

March 20, 2017

To,

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

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

Company Code No. 531120

Company Code No. PATELENG/EQ

Dear Sirs,

Sub: Intimation and Notice of Shareholders Meeting Convened as per directions of National Company Law Tribunal.

Please note that the National Company Law Tribunal, Mumbai Bench vide. its order dated March 01, 2017 has directed convening of meeting of shareholders of the Company on **Tuesday, April 18, 2017 at 03:00 p.m. at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai - 400102** for the purpose of "**Approval of Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors ('the Scheme')**".

Pursuant to the provisions of Regulation 30 and Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith please find the **Notice of Shareholders Meeting Convened** as per directions of National Company Law Tribunal.

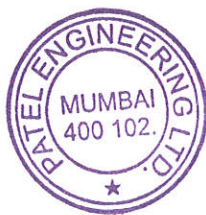
Kindly take the same on your records.

Thanking You,

For Patel Engineering Ltd.

Shobha Shetty

Shobha Shetty
Company Secretary



REGD. OFFICE :

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



PATEL ENGINEERING LTD.

Redg office: Patel Estate Road, Jogeshwari (West), Mumbai 400102.

Tel No: +91(22) 26767500 Fax: +91(22) 26782455

CIN:L99999MH1949PLC007039, Website: www.pateleng.com

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF

PATEL ENGINEERING LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL

Meeting of equity shareholders of Patel Engineering Limited	
Day	Tuesday
Date	April 18, 2017
Time	03:00 p.m.
Venue	Shri Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102

Sr. No.	Particulars	Page No.
1.	Notice of meeting of the Equity Shareholders of Patel Engineering Limited (Transferee Company) convened as per the directions of the National Company Law Tribunal	3-6
2.	Statement under Section 230(3) read with section 102 and other applicable provisions of the Companies Act, 2013	7-14
3.	Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective shareholders and creditors	15-20
4.	Valuation report by M/s. Manish P. Jain & Associates, Chartered Accountants dated November 11, 2016	21-23
5.	Fairness Opinion issued by Saffron Capital Advisors Private Limited, dated November 11, 2016	24-31
6.	Unaudited financial statements of the Transferor Company and the Transferee Company as on September 30, 2016	32-51
7.	Observation Letters received from the National Stock Exchange of India Limited and BSE Limited dated 8th February, 2017	52-54
8.	Complaint Report submitted to the National Stock Exchange of India Limited and BSE Limited	55-58
9.	Report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share exchange ratio, if any	59-60
10.	Form of Proxy	61



Company Scheme Application No 191 of 2017
Patel Engineering LimitedApplicant Company
Notice of the meeting of Equity Shareholders

Notice is hereby given that by an order dated the March 01, 2017, the Mumbai Bench of the National Company Law Tribunal has directed a meeting to be held of equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation of Patel Realty (India) Limited ('PRIL' or 'the Transferor Company') with Patel Engineering Limited ('PEL' or 'the Transferee Company' or 'the Company') and their respective shareholders and creditors ('the Scheme').

To consider and, if thought fit, approve with or without modification(s), the following resolution under Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Company for approval of the arrangement embodied in the Scheme of Amalgamation of Patel Realty (India) Limited ('PRIL' or 'the Transferor Company') with Patel Engineering Limited ('PEL' or 'the Transferee Company' or 'the Company') and their respective shareholders and creditors ('the Scheme').

“RESOLVED THAT pursuant to the provisions of Sections 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Mumbai Bench of the National Company Law Tribunal, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Mumbai Bench of the National Company Law Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of Patel Realty (India) Limited ('PRIL' or 'the Transferor Company') with Patel Engineering Limited ('PEL' or 'the Transferee Company' or 'the Company') and their respective shareholders and creditors ('the Scheme') initialled by the Chairman of the meeting be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Mumbai Bench of the National Company Law Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of equity shareholders of the said company will be held at Shri Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102 on Tuesday the 18th day of April 2017 at 03:00 o'clock in the noon at which time and place the said equity shareholders are requested to attend.

Copies of the said Scheme and of the statement under Section 230 can be obtained free of charge at the registered office of the Company or at the office of its advocates M/s Hemant Sethi & Co. at 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at Patel Estate, S.V. Road, Jogeshwari West, Mumbai – 400 102, Maharashtra not later than 48 hours before the meeting.

Forms of proxy can be obtained at the registered office of the Company.

The Company is also offering e-voting facility to the equity shareholders and the e-voting period commences from Saturday, April 15, 2017 at 09:00 am and ends on Monday, April 17, 2017 at 05:00 pm

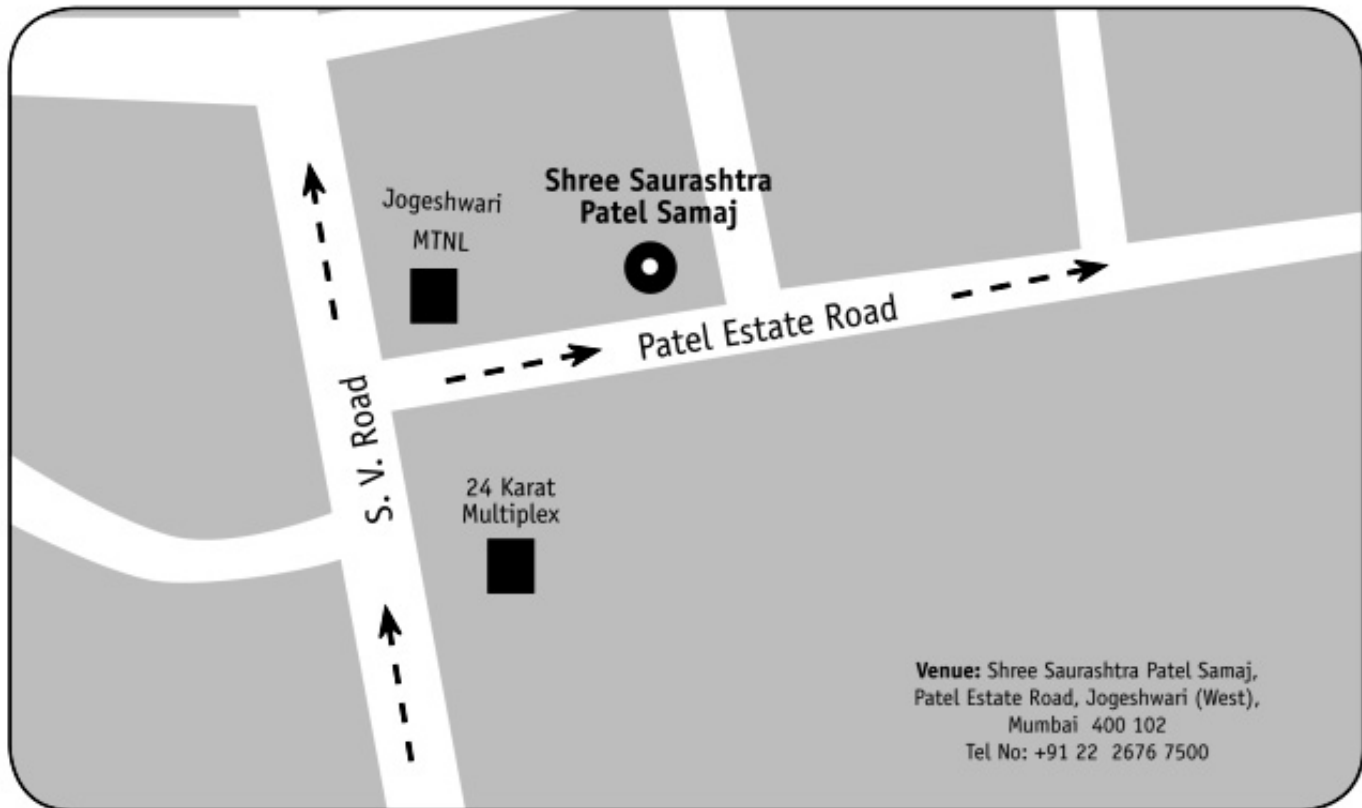
The Tribunal has appointed Mr. Rupen Patel, Managing Director, and failing him, Mr. Ramasubramanian Kuppusubramanian, Director as chairperson of the said meeting. The above mentioned amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Sd/-

Mr. Rupen Patel
Chairperson appointed for the meeting

Dated this 08th day of March, 2017

Route Map for the venue of the meeting



Notes for the meeting of the Equity Shareholders of the Company:

1. A registered equity shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. The equity shareholders of the Applicant Company whose names appearing in the records of the Company as on April 11, 2017 shall be eligible to attend and vote at the meeting of the equity shareholders of the Company or cast their votes using remote e-voting facility. Only registered Equity Shareholders of the Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act) at the Equity shareholders' meeting. The authorized representative of a body corporate which is a registered equity shareholder of the Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend at the meeting is deposited at the registered office of the Company not later than 48 hours before the schedule time of the commencement of meeting.
4. A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. A Member or his/her Proxy is requested to bring the copy of the notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
6. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
7. Equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote. The notice is being sent to all equity shareholders, whose name appeared in the register of members as on March 3, 2017. This notice of the meeting of the equity shareholders of the Company is also displayed/ posted on the website of the Company - www.pateleng.com

8. Foreign Portfolio Investors (FPIs), if any, who are registered equity shareholder(s) of the Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of the Company not later than 48 hours before the meeting.
9. Pursuant to sections 101 of the Companies Act, 2013 read with the Rules made thereunder, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) the Notice would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's STA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. However, in case a member wishes to receive a physical copy of the Notice, is requested to send an email to investors@pateleng.com and rnt.helpdesk@linkintime.co.in duly quoting his/her DP ID and Client ID or the Folio number, as the case may be.

VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014 (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS – 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the General Meeting ("remote e-voting") using an electronic voting system provided by Central Depository Services (India) Limited ("CDSL"). Please note that e-voting is optional. The instructions to e-voting explain the process and manner for generating/receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

- a. The remote e-voting period will commence on Saturday, April 15, 2017 (09:00 am IST) and will end on Monday, April 17, 2017 (05:00 pm IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of April 11, 2017, may cast their votes through remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 05:00 pm (IST) on Monday, April 17, 2017 and remote e-voting shall not be allowed beyond the said time.
- b. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Tuesday, April 11, 2017.
- c. Once the vote on a resolution is cast by a shareholder through remote e-voting, he/she/it shall not be allowed to change it subsequently.
- d. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Notice and holding shares as of the cut-off date, i.e. Tuesday, April 11, 2017, may refer to this Notice of the Company, posted on Company's website www.pateleng.com for detailed procedure with regard to remote e-voting. The Notice shall also be available at www.cdslindia.com. Any person who ceases to be the Member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- e. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the Members, there shall be no voting by show of hands at the meeting. The Company is also offering facility for voting by way of ballot papers at the meeting for the Members attending the meeting who has not cast their vote by remote e-voting.
- f. A Member may attend the meeting even after exercising his right to vote through remote e-voting, but cannot vote again at the meeting.
- g. If a Member cast votes by both modes i.e. remote e-voting and ballot papers at the meeting, then voting done through remote e-voting shall prevail and ballot paper shall be treated as invalid.
- h. The Company has appointed Sanjay Dholakia, Practicing Company Secretary (Membership No. 2655) from Sanjay Dholakia, Company Secretaries in Practice as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- i. The Scrutinizer shall, immediately after the conclusion of meeting, count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting to the Chairman or a person authorised by him. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- j. The resolution will be deemed to be passed on the meeting date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.pateleng.com and on CDSL website www.cdslindia.com immediately after the result is declared by the Chairman.

INSTRUCTIONS FOR REMOTE E-VOTING

- i. The voting period begins on Saturday, April 15, 2017 (09:00 am IST). and ends on Monday, April 17, 2017 (05:00 pm IST).
- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders -.

