1.43)	(3.72)
Past Service Cost	-	-	-
	(2.10)	-	-
Net actuarial (gain) / losses	(1.59)	(4.46)	(25.24)
	(-0.63)	(-5.35)	(-13.54)
Total expenses recognized in the statement of profit and loss	**15.37**	**1.30**	**(0.04)**
	(17.25)	**(0.72)**	**(7.88)**

(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	(92.88)	(18.80)	(60.76)
	(-82.22)	(-19.75)	(-59.16)
Fair value of plan assets as at the year end	49.85	-	-
	(49.98)	-	-
Funded liability recognized in the balance sheet	**(43.03)**	**(18.80)**	**(60.76)**
	(-32.24)	**(-19.75)**	**(-59.16)**

(iii) **Changes in defined benefit obligation :**

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	82.22	19.75	62.45
	(67.99)	(19.30)	(51.54)
Interest cost	6.40	1.54	4.86
	(4.90)	(1.43)	(3.72)
Current service cost	14.45	4.21	20.34
	(13.74)	(4.62)	(17.70)
Past Service Cost	-	-	-
	(2.10)	-	-
Benefit paid	(7.59)	(2.24)	(1.65)
	(-5.36)	(-0.24)	(-0.26)
Actuarial (gains) / losses on obligations	(2.60)	(4.46)	(25.24)
	(-1.15)	(-5.35)	(-13.54)
Liability at the end of the year	**92.88**	**18.80**	**60.76**
	(82.22)	**(19.75)**	**(59.16)**

(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	49.98	-	-
	(39.61)	-	-
Expected return on plan assets	3.89	-	-
	(2.85)	-	-
Contributions by the employer	4.58	-	-
	(13.39)	-	-
Benefit paid	(7.59)	-	-
	(-5.36)	-	-
Actuarial gain on plan assets	(1.01)	-	-
	(-0.52)	-	-
Fair value of plan assets at the end of the year	49.85	-	-
	(49.98)	-	-
Total actuarial gain to be recognized	**(1.59)**	**-**	**-**
	(-0.63)	**-**	**-**

(v) **Actual return on plan assets**

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	3.89	-	-
	(2.85)	-	-
Actuarial gain on plan assets	(1.01)	-	-
	(-0.52)	-	-
Actuarial gain on plan assets	2.88	-	-
	(2.34)	-	-

(vi) The Group expects to contribute ₹ 42.86 million (P.Y.₹42.09 million) to gratuity funded plan in FY 2019-20.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(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	7.79%	7.79%	7.79%
	(7.78%)	(7.85%)	(7.78%)
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	7.79%	-	-
	(7.78%)	-	-
Attrition rate	2.00%	2.00%	2.00%
	(2.00%)	(2.00%)	(2.00%)
Average Age of retirement (years)	60	58	58
	(60)	(58)	(58)

(ix) Experience adjustments

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
On plan obligation (gain)/loss	(2.52)	(3.03)	(25.27)
	(3.06)	(-2.54)	(-10.66)
On plan asset (loss)/gain	(1.01)	-	-
	(-0.52)	-	-

(x) Expected Employer's Contribution in future years

	Gratuity (Funded)	Gratuity (Non-funded)
1 years	15.08	3.32
	14.51	2.21
Between 2 to 5 years	22.36	1.87
	16.58	0.83
Beyond 5 years	179.14	(16.13)
	164.78	(23.99)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10	16
	(10)	(15)

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

III Defined Contribution Plan -:

Amount recognised as an expense and included in the Note no. 28 as Contribution to Provident and other funds ₹ 103.62 million (P.Y. ₹ 96.62 million)

34 SHARE BASED PAYMENTS (IND AS 102)

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 group existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) Employee Stock Option Scheme

Particulars	ESOP Scheme
Number of Option granted	200,000
Vesting Plan	4 years (25% every year after 1 year from date of grant)
Exercise Period	6 months from the date of vesting
Grant date	February 14, 2018
Exercise Price (₹per option)	1
Weighted average Fair value on the date of grant option (in ₹per shares)	79.86
Method of Settlement	Equity

b) Movement of Option Granted

Particulars	As at March 31, 2019 Nos.	As at March 31, 2018 Nos.
Outstanding at the beginning of the year	200,000	-
Grant during the year	-	200,000
Excercised during the year	-	-
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	200,000	200,000
Exercisable at the end of the year	50,000	-
Weighted average life of options	3 years	4 years

c) Fair valuation:

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option. No options were granted during the year. Weighted Average Fair value of the options granted previous year ₹79.86/-.

The Key assumptions in the Black Scholes Merton Model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-.
iii)	Grant date	February 14 2018
iv)	Vesting Period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average Risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

Notes to Consolidated Financial Statement for the year ended March 31, 2019

35 LEASE

Where the Company is lessee:

a) Operating Leases:

The Group has taken various construction equipments under non cancellable operating leases. The future minimum lease payment in respect of these as at March 31, 2019 are as follows:

Minimum lease obligation payable as at March 31		2019 ₹ million	2018 ₹ million
a)	within one year of the Balance Sheet date	120.16	104.09
b)	due in a period between one year and five years	108.79	168.53
c)	due after five years	-	-

The Operating lease arrangement, are renewable on a periodic basis and it provides for an option to the Group to renew the lease at the end of the non cancellable period. There is no exceptional / restrictive covenants under the lease arrangement.

b) Finance Leases:

Assets acquired on finance lease comprises plant and equipment & vehicles. The leases have a primary period, which is fixed and non- cancellable. The Group has an option to renew the lease for a secondary period.

The Minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

Obligation payable as at March 31,		₹ Million		₹ Million	
		Minimum Lease Payment		Present value of Minimum lease payment	
		2019	2018	2019	2018
a)	within one year of the Balance Sheet date	35.00	-	-	-
b)	due in a period between one year and five years	356.19	-	280.00	-
c)	due after five years		-		-
	Total (a + b + c)	391.19	-	280.00	-
	Less: Future Finance Charges	111.19	-		-
	Present value of minimum lease payments	280.00	-	280.00	-

36 EARNING PER SHARE (EPS)

	2019 ₹ million	2018 ₹ million
Net profit as per the consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of ₹ 1 each	1,541.46	1,047.89
Weighted average number of equity shares for basic EPS (in No)	158,803,177	156,994,691
Add: Weighted average potential equity shares		
- On issue of optionally convertible debentures	214,669,193	91,479,135
Weighted average number of equity shares for diluted EPS (in No)	373,472,370	248,473,826
Face value of Share ₹	1	1
Earning Per Share (Basic) ₹	9.71	6.67
Earning Per Share (Diluted) ₹	4.87	5.28

37 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. (Upto December 27, 2018)
3 ACP Tollways Pvt. Ltd.
4 Bellona Estate Developers Ltd. (BEDL)
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. Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)
2. Praham India LLP

B. Key Management Personnel (KMP)

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

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

₹ million

Particular	Associates/ joint ventures / partnership/others	
	2018-19	2017-16
- Investment in equity / purchase of shares	-	240.20
- Loans/advances given	718.44	21,338.85
- Loans / advances recovered	2.01	23,809.97
- Corporate guarantee outstanding as at the end of the year	4,349.40	6,255.37
- Bank guarantee outstanding as at the end of the year	15.93	38.23
- Outstanding balance included in current/ non current assets	92.14	177.45
- Outstanding balance included in current / non current liabilities	784.50	2.64
- Interest income	18.07	0.91
- Reimbursement of expenses from	249.17	19.57
- Provision for impairment of loans and advances	850.00	-
- Sundry balances written off	0.83	2.63
- Compensation towards invocation of shares	-	533.64

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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	2018-19	2017-18
- Investment in equity / purchase of shares	Hitodi Infrastructure Ltd	-	240.20
- Loans/advances given	Hitodi Infrastructure Ltd	696.14	21,328.45
- Loan/ advances recovered	Hitodi Infrastructure Ltd	0.06	22,604.63
	Raichur Solapur Transmission Company Pvt. Ltd.	1.94	-
- Interest income	Hitodi Infrastructure Ltd	16.41	0.23
	Raichur Solapur Transmission Company Pvt. Ltd.	1.66	0.68
- Reimbursement of Expenses	Hitodi Infrastructure Ltd	249.18	19.32
- Provision for impairment of loans and advances	Bellona Estate Developers Ltd.	850.00	-
- Sundry balances written off	Bellona Estate Developers Ltd.	0.83	2.63
- Compensation towards invocation of shares	Praham India LLP	-	533.64

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

₹ million

Particular	2018-19	2017-18
Managerial remuneration	77.09	69.81
Salary and contribution to provident fund	3.91	3.97
Loan taken	2.50	1.00
Loan repaid	3.50	-
ESOP	7.82	1.03
Outstanding balance payable	317.67	308.47
Outstanding balance receivable	4.40	20.49

38 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Group's performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the consolidated financial statement are consistently applied in individual segment to prepare segment reporting.

Primary Segment : ₹ million

Particulars	As at March 31, 2019			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	23,236.88	385.17	-	23,622.04
Segment results	1,338.21	(23.02)	(220.35)	1,094.84
Segment assets	66,094.28	6,515.17	9,396.42	82,005.87
Segment liabilities	50,130.61	2,753.02	5,788.37	58,672.00
Addition to fixed assets	5,668.41	18.07	2.56	5,689.03
Segment depreciation	499.82	0.09	2.04	501.95

₹ 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

Geographical Segment : ₹ million

Particulars	As at March 31, 2019		
	Within India	Outside India	Total
Revenue	21,750.69	1,871.36	23,622.04
Non current assets	33,214.16	391.03	33,605.19

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

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, 2019	As As at March 31, 2018
Revenue from top customer	2,285.82	1,770.40
Revenue from top five customers	7,867.95	6,788.81

39 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.

40 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 consolidated financial statements for the year.

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 Group'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, Group has

Notes to Consolidated Financial Statement for the year ended March 31, 2019

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, 2019 ₹1,230.93 Million (P.Y. ₹1,230.93 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 Group amounting to ₹ 49.74 Million (P.Y. ₹ 306.36 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 25.03.2013 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, 2019 amounting to ₹ 704.32 Million (P.Y ₹ 1,429.23 Million).

Foreign currency exposure outstanding at ₹ million

Currency	March 31, 2019	March 31, 2018
USD	1,248.60	1,863.94
EURO	(483.27)	(488.49)
SGD	(7.99)	(7.70)
JPY	22.69	22.13
MUR	72.51	61.07
LKR	15.26	14.89
NPR	(163.48)	(36.62)

46 The Group's pending litigations comprise of claims by or against the Group primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Group 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 consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provision of ₹ 6.14 million (P.Y. ₹ 4.33 million) and appropriate disclosure for contingent liabilities is given.

47 The Group has invested in step down subsidiary, Le Salines Development Ltd ("LSDL") undertaken a construction project in Mauritius in the year 2009-10 . LSDL had signed an lease agreement with Ministry of Housing and Land Develoment (MOHL) Government of Mauritius (GOM) on December 11, 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10 and incurred cost of ₹ 970.38 million (P.Y. 929.84 million). Subsequently on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL. Formal communication was received by LSDL on June 4, 2015 from the GOM. Management is of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice has been sent to MOHL GOM on July 1, 2016 by LSDL contesting wrongful termination. The Group did not receive any reply to this letter. The Group has invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and the group is confident of getting compensation from GOM.

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 ₹ 165.79 million (P.Y. ₹122.07 million), advance paid ₹ 9.67 million (P.Y. ₹ 33.93 million). The Group is under commitment to construct specific area for land owner.