- iv. Now enter your User ID as under:
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in physical form should enter folio number registered with the Company
- v. Next, enter the image verification Code as displayed and click on “Login” tab.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are first time user, then fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)

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

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen.
However, members holding shares in demat form will now reach “Password Creation” menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this notice.
- xi. Now select the relevant Electronic Voting Sequence Number (EVSN) along with “PATEL ENGINEERING LIMITED” on which you choose to vote.
- xii. On the voting page, you will see “Resolution Description” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” for voting. -. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “Resolutions File Link” if you wish to view the entire resolutions.
- xiv. After selecting the resolution you have decided to vote on, click the “SUBMIT” tab. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

**Before the National Company Law Tribunal
Bench, at Mumbai
In the matter of the Companies Act, 2013**

**And
In the matter of Patel Realty (India) Limited ('the Transferor Company') and Patel Engineering Limited ('the Transferee Company')
And**

**In the matter of Sections 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the
Companies Act, 2013**

M/s. Patel Engineering Limited ... the Transferee Company / the Company

**STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013
FOR THE MEETING OF EQUITY SHAREHOLDERS OF PATEL ENGINEERING LIMITED CONVENED AS PER THE DIRECTIONS OF
THE NATIONAL COMPANY LAW TRIBUNAL AND E-VOTING**

In this statement, Patel Realty (India) Limited is hereinafter referred to as 'PRIL' or 'the Transferor Company' and Patel Engineering Limited is hereinafter referred to as 'PEL' or 'the Transferee Company' or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated March 01, 2017 passed by the National Company Law Tribunal Bench at Mumbai in the Company Application No. 191 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of Patel Engineering Limited is being convened and held at Shri Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102 on April 18, 2017 at 03:00 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective shareholders and creditors ('Scheme' or 'the Scheme').
2. The draft Scheme of Amalgamation was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on 11th November, 2016. In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated 30th November, 2015, the Audit Committee of the Transferee Company vide a resolution passed on November 11, 2016 recommended the Scheme to the Board of Directors of the Company inter-alia taking into account:
 - a) The Valuation Report issued by Manish P. Jain & Associates, Chartered Accountants dated November 11, 2016 for issue of shares pursuant to the Scheme;
 - b) The Fairness Opinion issued by Saffron Capital Advisors Private Limited, an independent Merchant Banker dated November 11, 2016 on the fairness of the Valuation Report;
 - c) Statutory Auditors certificate dated November 11, 2016 issued by M/s Vatsaraj & Co. Statutory Auditors of the Company, in relation to the accounting treatment prescribed in the Scheme.

Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.

3. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Transferee Company has come to the conclusion that the Scheme is in the best interest of the Company and its shareholders.
4. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.
5. Background of the Companies Involved in the Scheme is as Under:

Patel Realty (India) Limited ('PRIL' or 'the Transferor Company')

- a) The Transferor Company was incorporated under the Companies Act, 1956 in the name of 'Patel Realty (India) Private Limited' on 18th day of January, 2007. Subsequently, its name was changed to its present name Patel Realty (India) Limited on 3rd day of April, 2007. There has been no change in the name of the Transferor Company during the last five years. The Corporate Identification Number of the Transferor Company is U70200MH2007PLC167118. Permanent Account Number of the Transferor Company is AAACP2373A.
- b) The Registered Office of the Transferor Company situated at Patel Engineering Compound, Patel Estate Road, Jogeshwari West, Mumbai – 400 102, Maharashtra. There has been no change in the registered office of the Transferor Company during the last five years. - The e-mail id for the Transferor Company is cs@patelrealty.in
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of The Transferor Company as on September 30, 2016 are as under:

Particulars	Amount (in INR)
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs. 10/- each	2,50,00,00,000

80 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	80,00,00,000
Total	3,30,00,00,000
Issued, Subscribed and Paid-up Share Capital	
10,00,00,000 Equity Shares of Rs. 10/- each	1,00,00,00,000
30 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	30,00,00,000
Total	1,30,00,00,000

Subsequent to the above date there is no change in the issued, subscribed and paid up equity share capital of the Transferor Company. However, the Transferor Company has redeemed its entire issued Preference share capital on November 11, 2016.

The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on December 31, 2016 is as under:

Particulars	Amount (in INR)
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs. 10/- each	2,50,00,00,000
80 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	80,00,00,000
Total	3,30,00,00,000
Issued, Subscribed and Paid-up Share Capital	
10,00,00,000 Equity Shares of Rs. 10/- each	1,00,00,00,000
Total	1,00,00,00,000

- d) The shares of the Transferor Company are not listed on any stock exchange.
- e) The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are set out hereunder:
- i. To carry on trade or business in India and abroad as contractors builders land and estate agents land developers surveyors architects consulting engineers decorators, house owners and house seller estate manager and to acquire flats and offices and sell them and to acquire land and building on leasehold or freehold, agricultural or non agricultural, interest in land/ TDR and to built develop construct on those lands residential commercial or industrial buildings and sell the same on ownership basis or to transfer such buildings to societies, companies or any other person and to undertake and execute civil, mechanical, electrical and structural works contracts and sub contracts in all their respective branches.
 - ii. To construct, build, develop, maintain, operate, own and transfer infrastructure facilities including housing, roads, highways, bridges, airports, ports, rail systems, water supply projects, irrigation projects, inland water ways and inland ports, water treatment systems or any other public facilities of similar nature and project for generation and /or distribution of electricity or any other form of power and project for providing telecommunication services.

There has been no change in the objects of the Transferor Company during the last five years.

Patel Engineering Limited ('PEL' or 'the Transferee Company'):

- a) The Transferee Company was incorporated under the Companies Act, 1913, in the State of Maharashtra in the name of Patel Engineering Company Limited on 2nd day of April, 1949. Subsequently, its name was changed to its present name Patel Engineering Limited on 9th day of December, 1999. There has been no change in the name of the Transferee Company during the last five years. - The Corporate Identification Number of the Transferee Company is L99999MH1949PLC007039 and its Permanent Account Number is AAACP2567L.
- b) The Registered Office of the Transferee Company is situated at Patel Estate, S.V, Road, Jogeshwari West, Mumbai – 400 102, Maharashtra. There has been no change in the registered office of the Transferee Company during the last five years. The e-mail id for the Transferee Company is investors@pateleng.com.

The details of the issued, subscribed and paid-up share capital of the Transferee Company as on September 30, 2016 are as under:

Particulars	Amount (Rupees)
Authorised Share Capital	
230,000,000 Equity Shares of Re 1/- each	23,00,00,000
20,000,000 Preference shares of Re 1/- each	2,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Share Capital	
76,806,282 equity shares of Re.1/- each, fully paid up	7,68,06,282
Total	7,68,06,282

Subsequent to the above date, the Transferee Company reclassified 20,000,000 Preference shares of Re 1/- each into 20,000,000 Equity Shares of Re. 1/- each and altered the Clause V of the Memorandum of Association by way of Special Resolution through Postal Ballot deemed to be passed on November 18, 2016. Further, on November 25, 2016, the Allotment Committee of the Transferee Company had allotted 8,01,88,409 Equity Shares on preferential basis.

Accordingly, the authorised, issued, subscribed and paid-up share capital of the Transferee Company as on December 31, 2016 is as under:

Particulars	Amount (Rupees)
Authorised Share Capital	
250,000,000 Equity Shares of Re 1/- each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Share Capital	
15,69,94,691 equity shares of Re.1/- each, fully paid up	15,69,94,691
Total	15,69,94,691

- c) The shares of the Transferee Company are listed on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE').
- d) The objects for which the Transferee Company has been established are set out in its Memorandum of Association. Few of the main objects of the Transferee Company are set out hereunder:
- i. To Purchase and carry on the business of Construction Engineers and Contractors now carried on by Messrs. Bhagwan Raja Patel, HirjiThakersi Patel, Arjunbhai Kunverji Patel, Haribhai Bhagwan Patel, and Yashraj Govindbhai Patel under the name and style of Patel Engineering Company at Bombay and accordingly to enter into and carry into effect with or without modification an agreement with them in the terms of the Draft which has been for the purpose of Identification initiated by Messrs. Thakordas Daru Hemany & Co..
 - ii. To carry on the business of construction engineers, building contractors and to buy and sell land, buildings, estates and immoveable property of any tenure or description.
 - iii. To develop any lands or estates acquired by the Company or in which the Company is interested, and in particular and without prejudice to the generality of the said provision, by laying out building sites, and/or preparing the same for building purposes, and/or by leveling, metalling, watering, irrigating, tilling, cultivating, paving, draining, sewerage, leasing, letting on building lease or building agreement, selling or otherwise dealing with or disposing of any land or estate, and/or by building, altering, demolishing, re-building, decorating, maintaining, furnishing, fitting up, repairing, and improving any buildings or structures whatever thereon, and to turn to account, consolidate, connect, divide, subdivide or partition land, estate and/or properties."

There has been no change in the objects of the Transferee Company during the last five years.

6. Background of the Scheme

- a) The Transferee Company is engaged in the business of Civil Engineering and Construction. The Transferor Company is engaged in the business of developing commercial and residential projects.
- b) The Scheme provides for amalgamation of the Transferor Company with the Transferee Company and various other matters consequential to amalgamation or otherwise integrally connected thereto.
- c) On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

7. Rationale of the Scheme

The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- To consolidate and integrate PRIL's operation with PEL;
- Avoid multi-layer structure; and
- Rationalization of administrative and operative costs.

8. Salient Features of the Scheme

Salient features of the scheme are set out as below:

- The Scheme is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (corresponding Section 230 to Section 232 of the Companies Act, 2013) and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of the Transferor Company with the Transferee Company
- The Transferor Company and the Transferee Company shall make applications and / or petitions under Section 230 read with

Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench ('Tribunal') for sanction of this Scheme and all matters ancillary or incidental thereto

- 'Appointed Date' for the Scheme is April 1, 2016 or such other date as may approved by the Tribunal
- 'Effective Date' means the date on which the certified copy of the order sanctioning this Scheme passed by the Tribunal or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra
- Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the entire issued, subscribed and paid-up share capital of PRIL will be directly held by PEL along with its nominees and accordingly, no shares of PEL shall be allotted in lieu or exchange of its holding in PRIL and PEL's investment in the entire share capital of PRIL shall stand cancelled in the books of PEL. Upon coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by PEL and its nominees in PRIL shall be deemed to be cancelled without any further act or deed for cancellation thereof by PEL, and shall cease to be in existence accordingly.
- On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian accounting standards (IND AS) prescribed under the Companies Act, 2013
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.
- This Scheme is conditional upon and subject to the following :
 - (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme;
 - (b) The Scheme being approved by the respective requisite majorities of the members and / or creditors of PRIL and PEL as may be directed by the Tribunal and/or any other competent authority and it being sanctioned by the Tribunal and/or any other competent authority, as may be applicable;
 - (c) The certified copies of the order of Tribunal under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra;
 - (d) The approval of the scheme of amalgamation by the shareholders of PEL through postal ballot and e-voting is exempt and not required pursuant to the exemption provided for under clause 9 (a) of the Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by Securities and Exchange Board of India.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

9. Approvals

- a) Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Transferee Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Transferee Company has received the observation letters from BSE and NSE on 8th February, 2017, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.
- b) BSE and NSE vide their Observation Letters dated 8th February, 2017 have advised that SEBI has given following comments on the draft Scheme of Arrangement:
 - The Company shall duly comply with various provisions of the Circular.
- c) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE. A copy of the aforementioned Complaints Report are enclosed herewith.

10. Capital Structure Pre and Post Amalgamation

- a) Pre-amalgamation capital structure of the Transferor Company is mentioned in paragraph 5(c) above.
- b) Pre and post-amalgamation capital structure of the Transferee Company is as follows:

Particulars	Pre Amalgamation as on December 31, 2016		Post Amalgamation	
	No. of Shares	Amount in Cr₹	No. of Shares	Amount in Cr₹
Authorised Share Capital				
Equity Shares of Re. 1 each	25,00,00,000	25.00	25,00,00,000	25.00
Equity Shares of Rs. 10/- each	-	-	25,00,00,000	250.00
Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	-	-	80	80.00
Issued, Subscribed and Paid-up Share Capital				
Equity Shares of Re. 1/- each, fully paid up	15,69,94,691	15.59	15,69,94,691	15.59

11. Pre and Post Amalgamation Shareholding Pattern

a) The pre amalgamation shareholding pattern of the Transferor Company as on December 31, 2016 is as follows:

Sr. No	Name of shareholder	No of Equity shares held	%
1.	Patel Engineering Limited	9,99,99,994	100.00
2.	Pravin Patel	1	0.00
3.	Rupen Patel	1	0.00
4.	Rohit Patel	1	0.00
5.	Nimish Patel	1	0.00
6.	Daksha Patel	1	0.00
7.	Shiraz Patel	1	0.00
	TOTAL	10,00,00,000	100.00

b) The pre and post amalgamation shareholding pattern of Transferee Company as on December 31, 2016 is as follows: -

Sr. No.	Description	Pre Amalgamation shareholding		Post Amalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(A)	Promoter and promoter group				
(1)	Indian				
	Individuals / Hindu Undivided Family	29,23,300	1.86	29,23,300	1.86
	Bodies Corporate	3,54,09,681	22.55	3,54,09,681	22.55
	Others	-		-	
	Sub-Total A(1):	3,83,32,981	24.41	3,83,32,981	24.41
(2)	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	5,50,450	0.35	5,50,450	0.35
	Sub-Total A(2) :	5,50,450	0.35	5,50,450	0.35
	Total A=A(1)+A(2)	3,88,83,431	24.76	3,88,83,431	24.76
(B)	Public Shareholding				
(1)	Institutions				
	Mutual Funds	0	0.00	0	0.00
	Venture Capital Funds	0	0.00	0	0.00
	Alternative Investment Funds	0	0.00	0	0.00
	Foreign Venture Capital Investors	0	0.00	0	0.00
	Foreign Portfolio Investors	0	0.00	0	0.00
	Financial Institutions / Banks	8,01,92,230	51.07	8,01,92,230	51.07
	Insurance Companies	22,66,764	1.44	22,66,764	1.44
	Provident Funds / Pension Funds	0	0.00	0	0.00
	Any other	0	0.00	0	0.00
	Sub-Total B(1) :	8,24,58,994	52.52	8,24,58,994	52.52
(2)	NON-INSTITUTIONS				
(a)	Individuals				
	Individuals holding nominal share capital upto Rs. 2 lakhs	1,89,86,761	12.09	1,89,86,761	12.09
	Individuals holding nominal share capital in excess of Rs. 2 lakh	31,96,103	2.03	31,96,103	2.03
(b)	NBFC registered with RBI	0	0.00	0	0.00
(c)	Employee Trusts	60,28,900	3.84	60,28,900	3.84
(d)	Overseas Depositories (holding DRs)	0	0.00	0	0.00
(e)	Others	74,40,220	4.73	74,40,220	4.73
(f)	Central Government	282	0.00	282	0.00
	Sub-Total B(2) :	3,56,52,266	22.70	3,56,52,266	22.70
	Total B=B(1)+B(2) :	11,81,11,260	75.23	11,81,11,260	75.23
	Total (A+B) :	15,69,94,691	100.00	15,69,94,691	100.00

12. Extent of Shareholding of Directors and Key Managerial Personnel:

a) Save as provided in Clause 10.1(a) of the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives, of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies, or to the extent the said directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that

hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Transferor Company or the Transferee Company has any material interest in the Scheme.

- b) The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and the Transferee Company as on December 31, 2016 are as follows:

Sr. No.	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Rupen Pravin Patel	Director	-	13,52,600
2.	Khizer Ahmed	Independent Director	-	26,500
3.	Ramasubramanian Kuppusubramanian	Independent Director	-	335
4.	Priti Rasik Patel	Director	-	0
5.	Jayalakshmi Iyer	Company Secretary	-	100

- c) The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferor Company and the Transferee Company as on December 31, 2016 are as follows:

Sr. No.	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Pravin Patel	Whole-time Director	-	40,800
2.	Rupen Patel	Managing Director	-	13,52,600
3.	Khizer Ahmed	Independent Director	-	26,500
4.	Jambunathan Srinivasa Iyer	Independent Director	-	50
5.	C. K. Singh	Wholetime Director	-	200
6.	Ramasubramanian Kuppusubramanian	Independent Director	-	335
7.	Geetha Sitaraman	Independent Director	-	-
8.	Kavita Shirvaikar	CFO	-	-
9.	Shobha Shetty	Company Secretary	-	200

13. General

- a) The Transferor Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Sections 230 read with Section 232 of the Companies Act, 2013.
- b) In relation to the meeting of the Transferee Company, equity shareholders of the Transferee Company whose names are appearing in the records of the Company as on April 11, 2017 shall be eligible to attend and vote at the meeting of the equity shareholders of the Transferee Company convened at the direction of the Tribunal or cast their votes using remote e-voting facility.
- c) The amount due from the Transferor Company to its unsecured creditors as on February 28, 2017 is Rs. 127,40,84,660/-
- d) The amount due from the Transferee Company to its unsecured creditors as on January 31, 2017 is Rs. 660,84,57,591/-
- e) The Scheme does not amount to arrangement or compromise with the creditors and all the creditors shall be duly paid in the normal course of business. Accordingly, the rights and interests of secured creditors, unsecured creditors and debenture holder / debenture trustee of either of the Transferor Company or the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
- f) Except to the extent of the shares held by the Directors and KMP stated under paragraph 12 above, none of the directors, KMP of the Transferee Company or their respective relatives is in any way connected or interested in the aforesaid resolution.
- g) As on date, the entire share capital of the Transferor Company is held by the Transferee Company.
- h) The latest audited accounts for the year ended March 31, 2016 and latest unaudited accounts for the quarter ended September 30, 2016 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- i) There is one winding up petition initiated against the Transferee Company. However, the same has not been admitted so far.
- j) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Transferee Company.
- k) A copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Maharashtra on March 02, 2017.
- l) The Transferor Company and the Transferee Company are required to seek approvals/ sanctions/ no-objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director, Official Liquidator (applicable to the Transferor Company) and will obtain the same at the relevant time.

14. Names and addresses of the directors and promoters of the Transferor Company are as under:

Sr. No	Name of Director	Address
1.	Mr. Rupen Patel	A. K. Patel bungalow, 5-D Dadabhai road, Santacruz (West) Mumbai – 400 054
2.	Mr. Khizer Ahmed	C-34, 2nd floor, Malviya Nagar New Delhi – 110 017
3.	Mr. Ramasubramanian Kuppusubramanian	Plot No. 679, Flat No. 301 Navjyotirling, Wing C, 3rd Floor, Riddhi Garden, Film City Road Malad (W) Mumbai - 400 097
4.	Ms. Priti Patel	B 1 - 607, DSK Madhuban, Near Sakinaka, Andheri (West), Mumbai – 400 072

Sr. No.	Name of Promoter	Address
1	Patel Engineering Limited	Patel Estate Road, Jogeshwari (W), Mumbai- 400 102.

15. Names and addresses of the directors and promoters of the Transferee Company are as under:

Sr. No.	Name of Director	Address
1.	Mr. Pravin Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W) Mumbai - 400 054
2.	Mr. Rupen Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
3.	Mr. Khizer Ahmed	C-34, 2nd floor, Malviya Nagar, New Delhi- 100 017
4.	Mr. Jambunathan Srinivasa Iyer	9, Prakash CHS Ltd., Relief Road, Daulat Nagar, Santacruz (W), Mumbai – 400 054
5.	Mr. Ramasubramanian Kuppusubramanian	Flat No. 403, Patel New Building, (Opp) Patel Eng. Ltd. Patel Estate, Jogeshwari (W), Mumbai - 400102
6.	Ms. Geetha Sitaraman	0-201, Floor-2, Plot-35, Griselda Building, Matunga Road No.5, Mumbai -400 019
7.	Mr. C. K. Singh	B - 304, Greenfields CHSL., Plot No. 333, Lokhandwala Complex, Andheri (west), Mumbai – 400053

Sr. No.	Name of Promoter	Address
1.	Pravin Arjunbhai Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
2.	Ryan Rupen Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
3.	Chandrika Pravin Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
4.	Alina Rupen Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
5.	Rupen Pravin Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
6.	Praham India Llp	Anand Vihar Co-Operative Housing Society, Danda Pada 19th Road, Khar (West), Mumbai – 400 052
7.	Patel Corporation Llp	Anand Vihar Co-Operative Housing Society, Danda Pada 19th Road, Khar (West), Mumbai – 400 052
8.	Rianna Batra	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W), Mumbai - 400 054
9.	Sonal Patel	A. K. Patel Bungalow, 5-D Dadabhai Road, Near Arya Samaj, Santacruz (W) Mumbai - 400 054

16. The Board of Directors of the Transferor Company approved the Scheme on November 11, 2016. Details of directors of the Transferor Company who voted in favour / against / did not participate in the meeting of the Board of Directors the Transferor Company are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Khizer Ahmed	In Favour
2.	Ramasubramanian Kuppusubramanian	In Favour
3.	Priti Patel	In Favour

17. The Board of Directors of the Transferee Company approved the Scheme on November 11, 2016. Details of directors of the Transferee Company who voted in favour / against / did not participate in the meeting of the Board of Directors of the Transferee Company are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Pravin Patel	In Favour
2.	Khizer Ahmed	In Favour
3.	C.K. Singh	In Favour
4.	Ramasubramanian Kuppusubramanian	In Favour
5.	Geetha Sitaraman	In Favour

18. M/s. Manish P. Jain & Associates, Chartered Accountants vide their Valuation report dated 11th November, 2016 have affirmed that under the circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015, Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the amalgamated company pursuant to amalgamation. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company and thus, no shares will be issued and allotted by the Transferee Company pursuant to amalgamation and accordingly,

the shares of the Transferor Company held by the Transferee Company shall stand cancelled. Thereby, the shareholders of the Transferee Company will continue to remain beneficial owners of the transferee Company in the same proportion in which they held shares in the Transferee Company prior to amalgamation. Thus, there would be no change in the shareholding pattern of the Transferee Company.

19. A report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders, laying out in particular the share exchange ratio if any, is attached herewith.
20. The Transferee Company does not have any depositors, deposit trustee. The Scheme will not have any impact on the employees of the Transferee Company as they would continue to be in employment of the Transferee Company without any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme.
21. A copy of the unaudited provisional financial statements of the Transferor Company and the Transferee Company as on September 30, 2016 is attached herewith.
22. This statement may be treated as an Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013.
23. Inspection of the following documents may be carried out by the Equity Shareholders of the Transferee Company at the Registered Office of the Transferee Company on any working day (except Saturdays) prior to the date of the meeting between 11.00 am and 2.00 pm:
 - a) Copy of the Order dated March 01, 2017 of the Hon'ble Tribunal passed in Company Application No 191 of 2017 directing the convening of the meeting of the Equity Shareholders of the Transferee Company;
 - b) The Pre and Post Merger Capital Structure and Shareholding Pattern of the Transferee Company;
 - c) Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
 - d) Audited Financial Statements of the Transferor Company and the Transferee Company for last three financial years ended 31 March 2016, 31 March 2015 and 31 March 2014;
 - e) Copy of the observation letters from BSE and NSE on 8th February, 2017;
 - f) Copy of the Complaints Report filed with BSE and NSE;
 - g) Valuation Report dated 11th November, 2016 issued by M/s Manish P. Jain & Associates, Chartered Accountants and
 - h) Fairness Opinion dated 11th November, 2016 issued by M/s Saffron Capital Advisors Private Limited.
 - i) Certificate issued by the auditor dated 11th November, 2016 stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013.

This Statement may be treated as the Statement under Section 230(3) read with Section 102 of the Companies Act, 2013. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at Patel Estate, S.V, Road, Jogeshwari West, Mumbai – 400 102 or at the office of its Advocates M/s. Hemant Sethi & Co, 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.