(b) Counter indemnities given to Banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others, given by them, in respect of contractual commitments in the ordinary course of business is ₹ 13,347.87 Million (P.Y. ₹ 12,390.11 Million) (including Customs ₹ 23.01 Million (P.Y. ₹ 66.17 Million) Entry Tax Nil (P.Y. ₹ 37.57 Million). Corporate guarantees / Letter of Credit on behalf of subsidiaries and others is ₹ 7050.18 Million (P.Y. ₹ 9441.08 Million).

(c) Client has claimed an amount of ₹210.8 million (P.Y. ₹ 210.8 million) from Group which is pending at 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. ₹ 2,504.10 million) and advance paid ₹ 82.92 million (P.Y. ₹ 82.92 million). Out of the above, ₹ 1,881.53 million (P.Y. ₹ 1,881.53 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 74.67 million (P.Y. ₹105.32 million) (Advance paid ₹ 1.60 million (P.Y. ₹ 18.57 million)), Cess ₹ 121.58 million (P.Y. ₹ 120.11 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 ₹ 1,592.12 million (P.Y. ₹ 1,167.54 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 9.52 million (P.Y. ₹ 9.52 million) and advance Paid ₹ 2.38 million (P.Y. ₹ 2.38 million)

(h) The Group 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 consolidated financial statement.

(i) A part of the immovable property belonging to the Group shown under inventories has been offered as security in favour of a bank against credit facilities availed by a JDA partner.

Notes to Consolidated Financial Statement for the year ended March 31, 2019

(j) The Group has provided a “cost overrun undertaking” for its associates Bellona Estate Developers Limited and its step-down subsidiay 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, Group has given flats of ₹50.00 million (P.Y. ₹ 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) Trade receivables to the extent of ₹ 405.23 million (P.Y. ₹ 744.49 million) have been discounted with bank on recourse basis.

50 The Ministry of Corporate Affairs vide notification dated 28th March, 2018 has made “Revenue from Contracts with Customers” (IND AS 115) mandatory w.e.f. April 1, 2018. Accordingly, the Company has applied retrospective approach, as per para C3(b) of IND AS 115, to contracts which were not completed as on April 1, 2018 and adjusted its assets, liabilities and reserves.

51 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries / associates / joint ventures:

₹ million

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	101.19%	23,038.87	55.83%	830.26
Subsidiaries				
Indian				
1 Apollo Buildwell Private Limited	-0.16%	(36.96)	-1.51%	(22.53)
2 Arsen Infra Private Limited	0.00%	0.30	-0.07%	(0.98)
3 Lucina Realtors Private Limited	0.00%	0.55	0.00%	(0.04)
4 Hera Realcon Private Limited - (97.13%)	0.00%	0.97	-0.01%	(0.19)
5 PBSR Developers Private Limited	-0.45%	(102.03)	-4.63%	(68.81)
6 Waterfront Developers Limited	-0.81%	(185.48)	-2.53%	(37.64)
7 Patel Energy Resources Limited	22.63%	5,151.82	128.12%	1,905.53
8 Patel Engineering Infrastructure Limited	0.39%	88.13	-2.51%	(37.37)
9 Patel Concrete and Quarries Private Limited	0.00%	0.62	0.00%	(0.05)
10 Friends Nirman Private Limited	0.10%	22.65	0.00%	0.05

₹ million

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
11	Zeus Minerals Trading Private Limited	0.00%	0.21	0.00%	(0.05)
12	Patel Patron Private Limited	0.61%	138.85	-0.01%	(0.14)
13	Patel Engineers Private Limited	0.41%	92.98	-0.03%	(0.46)
14	Pandora Infra Private Limited	0.30%	68.80	-0.01%	(0.09)
15	Shashvat Land Projects Private Limited	0.34%	77.51	-0.01%	(0.10)
16	Vismaya Constructions Private Limited	0.24%	53.95	-0.01%	(0.10)
17	Bhooma Realties Private Limited	0.52%	118.69	-0.08%	(1.24)
18	Patel Lands Limited	0.00%	0.31	0.00%	(0.03)
19	Energy Design Private Limited	-0.30%	(69.23)	-0.78%	(11.66)
20	Shreeanant Construction Private Limited	-0.16%	(35.39)	-0.76%	(11.31)
21	Michigan Engineers Private Limited	5.03%	1,144.83	4.95%	73.64
22	Hampus Infrastructure Private Limited	0.00%	0.02	-0.01%	(0.08)
	Foreign				
1	Patel Engineering Inc.	0.92%	209.89	-12.52%	(186.19)
2	Patel Engineering (Mauritius) Limited	-0.90%	(203.80)	-1.94%	(28.78)
3	Patel Engineering (Singapore) Pte. Limited	-3.75%	(853.36)	-2.88%	(42.83)
4	Patel Engineering Lanka Limited	0.13%	28.47	-0.93%	(13.90)
	Non-controlling interest	**2.49%**	**565.93**	**3.84%**	**57.14**
	Associate (as per proportionate consolidation/ Investment as per the equity method)				
1	ACP Tollways Private Limited	2.86%	650.25	-13.40%	(199.25)
2	Raichur Sholapur Transmission Company Limited	1.05%	240.06	-1.79%	(26.66)
3	Hitodi Infrastructure Limited	0.00%	-	-16.15%	(240.20)
4	Pan Realtors Private Limited	0.00%	-	-0.29%	(4.35)

NOTE : 52
Category -wise classification of financials instruments

₹ million

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at FVTPL				
Investment	0.52	23.36		
Financial assets measured at amortized cost				
Investments	1,163.91	1,381.42	150.00	150.00
Trade receivables	6,396.64	5,615.24	2,295.99	2,411.62
Loans	655.81	476.94	800.20	778.22
Deferred finance cost	79.79	107.80	-	-
Secured deposit	237.09	97.25	116.67	58.25
Cash and cash equivalents	-	-	1,244.79	1,316.29
Other bank balances	-	-	0.21	0.51

Notes to Consolidated Financial Statement for the year ended March 31, 2019

₹ million

Financial liabilities measured at amortized cost	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Borrowings	13,047.97	13,324.29	13,437.80	15,394.28
Trade payables	3,168.50	3,015.34	10,927.77	10,948.27
Other financial liabilities	4.38	3.26	1,542.15	1,370.37

NOTE : 53
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, 2019

₹ million

Financial asset measured at FVTPL	Fair value as at March 31, 2019	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

As at March 31, 2018

₹ million

Financial asset measured at FVTPL	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	23.36	23.36	-	-

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 : 54
Financial risk management

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group 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, 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 Group's financial performance.

The following disclosures summarize the Group'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 consolidated financial results, cash flows and financial position of the Group.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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 Group's profit before tax is affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows :

₹ million

	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+50 basis point	(130.31)	(177.64)	(130.31)	(177.64)
-50 basis point	130.31	177.64	130.31	177.64

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 Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

₹ million

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
EURO	527.01	521.20	43.74	32.72
JPY	-	-	22.69	22.13
LKR	-	-	15.26	14.89
MUR	-	-	72.51	61.07
NPR	2,881.95	1,450.39	2,718.47	1,413.78
USD	12.00	28.96	1,260.60	1,892.91
SGD	7.99	7.70	-	-

The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note no. 45

Sensitivity analysis

The Group is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Group 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 Group 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	(24.16)	(24.43)	(24.16)	(24.43)
-5%	24.16	24.42	24.16	24.42

₹ million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	62.43	92.28	62.43	92.28
-5%	(62.43)	(92.28)	(62.43)	(92.28)

Notes to Consolidated Financial Statement for the year ended March 31, 2019

c) **Equity price risk**

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Price sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in price of investment measured at FVTPL with other variables held constatnt. The Company's profit before tax is affected throgh the impact on change in price of investment as follows:

₹ million

Change in Price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	0.03	1.17	0.03	1.17
-5%	(0.03)	(1.17)	(0.03)	(1.17)

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 joint ventures.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Group 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 Group's historical experience for customers.

3) **Liquidity risk**

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group'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 Group'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 31st March, 2019				
Borrowings	14,851.95	7,245.99	5,801.97	27,899.91
Trade payables	10,927.77	3,168.50	-	14,096.27
Other financial liability	1,047.85	4.38	-	1,052.23
At 31st March, 2018				
Borrowings	15,878.06	6,997.97	6,050.00	28,926.02
Trade payables	10,948.27	3,015.34	-	13,963.61
Other financial liability	886.59	3.26	-	889.86

NOTE : 55

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group 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, 2019, the Group 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 Group 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 Group monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ million

Particulars	As at March 31, 2019	As at March 31, 2018
Total debt	26,980.07	29,202.35
Total equity	22,767.12	21,598.04
Total debt to total equity ratio (gearing ratio)	1.19	1.35

In order to achieve this overall objective, the Grouup's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

56 a) The Ministry of Corporate Affairs vide notification dated March 28, 2018 has made "Revenue from Contracts with Customers" (IND AS 115) mandatory w.e.f. April 1, 2018. The Company has applied retrospective approach, as per para C3(b) of IND AS 115, to conltracts which were not completed as on April 1, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e.lst April, 2018 in accordance with para C7 of IND AS 115 as an adjustment to the opening balance of retained earnings of ₹ 1094.20 million (net of deferred tax) based on satisfaction of performance obligation (at a point in time).

b) Recognition of revenue based on satisfaction of performance obligation (at a point in time), due to application of the IND AS 115, has caused decrease in income from projects by ₹ 112.04 million; decrease in cost of sales by ₹ 194.30 million; increase in profit of ₹ 82.26 million and increase in basic EPS of ₹ 0.52 for the year ended March 31, 2019 respectivaly. as compared to the previously permitted percentage of completion method. The comparatives have not been restated and hence are not comparable with previous period figures.

57 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 attached Report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Chittaranjan Kumar Singh
Director, Operations
DIN : 00196978

Sunil Sapre
Director, Operations
DIN : 00196978

Shobha Shetty
Company Secretary

Independent Auditors' Report

TO THE MEMBERS OF

PATEL ENGINEERING LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Patel Engineering Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive Income), the Statement of Change in Equity and the Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies, other explanatory information. These also includes financials of the Joint operations and Real Estate Division Branch of the company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai (hereinafter referred to as "the Standalone Ind AS financial statements").

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 Companies Act,2013 ("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 state of affairs of the Company as at March 31, 2019, and its Profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matter	Auditor's Response

1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)**
	
	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	
	Refer Notes 1.j and 25 to the Standalone Financial Statements.
		Principal Audit Procedures
		
		Our audit process included to identify the impact of adoption of the new revenue accounting standard.
		
		Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
		
		• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
		
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.
		
		• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard
		
		• Selected a sample of continuing and new contracts and performed the following procedures:
		
		    • Read, analyzed and identified the distinct performance obligations in these contracts.
		
		    • Compared these performance obligations with that identified and recorded by the Company.