Place: Mumbai
Date: March 08, 2017

Sd/-
Rupen Patel
Chairperson appointed
for the meeting of Equity Shareholders

**SCHEME OF AMALGAMATION
OF
PATEL REALTY (INDIA) LIMITED
("PRIL" OR "THE TRANSFEROR COMPANY")
WITH
PATEL ENGINEERING LIMITED
("PEL" OR "THE TRANSFEREE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

(A) PREAMBLE

The Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (to the extent notified and applicable) for amalgamation of Patel Realty (India) Limited with Patel Engineering Limited. This Scheme also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

(B) RATIONALE FOR THE SCHEME

The Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited would have the following benefits:

- To consolidate and integrate PRIL's operation with PEL;
- Avoid multi-layer structure; and
- Rationalization of administrative and operative costs.

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part A** deals with the definitions and share capital;
- (ii) **Part B** deals with amalgamation of Patel Realty (India) Limited with Patel Engineering Limited;
- (iii) **Part C** deals with other terms and conditions applicable to this Scheme.

**PART A
DEFINITIONS AND SHARE CAPITAL**

1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 "Act" or "the Act"** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme of Amalgamation by the Board of Directors of Patel Realty (India) Limited and Patel Engineering Limited, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, be construed as reference to the provisions so reenacted;
- 1.2 "Appointed Date"** means April 1, 2016 or such other date as may be approved by the High Court of Judicature at Bombay, or any other competent authority, as maybe applicable;
- 1.3 "Board of Directors" or "Board"** means the Board of Directors of PRIL or PEL, as the case may be, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the amalgamation, the Scheme and/or any other matter relating thereto;
- 1.4 "Court" or "High Court"** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal and the National Company Law Appellate Tribunal as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act;
- 1.5 "Effective Date"** means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the High Court or such other competent authority, as may be applicable, is filed by PRIL and PEL with the Registrar of Companies, Mumbai.
- 1.6 "PEL" or "the Transferee Company"** means Patel Engineering Limited (CIN: L99999MH1949PLC007039), a company

incorporated under the Companies Act, 1913 and having its registered office at Patel Estate, S.V, Road, Jogeshwari West, Mumbai – 400 102, Maharashtra. PEL is in the business of Civil Engineering and Construction. The Equity shares of PEL is listed on BSE Limited and The National Stock Exchange of India Limited.

- 1.7 “PRIL” or “the Transferor Company” means Patel Realty (India) Limited (CIN: U70200MH2007PLC167118), a company incorporated under the provisions of the Indian Companies Act, 1956 and having its registered office at Patel Engineering Compound, Patel Estate Road , , Jogeshwari West, Mumbai – 400 102, Maharashtra. PRIL is into the business of developing commercial and residential projects.
- 1.8 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the High Court or such other competent authority, as may be applicable.
- 1.9 “Stock Exchanges” means BSE Limited and The National Stock Exchange of India Limited.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of PRIL with PEL, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961, but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The authorised, issued, subscribed and paid-up share capital of PRIL as on 31st March, 2016 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs. 10/- each	2,50,00,00,000
80 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	80,00,00,000
Total	3,30,00,00,000
Issued, Subscribed and Paid-up Share Capital	1,00,00,00,000
10,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000
30 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	1,30,00,00,000
Total	1,30,00,00,000

Subsequent to 31st March 2016 and as on the date of filing the Scheme, the entire issued, subscribed and paid-up share capital of PRIL is held by PEL and the capital structure is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs. 10/- each	2,50,00,00,000
80 Zero Coupon Optionally Convertible Preference shares of Rs. 1,00,00,000/- each	80,00,00,000
Total	3,30,00,00,000
Issued, Subscribed and Paid-up Share Capital	1,00,00,00,000
10,00,00,000 Equity Shares of Rs. 10/- each	1,00,00,00,000
Total	1,00,00,00,000

- 3.2 The authorised, issued, subscribed and paid-up share capital of PEL as on March 31, 2016 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
23,00,00,000 Equity Shares of Re 1/- each	23,00,00,000
2,00,00,000 Preference shares of Re 1/- each	2,00,00,000
Total	25,00,00,000
Issued, Subscribed & Paid up Capital	
7,68,06,282 equity shares of Re.1/- each, fully paid up	7,68,06,282
Total	7,68,06,282

Subsequent to 31st March, 2016 and on the date of filing this scheme, there is no change in the issued, subscribed and paid up capital of PEL. During the pendency of the scheme, PEL may issue additional shares to give effect to the resolution approved by the shareholders on August 26, 2016. Further, PEL also proposes to reclassify the aforesaid preference shares into equity shares in the authorized share capital, subject to shareholder's approval to the notice dated October 14, 2016.

The shares of PEL are currently listed on BSE Limited and The National Stock Exchange of India Limited

PART B

AMALGAMATION OF PATEL REALTY (INDIA) LIMITED WITH PATEL ENGINEERING LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING

4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of PRIL including all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc. including, without limitation, all the movables and immovable properties and assets of PRIL comprising amongst others investments, and business licenses, permits, authorizations, if any, rights and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation of Disapproval (IOD), Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Municipal authorities, Town Planning Authority, Development Authority, Electricity Board, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc., credit for service tax, sales tax / value added tax and / or any other statutes, incentives, if any, and all other rights, title, interest, contracts including Development Agreements, Joint Development Agreements, Conveyances, Agreement for Sale, Redevelopment Agreements, etc., consent, approvals or powers of every kind and description, agreements (including agreements with the customers and flat buyers) shall, pursuant to the Order of the High Court and pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in PEL on a going concern basis so as to become the assets of PEL.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by PRIL and PEL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

4.2 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) Subject to the provisions of this Scheme, as specified hereinafter, and with effect from the Appointed Date, the entire business and the undertaking of PRIL including all debts, liabilities, duties and obligations of PRIL of every description and also including, without limitation, all the movable properties and assets of PRIL comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in PEL as a going concern so as to become the assets and liabilities of PEL .
- (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of PRIL as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by PRIL and shall, upon such transfer, become the assets and properties of PEL as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances, deposits of any kind and other current assets, if any, whether receivable in cash or kind or for the value to be received, cash and bank balances, investments, etc., shall on and from the Appointed Date stand transferred to and vested in PEL without any notice or other intimation to the debtors or depositors or any person, as the case may be so that the said debt, loan, advance, deposit, investments, etc. stands transferred and vested in PEL.

4.3 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the movables and immovable properties and assets of PRIL comprising amongst others investments, and business licenses, permits, authorizations, if any, rights

and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation of Disapproval (IOD), Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Municipal authorities, Town Planning Authority, Development Authority, Electricity Board, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, leases, tenancy rights, liberties, approvals or consents relating to and or held by PRIL and all rights and benefits including Development Agreements, Joint Development Agreements, Conveyances, Agreement for Sale, Redevelopment Agreements, etc., consent, approvals or powers of every kind and description, agreements (including agreements with the customers and flat buyers) that have accrued or which may accrue to PRIL, whether before or after the Appointed Date shall stand vested in or transferred to PEL, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of PEL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by PRIL shall vest with and be available to PEL on the same terms and conditions.

- 4.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description pertaining to PRIL shall also without any further act or deed, be transferred to or deemed to be transferred to PEL, so as to become from the Appointed Date the debts, liabilities, duties and obligations of PEL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of PRIL which secure or relate to the liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to PEL. Provided that if any of the assets of the Transferor Company have not been Encumbered in respect of the Liabilities, such assets shall remain unencumbered and the Existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of PEL. The absence of any formal amendment which may be required by a lender or trustee or third party shall not effect the operation of the above.
- 4.6 All taxes of any nature, duties, cess or any other like payments or deductions made by PRIL to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of PEL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to PEL upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which PRIL is a party or to the benefit of which PRIL may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of PEL and may be enforced as fully and effectually as if instead of PRIL, PEL had been the party thereof.
- 5.2 PEL shall, if so required or become necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, PEL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of PRIL and to implement or carry out all formalities required on the part of PRIL to give effect to the provisions of this Scheme.

6. STAFF, WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming effective, permanent staff and employees, if any, of PRIL in service on the Effective Date, shall be deemed to have become staff and employees of PEL on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Pension Fund, Superannuation Fund or any other Special Fund or Trusts (hereinafter referred to as Fund or Funds) created or existing for the benefit of the staff, workmen and employees of PRIL, if any, shall become trusts/funds of PEL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of PRIL in relation to such Fund or Funds shall become

those of PEL. It is clarified that the services of the staff and employees of PRIL will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

Upon the coming into effect of this Scheme, all suits, actions, appeal and other proceedings including legal and taxation proceedings (including before any statutory or quasi judicial authority or tribunal) of whatever nature is pending by or against PRIL, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against PEL as effectually and in the same manner and to the same extent as if the same has been instituted and/or pending and/or arising by or against PRIL.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto and including the Effective Date, PRIL shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for PEL. Further, all the profits or income accruing or arising to PRIL or expenditure or losses arising to or incurred by PRIL, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of PEL, as the case may be.

8.2 With effect from filing of this Scheme by the Board of Directors of PRIL and PEL and upto and including the Effective Date:

- (a) PRIL shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of PEL, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business;
- (b) PRIL shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of PEL; and
- (c) PRIL shall not declare or pay any dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Board of Directors of PEL.

9. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the undertaking under Clause 4 and the continuance of legal proceedings by or against PRIL as per Clause 7 shall not affect any transaction or proceedings already concluded by PRIL on or after the Appointed Date till the Effective Date, to the end and intent that PEL accepts and adopts all acts, deeds and things done and executed by PRIL in respect thereto as done and executed on behalf of itself.

10. CANCELLATION OF SHARES OF PRIL

Upon Scheme becoming effective, the entire issued, subscribed and paid-up share capital of PRIL will be directly held by PEL along with its nominees and accordingly, no shares of PEL shall be allotted in lieu or exchange of its holding in PRIL and PEL's investment in the entire share capital of PRIL shall stand cancelled in the books of PEL. Upon coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by PEL and its nominees in PRIL shall be deemed to be cancelled without any further act or deed for cancellation thereof by PEL, and shall cease to be in existence accordingly.

11. ACCOUNTING TREATMENT

Upon the coming into effect of this Scheme and with effect from the Appointed Date, PEL shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) 101, Ind AS 103 and/or any other applicable Ind AS, as the case may be.

12. AGGREGATION OF AUTHORISED CAPITAL

12.1 The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

12.2 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies as on the Effective Date and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, or Section 13, Section 14, or any other applicable provisions of Companies Act, 2013 would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on their authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by

the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, PRIL shall stand dissolved without being wound-up.

PART C

OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

14. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

PRIL and PEL as may be directed by the Hon'ble High Court of Judicature at Bombay shall make all necessary application and petition under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Judicature at Bombay, for seeking approval of the Scheme.

15. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

PRIL and PEL with approval of their respective Board of Directors, may, in their full and absolute discretion, jointly and as mutually agreed in writing consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of PRIL and PEL to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the Hon'ble High Court or any other authorities under the applicable law to such modification / amendments to the Scheme. The Board of Directors may modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

16. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme;
- (b) The Scheme being approved by the respective requisite majorities of the members and / or creditors of PRIL and PEL as may be directed by the High Court and/or any other competent authority and it being sanctioned by the High Court and/or any other competent authority, as may be applicable;
- (c) The certified copies of the order of High Court under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
- (d) The approval of the scheme of amalgamation by the shareholders of PEL through postal ballot and e-voting is exempt and not required pursuant to the exemption provided for under clause 9 (a) of the Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by Securities and Exchange Board of India.

17. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

17.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 15 not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and/or the Order not being passed as aforesaid before December 31, 2017 or such other date as the Board of Directors of PEL and PRIL may determine, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and PEL shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.

17.2 In the event of this Scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

18. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by PEL.



STRICTLY PRIVATE & CONFIDENTIAL

To, The Board of Directors Patel Engineering Limited Patel Estates Road, Jogeshwari West, Mumbai - 400 102, Maharashtra	To, The Board of Directors Patel Realty (India) Limited Patel Estates Road, Jogeshwari West, Mumbai - 400 102, Maharashtra
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Dear Sirs,

Sub: Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited.

We have been requested by the Management of Patel Engineering Limited ('PEL') and Patel Realty (India) Limited ('PRIL') to issue this certificate in connection with the Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors.

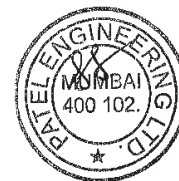
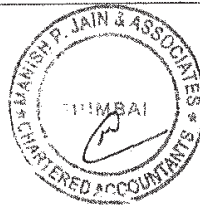
1. Background

- 1.1 PEL, a part of the Patel Group is engaged in construction of dams, tunnels, micro-tunnels, powerhouses, irrigation projects, highways, roads, bridges, railway tunnels, refineries to real estate, townships etc. PEL was incorporated on 2nd April, 1949 and is headquartered in Mumbai, India. The equity shares of PEL are listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).
- 1.2 PRIL is a subsidiary of PEL wherein the entire issued, subscribed and paid-up equity share capital of PRIL is held by PEL and its nominees.
- 1.3 The Management of PRIL and PEL are considering amalgamation of PRIL with PEL with effect from the Appointed Date as 1st April, 2016.

2. Source of Information

- 2.1 We have placed reliance on the information and explanations provided by the Management of the respective companies, their respective advisors and authorized representatives.
- 2.2 Some of the key information relied upon are as under:

Page 1 of 3



- (a) Audited Financial of PEL for the year ended March 31, 2016.
- (b) Audited Financial Statements of PRIL for the year ended March 31, 2016.
- (c) Draft Scheme of Amalgamation ('Scheme') under section 391 to 394 of the Companies Act, 1956.
- (d) Representation made by the management of PRIL that PRIL would redeem its Zero Coupon Optionally Convertible Preference Shares before the date of filing of the Draft Scheme with the Stock Exchanges
- (e) Such other information and explanations as was required and which have been provided by the management of PEL and PRIL.

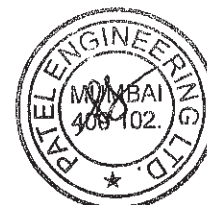
3. Limitation and Exclusions

- (a) We have placed reliance on various information provided by the Management of PEL and PRIL. Our reliance is based on the completeness and accuracy of the facts provided; which if not entirely complete or accurate, should be communicated to us immediately, as the inaccuracy or incompleteness could have a material impact on our findings.
- (b) This document has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. This document is strictly confidential and (save to the extent required by applicable law and / or regulation) must not be released to any third party without our express written consent which is at our sole discretion.
- (c) By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment.
- (d) We have not carried out audit of the information provided for the purpose of this engagement. We assume no responsibility for any error(s) in the above information furnished by the companies and consequential impact on the present exercise.

4. Conclusion

4.1 Under the circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015, Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the amalgamated company pursuant to amalgamation.

Page 2 of 3



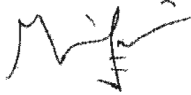
4.2 Upon the Scheme of Amalgamation being effective, PRIL would be a wholly owned subsidiary of PEL and no shares will be issued and allotted by PEL pursuant to amalgamation and accordingly, the shares of PRIL held by PEL shall stand cancelled. As a result, the shareholders of PEL will continue to remain beneficial owners of PRIL in the same proportion in which they held shares in PEL prior to amalgamation.

4.3 In our opinion as there will be no change in the shareholding pattern of PEL pursuant to amalgamation, no 'Valuation Report' from an Independent Chartered Accountant is required under circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015.

Yours faithfully,

For **Manish P. Jain & Associates**

Chartered Accountants



CA Manish P. Jain

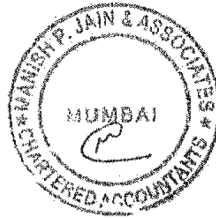
Partner

Membership No: 113759

Firm Registration No: 123908W

Place: Mumbai

Date: 11th November 2016



Page 3 of 3



Fairness Opinion Report on 'Valuation Certificate' issued for

Proposed Scheme of Amalgamation of

Patel Engineering Limited

And

Patel Realty (India) Limited

And

Their Respective Shareholders and Creditors

Prepared by



Saffron Capital Advisors Private Limited

[Company Identification Number: U67120MH2007PTC166711]

SEBI Registered Category I Merchant Banker

605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar,

Andheri East, Mumbai – 400059.

Tel No.: +91-22-4082 0906; Fax: +91-22-4082 0999

www.saffronadvisor.com

SEBI Registration No: INM000011211

November 11, 2016



Notice to Reader

This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on "Valuation Certificate" issued in connection with the proposed "Scheme of Amalgamation" of Patel Engineering Limited ("PEL") and Patel Realty (India) Limited ("PRIL") and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate dated November 11, 2016 prepared by M/s Manish P. Jain & Associates (FRN.: 123908W) represented by Mr. Manish P. Jain, Partner, (Membership No.: 113759) having their office at 217, Dariyasthan Building, 33, Dariyasthan Street, Vadgadi, Mumbai- 400 003, for the proposed "Scheme of Amalgamation" of PEL and PRIL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

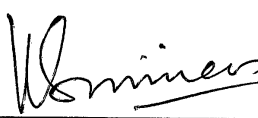
We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of PEL and PRIL and to the Stock Exchanges and to the Registrar of Companies.



Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation of PEL and PRIL and their respective shareholders and may not be applicable or referred to or quoted in any other context.

For **Saffron Capital Advisors Private Limited**





Authorised Signatory

Introduction and Scope of Assignment

1. Transferor Company– Patel Realty (India) Limited:

PRIL was incorporated on the January 18, 2007 under the Companies Act, 1956. The registered office of PRIL is situated at Patel Engineering Compound, Patel Estate Road, Jogeshwari (W) Mumbai - 400102.

PRIL is engaged into real estate development business. The shares of PRIL are not listed on any Stock Exchange. The entire issued, subscribed and paid-up Equity share capital of PRIL is held by PEL, making it a wholly owned subsidiary of PEL.

2. Transferee Company– Patel Engineering Limited:

PEL was incorporated as on April 02, 1949. The Registered office of PEL is situated at Patel Estate Road, Jogeshwari (West), Mumbai - 400102.

PEL is an infrastructure and construction company engaged in construction of dams, tunnels, micro-tunnels, powerhouses, irrigation projects, highways, roads, bridges, railway tunnels, refineries to real estate, townships etc.

Equity shares of PEL are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").



3. Capital Structure

3.1 The authorized, issued, subscribed and paid-up share capital of PEL as on March 31, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
230,000,000 Equity Shares of Rs. 1/-each	230,000,000
20,000,000 Preference Shares of Rs. 10/- each	20,000,000
Total	250,000,000
Issued, Subscribed and Fully Paid up Share Capital	
7,68,06,282 Equity Shares of Rs. 1/-each.	76,806,282
Total	76,806,282

(Source: Annual Report of PEL, for the FY ended 2015-16)

Subsequent to 31st March 2016, there has been no change in the authorized, issued, subscribed and paid-up capital. (Source: www.bseindia.com)

3.2 The authorized, issued, subscribed and paid-up share capital of PRIL as on March 31, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
25,00,00,000 Equity Shares of Rs. 10/-each	2,500,000,000
80 Zero Coupon Optionally Convertible Preference Shares of Rs. 1,00,00,000 each	800,000,000
Total	3,300,000,000
Issued, Subscribed and Fully Paid up Capital	
10,00,00,000 Equity Shares of Rs. 10/-each.	1,000,000,000
30 Zero Coupon Optionally Convertible Preference Shares of Rs. 1,00,00,000 each	300,000,000
Total	1,300,000,000

(Source: Audited Financials of PRIL, for the FY ended 2015-16)

4. The Scheme of Amalgamation has been formulated and presented under section 391 to 394 of the Companies Act, 1956. Upon the relevant sections of the Companies Act 2013 pertaining to schemes of amalgamation, compromise or reconstruction of companies being notified by the



Ministry of Corporate Affairs ("MCA"), the Scheme of Amalgamation shall be deemed to have been formulated and presented under sections 230 to 240 of the Companies Act, 2013. Reference to any provisions of the Companies Act 1956, if any, under the Scheme would be deemed to be references to the respective corresponding provisions of the Companies Act, 2013.

5. The directors of both the Transferor and the Transferee Company have decided to amalgamate the Transferor Company with Transferee Company in the larger interest of the shareholders. The directors of both the Transferor and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company would result in benefits such as to re-organize, consolidate and integrate PRIL's operation with PEL, increase in debt servicing capacity of PEL, avoid multi-layer structure and Rationalization of administrative and operative costs
6. The Transferor Company is a subsidiary of the Transferee Company and its entire equity share capital is held by the Transferee Company in its own name and/or jointly with its nominees. Upon redemption of preference shares of Transferor Company, there would be no issue of shares by the Transferee Company to the shareholders (including those holding the shares as nominees of the Transferee Company) of the Transferor Company. Upon this Scheme coming into effect, the shares of the Transferor Companies held by the Transferee Company directly and/or through its nominee(s), constituting the entire paid up share capital of the Transferor Companies will stand cancelled.
7. Valuation has been decided based on the Valuation Certificate prepared by M/s Manish P. Jain & Associates (FRN.: 123908W) represented by Mr. Manish P. Jain, Partner, (Membership No.: 113759) having their office at 217, Dariyasthan Building, 33, Dariyasthan Street, Vadgadi, Mumbai- 400 003.
8. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by PEL to give a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation of PEL and PRIL and their respective shareholders. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.



Exclusions and Limitations

- In this connection, Saffron has been requested by PEL to submit a report by giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation of PEL and PRIL and their respective shareholders.
- We have prepared the Fairness Opinion on the basis of the following information provided to us by PEL and PRIL/ collated by us from publicly available sources, like website of BSE/NSE:
 - a) Certified copy of Scheme of Amalgamation provided by PEL.
 - b) Certified true copy of the resolution passed at the meeting of the Board of Directors of PEL.
 - c) Certified true copy of the resolution passed at the meeting of the Board of Directors of PRIL.
 - d) Valuation Certificate issued by M/s Manish P. Jain & Associates (FRN.: 123908W) represented by Mr. Manish P. Jain, Partner, (Membership No.: 113759) having their office at 217, Dariyasthan Building, 33, Dariyasthan Street, Vadgadi, Mumbai- 400 003.
 - e) Such other information and explanations as we required and which have been provided by the management of PEL and PRIL.
- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
- Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

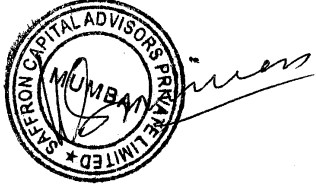
-7-



Conclusion and Opinion on Valuation Certificate

Conclusion:

We have reviewed the valuation certificate and based on the information, material data made available to us, to best of our knowledge and belief, the valuation suggested by the Valuer M/s Manish P. Jain & Associates, Chartered Accountants is **Fair and Reasonable**.



CA. Dr. B. K. Vatsaraj | CA. Mayur Kisnadwala
B. Com., F.C.A. | B. Com., F.C.A.

CA. Nitesh K. Dedhia
B. Com., F.C.A.

Vatsaraj & Co.(Regd.)

CHARTERED ACCOUNTANTS

First Floor, Fort Chambers,

'C' Block, 65 Tamarind Lane,

Fort, Mumbai - 400 023.

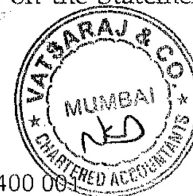
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Review Report

To the Board of Directors of Patel Engineering Ltd.

1. We have reviewed the accompanying statement of the unaudited standalone financial results ("Statement") of **Patel Engineering Ltd** ("the Company") for the quarter and six months ended 30th September 2016 and Standalone Unaudited Balance Sheet as at 30th September 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30th September 2015, including the reconciliation of net profit under Ind AS of the corresponding quarter with the net profit reported under previous Indian GAAP as included in the statement have not been subjected to limited review. This Statement is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principle generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.