Sr. No.	Key Audit Matter	Auditor's Response
		• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation • Samples in respect of revenue recorded for time and material contracts were tested using a combination customer acceptances, subsequent invoicing and historical trend of collections and disputes. • Performed analytical procedures for reasonableness of revenues disclosed.
2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer Notes 1.i and 10 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.
3	**Investments and Loans/advances given to subsidiaries, joint venture and associates** Investments in subsidiaries, joint venture and associates account for a significant percentage of the Company's net assets. Management assesses major investments annually whether there are indications of impairment and determines the recoverable amounts of the investments recognized on the balance sheet. Determining the recoverable value of these investments is mainly based on estimates of the value of future cash flows. The estimation of future cash flow requires significant judgement by Management, including, among other things, expectations regarding income and future margins, etc. Deviations in these estimates trigger significant variations in the calculations performed and therefore in the analysis of the recoverability of investments in group companies and associates. Refer Notes 1.h and 3 to the Standalone Financial Statements	**Principal Audit Procedures** We gained an understanding of the process used by the Company to assess the valuation of Investments and Loans & advances, analyze their recoverability and impairment tests performed by the management, and verified that the criteria used to perform these tests are consistent with those established in applicable reporting standards. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Consideration and evaluation of company's analyses on its overall exposure to each of these subsidiaries and its potential of return by applying the future cash flows method; • Analytical procedures on the figures for receivables from these companies in the previous and current years as well as after the end of the reporting period; • Analyses and assessment of the appropriateness of the key judgements and assumptions, used by company's management. As a result of our analysis and test performed, we consider that Management's conclusion concerning the absence of impairment of investments, the estimates made and the information disclosed in the accompanying annual accounts are adequately supported and are consistent with the information currently available

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>4</td><td>Litigation matters
The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under:
• Non acceptance of certain work by the client.
• Cost overrun in certain contracts.
• Reimbursement of the cost incurred by the company for the client.
Due to complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined.
Refer Notes 1.r, 45 and 47 to the Standalone Financial Statements</td><td>Principal Audit Procedures
Our audit procedures included the following:
• Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.
• Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable.
• Discussion with the management on the development in these litigations during the year ended March 31, 2019.
Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.</td></tr>
<tr><td>5</td><td>IT Systems and control over financial reporting
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue, material consumption, and sub contract costs.
Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and Changes, access to programs and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.</td><td>Principal Audit Procedures
Our procedures included to the following:
• Assessment of the complexity of the environment through discussion with the head of IT.
• Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations.
• Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company.
Assessment of the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.</td></tr>
</table>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the "Other Information". The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

As and when we receive and read the Other Information identified above, in the event we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance in the manner required.

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 accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the Real Estate Division, have without qualifying their audit report on the Standalone Ind AS financial statement for the year ended March 31, 2019 have drawn attention with respect to Note No. 46regarding Company's investment and loans and advances in Waterfront Developers Limited (Mauritius), 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) We did not audit the financials statements of a branch included in the Standalone financial statements of the Company whose financial statement reflect total assets of ₹ 4,609.93 million as at March 31, 2019 and the total revenue of the ₹ 1,722.88 million for the year ended on that date, as considered in the standalone financial statement of this branch have been audited by the Branch Auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such

Branch Auditor. Our report is not modified in respect of these matter.

b) The standalone financial results include the financial results of 9 unincorporated joint operations which have not been audited by their auditors, whose financial results reflect the Net Total Assets of ₹ 1,041.59 million as at March 31, 2019, Company's Share in Total revenue after elimination is ₹ 1,587.39 million, Total Profit (net) after tax of ₹ 28.42 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, 2019 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 modified in respect of this matter.

c) The standalone financial results also include the financial results of 5 unincorporated joint operations which have been audited by other auditors, whose financial results reflect the Net Total Assets of ₹ (33.89) million as at March 31, 2019, Company's Share in Total revenue after elimination is ₹ 674.51 million, Total Profit (net) after tax of ₹ 18.45 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, 2019 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 modified 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 and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;

   c) The report on the accounts of the branch office of the company audited under section 143(8)of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;

   d) 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 and with the returns received from the branch not visited by us;

   e) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   g) 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;

   h) 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, 2019 on its financial position in its Standalone Ind AS financial statements to the extent determinable/ascertainable - Refer Note 47 to the Standalone Ind AS financial statements;

      ii. the Company has made provision as at March 31,2019 as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contract.

      iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

Anil A. Mehta
Partner
Membership Number: 030529

Mumbai,
April 30, 2019

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

Referred to in paragraph 1under "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 equipment's/investment properties are held in the name of the Company, except for Freehold lands with gross block and net block of ₹ 7.09millions.

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 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 material 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 ₹ 198.14 million outstanding as at March 31, 2019 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	2003-2004	1.31	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	
	September 2015	71.52	
The Income Tax Act,1961	2003-04 to 2006-07	220.33	Hon'ble High Court

Particulars	Financial Year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
	2011-12 to 2016 -17	1059.27	Commissioner of Income Tax (Appeals)
	2017-18 to 2018 - 19	27.99	Commissioner of Income Tax (Appeals) TDS
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	2012- 13 to 2013-14	6.10	Income Tax Appellate Tribunal
	2013-14 to 2016-17	196.87	Commissioner of Income Tax (Appeals)
	2015-2016 to 2016-17	38.82	The Director,Objections Appeals and Dispute Resolutions Dept. Mauritius

viii There are no loans or borrowings payable to government. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks during the year. The Company has defaulted in repayment of following dues to the debenture holders during the year. However, these balances were paid / converted to Optionally Convertible Debentures before the balance sheet date.

Debenture Holders

Particulars	Days	Principal Amount in Million (Rs.)	Interest
LIC	>90 Days	-	473.27
GIC	>90 Days	100	14.40

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 material 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)

Anil A. Mehta
Partner
Membership Number: 030529

Mumbai,
April 30, 2019

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 31,2019 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, 2019, 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)

Anil A. Mehta
Partner
Membership Number: 030529

Mumbai,
April 30, 2019

Balance Sheet as at March 31, 2019

		Notes	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	2,698.97	2,483.20
	(b) Capital work-in-progress		28.84	17.16
	(c) Intangible assets		1.12	2.10
	(d) Financial assets			
	(i) Investments	3	6,005.02	4,948.58
	(ii) Trade receivables	4	6,396.64	5,615.24
	(iii) Loans	5	7,988.22	8,490.17
	(iv) Other financial assets	6	316.88	205.05
	(e) Deferred tax assets (net)	7	1,253.50	639.21
	(f) Current tax assets (net)	8	448.32	2,058.15
	(g) Other non current assets	9	5,862.91	5,448.92
	Total non current assets		**31,000.42**	**29,907.78**
2	**Current assets**			
	(a) Inventories	10	28,740.45	26,852.25
	(b) Financial assets			
	(i) Trade receivables	4	2,107.38	1,985.58
	(ii) Cash and cash equivalents	11	1,098.38	1,176.54
	(iii) Other bank balances	12	0.21	0.51
	(iv) Loans	5	1,847.52	1,626.39
	(v) Other financial assets	6	116.67	58.25
	(c) Other current assets	9	6,588.24	5,627.89
	(d) Assets classified as held for sale	13	150.00	158.74
	Total current assets		**40,648.85**	**37,486.15**
	TOTAL ASSETS		**71,649.27**	**67,393.93**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	14	164.24	156.99
	(b) Other equity		22,874.63	22,104.21
	Total equity		**23,038.87**	**22,261.20**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	9,095.38	9,209.50
	(ii) Trade payables			
	a) Total Outstanding dues of micro enterprises and Small enterprises	16	-	-
	b) Total Outstanding dues of creditors other than micro enterprises and Small enterprises		3,104.78	2,474.42
	(iii) Other financial liability	17	4.38	3.26
	(b) Provisions	18	59.02	60.76
	(c) Other non current liabilities	19	6,161.52	3,294.80
	(d) Deferred revenue	20	55.04	37.91
	Total non current liabilities		**18,480.12**	**15,080.65**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	12,741.55	14,556.06
	(ii) Trade payables			
	a) Total Outstanding dues of micro enterprises and Small enterprises	22	16.90	2.49
	b) Total Outstanding dues of creditors other than micro enterprises and Small enterprises		8,822.49	6,625.80
	(iii) Other financial liabilities	23	1,357.13	1,240.22
	(b) Provisions	18	11.88	16.05
	(c) Other current liabilities	24	7,180.33	7,611.46
	Total current liabilities		**30,130.28**	**30,052.08**
	TOTAL EQUITY AND LIABILITIES		**71,649.27**	**67,393.93**
	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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

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

Statement of Profit and Loss for the year ended March 31, 2019

		Notes	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
I.	**Revenue from operations**	**25**	20,698.90	20,389.00
II.	**Other income**	**26**	2,862.06	3,813.50
III.	**Total revenue (I + II)**		**23,560.96**	**24,202.50**
IV.	Expenses:			
	Cost of construction	**27**	14,965.56	12,682.30
	Purchase of stock-in-trade		22.94	-
	Employee benefits expense	**28**	1,550.98	1,387.00
	Finance costs	**29**	3,225.23	5,362.40
	Depreciation and amortization expense	**2**	409.25	444.70
	Other expenses	**30**	1,389.05	1,760.50
	Total expenses		**21,563.01**	**21,636.90**
V.	**Profit before exceptional items and tax (III-IV)**		1,997.95	2,565.60
VI.	**Exceptional items**	**31**	844.34	2,043.00
VII.	**Profit before tax (V - VI)**		**1,153.61**	**522.60**
VIII.	**Tax expense:**			
	(1) Current tax		925.43	98.75
	(2) Deferred tax		(600.56)	(166.95)
IX.	**Profit for the year (VII-VIII)**		**828.74**	**590.80**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		0.96	(34.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.56	12.45
XI.	**Total other comprehensive income**		1.52	(22.06)
XII.	**Total comprehensive income for the year (IX+XI) (Comprising profit and other comprehensive income for the year)**		**830.26**	**568.74**
XIII.	**Earnings per equity share:**			
	(1) Basic	**35**	5.22	3.76
	(2) Diluted		2.97	3.44
	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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

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, 2019

		March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit After tax	828.74	590.80
	Adjustment for:		
	Depreciation/ amortisation	409.25	444.70
	Tax expenses	324.87	(68.20)
	Finance charges	3,225.23	5,362.40
	Interest income and dividend received	(1,981.38)	(2,913.85)
	Foreign exchange gain	(100.23)	(4.20)
	Provision for leave salary	(1.91)	8.26
	Provision for gratuity	(4.01)	(0.82)
	Impact of Ind AS 115	(37.35)	-
	Gain on de-recognition of financial assets	(103.50)	(732.16)
	Compensation towards invocation of shares	-	533.64
	Provision for impairment	940.59	595.89
	Profit on sale of assets	(53.84)	(319.93)
	Excess credit written back	(436.28)	(285.54)
	Transfer of actionable claims	-	(21,685.97)
	Irrecoverable debts and advances written off	298.64	2,337.01
	ESOP compensation expenses	7.82	1.03
	OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	**3,316.64**	(16,136.94)
	Adjustment for changes in:		
	Trade and other receivables	(2,237.42)	2,086.30
	Inventories	(1,888.20)	15,734.83
	Trade and other payables (excluding income tax)	4,366.21	586.54
	Cash from operations	**3,557.23**	2,270.74
	Direct tax refund received	719.93	1,128.75
	NET CASH FROM OPERATING ACTIVITIES (A)	**4,277.16**	3,399.48
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(358.45)	(58.76)
	Sale of fixed assets	88.25	439.82
	Decrease in loans to subsidiaries/ JV/ associates	75.20	954.19
	Sale of investments	0.25	-
	Purchase of investments	(44.53)	(612.19)
	Increase in other bank balances	21.00	40.47
	Interest and dividend received	182.67	2,731.33
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**(35.61)**	3,494.87
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Shares	**7.25**	-

		March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
	Proceeds from borrowings	1,807.43	1,783.37
	Repayment of borrowings	(3,744.15)	(5,586.08)
	Dividend paid	(0.50)	(0.78)
	Finance charges paid	(2,489.97)	(2,441.85)
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(4,419.94)**	(6,245.34)
	Net increase / (decrease) in cash and cash equivalent (A+B+C)	**(178.39)**	649.01
	Opening balance of cash and cash equivalents	**1,176.54**	523.32
	Balance of cash and cash equivalents	**998.15**	1,172.33
	Notes to Cash flow Statement		
a)	**Cash and Cash Equivalents**		
	Cash on hand and balance with banks	**1,098.38**	1,176.54
	Effect of exchange rate changes	**(100.23)**	(4.20)
	Closing cash and cash equivalents as restated	**998.15**	1,172.33
b)	Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act, 2013.		