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2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The standalone financial results include the financial results of 11 joint operations which have not been reviewed by their auditors, whose financial results reflect the Net Total Assets of Rs.102.07 Crores as at 30th September 2016, Company's Share in Total revenue after elimination is Rs.74.07 Crores and Rs. 89.94 Crores , Total loss (net) after tax of Rs. 0.05 Crores and Rs. 2.55 Crores and total comprehensive income (net) of Rs. Nil and Rs. Nil for the quarter and Six months ended 30th September 2016. The financial results of these joint operations have been furnished by the management and our report on the standalone financial results, in so far as it relates to the amounts and disclosures includes in respect of these joint operations is based solely on such financial results / information certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial results are not material to the company.

Our report on the Statement is not modified in respect of our reliance on the financial information certified by the Management.

4. Based on our review conducted as stated above and based on the unaudited financial results/ information certified by the management referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards. As notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of



Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Vatsaraj & Co.
Chartered Accountants
FRN 111327W



N. Dedhia

CA Nitesh K. Dedhia
Partner

Membership No. 114893

Place: Mumbai
Date: 14th December, 2016

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2016

(Rs. in Crores)

Particulars	Unaudited Results for the Quarter ended 30th September		Unaudited Results for the Six months ended 30th September	
	2016	2015	2016	2015
1. Income from operations				
a) Income from operations (net)	601.44	675.17	1,165.45	1,373.56
b) Other Operating Income	98.54	3.91	120.86	8.48
Total Income from operations (net)	699.98	679.08	1,286.31	1,382.04
2. Expenses				
a) Cost of material consumed	44.08	61.35	102.19	112.09
b) Cost of Construction	409.11	470.46	799.93	981.27
c) Purchases of stock-in-trade	-	-	3.80	-
d) Employees benefit expenses	26.94	26.89	54.74	50.15
e) Depreciation and amortisation expenses	10.65	12.16	20.30	23.91
f) Other Expenses (refer note 9)	97.85	20.88	115.39	37.58
Total Expenses	588.63	591.74	1,096.35	1,205.00
3. Profit from operations before other income and Finance cost (1-2)	111.35	87.34	189.96	177.04
4. Other Income	85.76	55.63	140.44	103.69
5. Profit before Finance Cost (3+4)	197.11	142.97	330.40	280.73
6. Finance Costs	150.29	127.98	303.44	259.51
7. Profit from ordinary activities before tax (5-6)	46.82	14.99	26.96	21.22
8. Tax Expenses	9.17	5.33	9.70	7.02
9. Profit from ordinary activities after tax (7-8)	37.65	9.66	17.26	14.20
10. Other comprehensive income (net of tax)	(0.17)	(0.24)	(0.37)	(0.48)
11. Total income (including other comprehensive income) (9+10)	37.48	9.42	16.89	13.72
12. Paid up Equity Share Capital (Re 1/- per share)	7.68	7.68	7.68	7.68
13. Basic EPS of F.V. Re 1/- (in Rs.) (not annualised)	4.90	1.26	2.25	1.85
14. Diluted EPS of F.V. Re 1/- (in Rs.) (not annualised)	4.90	1.26	2.25	1.85

Standalone Statement of Assets and Liabilities	As at 30th September, 2016
Particulars	(Rs. in Crores)
ASSETS	
Non-current assets	
(a) Property, plant and equipment	307.54
(b) Capital work-in-progress	6.39
(c) Other intangible assets	0.20
(d) Financial assets	
(i) Investments	594.69
(ii) Trade Receivables	860.91
(iii) Loans	947.86
(e) Deferred tax assets (net)	47.68
(f) Other non-current assets	971.67
Total Non-Current Assets	3,736.94
Current assets	
(a) Inventories	3,862.39
(b) Financial assets	
(i) Trade receivables	307.99
(ii) Cash and cash equivalents	54.04
(iii) Loans	103.45
(c) Other current assets	465.02
(d) Assets classified as held for sale	10.50
Total Current Assets	4,803.39
TOTAL ASSETS	8,540.33
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share capital	7.68
(b) Other equity	1,701.41
Total Equity	1,709.09
Liabilities	
Non-current liabilities	
(a) Financial liabilities	
Borrowings	1,619.44
(b) Long Term Provisions	3.61
(c) Other non-current liabilities	837.02
(d) Deferred revenue	10.74
Total Non-current liabilities	2,470.81
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	2,590.82
(ii) Trade payables	692.30
(iii) Other financial liabilities	721.07
(b) Other current liabilities	355.06
(c) Short Term Provisions	1.18
Total Current liabilities	4,360.43
TOTAL EQUITY AND LIABILITIES	8,540.33

Notes :

1. The Company has opted for publishing standalone results on quarterly basis.
2. The financial results of the company have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the companies Act, 2013 read with relevant rules thereunder and in terms with regulation 33 of SEBI (LODR) regulations 2015 and SEBI circular dated 5th July 2016.
3. The above financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on December 14, 2016. The statutory auditors have performed a limited review of the results for the quarter and half year ended 30th September, 2016. The Ind AS complaint financial results, pertaining to the corresponding quarter and half year ended 30th September, 2015 has not been subjected to limited review. However, the management has exercised necessary due diligence to ensure that the financial results provide true and fair view of its affairs for comparison purpose.
4. The operations of the group fall under 'Civil Construction' which is considered to be the only reportable segment by the management.
5. In view of the various clarifications issued and being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, it may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS financial statements as at and for the year ended 31st March 2017, due to treatments / methods suggested by ITFG on applicability of various Ind AS.
6. Reconciliation of results between previous Indian GAAP and Ind AS

Particulars	(Rs. in Crores)	
	Quarter ended 30th September 2015	Six months ended 30th September 2015
Profit after tax as per Indian GAAP	9.83	14.59
Add / Less Adjustments:		
Fair value of Corporate guarantee and its amortisation	0.10	0.16
Loan processing fees recognised using effective interest method	(0.85)	(1.67)
Loan to Subsidiary at Fair Value	0.10	0.10
Deferred tax impact on Ind AS Adjustments	0.20	0.45
Actuarial gain/loss on gratuity reclassified to other comprehensive income (Net of Current tax Impact)	0.23	0.48
Fair value of Deferred Revenue and Cost (net)	0.05	0.09
Net profit before OCI as per Ind AS	9.66	14.20

7. On November 25th 2016, the Allotment Committee of the Company has approved the allotment of 8,01,88,409 equity shares of face value Re. 1 each at a price of Rs. 52.20 per share, which is price for conversion of debt into equity determined as per RBI circular dated 8th June 2015, to the lenders on preferential basis as per Strategic Debt Restructuring Scheme (SDR).
8. The balance of Rs. 27.51 crore in one of the partnership firms earlier classified as current account balance as per its unaudited financial statements and considered for the financial results of the company as on 31.3.2016 has now been reclassified as advance against property in line with the audited accounts of that firm, received in current quarter.
9. Other expense includes provision for foreseeable loss of Rs. 66.59 crores in one of the foreign subsidiaries and provision for impairment of Rs. 15.43 crores due to diminution in value of investment in / advance to subsidiary / associate company.
10. The Company is engaged in Engineering and Construction industry which is seasonal in character. The Company's margins in the quarterly results vary based on the accrual of cost and recognition of income in different quarters due to nature of its business or receipt of awards/ claims. In view of this, financials results for the quarters are not comparable with quarterly/annual results.
11. The previous period figures have been regrouped / rearranged wherever necessary, for the purpose of comparison.

for Patel Engineering Ltd

sd/-

Place : Mumbai
Date : December 14, 2016

Rupen Patel
Managing Director
DIN: 00029583

PATEL REALTY (INDIA) LIMITED			
Corporate Identification No. U70200MH2007PLC167118			
BALANCE SHEET AS AT SEPT 30, 2016			
(Rs. In Lacs)			
		As at September 30, 2016	As at March 31, 2016
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,30,00,00,000	1,30,00,00,000
Reserves and surplus	2.2	45,81,02,374	46,16,36,714
Non-current liabilities			
Deferred tax liabilities (Net)			
Other Long term liabilities	2.3	7,58,97,140	7,43,63,561
Long-term provisions	2.4	24,84,336	54,59,889
Current liabilities			
Short Term Borrowings	2.5	1,15,56,59,845	2,52,45,83,305
Trade payables	2.6 (i)	70,23,22,191	60,61,55,723
Other current liabilities	2.6 (ii)	1,87,38,22,619	1,64,35,55,333
Short-term provisions	2.7	6,46,582	6,46,582
TOTAL		5,56,89,35,087	6,61,64,01,107
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	87,85,684	1,09,93,719
		87,85,684	1,09,93,719
Non-current investments	2.9	24,66,63,959	24,66,63,960
Long Term Loans and Advances	2.10	1,81,96,414	1,74,05,212
Net Deferred Tax (Asset)		54,17,502	54,17,502
Current assets			
Inventories	2.11	2,49,84,26,882	2,84,50,96,966
Trade receivables	2.12	25,39,79,327	27,49,56,433
Cash and bank balances	2.13	9,36,88,526	1,00,11,035
Short-term loans and advances	2.14	2,25,79,42,978	2,88,67,42,600
Other Current Assets	2.15	18,58,33,815	31,91,13,681
TOTAL		5,56,89,35,087	6,61,64,01,107
Significant Accounting Policies	1		
Significant Accounting Policies & other notes form an integral part of financial statements.			
For and on behalf of Board PATEL REALTY (INDIA) LIMITED			
Place : Mumbai			
Date: February 14, 2017	Sd/-	Sd/-	Sd/-
	M.A. Jayalakshmi	Rupen Patel	Priti Patel
	(Company Secretary)	DIN No: 00029583	DIN No:07447920

PATEL REALTY (INDIA) LIMITED

Corporate Identification No. U70200MH2007PLC167118

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Note	For the year ended September 30, 2016	As at March 31, 2016
I. Revenue from Operations	2.16	67,82,19,160	34,05,29,738
II. Other income	2.17	15,50,73,564	38,49,44,761
III. Total Revenue (I + II)		83,32,92,724	72,54,74,499
IV. Expenses:			
Development Cost	2.19	25,38,59,857	21,07,68,796
(Increase)/Decrease in WIP	2.18	34,66,70,084	(14,71,99,093)
Employee benefits expense	2.20	2,57,05,804	7,34,87,105
Finance costs	2.21	19,26,90,995	34,12,98,492
Depreciation and amortization expense	2.22	22,08,035	44,16,070
Other expenses	2.23	1,56,92,289	5,08,58,953
Total expenses		83,68,27,064	53,36,30,323
V. Profit before Prior Period & Exceptional Items and tax (III-IV)		(35,34,340)	19,18,44,176
VI. Exceptional Items (Net)	2.39	0	(28,25,85,315)
VII. Profit/(loss) before tax (V - VI)		(35,34,340)	(9,07,41,139)
VIII. Tax expense:			
-1 Current tax		-	1,20,00,000
-2 Short/(Excess) provision for earlier years	2.30	-	37,63,620
-3 Deferred tax			(21,45,687)
IX. Profit/(Loss) for the period (VII- VIII)		(35,34,340)	(10,43,59,072)
X. Earnings per equity share:	2.26		
(1) Basic		(0.04)	(1.04)
(2) Diluted		(0.04)	(1.04)

Significant Accounting Policies

1

Significant Accounting Policies & other notes form an integral part of financial statements.

For and on behalf of Board
PATEL REALTY (INDIA) LIMITED

Sd/-
M.A. Jayalakshmi
(Company Secretary)

Sd/-
Rupen Patel
Director
DIN No: 00029583

Sd/-
Priti Patel
Director
DIN No:07447920

Place : Mumbai
Date: February 14, 2017

PATEL REALTY (INDIA) LIMITED

1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED SEPTEMBER 30, 2016

1.1 Basis of Preparation

1.2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the result are known / materialize.

1.3 Fixed Asset

Fixed Assets are stated at cost of acquisition or construction (including installation cost up to the date put to use, net of specific credits) less accumulated depreciation and impairment losses.