c) Reconcilation of liabilities arising from financing activities — **Rs. Million**

March 31, 2019	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	24,127.91	(1,936.72)	(38.50)	22,152.69
Unpaid dividend	0.71	(0.50)	-	0.21
Total	**24,128.63**	**(1,937.22)**	**(38.50)**	**22,152.90**

March 31, 2018	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, Long term borrowing & current maturity)	45,891.05	(3,802.72)	(17,960.42)	24,127.91
Unpaid dividend	1.49	(0.78)	-	0.71
Total	**45,892.54**	**(3,803.49)**	**(17,960.42)**	**24,128.63**

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

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

Statement of Changes in Equity for the year ended March 31, 2019

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ million
Equity shares of Re 1 each issued, subscribed and paid		
As at March 31, 2017	**156,994,691**	156.99
Issue of equity shares	-	-
As at March 31, 2018	**156,994,691**	**156.99**
Issue of equity shares	7,253,815	7.25
As at March 31, 2019	**164,248,506**	**164.24**

(B) OTHER EQUITY

₹ million

Particulars	Reserves and surplus								
	Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total Equity attributable to equity holders
As at March 31, 2017	**266.51**	**2,336.97**	**12,012.64**	**475.00**	**-**	**-**	**300.00**	**6,282.01**	**21,673.14**
Profit for the year	-	-	-	-	-	-	-	590.80	590.80
Other comprehensive income for the year	-	-	-	-	-	-	-	(22.06)	(22.06)
- Employee Stock Option	-	-	-	-	1.03	-	-	-	1.03
- on account of consolidation of joint venture	-	-	-	-	-	-	-	(138.70)	(138.70)
- Transfer from / to debenture redemption reserve	-	225.00	-	(225.00)	-	-	-	-	-
As at March 31, 2018	**266.51**	**2,561.97**	**12,012.64**	**250.00**	**1.03**	**-**	**300.00**	**6,712.06**	**22,104.21**
Profit for the year	-	-	-	-	-	-	-	828.74	828.74
- Other comprehensive income for the year	-	-	-	-	-	-	-	1.52	1.52
- on account of consolidation of joint venture	-	-	-	-	-	-	-	(30.31)	(30.31)
- on account of IND AS Adjustments	-	-	-	-	-	-	-	(37.35)	(37.35)
- Employee Stock Option	-	-	-	-	7.82	-	-	-	7.82
- Transfer from / to debenture redemption reserve	-	78.00	-	(78.00)	-	-	-	-	-
As at March 31, 2019	**266.51**	**2,639.97**	**12,012.64**	**172.00**	**8.85**	**-**	**300.00**	**7,474.66**	**22,874.63**

Capital reserve : The Company recognizes reserve on investment in parthnership firm.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

Stock Option Outstanding Account: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Capital redemption reserve: The company has recognised Capital Redemption reserve on buyback of preference shares from its retained earning. The amount in capital redemption reserve is equal to nominal amount of preference share bought back.

Surplus in the statement of profit and loss: Retained earning are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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 and amendment thereof issued by the Ministry of Corporate Affairs in exercise of the power conferred by section 133 of the Companies Act 2013 and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These financial statement have been approved for issue by the Board of Directors, at their meeting held on April 30, 2019.

b) Basis of preparation

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 in 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, except otherwise stated.

The standalone financial statements are presented in Indian Rupees and all values are rounded off to the nearest millions (Rupees 000,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

c) Current/Non-current Classification

The Company as required by Ind AS 1 presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities, as it is not possible to identify the normal operating cycle.

d) 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

e) Property, plant and equipment

Property, plant and equipment (PPE) 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.

Machinery Spares that meet the defination of PPE are capitalised.

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.

The carrying amount of an item of PPE are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

f) Depreciation

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

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

Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation / amortisation and impairment loss, if any.

Intangible assets are amortized over their useful life.

g) Impairment of non-financial assets

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

h) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost less accumlated impairment (if any) as per Ind AS 27, except where investments accounted for in accordance with Ind AS 105, non-current assets held for sale and discontinued operations, when they are classified as held for sale.

i) Inventories

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

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

j) Recognition of income and expenditure

i) The company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over a period of time on a cost-to-cost method, i.e. 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. 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. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

The company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference.

Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

ii) The company constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before or after construction of the residential properties begins. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and does not have an enforceable right to payment for work done. Revenue from construction of Real Estate properties is therefore recognised at a point of time.

Revenue from building development is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

k) Interest in joint arrangements

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

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

l) Foreign currency transaction/translations

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

Notes to Standalone Financial Statement for the year ended March 31, 2019

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

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

m) Financial instrument:

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

(I) Financial asset:

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

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

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

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

(a) Trade receivables
(b) Investment in subsidiaries, associates and joint ventures
(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.

n) Financial derivative and hedging transactions

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

o) Fair Value Measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) 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.

Notes to Standalone Financial Statement for the year ended March 31, 2019

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.

q) 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.
Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

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 recognised 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) Non-current Assets held for Sale and discontinuoed operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

y) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after April 1, 2019 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing these standalone financial statements.

A. Ind AS 116 Leases

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Ind AS 116 replaces existing leases standard Ind AS 17.

i. Leases in which the Group is a lessee

The company will recognize new assets and liabilities for its operating leases of consturction equipment. The nature of expenses related to those leases will now change because the compnay will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the company will no longer recognize provisions for operating leases that it assesses to be onerous. Instead, the compay will include the payments due under the lease in its lease liability. No significant impact is expected for the company's finance leases.

B. Other standards

The following amended standards and interpretations are not expected to have a significant impact on the company's standalone financial statements.

- Uncertainty over Tax Treatments. (Appendix C of Ind AS 12)
- Prepayment Features with Negative Compensation (Amendments to Ind AS 109).
- Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28).
- Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19).

Notes to Standalone Financial Statement for the year ended March 31, 2019

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2019

₹ million

	Gross Block				Depreciation and Amortization				Net Book Value	
Particulars	As at April 1, 2018	Addition	Deduction/ Retirement	As at Mar 31, 2019	As at April 1, 2018	For the year	Adjustment / Deduction	As at Mar 31, 2019	As at Mar 31, 2019	As at March 31, 2018
TANGIBLE ASSETS										
Land [1]	174.52	-	0.35	174.17	-	-	-	-	174.17	174.52
Building [2]	370.86	65.65	7.08	429.43	85.21	15.94	1.81	99.34	330.09	285.66
Plant and Equipment [3]	4,698.27	267.28	85.06	4,880.50	3,035.30	284.65	64.61	3,255.34	1,625.16	1,662.97
Lease plant and equipment	-	267.94		267.94	-	14.50		14.50	253.44	-
Furniture and fixtures	43.01	1.72	2.73	42.00	38.82	1.53	2.66	37.69	4.31	4.20
Vehicles [4]	1,277.05	25.12	67.04	1,235.12	957.47	77.05	58.99	975.53	259.59	319.58
Lease Vehicle		12.06		12.06	-	0.69		0.69	11.37	-
Office equipments	47.22	1.37	4.12	44.46	43.02	1.36	3.91	40.47	3.99	4.20
Others [5]	31.63	7.97	-	39.60	26.49	0.71	-	27.19	12.41	5.14
Electric equipment	59.44	5.36	-	64.80	42.19	5.21	-	47.40	17.40	17.25
Computer equipments	81.09	3.76	2.68	82.17	71.39	6.42	2.68	75.13	7.04	9.70
	6,783.09	**658.22**	**169.06**	**7,272.26**	**4,299.89**	**408.06**	**134.65**	**4,573.30**	**2,698.97**	**2,483.20**
INTANGIBLE ASSETS										
Computer software	51.44	0.21	-	51.65	49.34	1.19	-	50.53	1.12	2.10
TOTAL	**6,834.53**	**658.43**	**169.06**	**7,323.91**	**4,349.23**	**409.25**	**134.65**	**4,623.84**	**2,700.09**	**2,485.30**
CAPITAL WORK IN PROGRESS									**28.84**	**17.16**
TOTAL	**6,834.53**	**658.43**	**169.06**	**7,323.91**	**4,349.23**	**409.25**	**134.65**	**4,623.84**	**2,728.93**	**2,502.46**

1 Land includes ₹ 7.09 million (P.Y. ₹ 7.13 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 ₹ 282.24 million (P.Y. ₹ 223.67 million), accumulated depreciation ₹ 43.90 million (P.Y. ₹ 35.01 million)] and factory building [gross block ₹ 147.19 million (P.Y. ₹ 156.01 million), accumulated depreciation ₹ 55.44 million (P.Y. ₹ 50.20 million)]

b) ₹ 0.0083 million (P.Y. ₹ 0.0088 million) being the value of 165 shares (P.Y. 175 shares) and share deposits in Co - operative Societies.

3 Includes ₹ 0.47 million (P.Y. ₹ 0.12 million) towards exchange rate difference.

₹ million

4	Vehicles includes	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
	Motor Car	251.43	251.98	187.46	184.65
	Motor Truck	992.63	1,021.93	786.53	770.80
	Motor Cycle	3.12	3.13	2.22	2.02

₹ Million

5	Others Include	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
	Ship	0.06	0.06	0.05	0.04
	Rails and Trolley	39.53	31.57	27.15	26.45

Note : 2 (Contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2018

₹ million

	Gross Block				Depreciation and Amortization				Net Book Value	
Particulars	**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	175.10	-	0.58	174.52	-	-	-	-	174.52	175.10
Building	380.98	-	10.14	370.86	70.88	16.16	1.83	85.21	285.66	310.11
Plant and equipment	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	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	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	1.85
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 (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 ₹ 223.67 million (P.Y. ₹ 202.85 million), accumulated depreciation ₹ 35.01 million (P.Y. ₹ 21.59 million)] and factory building [gross block ₹ 147.19 million (P.Y. ₹ 156.01 million), accumulated depreciation ₹ 50.20 million (P.Y. ₹ 46.02 million)]

b) ₹ 0.0088 million (₹ 0.009 million) being the value of 175 shares (P.Y. 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	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

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
Investment in 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
10,000 shares (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
17,05,000 shares (17,05,000) 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
23,65,000 shares (23,65,000) of Patel Engineering Singapore Pte. Ltd. Face Value US $ 1/- per share	94.46	94.46
34,40,73,217 shares (24,38,33,334) of Patel Energy Resources Ltd. Face Value ₹10 per share	3,440.73	2,438.33
10,000 shares (Nil) of Hampus Infrastructure 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
	4,884.27	**3,881.75**
In associates		
Other Investments		
Nil Shares (24,665) of Terra Land Developers Ltd., Face Value ₹ 10/- per share	-	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
2,40,19,600 shares (2,40,19,600) of Hitodi Infra Ltd. Face Value ₹10 per share	240.20	240.20
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., Face Value ₹ 10/- per share	266.72	266.72
	1,360.77	**1,361.02**
Investment in redeemable preference shares		
- In subsidiaries		
59,375 shares (59,375) of ASI Constructor Inc, Par value US$ 100 per share	391.33	391.33
65,601,097 shares (59,288,795) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	27.33	26.32

NON-CURRENT INVESTMENTS	March 31, 2019 ₹ Million	March 31, 2018 ₹ Million
	418.66	**417.65**
Less : Provision for impairment III	735.35	735.35
	5,928.35	4,925.06
Investment in Government SecuritiesIV	0.12	0.14
Investment by joint venture	76.00	-
Investment in Partnership Firms V	0.03	0.03
Investment in Mutual Funds (Quoted)	0.52	23.36
TOTAL NON -CURRENT INVESTMENT	**6,005.02**	**4,948.58**

I. Aggregated amount of unquoted investments as at March 31, 2019 ₹ 6,004.47 Million (P.Y. ₹ 4,925.19 Million)

II. Aggregated amount of quoted investments as at March 31, 2019 ₹ 0.52 million, Market value ₹ 0.52 million (P.Y. ₹ 23.36 million, Market value ₹ 23.36 Million)

III. Aggregated amount of impairment in value of investments as at March 31, 2019 ₹ 807.35 Million (P.Y. ₹ 807.35 Million) (Also refer note 13)

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 ₹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.
In Patel Advance JV partnership firm, company is having fixed capital of Rs 0.03/- million. In the firm, partnership sharing has been as follows : the Company 26% (P.Y.26%), Advance Construction Co. Pvt. Ltd. 12.5% (P.Y. 25%), Apollo Buildwell Pvt. Ltd. 12.5% (P.Y. 25%), Advance Equipment Finance Pvt. Ltd. Nil (P.Y. 24%), Mascot Developers Pvt. Ltd. 24% (P.Y. Nil) & Cash Infrastructure Private limited 25% (P.Y. Nil). The company will retire from the firm once the occupation certificate is received as specified in the partnership deed & will get compensation as decided in the said deed.

NOTE : 4

TRADE RECEIVABLES

		Non-Current		Current	
		March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Unsecured, considered good unless otherwise stated					
Receivables outstanding for a period exceeding six months					
Considered good		6,070.62	5,047.51	1,448.28	456.64
Considered doubtful		-	-	2.39	2.39
		6,070.62	5,047.51	**1,450.67**	459.03
Less : Allowance for doubtful debts		-	-	2.39	2.39
	(A)	**6,070.62**	5,047.51	**1,448.28**	456.64
Other receivables					
Considered good	(B)	**326.02**	567.73	**659.10**	1,528.94
	(A+B)	**6,396.64**	5,615.24	**2,107.38**	1,985.58

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 5
LOANS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balance in current account with				
Subsidiaries/associates/joint ventures/partnership				
Unsecured, considered good	7,988.22	8,490.17	1,847.52	1,626.39
Balance which have significant increase in credit risk	790.31	790.79	27.30	27.30
	8,778.53	9,280.96	**1,874.82**	1,653.69
Less: Provision for impairment	790.31	790.79	27.30	27.30
	7,988.22	8,490.17	**1,847.52**	1,626.39

NOTE : 6
OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Cash and bank balances				
Balance with Banks				
- On current accounts with scheduled banks	-	2.27	-	-
-On fixed deposits accounts with scheduled banks*	**232.03**	88.86	-	-
Deferred finance cost	**79.79**	107.80	-	-
Secured deposit				
Unsecured, considered good	5.06	6.12	116.67	58.25
	316.88	205.05	**116.67**	58.25

* Includes amount given towards margin money and earnest money deposits

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Retaled to depreciation on fixed assets	24.36	(63.72)
Other disallowances under the income tax act	1,229.14	702.93
	1,253.50	**639.21**

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

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	-	(63.72)
Others	(115.76)	-
Deferred income tax asset		
Disallowances under income tax act	1,344.90	695.16
Timing difference on tangible and intangible assets depreciation and amortisation	24.36	-
Future losses	-	7.77
Total deferred tax assets (net)	**1,253.50**	**639.21**

NOTE : 8
CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Advance tax (net) [1]	448.32	2,058.15	-	-
	448.32	2,058.15	-	-

1 Includes advance tax which is net of provision for tax ₹ 2,491.11 Million (P.Y. ₹ 976.53 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, 2019 ₹ million	March 31, 2018 ₹ million
Profit / loss before income tax	1,153.61	522.60
Income tax expense calculated at 21.548% /34.944%	403.11	111.52
Effect of expenses not allowed for tax purpose	792.19	194.10
Effect of income not considered for tax purpose	(289.32)	(204.19)
Others	19.44	(2.68)
	925.43	**98.75**

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Capital advance				
Secured, considered good				
Unsecured, considered good	435.80	547.14	-	-
Security deposit				
Unsecured, considered good	2,583.02	2,180.12	1,415.02	1,491.76
Advance recoverable				
Unsecured, considered good	989.41	1,353.08	3,776.08	2,729.28
Doubtful	531.74	540.36	-	-
Prepaid expenses	88.09	19.35	73.12	165.28
Balance with statutory authorities	239.27	197.29	1,190.96	1,046.36
Accrued interest	1,523.26	1,148.24	18.20	11.18
Other advances	-	-	-	43.52
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	-	0.01	26.75	29.60
Advances to employees	4.06	3.69	21.23	44.03
	6,394.65	5,989.28	**6,588.24**	5,627.89
Less: Allowance for Doubtful advances	531.74	540.36	-	-
	5,862.91	5,448.93	**6,588.24**	5,627.89

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 10
INVENTORIES *
(At lower of cost or net realisable value/contract rates)

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Stores, embedded goods and spare parts etc.	1,211.00	1,112.76
(Includes stores in transit ₹ 23.75 Million (P.Y. Rs 19.18 Million)		
Work in progress (Refer note 48)	27,529.45	25,739.49
	28,740.45	**26,852.25**

*(As technically valued and certified by the management)

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balance with Banks		
- On current accounts with scheduled banks	848.95	1,048.44
- On fixed deposits accounts with scheduled banks	87.57	123.64
- Balances with non scheduled banks	159.82	0.46
- Foreign currency in hand	0.22	0.01
Cash on hand	1.82	3.99
	1,098.38	**1,176.54**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Balances with bank for unpaid dividend	0.21	0.51
	0.21	**0.51**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Investment		
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., F.V. ₹10/- per share	222.00	222.00
Less : Provision for Impairment	72.00	72.00
	150.00	**150.00**
Fixed Assets		
Plant and Equipment	-	1.93
Vehicles	-	6.80
	150.00	**158.74**

NOTE : 14
SHARE CAPITAL

A) SHARE CAPITAL	March 31, 2019		March 31, 2018	
	No. of shares	₹ million	No. of shares	₹ million
a) Authorized				
Equity shares of ₹ 1/- each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
Preference shares of ₹ 10,000,000 each	80	800.00	80	800.00
b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1/- each	164,248,506	164.24	156,994,691	156.99
	164,248,506	**164.24**	**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	156,994,691	156.99
Add :- Issued during the year	7,253,815	7.25	-	-
Outstanding at the end of the year	**164,248,506**	**164.24**	**156,994,691**	**156.99**

Pursuant to the ESOP scheme, the Company has alloted 72,53,815 equity shares of face value ₹ 1/- each to Patel Engineering Employees' Welfare Trust at a price of ₹ 1/- each.

	No. of shares	% holding	No. of shares	% holding
e) Share held by each shareholder more than 5% Equity shares				
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	18,665,257	11.36	18,665,257	11.89
ii) Patel Engineering Employees' Welfare Trust	13,282,715	8.09	6,028,900	3.84
iii) Dena bank	12,102,989	7.37	13,605,869	8.67
iv) Praham India LLP	10,420,892	6.34	10,420,892	6.64

B) **OTHER EQUITY -** Refer statement of change in equity for detailed disclosure.

NOTE : 15
BORROWINGS*

	Non-Current Portion		Current Maturities	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
I Secured Loans				
a) Debentures [1]	6,370.98	6,691.37	-	-
b) Term loans				
- From bank [2]	698.29	1,102.80	163.64	73.60
- From others [3]	524.61	207.53	152.13	188.76
II Unsecured Loans				
- From related parties [4]	1,501.50	1,207.80	-	-
-Amount disclosed under "Other financial liabilities" in Note No. 23	-	-	(315.77)	(262.36)
	9,095.38	**9,209.50**	**-**	**-**

Notes to Standalone Financial Statement for the year ended March 31, 2019

1 Debentures

a) During last financial 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. During the year, Implementation from LIC (Life Insurance Coproration of India) & GIC (General Insurance Coproration of India) completed as per the scheme and Units of OCD under Part B Debt was issued by the company.

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 Nil (P.Y. ₹ 100 Million). The same is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company . The company has redeemed these NCD's which was classifed as Part A as per the scheme and New Units of OCD were issued under Part B amounting ₹ 43.9 Millions (P.Y. Nil). The OCD Units were credited to GIC , effective July 1, 2018 with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 & Year 10. The OCD are 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. 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 ₹ 1,138.00 Million (P.Y. ₹1,500.00 Million). The company had redeemed existing ₹ 362 Million under Resolution plan by issuance of new OCD Units. The existing units and newly issued OCD units are secured against charge on certian land held on stock in trade of the Company and its subsidiaries. As per the scheme new OCDs were issued under Part B amounting ₹ 708.30 Millions (P.Y. Nil), effective December 17, 2018 with a Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 &Year 10 . The OCD are 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. The above debentures are listed on The National Stock Exchange of India.

b) As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL), Working Capital facilities (CC), Non Convertible Debentures (NCD) and 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, 2019 are as follows -
Tranche 1. (WCTL) ₹ 1,946.36 Million ,Tranche 2 (CC) ₹ 2,765.81 Million , Tranche 3 (GIC OCD) ₹ 43.90 Million, Tranche 4 (SCB STL) ₹ 253.0 Million, Tranche 5 (NCD) ₹ 1.30 Million, Tranche 7 (LIC) ₹ 708.30 Million & Tranche 9. (STL) ₹ 349.00 Million. These debentures have a face value of ₹ 1000 each aggregating to ₹.6067.67 Million as on March 31, 2019 (P.Y. ₹ 5,923.53 Million). During the current year, OCD under Tranche 3 to GIC amounting to ₹ 43.90 Million and OCD under Tranche 7 amounting to ₹ 708.30 Million to LIC was issued.
The OCDs 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 (for Tranches 1,2,4,5,9) 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%. For Tranch 3 (GIC) & Tranch 7 (LIC) refer Note 15- 1(a) above.
Tranche 1 is secured against the same security as for WCTL - refer note 15 - 1 b) below in Term Loan Banks, Working Capital Term Loan note,
Tranche 2 is secured against the same security as for CC - refer note 21 - 2) below in Working capital Demand loan Note, Tranche 3 is secured against the same security as for NCDs which were issued to GIC presently nil -refer note 15- 1a) above, Tranche 7 is secured against the same security as for OCD earlier which were issued to LIC - refer note 15- 1a) above.
Tranche 1 & Tranche 2 are also secured by pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) of Patel Engineeering 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 pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) of Patel Engineeering 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 21 - 1) below in Short Term Loans Note.

c) 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 as there are no additional debentures which are maturing during the year.

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 Nil (P.Y. ₹13.31 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 and was paid on due date. It also includes equipment loans, secured against said equipments, outstanding amount out of the same is Nil (P.Y. ₹ 60.3 million).

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 cashflows will be deposited from real estate projects to be developed/monetized by respective companies, Pledge of 63,23,532 Shares (P.Y. 63,23,532 Shares) shares of Patel Engineering Limited held by promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. . The WCTL Term loans are repayable over 1 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019.

3 From Others

The Term Loan of ₹ 676.74 million includes loans from Financial Institutions on Equipments, secured against the said Equipments. These loans carried an interest rate of average between 13%-14%, with a repayment period of 3-5 years . 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 overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019. The said amounts are inlcuded in current maturity of long term debt. The above amount also incudes ₹ 280.0 million. (P.Y . Nil) as finance lease against equipments carring an interest rate of 12.50 % with repayment up to 4 years ending October 2023 and starting from May 2020.

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 along with IRR of 6.99%.