1.4 Depreciation

"Depreciation is provided from the month the assets are ready to be put to use, on Straight Line Method based on useful lives as prescribed in schedule II of the Companies Act 2013. As per Management estimate residual value of assets is insignificant, therefore Nil residual value is consider for all assets, except mention otherwise. Useful life of assets as per schedule II of the Companies Act 2013 are as under:

Motor Cars	8 years
Furniture & Fixtures	10 years
Office equipments	5 years
Computer/Laptop/Software	3 years
Generator	15 years

Depreciation on additions / disposal / discernment to assets during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding."

1.5 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.6 Investments

Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value. Profit or loss on sale of Investments is computed with reference to average cost of the Investments.

1.7 Inventory

i) Land and plots (including land under agreements to sell) other than area transferred to constructed properties at the commencement of construction are valued at cost. Cost includes land acquisition cost, estimated internal development costs and external development charges.

ii) Constructed properties includes the cost of land (including land/development rights under agreements to purchase), internal development costs, external development charges, construction costs, development/ construction materials, and is valued at cost or estimated cost, as applicable.

iii) Earnest money and part payments under agreements to purchase land/ constructed properties represent amounts paid by the company to acquire irrevocable and exclusive licenses and development rights in identified land and constructed properties, the acquisition of which is at an advanced stage.

iv) Constructed buildings and related equipments are valued at cost less depreciation.

v) Work-in-progress in respect of Project Development and Building under construction held as Stock- in-trade is valued at cost or net realizable value whichever is lower.

1.8 Revenue Recognition:

Revenue from Project Development

Revenue from projects is recognized on the "Percentage of Completion Method" of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon as against the total estimated cost of project under execution subject to such actual cost being 30% or more of the total construction / development cost. Project cost includes cost of land, estimated construction, development, borrowing costs and overheads cost of such properties including necessary infrastructure and amenities. The estimates of saleable area and cost are revised periodically by the management. The effect of such changes to estimate is recognized in the period such changes are determined. However, if and when the total project cost is estimated to exceed the total revenue from the project, the loss is recognized in the same financial year.

Income from Interest

Interest on investments / Deposits and Advances is booked on a time proportion basis taking into account the amounts invested and the rate of interest

Other Revenues

Rent, license fees, service receipts and interest from customers under agreements to sell is accounted for on accrual basis except in cases where ultimate collection is considered uncertain.

Share in Profit of Partnership firm Investment

Share in Profit/loss from partnership firm in which company is a partner, is recognised on the basis of such firm's audited accounts, if any, in the financial year ending on (or immediately before) the date of the balance sheet.

Cost of Revenue

Cost of constructed projects, includes cost of land (including cost of development rights/ land under agreements to purchase), estimated internal development costs, external development charges, borrowing costs, overheads, construction costs and development/ construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized as per accounting policy, as mentioned above, in consonance with the concept of matching costs and revenue. Final adjustment is made upon completion of the specific project.

The revenue on account of interest on delayed payment by customer and expenditure on account of payment for delay in the project are accounted at the time of negotiation/settlement with the customer.

1.9 Foreign Currency Transaction/Translations

Initial Recognition

Transactions in foreign currency including acquisition of fixed assets are recorded at the prevailing exchange rates on the date of the transaction.

Conversion

All monetary assets and liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year end.

1.10 Retirement and Other Employee benefits

Defined Contribution Plan

The Company makes contribution to statutory provident fund which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Other short term benefits

Expenses in respect of other short term benefits are recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee

Defined Benefit Plans

The companies' liabilities for long term employee benefits (Gratuity/Leave encashment) are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain & losses are recognized in the statement of profit & loss account as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yield on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.11 Taxation

The tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961, as applicable to the current financial year.

The deferred tax resulting from timing differences between the book and taxable profit for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized only to the extent there is reasonable certainty of realization in future.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.12 Provisions and Contingent Liabilities

The Company recognizes a provision when there is 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. Provision is determined based on best estimate required to settle the obligation at the balance sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires 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 not recognized in the financial statements.

1.13 Lease

Lease, where significant portion of risk and reward of ownership retained by the lessor, are classified as operating leases and lease rental thereon paid/ received are charged to the statement of profit and loss.

1.14 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 for its intended use. Other borrowing costs are charged to the statement of profit and loss.

PATEL REALTY (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

	As at	As at		
2.1 SHARE CAPITAL				
a) Authorized				
• 25,00,00,000 (PY 25,00,00,000) equity shares of Rs. 10/- each	2,50,00,00,000	2,50,00,00,000		
• 80 (PY 80) Zero Coupon optionally Convertible Preference (OCPS) Share of Rs. 1,00,00,000/- each	80,00,00,000	80,00,00,000		
	3,30,00,00,000	3,30,00,00,000		
b) Issued, subscribed and fully paid up				
10,00,00,000 (PY 10,00,00,000) Equity shares of Rs.10 each	1,00,00,00,000	1,00,00,00,000		
10,00,00,000 Shares (PY 10,00,00,000 Shares) are held by the Holding Company, Patel Engineering Limited.				
30 (PY 30) Zero Coupon Optionally Convertible (i.e; OCPS) Preference Share of Rs.	30,00,00,000	30,00,00,000		
	1,30,00,00,000	1,30,00,00,000		
c) Term/rights attached to Equity Shares				
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- .Each holder of equity shares is entitled to same rights in all respect.				
d) Term/rights attached to OCPS and Earliest date of conversion				
The company has issued 30 Zero Coupon Optionally Convertible Preference Shares of Rs 1,00,00,000/- each fully paid-up. OCPS were at the option of Shareholders convertible into Equity Shares within period of 18 months from the date of allotment (i.e. 14th February, 2014). The said option has not been exercised, hence OCPS is to be redeemed after a period of 10 years from the date of allotment or earlier at the option of the company at the end of 10 years from the date of allotment (i.e. 14th February, 2014) with a call option with the company				
e) The Reconciliation of the number of Shares outstanding :				
Equity Shares	No. of Shares	Rs.	No. of Shares	Rs.
Number of shares at the beginning	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
Addition/(Deduction) During the year	-	-	-	-
Closing at the year end	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
Preference Shares	No. of Shares	Rs.	No. of Shares	Rs.
Number of shares at the beginning	30	30,00,00,000	30	30,00,00,000
Addition/(Deduction) During the year	-	-	-	-
Closing at the year end	30	30,00,00,000	30	30,00,00,000
f) Details of shareholders holding more than 5% shares in the company				
Particulars	No. of Shares	% holding in the Class	No. of Shares	% holding in the Class
Equity Share Capital				
Patel Engineering Limited	10,00,00,000	100%	10,00,00,000	100%
Preference Share Capital				
Patel Corporation LLP	10	33%	10	33%
Praham India LLP	20	67%	20	67%
	30	100%	30	100%
g) For the period of five years immediately preceding the date at which balance sheet is prepared, the company has:-				
a) not issued any shares pursuant to any contract without payment being received in cash,				
b) not issued any shares by way of bonus shares;				
c) not bought back its shares.				
			(Amt. in Rs.)	(Amt. in Rs.)
2.2 RESERVES & SURPLUS				
Surplus				
Opening Balance			46,16,36,714	56,59,95,786
Add : Net Profit/(Loss) for the Period			(35,34,340)	(10,43,59,072)
Closing Balance			45,81,02,374	46,16,36,714
2.3 OTHER LONG TERM LIABILITIES				
Retention Deposits			7,58,97,140	7,43,63,561
(Contractually to be refunded after 1 year from completion of work)				
Other Liabilities				
			7,58,97,140	7,43,63,561
2.4 LONG TERM PROVISIONS				
Provision for Employee Benefits (Refer Note 2.24)				
Provision for Gratuity			13,17,207	40,35,697
Provision for Leave Encashment			11,67,129	14,24,192
			24,84,336	54,59,889
2.5 SHORT TERM BORROWINGS				
Loans repayable on demand				
a. Secured Loans				
1. From Bank ¹			78,07,39,338	1,90,33,18,653
2. From Financial Institution ¹			-	30,00,00,000
b. Unsecured Loans-				
Loans and Advances from Related Parties ²			37,49,20,507	32,12,64,652
			1,15,56,59,845	2,52,45,83,305

PATEL REALTY (INDIA) LIMITED				
NOTES TO FINANCIAL STATEMENTS				
1	Security of Short term loan			
a)	Company has availed Cash Credit facility from Bank of Maharashtra which carries interest @ Base rate + 4.5% p.a (presently 14.75%). The Loan has been secured by hypothecation of all the present and future current assets of the company and mortgage of certain parcel of land situated at electronic city, south Bangalore.			
b)	Company has availed short term loan facility from Axis bank which carries interest @ Base rate + 3 p.a (presently 13.25%). The Loan has been secured by hypothecation/charge of all the current assets of the one of the group company and exclusive charge on certain parcel of land & flats of the group companies.			
c)	Company has availed short term loan facility from STCI Financial Limited which carries interest @ 16%. The Loan has been secured by pledge of equity shares of holding company and equitable mortgage on certain parcel of land of the director.			
2	From Related Party			
	"Represent Loan from Patel Engineering Ltd repayable on demand at an interest rate of 14% "			
2.6				
i)	TRADE PAYABLE		70,23,22,191	60,61,55,723
	Under the head "Trade Payable and Other Current Liabilities" no separate disclosure is made for outstanding amount(s) due to Micro, Small and Medium Enterprises Development Act 2006, as the Company has not received any communication from its vendors. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.			
ii)	OTHER CURRENT LIABILITIES			
	Current maturities of long-term borrowings (refer note below)			
	Interest accrued but not due on borrowings			
				-
	Interest accrued and due on borrowings			
		1,15,85,986		2,15,01,504
	Advance against Project			
		46,74,82,891		56,24,87,521
	Advance against Construction			
				-
	Security Deposits			
		38,17,25,747		4,53,23,651
	Retention Deposits			
		5,05,05,131		5,95,14,229
	Other Deposit			
				-
	Engineering Procurement and Construction Advance (Net)			
		28,37,46,528		28,37,46,528
	Advance towards sales			
		23,08,27,000		23,08,27,000
	Other Liabilities			
		44,70,09,752		43,82,58,733
	Statutory Dues			
		9,39,584		18,96,167
		1,87,38,22,619		1,64,35,55,333
2.7	SHORT TERM PROVISIONS			
	Provision for Employee Benefits (Refer Note 2.24)			
	Provision for Gratuity			
		3,32,873		3,32,873
	Provision for Leave Encashment			
		3,13,709		3,13,709
		6,46,582		6,46,582
2.8	Note no. 2.8 is attached as separate Fixed Asset Schedule			
2.9	NON CURRENT INVESTMENT			
	Trade Investments - (At Cost unless otherwise stated)			
	Investment in Equity Instruments - Unquoted			
	In Subsidiaries (Equity Shares of Rs. 10/- each)			
		Extent of Holding		Amount
			Extent of Holding	Amount
	50,000 shares (50,000) of Apollo Buildwell Pvt.Ltd.	100%	5,00,000	100%
	50,000 shares (50,000) of Arsen Infra Pvt.Ltd.	100%	5,00,000	100%
	48,565 shares (48,565) of Hera Realcon Pvt.Ltd.	97.13%	4,85,650	97.13%
	50,000 shares (50,000) of Lucina Realtors Pvt.Ltd.	100%	5,00,000	100%
	1,72,00,000 shares (1,72,00,000) of Nirman Constructions Pvt. Ltd.	100%	1,72,00,000	100%
	10,000 shares (10,000) of PBSR Developers Pvt. Ltd.	100%	1,00,000	100%
	NIL shares (50,000) of Praval Developers Pvt.Ltd. #	-	-	-
	10,000 Shares (10,000) of Waterfront Developers Ltd.	100%	1,58,309	100%
	In Other Companies			
	7,60,000 shares (7,60,000) of Realtors World Corporation Ltd. of F.V. Rs.10/- per share	9.50%	6,99,20,000	9.50%
	2,50,000 shares of Bellona Estate Developers Ltd. *	49%	25,00,000	49%
	Investment in Partnership Firm			
	Patel Advance JV - Capital (Refer Note no. 2.27)			
			24,66,63,959	24,66,63,960
	# These Subsidiary Companies have been wound up w.e.f. March 30, 2016			
	* Cease to be Subsidiary Company on and from March 30, 2016 (Note 2.35)			
	Aggregate amount of Unquoted Investments as at 31st March 2016 Rs. 24,66,63,959/- (PY- Rs. 28,22,02,312/-)			
	Detail of Investment in Partnership Firm - Patel Advance JV			
		As at Sept. 30, 2016	As at March 31, 2016	
	Name of the Partner	Profit sharing ratio (%)	Profit sharing ratio (%)	
	Patel Engineering Limited	26.00%	26.00%	
	Patel Realty (India) Limited	0.00%	0.00%	
	Advance Construction Company Private Limited	25.00%	25.00%	
	Apollo Buildwell Private limited	25.00%	25.00%	
	Advance Equipment Finance Pvt. Ltd. (Admitted w.e.f. 31st March,2016)	24.00%	24.00%	
	Total	100.00%	100.00%	
	Total Partners Capital	1,00,000	1,00,000	
	On and with effect from March 31, 2016, the Company retired from the M/s Patel Advance JV (the Firm). The aggregate of capital account and credit balance in the current account of the Company in the Firm of Rs. 8,19,70,174/- is agreed to be recovered from the firm in the form of residential flats from the project undertaken by the Firm (Refer note 2.14)			
	Further, one of the wholly owned subsidiary of the Company viz Apollo Buildwell Private Limited ('Apollo') is continuing partner in the Firm with 25% share. Apollo has invested in the capital and current account in the firm to the tune of Rs. 16,08,19,795/- out of the proceeds of the loan received by Apollo from the Company, which is shown as Loan/Advances to related Parties in the Note 2.14			