NOTE : 16
TRADE PAYABLES

	Non-Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Total Outstanding dues of micro enterprises and Small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and Small enterprises	3,061.89	2,438.93
Capital creditors	42.89	35.49
	3,104.78	**2,474.42**

NOTE : 17
OTHER FINANCIAL LIABILITIES

	Non-Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Retention deposits (Contractually to be refunded after 1 year from completeion of work)	4.38	3.26
	4.38	**3.26**

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Provision for Employee Benefits (Refer note no 32)				
Provision for gratuity	8.06	11.90	0.19	0.36
Provision for leave entitlements	50.96	48.86	11.69	15.69
	59.02	**60.76**	**11.88**	**16.05**

NOTE : 19
OTHER NON CURRENT LIABILITY

	Non-Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Contractee advances	4,912.51	3,037.39
Deposits	147.59	94.22
Other liability	1,101.42	163.19
	6,161.52	**3,294.80**

NOTE : 20
DEFERRED REVENUE

	Non-Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Deferred revenue	55.04	37.91
	55.04	**37.91**

NOTE : 21
BORROWINGS

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
I Secured loans		
Short term loans		
- From bank [1]	954.29	1,527.51
Loans repayable on demand		
- From bank [2]	10,653.50	11,222.50
II Unsecured loans		
- From bank[3]	-	201.08
- From others	42.67	41.44
- From related parties	1,091.09	1,563.53
	12,741.55	**14,556.06**

Short Term Loan

1 Includes short term loans from various banks against various immovable properties of company at Interest rate of 11.60% - 12.75% (P.Y. 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2019.

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 of 63,23,532 Shares (P.Y. 63,23,532 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 above 180 days, subservient charge over plant & machinery except specifically charged to any lenders and over certain immovable properties and right over residual cash flows from sale of real estate charged to WCTL lenders.

Terms of Repayment:

Cash Credit- Yearly renewal, Rate of Interest ranges between 10%-12.85% p.a.. (P.Y. 10%-13.86% p.a.)

3 Unsecured Loan

It includes short term inter corporate payables to releated parties of ₹ 1,091.09 million (P.Y. ₹ 1563.53 million).The repayment of the same is subordinated to the repayment of bank loans. Inter Corporate deposits from others are at an interest rate of 6%.

NOTE : 22
TRADE PAYABLES

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Total Outstanding dues of micro enterprises and Small enterprises [1]	16.90	2.49
Total Outstanding dues of creditors other than micro enterprises and Small enterprises	8,822.49	6,625.80
	8,839.39	**6,628.29**

1 The Company has ₹ 16.90 million (P.Y. ₹ 2.49 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2019. Principal amount due to suppliers under the Act is ₹ 13.18 million (P.Y. Rs 0.75 million). Interest accrued and due to the suppliers on the above amount is ₹ 0.78 million (P.Y. ₹ 0.03 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 7.52 million (P.Y. ₹ 0.91 million). Interest paid to the suppliers under the Act is Nil (P.Y. ₹ 0.40 million). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.71 million (P.Y. ₹ 0.01 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 1.50 million (P.Y. ₹ 1.73 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 ₹ 2.22 million (P.Y. ₹ 1.73 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 : 23
OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Current maturities of long-term debt	315.77	262.36
Interest accrued but not due on borrowings	648.33	268.00
Interest accrued and due on borrowings	265.03	490.56
Unpaid dividend	0.21	0.71
Deposits	127.79	118.59
Unpaid matured debentures	-	100.00
	1,357.13	**1,240.22**

Company has transferred ₹ 0.51 million to Investor Education & Protection Fund as at March 31, 2019. (P.Y. Nil)

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 24
OTHER CURRENT LIABILITIES

	Current	
	March 31, 2019 ₹ million	March 31, 2018 ₹ million
(a) Other Liabilities		
Contractee advances	4,978.80	5,398.25
Other payables		
Payable to employees	367.99	320.08
Other liabilities	1,771.56	1,750.69
(b) Balance in current account		
(i) With subsidiaries, associates	3.04	20.88
(ii) With joint ventures	58.94	121.56
	7,180.33	**7,611.46**

NOTE : 25
REVENUE FROM OPERATIONS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
(a) Revenue/turnover	19,604.04	35,919.50
Add: Increase/(decrease) in work in progress	1,041.63	(15,708.87)
Sale of goods	23.31	-
Total turnover	**20,668.98**	**20,210.63**
(b) Other operating income		
Lease and service charges	1.91	1.61
Miscellaneous operating income	28.01	176.76
	20,698.90	**20,389.00**

Disaggregation of revenue on the basis of Primary geographical market wise	March 31, 2019 ₹ million
Domestic	18,868.09
International	1,830.81
Major product/service lines wise	
EPC	19,312.40
Real Estate	1,386.50
Timing of revenue recognition wise	
At a point in time	1,439.72
Over period of time	19,259.17

NOTE : 26
OTHER INCOME

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Gain on sale of assets (net)	53.84	319.93
Other non operating income	290.33	289.98
Interest income	1,981.38	2,913.85
Net gain on foreign currency translation	100.23	4.20
Excess credit written back	436.28	285.54
	2,862.06	**3,813.50**

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,112.76	1,080.04
Add : Purchase (net)	2,238.20	2,104.67
	3,350.96	**3,184.71**
Less : Inventories at the end of the year	1,211.00	1,112.76
Consumption of stores and spares	**2,139.96**	**2,071.95**
Purchase of land / development rights	290.99	5.60
Corpus fund to society	48.29	31.27
Piece rate expenses (net)	10,274.70	8,994.33
Repairs to machinery	17.40	19.29
Transportation, hire etc.	462.61	593.73
Power, electricity and water charges	517.42	420.69
Project developement cost	122.54	353.04
Technical consultancy fees	134.86	69.53
Other construction costs	956.79	122.87
	14,965.56	**12,682.30**

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

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Salaries, wages and bonus	1,346.43	1,244.21
Contribution to provident and other funds (Refer note no 32)	99.23	92.60
Employee stock option (ESOP) (Refer note no 33)	7.82	1.03
Staff welfare expenses	97.50	49.16
	1,550.98	**1,387.00**

Notes to Standalone Financial Statement for the year ended March 31, 2019

NOTE : 29
FINANCE COSTS

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Interest expense [1]	2,807.48	4,947.34
Other borrowing costs	417.75	415.06
	3,225.23	**5,362.40**

1Interest capitalised of ₹ 125.33 million (P.Y. ₹ 109.30 million) towards fixed assets and project development expenses.

NOTE : 30
OTHER EXPENSES

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Other administrative costs		
Rent	64.23	44.26
Repairs and maintenance - building	14.90	0.06
Insurance	76.25	82.38
Rates and taxes	215.66	198.95
Advertisement and selling expenses	6.11	1.35
Travelling and conveyance	52.49	57.64
Directors fees	1.20	1.97
Auditor's remuneration		
Audit fees	4.93	4.81
Certification	0.71	0.45
Reimbursement of expenses	-	0.02
	5.64	**5.28**
Communication expenses	15.11	18.22
Printing and stationery	11.00	12.40
Legal and consultancy charges	301.95	302.28
Loss on sale of asset discarded	0.01	11.47
Irrecoverable debts written off / provided	291.39	105.51
Sewage water disposal	2.19	2.22
Net loss on foreign currency translation	-	134.56
Other expenses	330.92	781.95
	1,389.05	**1,760.50**

NOTE : 31
EXCEPTIONAL ITEMS:

	March 31, 2019 ₹ million	March 31, 2018 ₹ million
Investment / loans and advances written off [a]	7.25	2,231.51
Provision for impairment on loan and advances [b]	940.59	10.01
Compensation towards invocation of shares	-	533.64
Gain on Conversion of loan liability in debt [c]	(103.50)	(732.16)
	844.34	**2,043.00**

a) Considering the irrecoverability of advances given to a subsidiary, the same has been considered to be written off.

b) Provision made for impairment based on indication of dimunition in value of advance to a firm/ subsidiaries and against corporate guarantee given on behalf of an associate company.

c) As per terms of S4A part B, two NCDs of the Company have 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 OCD 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 ₹ 103.50 millions 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 term of the OCDs.

32 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, 2018:

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

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	14.45 (13.74)	3.34 (3.74)	20.20 (17.70)
Interest cost (net)	2.51 (2.04)	0.90 (0.88)	4.82 (3.72)
Past Service Cost	- (2.10)	- -	- -
Net actuarial (gain) / losses	(1.59) (-0.63)	(4.46) (-4.80)	(25.41) (-13.54)
Total expenses recognized in the statement of profit and loss	**15.37** **(17.25)**	**(0.22)** **(-0.18)**	**(0.39)** **(7.88)**

(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	(92.88) (-82.22)	(8.85) (-11.53)	(59.83) (-59.16)
Fair value of plan assets as at the year end	49.85 (49.98)	- -	- -
Funded liability recognized in the balance sheet	**(43.03)** **(-32.24)**	**(8.85)** **(-11.53)**	**(59.83)** **(-59.16)**

Notes to Standalone Financial Statement for the year ended March 31, 2019

(iii) Changes in defined benefit obligation :

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Liability at the beginning of the year	82.22 (67.99)	11.53 (11.90)	61.86 (51.54)
Interest cost	6.40 (4.90)	0.90 (0.88)	4.82 (3.72)
Current service cost	14.45 (13.74)	3.34 (3.74)	20.20 (17.70)
Past Service Cost	- (2.10)	- -	- -
Benefit paid	(7.59) (-5.36)	(2.47) (-0.19)	(1.65) (-0.26)
Actuarial (gains) / losses on obligations	(2.60) (-1.15)	(4.46) (-4.80)	(25.41) (-13.54)
Liability at the end of the year	**92.88** **(82.22)**	**8.84** **(11.53)**	**59.82** **(59.16)**

(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	49.98 (39.61)	- -	- -
Expected return on plan assets	3.89 (2.85)	- -	- -
Contributions by the employer	4.58 (13.39)	- -	- -
Benefit paid	(7.59) (-5.36)	- -	- -
Actuarial gain on plan assets	(1.01) (-0.52)	- -	- -
Fair value of plan assets at the end of the year	49.85 (49.98)	- -	- -
Total actuarial gain to be recognized	**(1.59)** **(-0.63)**	**-** **-**	**-** **-**

(v) Actual return on plan assets

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Expected return on plan assets	3.89 (2.85)	- -	- -
Actuarial gain on plan assets	(1.01) (-0.52)	- -	- -
Actuarial gain on plan assets	2.88 (2.34)	- -	- -

(vi) The Company expects to contribute Rs. 42.86 million (P.Y. ₹ 42.09 million) to gratuity funded plan in FY 2019-20.

(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	7.79%	7.79%	7.79%
	(7.78%)	(7.85%)	(7.78%)
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	7.79%	-	-
	(7.78%)	-	-
Attrition rate	2.00%	2.00%	2.00%
	(2.00%)	(2.00%)	(2.00%)
Average Age of retirement (years)	60	58	58
	(60)	(58)	(58)

(ix) Experience adjustments

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
On plan obligation (gain)/loss	(2.52)	(3.01)	(25.43)
	(3.06)	(-4.27)	(-10.66)
On plan asset (loss)/gain	(1.01)	-	-
	(-0.52)	-	-

(x) Maturity Profile of defined benefit obligation

₹ million

	Gratuity (Funded)	Gratuity (Non-funded)
1 years	15.08	0.19
	14.51	(0.36)
Between 2 to 5 years	22.36	1.26
	16.58	(2.16)
Beyond 5 years	179.14	30.55
	164.78	(35.32)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10 (10)	16 (15)

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

Notes to Standalone Financial Statement for the year ended March 31, 2019

III Defined Contribution Plan -:

Amount Recognised as an expense and included in the Note no. 28 as Contribution to Provident and other funds ₹ 99.23 million (P.Y. ₹ 92.60 million)

33 SHARE BASED PAYMENTS (IND AS 102)

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, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) Employee Stock Option Scheme

Particulars	ESOP Scheme
Number of Option granted	200000
Vesting Plan	4 years (25% every year after 1 year from date of grant)
Exercise Period	6 months from the date of vesting
Grant date	14th Feb 2018
Exercise Price (Rs per option)	1
Weighted average Fair value on the date of grant option (in ₹ per shares)	79.86
Method of Settlement	Equity

b) Movement of Option Granted

Particulars	As at March 31, 2019 Nos.	As at March 31, 2018 Nos.
Outstanding at the beginning of the year	200,000	-
Grant during the year	-	200,000
Excercised during the year	-	-
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	200,000	200,000
Exercisable at the end of the year	50,000	-
Weighted average life of options	3 years	4 years

c) Fair valuation:

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.No options were granted during the year. Weighted Average Fair value of the options granted previous year ₹ 79.86/-.

The Key assumptions in the Black Scholes Merton Model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-.
iii)	Grant date	14th Feb 2018
iv)	Vesting Period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average Risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

34 LEASE

Where the Company is lessee:

a) Operating Leases:

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, 2019 are as follows:

Minimum lease obligation payable as at March 31	2019 ₹ million	2018 ₹ million
a) within one year of the Balance Sheet date	120.16	104.09
b) due in a period between one year and five years	108.79	168.53
c) due after five years	-	-

The Operating lease arrangements are renewable on a periodic basis and provide 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.

b) Finance Leases:

Assets acquired on finance lease comprises of plant and equipment & vechiles. The leases have a primary period, which is fixed and non- cancellable. The company has an option to renew the lease for a secondary period.

The Minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

		₹ Million		₹ Million	
		Minimum Lease Payment		Present value of Minimum lease payment	
		2019	2018	2019	2018
a)	within one year of the Balance Sheet date	35.00	-	-	-
b)	due in a period between one year and five years	356.19	-	280.00	-
c)	due after five years	-	-	-	-
	Total (a + b + c)	391.19	-	280.00	-
	Less: Future Finance Charges	111.19	-	-	-
	Present value of minimum lease payments	280.00	-	280.00	15.69

35 EARNING PER SHARE (EPS)

	2019 ₹ million	2018 ₹ 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	828.74	590.80
Weighted average number of equity shares for basic EPS (in No)	158,803,177	156,994,691
Add: Weighted average potential equity shares		
- On issue of optionallly convertiable debentures	214,669,193	91,479,135
Weighted average number of equity shares for diluted EPS (in No)	373,472,370	248,473,826
Earning Per Share (Basic) ₹	5.22	3.76
Earning Per Share (Diluted) ₹	2.97	3.44

Notes to Standalone Financial Statement for the year ended March 31, 2019

36 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. (DEPL)
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

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. (Till dec 27, 2018)

3 Raichur Sholapur Transmission Company Pvt. Ltd.

4 Bellona Estate Developers Ltd. (BEDP)

5 ACP Tollways Pvt. Ltd.

6 PAN Realtors Pvt.Ltd.

7 Hitodi Infrastructure Ltd (from 20.11.2017)

Joint Ventures: Refer Note (42)

Partnership

1. AHCL PEL
2. Patel Advance JV

Others

1. Patel Corporation LLP
2. Praham India LLP
3. Patel Realty - Ashoka Developers LLP

Notes to Standalone Financial Statement for the year ended March 31, 2019

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Mr. Pravin A Patel	Executive Chairman (resigned w.e.f. 30.12.2017)
Mr. Sunil Shinde	Whole Time Director and CEO (from April 1, 2017 to June 2, 2017)
Ms. Shobha Shetty	Company Secretary

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

₹ million

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2018-19	2017-18	2018-19	2017-18
- Investment in equity / preference shares	1,003.42	348.33	-	240.20
- Miscellaneous receipts	4.91	4.57	11.41	2.27
- Loans/advances given	603.00	5,478.04	945.56	21,768.36
- Loans / advances recovered	1,550.03	4,945.83	192.83	23,970.72
- Corporate guarantee outstanding as at the end of the year	2,189.96	2,154.51	4,860.23	7,286.57
- Bank guarantee outstanding as at the end of the year	695.61	704.24	549.72	572.02
- Outstanding balance included in current/ non current assets	10,690.37	11,068.18	1,548.99	1,477.13
- Outstanding balance included in current / non current liabilities	1,834.75	3,015.63	2,842.73	1,941.32
- Reimbursement of expenses from	3.79	8.00	272.29	30.44
- Rent paid	3.68	3.68	-	-
- Interest income	1,286.22	1,487.48	21.51	4.47
- Sundry balances written off	9.71	2,228.87	0.83	36.66
- Debtors Retention	-	-	274.85	105.36
- Debtors Withheld	-	-	211.90	55.16
- Refund of Mobilisation advance	10.00	150.00	-	-
- Machinery advance received	-	-	19.90	34.06
- Machinery advance recovered	-	-	29.73	-
- Mobilisation advance received	-	-	321.34	6.39
- Mobilisation advance recovered	-	-	220.69	-
-Provision for impairment of investment	-	585.89	-	-
-Provision for impairment of loans and advances	24.57	10.01	916.03	-
-Sale of asset	17.86	-	0.03	-
-STP Maintenance Income	-	1.69	-	-
- Compensation towards invocation of shares	-	-	-	533.64
-Property maintenance expenses	-	3.88	-	-

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	2018-19	2017-18
- Investment in equity / preference shares	Patel Energy Resources Ltd	1002.40	348.33
	Hitodi Infrastructure Ltd	-	240.20
- Miscellaneous receipts	PEL Power Ltd.	4.49	3.93
	Patel-Michigan JV	2.39	1.23
	CICO Patel JV	0.88	1.01
	Arsen Infra Pvt Ltd	-	0.61
- Loans/advances given	Energy Design Pvt. Ltd	505.97	-
	Patel Land Developers	-	3,833.66
	Patel SEW JV	211.04	394.84
	Hitodi Infrastructure Ltd	696.14	21,328.45
	Patel Eng. (Singapore) Pvt. Ltd.	-	681.27
- Loan/ advances recovered	Patel Energy Resources Ltd.	1002.40	586.09
	Patel Land Developers Ltd	-	3,833.67
	Energy Design Pvt. Ltd	501.52	-
	Hitodi Infrastructure Ltd.	0.06	22,604.63
	Raichur Solapur Transmission Company Pvt. Ltd.	1.94	-
	Patel SEW JV	99.33	69.44
	Navayuga Patel BHEL Consortium	-	21.67
	AGE-Patel JV	28.21	42.52
	Patel KNR JV	22.80	-
- Reimbursement of expenses from	PEL Power Ltd.	3.17	4.02
	Patel Michigan JV	1.57	4.83
	CICO PATEL JV	2.11	1.56
	Dirang Energy Pvt. Ltd.	0.62	2.17
	Arsen Infra Pvt Ltd	-	1.80
	Patel V Arks Precision JV	-	4.33
	AGE-Patel JV	19.43	-
	Hitodi Infrastructure Ltd	249.18	19.32
- Rent paid	PEL Power Ltd.	3.68	3.68
- Interest income	Patel Energy Resources Ltd.	657.33	930.22
	CICO Patel JV	1.09	1.16
	Patel Michigan JV	2.04	2.04
	Raichur Solapur Transmission Company Pvt. Ltd.	1.66	0.68
	Hitodi Infrastructure Ltd.	16.41	0.23
	Patel SEW JV	0.31	0.36
- Sundry balances written off	Bellona Estate Developers Ltd.	0.83	2.63

Notes to Standalone Financial Statement for the year ended March 31, 2019

₹ million

Particular	Name of the Company	2018-19	2017-18
	Patel SEW JV	-	34.03
	Dirang Energy Pvt. Ltd.	7.25	184.90
	Patel Energy Resources Ltd.	2.47	2,043.95
- Debtors Retention	AGE-Patel JV	274.85	105.36
- Debtors Withheld	AGE-Patel JV	211.90	55.16
- Refund of Mobilisation advance	Michigan Engineers Pvt. Ltd.	10.00	150.00
- Machinery advance received	AGE-Patel JV	19.90	34.06
- Machinery advance recovered	AGE-Patel JV	29.73	-
- Mobilisation advance received	AGE-Patel JV	321.34	6.39
- Mobilisation advance recovered	AGE-Patel JV	220.69	-
-'Provision for impairment of investment	ASI Constructors Inc	-	561.86
-'Provision for impairment of loans and advances	Apollo Buildwell Pvt. Ltd	21.06	-
	Patel Surya Minerals	-	10.01
	Naulo Nepal Hydro Electric Pvt. Ltd	3.51	-
	Bellona Estate Developers Ltd	850.00	-
	Patel Advance JV	66.03	-
- Sale of assets	Friends Nirman Pvt. Ltd.	17.86	-
	Patel Sew JV	0.03	-
- 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

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

₹ million

Particular	2018-19	2017-18
Managerial remuneration	77.09	69.81
Salary and contribution to provident fund	3.91	3.97
Loan taken	2.50	1.00
Loan repaid	3.50	-
ESOP	7.82	1.03
Outstanding balance payable	317.67	308.47
Outstanding balance receivable	4.40	20.49

37 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Company's performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

Primary Segment :

₹ million

Particulars	As at March 31, 2019		
	Business Segments		
	EPC	Real Estate	Total
Segment revenue	19,312.40	1,386.50	20,698.90
Segment results	983.10	170.40	1,153.50
Segment assets	67,039.40	4,609.90	71,649.30
Segment liabilities	47,075.80	1,534.60	48,610.40
Addition to fixed assets	658.43	-	658.43
Segment depreciation	407.27	1.99	409.25

₹ 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

Geographical Segment :

₹ million

Particulars	As at March 31, 2019		
	Within India	Outside India	Total
Revenue	18,868.09	1,830.81	20,698.90
Non current assets	30,819.48	180.94	31,000.42

Particulars	As at March 31, 2018		
	Within India	Outside India	Total
Revenue	20,389.00	-	20,389.00
Non current assets	29,907.78	-	29,907.78

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, 2019	**As As at March 31, 2018**
Revenue from top customer	2,285.82	1,770.40
Revenue from top five customers	7,867.95	6,788.81

Notes to Standalone Financial Statement for the year ended March 31, 2019

38 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.

39 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 ₹ 24.31 million (P.Y. ₹ 20.83 millions) during the financial year on corporate social responsibility (CSR). However, the company has not spent the requisite amount during this financial year.

40 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.

41 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.

42 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%
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%
Patel VI JV	Vikram Infrastructure	51%
Onycon Enterprises	Onycon Infra LLP	60%
Joint ventures :		
PATEL-SA JV	Sandeep Associates	75%
Era Patel Advance Kiran JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd., Kiran Udhyog	47.06%
Patel APCO JV	APCO Infratech Ltd.	50%
Era Patel Advance JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd.,	30%
Patel – Siddhivinayak JV	Siddhivinayak Constructions	51%

43 a) Unbilled work in progress includes stock of land under development (including held in the name of the 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, 2019 ₹ 1230.93 Million (P.Y. ₹1230.93 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 ₹ 49.74 Million (P.Y. ₹ 306.36 Million) is accounted for as construction Receipts.

44 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2019 amounting to ₹ 704.32 Million (P.Y ₹ 1,429.23 Million).

Foreign currency exposure outstanding at ₹ million

Currency	March 31, 2019	March 31, 2018
USD	1,248.60	1,863.94
EURO	(483.27)	(488.49)
SGD	(7.99)	(7.70)
JPY	22.69	22.13
MUR	72.51	61.07
LKR	15.26	14.89
NPR	(163.48)	(36.62)

45 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 it's 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 ₹ 6.14 million (P.Y. ₹ 4.33 million) and appropriate disclosure for contingent liabilities is given.

46 The Company has granted loans and advances amounting to ₹1,038.27 million (P.Y. ₹ 909.92 million) till March 31, 2019 to Waterfront Developers Ltd (WDL), a 100% subsidiary of the company. WDL, in turn , has invested in Le Salines Development Ltd (LSDL), a step down subsidiary. LSDL had signed a lease agreement with Ministry of Housing and Land Develoment (MOHL),Government of Mauritius (GOM) on December 11, 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10. Subsequently, on February 11, 2015 GOM had verbally informed about the termination of the lease agreement between LSDL and MOHL. Formal communication was received by LSDL on June 4, 2015 from the GOM. Management is of the view that as per the agreement, lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard, a notice has been sent to MOHL, GOM on July 1, 2016 by LSDL contesting wrongful termination. The company did not receive any reply to this letter. The company has invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and the company is confident of getting compensation from GOM.

47 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 154.97 million (P.Y. ₹ 111.25 million), advance paid ₹ 5.50 million (P.Y. ₹ 29.76 million). The company is under commitment to construct specific area for land owner related to a project.

(b) Counter indemnities given to Banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others, given by them, in respect of contractual commitments in the ordinary course of business is ₹ 13,346.87 Million (P.Y. ₹ 12,390.11 Million) (including Customs ₹ 23.01 Million (P.Y. ₹ 66.17 Million) Entry Tax Nil (P.Y. ₹ 37.57 Million). Corporate guarantees / Letter of Credit on behalf of subsidiaries and others is ₹ 7050.18 Million (P.Y. ₹ 9441.08 Million).

(c) Client has claimed an amount of ₹ 210.8 million (P.Y. ₹ 210.8 million) from us which is pending at the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

Notes to Standalone Financial Statement for the year ended March 31, 2019

(d) Service tax liability that may arise on matters in appeal ₹ 2,395.90 million (P.Y. ₹ 2,395.90 million) and advance paid ₹ 82.92 million (P.Y. ₹ 82.92 million). Out of the above, ₹ 1,881.53 million (P.Y. ₹ 1,881.53 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 74.67 million (P.Y. Rs 105.32 million) (Advance paid ₹ 1.60 million (P.Y. ₹ 18.57 million)), Cess ₹ 121.58 million (P.Y. ₹ 120.11 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 ₹ 1,549.37 million (P.Y. ₹ 1,118.08 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 9.52 million (P.Y. ₹ 9.52 million) and advance Paid ₹ 2.38 million (P.Y. 2.38 million)

(h) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, manangement believes that these case will not adversely effect its financial statement.

(i) A part of the immovable property belonging to the company shown under inventories has been offered as security in favour of a bank against credit facilities availed by a JDA partner.

(j) The Company has provided a “cost overrun undertaking” for its associates BEDL 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 (P.Y. ₹ 50.00 million) against his outstanding due & also given an assurance that if re-sell price of that flat is lower than settlement price then company will compensate that difference.

(m) Trade receivables to the extent of ₹ 405.23 million (P.Y. ₹ 744.49) have been discounted with bank on recourse basis.

48 The Ministry of Corporate Affairs vide notification dated March 28, 2018 has made “Revenue from Contracts with Customers” (IND AS 115) mandatory w.e.f. April 1, 2018. Accordingly, the Company has applied retrospective approach, as per para C3(b) of IND AS 115, to contracts which were not completed as on April 1, 2018 and adjusted its assets, liabilities and reserves.

49 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, 2019	As at March 31, 2018	Maximum Amount outstanding (2018 – 19)	Maximum Amount outstanding (2017 – 18)
Subsidiaries				
1 Michigan Engineers Pvt.Ltd.	49.55	37.29	49.55	37.29
2 Patel Patron Pvt. Ltd.	68.85	60.29	68.85	60.29
3 PEL Power Ltd.	921.39	793.26	921.72	793.57
4 Patel Land Developers Ltd.	-	-	-	3,805.22
5 Patel Energy Ltd.	658.12	572.39	658.12	572.45
6 Patel Engineering (Mauritius) Ltd.	32.89	28.32	33.62	28.32
7 Patel Engineering Infrastructure Ltd.	536.85	469.80	536.85	469.80
8 Phedra Projects Pvt. Ltd.	13.63	11.89	13.63	11.89
9 Vismaya Constructions Pvt. Ltd.	46.41	40.64	46.41	40.64
10 Shashvat Land Projects Pvt. Ltd.	332.87	291.92	332.87	291.92
11 Bhooma Realties Pvt. Ltd.	391.66	343.49	391.66	343.49
12 Pandora Infra Pvt. Ltd.	478.25	419.45	478.25	419.45
13 Patel Eng. (Singapore) Pte. Ltd.	-	780.78	-	780.78

₹ million

Name of subsidiaries / associates		As at March 31, 2019	As at March 31, 2018	Maximum Amount outstanding (2018 – 19)	Maximum Amount outstanding (2017 – 18)
14	Dirang Energy Pvt. Ltd.	-	-	-	184.90
15	Patel Mining Divn. Lda,	16.09	13.73	16.41	13.73
16	Patel Energy Resources Ltd.	4,927.49	5,263.11	5,624.08	7,652.95
17	Patel Mining (Mauritius) Ltd.	250.73	218.55	257.03	218.55
18	Energy Design Pvt.Ltd.	74.00	57.25	259.80	389.11
19	PT Patel Surya Minerals	-	10.01	-	10.01
20	Patel Lands Ltd.	47.66	41.80	47.66	41.80
21	Patel Hydro Power Pvt. Ltd.	22.91	15.72	22.91	15.72
22	Patel Engineering (Lanka Pvt. Ltd.)	15.24	14.87	15.91	14.87
23	Patel Engineers Pvt. Ltd.	2.91	2.53	2.91	2.53
24	Patel Concrete and Quaries Pvt. Ltd.	145.07	127.25	145.07	130.73
25	Zeus Minerals Trading Pvt. Ltd.	143.77	126.10	143.77	126.10
26	Naulo Nepal Hydroelectric Pvt. Ltd.	3.51	3.13	3.51	3.19
27	Shreeanant Constructions Pvt. Ltd.	85.97	74.74	85.97	74.74
28	Apollo Buildwell Pvt. Ltd.	15.93	13.97	15.93	13.97
29	Arsen Infra Pvt. Ltd.	11.64	8.93	11.64	8.93
30	Hera Realcon Pvt. Ltd.	1.22	1.07	1.22	1.07
31	Lucina Realtors Pvt. Ltd.	-	0.00	0.00	0.00
32	PBSR Developers Pvt. Ltd.	356.24	295.46	356.24	295.46
33	Waterfront Developers Ltd.	1,038.27	909.92	1,038.27	909.92
34	PATEL-KNR Infrastructure Ltd.	0.23	0.29	1.11	0.29
35	Hampus Infrastructure Pvt. Ltd.	0.04	-	0.14	-
Associates					
36	Raichur Solapur Transmission Company Pvt. Ltd.	31.10	9.07	31.10	12.45
37	PATEL-KNR Heavy Infrastructure Ltd.	-	25.01	-	25.01
38	Bellona Estate Developers Ltd.	-	-	0.44	2.63
	Total	**10,720.49**	**11,082.04**	**11,612.64**	**17,803.78**

Note : 50

Category -wise classification of financials instruments

₹ million

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at FVTPL				
Investments	0.52	23.36	-	-
Financial assets measured at amortised cost				
Investments	6,004.50	4,925.23	150.00	150.00
Trade receivables	6,396.64	5,615.24	2,107.38	1,985.58

Notes to Standalone Financial Statement for the year ended March 31, 2019

₹ million

	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loans	7,988.22	8,490.17	1,847.52	1,626.39
Deferred finance cost	79.79	107.80	-	-
Other assets	237.09	97.25	116.67	58.25
Cash and cash equivalents	-	-	1,098.38	1,176.54
Other bank balances	-	-	0.21	0.51

₹ million

Financial liabilities measured at amortised cost	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Borrowings	9,095.38	9,209.50	12,741.55	14,556.06
Trade payables	3,104.78	2,474.42	8,839.39	6,628.29
Other financial liabilities	4.38	3.26	1,357.13	1,240.22

Note : 51

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, 2019 ₹ million

Financial asset measured at amortised cost for which fair values are disclosed	Fair value as at March 31, 2019	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

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	23.36	23.36	-	-

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 : 52

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, 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 :

₹ million

	Effect on profit before tax		Effect on profit before tax	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+50 basis point	(112.30)	(197.89)	(112.30)	(197.89)
-50 basis point	112.30	197.89	112.30	197.89

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
EURO	527.01	521.20	43.74	32.72
JPY	-	-	22.69	22.13
LKR	-	-	15.26	14.89
MUR	-	-	72.51	61.07
NPR	2,881.95	1,450.39	2,718.47	1,413.78
USD	12.00	28.96	1,260.60	1,892.91
SGD	7.99	7.70	-	-

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. 44 .

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.

Notes to Standalone Financial Statement for the year ended March 31, 2019

₹ million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	(24.16)	(24.43)	(24.16)	(24.43)
-5%	24.16	24.42	24.16	24.42

₹ million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	62.43	92.28	62.43	92.28
-5%	(62.43)	(92.28)	(62.43)	(92.28)

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.

Price sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in price of investment measured at FVTPL with other variables held constatnt. The Company's profit before tax is affected throgh the impact on change in price of investment as follows:

₹ million

Change in Price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
+5%	0.03	1.17	0.03	1.17
-5%	(0.03)	(1.17)	(0.03)	(1.17)

2) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

3) **Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

₹ million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2019				
Borrowings	13,057.31	3,293.40	5,801.97	22,152.69
Trade payables	8,839.39	3,104.78	-	11,944.17
Other financial liability	1,041.37	4.38	-	1,045.75
At March 31, 2018				
Borrowings	14,918.42	3,159.50	6,050.00	24,127.92
Trade payables	6,628.29	2,474.42	-	9,102.71
Other financial liability	877.86	3.26	-	881.13

Note : 53

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, 2019, 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, 2019	As at March 31, 2018
Total debt	22,152.69	24,127.92
Total equity	23,038.87	22,261.20
Total debt to total equity ratio (gearing ratio)	0.96	1.08

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.

54 a) The Ministry of Corporate Affairs vide notification dated March 28, 2018 has made "Revenue from Contracts with Customers" (IND AS 115) mandatory w.e.f. April 1, 2018. The Company has applied retrospective approach, as per para C3(b) of IND AS 115, to contracts which were not completed as on April 1, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2018 in accordance with para C7 of IND AS 115 as an adjustment to the opening balance of retained earnings of ₹ 37.35 million (net of deferred tax) based on satisfaction of performance obligation (at a point in time).

b) Recognition of revenue based on satisfaction of performance obligation (at a point in time), due to application of the IND AS 115, has caused increase in income from projects by ₹ 266.14 million; increase in cost of sales by ₹ 221.77 million; increase in profit by ₹ 44.37 million and increase in basic EPS of ₹ 0.27 for the year ended March 31, 2019 respectivaly. as compared to the previously permitted percentage of completion method. The comparatives have not been restated and hence are not comparable with previous period figures."

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

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : April 30, 2019

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

Notes

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70 years of HISTORY

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MICRO TUNNELLING • REAL ESTATE • RAILWAYS • HIGHWAYS

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