PATEL REALTY (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS

2.10 LONG TERM LOANS AND ADVANCES	As at September 30, 2016	As at March 31, 2016
Security Deposit		
Unsecured, Considered Good	49,59,500	49,59,500
Other Loans and advances- Unsecured Considered Good		
Advance income tax ((Net of Provision Rs. 252,992,340/- (P.Y.Rs. 248,501,569/-))	1,30,11,914	1,21,60,712
Advances to Employees	2,25,000	2,85,000
	1,81,96,414	1,74,05,212
2.11 INVENTORIES		
(As taken, valued and certified by Management of the company) Valued at Cost or Net realisable value (NRV) whichever is lower		
Finished Goods	1,63,40,679	1,37,35,719
Work in Progress *	2,48,20,86,203	2,83,13,61,247
	2,49,84,26,882	2,84,50,96,966
*Work In Progress includes stock of land under development (some of land is in process of getting transferred in the name of the company) and construction related expenses.		
2.12 TRADE RECEIVABLES		
Unsecured, unless otherwise stated		
Debts outstanding for a period exceeding six months from due date		
Considered good	19,17,34,710	21,26,85,487
Considered Doubtful	-	-
	19,17,34,710	21,26,85,487
Less: Provision for doubtful debts	(23,86,364)	(23,86,364)
	(A)	18,93,48,346
Other debts		
Considered good	6,46,30,981	6,46,57,310
	(B)	25,39,79,327
	(A+B)	27,49,56,433
2.13 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balance with Banks		
Current accounts	9,36,09,467	98,54,367
	-	-
Foreign Currency in Hand	5,560	5,455
Cash on Hand	73,499	1,51,213
	9,36,88,526	1,00,11,035
2.14 SHORT TERM LOANS AND ADVANCES		
Security Deposit		
Unsecured, Considered Good ¹	-	82,37,000
Loans and Advances to Related Parties		
Unsecured, Considered Good (Refer Note no. 2.27)	1,70,75,57,000	2,34,86,28,091
Other Loans and advances- Unsecured Considered Good		
Advance against Land	11,14,89,350	11,14,89,350
Advances to Employees	-	10,10,323
Advance to Suppliers/Contractors	17,19,89,426	9,57,84,846
Advances to Creditors	-	5,48,76,653
Receivable on retirement from Partnership Firm	8,19,70,174	8,19,70,174
Prepaid Expenses	31,56,887	31,56,887
Net VAT, Cenvat, other taxes recoverable, Statutory deposits and Dues from Government	17,01,50,108	16,47,18,762
Other Advances	1,16,30,033	1,68,70,514
	2,25,79,42,978	2,88,67,42,600
1. Out of the above, EMD of Rs 41,00,000/- (PY Rs 41,00,000/-) are in the name of holding company		
2.15 OTHER CURRENT ASSETS		
As at March 31		
Interest Receivable		
Accrued Interests Receivable from Related Parties	13,65,12,415	26,97,92,281
Receivable on account of sale of long term investment	4,93,21,400	4,93,21,400
	18,58,33,815	31,91,13,681

	*Interest Income includes income from related parties (Subsidiary Companies) Rs 13,64,13,667/- (PY Rs 28,42,03,852/-) (TDS Rs ----- -/-) (PY Rs 1,52,49,809/-)	
2.18	(INCREASE)/DECREASE OF STOCK	
	Inventories at the Beginning of the year	
	Work in Progress	2,83,13,61,246
	Finished Goods	1,37,35,719
	Addition/(Deletion) in opening Work in Progress #	-
	Net Work in Progress	2,84,50,96,965
	Inventories at the end of the year	
	Work -in- progress	2,48,20,86,202
	Finished Goods	1,63,40,679
		34,66,70,084
2.19	DEVELOPMENT EXPENSES	
	Purchase of Land/Development Right ¹	4,28,125
	Contract and Other Labour Expense	22,19,12,430
	Corpus Fund to Society	1,37,56,384
	Materials Consumed	99,90,414
	Professional & Legal Fees	65,71,961
	Office and Admin Overheads	12,00,543
		25,38,59,857
1	Development expenses include project related expenses incurred on Land procurement or development rights whereof are in process of being executed.	
2.20	EMPLOYEE BENEFITS EXPENSE	
	Salaries, Wages, and Bonus	2,48,83,154
	Contribution to Provident and Other Funds (Refer Note 2.24)	5,56,669
	Staff Welfare Expenses	2,65,981
		2,57,05,804
2.21	FINANCE COSTS	
	Interest Expense	19,26,90,995
	Other Borrowing Costs	-
		19,26,90,995
2.22	DEPRECIATION & AMORTISATION	
	Depreciation of tangible assets	22,08,035
		22,08,035
2.23	OTHER EXPENSES	
	Other Administrative Costs	
	Marketing & Advertising	1,18,302
	Rates and taxes	34,888
	Travelling and Conveyance Expenses	19,07,452
	Auditor's remuneration	-
	Audit fees	-12,00,000
	Certification	-
	Reimbursement of Expenses	25,780
	Sundry balances, irrecoverable, written off	-
	Postage, Printing and Stationery Expenses	10,00,498
	Office Expenses	10,85,442
	Rent	20,15,600
	Repairs & Maintenance	-
	Repair to Other	6,15,325
	Professional and Legal Expenses	4,00,000
	Property Maintenance Expenses	71,84,839
	Director Sitting Fees	3,00,000
	Telephone Expenses	7,62,230
	Loss on Winding Up of Subsidiary	-
	Sewage Water Disposal	8,02,436
	Miscellaneous Expenses	6,39,497
		1,56,92,289
		5,08,58,953

PATEL REALTY (INDIA) LIMITED
 NOTES TO FINANCIAL STATEMENTS
 Note no 2.8
FIXED ASSETS

Particular	Gross block				Depreciation				Net block	
	Cost as on	Additions during the year	Deduction for the year	Total as on	As on	Adjustment	For the	As on	As on	As on
	31.03.2016			30.09.2016	31.03.2016		Year	30.09.2016	30.09.2016	31.03.2016
Computer, Laptop & Scanner	73,89,602	-	-	73,89,602	68,68,255		2,75,161	71,43,416	2,46,186	5,21,347
Furniture & Fixtures	43,44,314	-	-	43,44,314	29,38,602		1,95,868	31,34,470	12,09,844	14,05,712
Office Equipments	60,39,617	-	-	60,39,617	41,17,441		5,19,228	46,36,669	14,02,948	19,22,176
Software	14,05,130	-	-	14,05,130	14,05,130		-	14,05,130	-	-
Motor Car	1,69,03,071	-	-	1,69,03,071	1,00,69,355		11,99,737	1,12,69,092	56,33,978	68,33,716
Generator Set	7,92,940	-	-	7,92,940	4,82,171		18,042	5,00,212	2,92,728	3,10,769
Total	3,68,74,674	-	-	3,68,74,674	2,58,80,953	-	22,08,035	2,80,88,988	87,85,684	1,09,93,720
Previous Year	3,67,56,240	1,16,434	-	3,68,74,674	1,67,15,895	-	47,48,989	2,14,64,883	1,52,93,357	1,83,84,992

PATEL REALTY (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(In Rs.)

2.24 EMPLOYEE BENEFITS		September 30, 2016	As at March 31 2016
I	Defined benefit plan :-		
A	Gratuity		
(i)	Expenses recognized in the statement of profit and loss with respect to gratuity:		
	Current service Cost	2,33,962	12,72,688
	Interest on obligation	87,262	3,76,839
	Net actuarial (gain)/loss recognised during the year	(6,93,213)	(6,30,875)
	Past service cost recognized during the period	-	-
	Net gratuity expense included in Personnel expenses	(3,71,989)	10,18,652
(ii)	Amount recognized in the balance sheet with respect to gratuity:		
	Fair value of plan assets at the end of the period		-
	Present value of obligation at the end of the period	38,54,545	(43,68,570)
	Unrecognized past service cost at the end of the period	-	-
	Net liability	38,54,545	(43,68,570)
(iii)	Changes in the present value of defined benefit obligations:		
	Opening defined benefit obligation	43,68,570	47,10,493
	Current service cost	2,33,962	12,72,688
	Interest cost	87,262	3,76,839
	Benefit Paid	(1,42,036)	(13,60,575)
	Actuarial (gains) / losses on obligations - Due to Experience adjustment	(7,31,774)	(8,47,150)
	Actuarial (gains) / losses on obligations - Due to Actuarial assumption	38,561	1,07,011
	Actuarial (gains) / losses on obligations - Due to Demographic assumption	-	1,09,264
	Liability at the end of the current period	38,54,545	43,68,570
(iv)	Changes in the Fair value of Plan Assets:		
	Opening fair value of the plan assets	-	-
	Expected return on plan assets	-	-
	Actuarial (gain)/loss	-	-
	Assets acquired on amalgamation	-	-
	Contributions by the employer	-	-
	Benefits paid	-	-
	Closing fair value of the plan assets	-	-
(v)	Actual return on Plan Assets		
	Expected Return on Plan Assets	-	-
	Actuarial Gain on Plan Assets	-	-
(vi)	Investment details of plan assets:		
	Investment details of plan assets	-	-
(vii)	Table of recognition of Actuarial Gain/Loss		
	Actuarial (Gain)/Losses on Obligation for the period	(6,93,213)	(6,30,875)
	Actuarial (Gain)/Losses on Asset for the period	-	-
	Actuarial (Gain)/Losses recognised in statement of profit & loss	(6,93,213)	(6,30,875)
B	Compensated absences		
(i)	Summary of estimation of compensated absences liability		
	Discontinuance liability	27,84,264	20,50,309
	Projected benefit obligation	24,07,413	17,37,901
	In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:		
	Principal actuarial assumptions at the balance sheet date:		
	Discount rate	7.86% per annum	7.99% per annum
	Expected rate of return on plan assets	Nil	Nil
	Salary escalation	6.00% per annum	6.00% per annum
	Attrition rate	5.04% per annum	5.04% per annum
	Retirement Age	58 years	58 years
	The estimates of future salary increases considered in Actuarial Valuation takes into accounts inflation, seniority, promotions & other relevant factors.		
II	Defined Contribution Plan :-		
	Amount Recognised as an expense and included in the Note no. 2.20 as Contribution to Provident and other funds Rs. 2,36,885/- (P.Y. Rs. 16,60,268/-)		

2.25 DEFFERED TAX ASSETS / (LIABILITIES)		For the year ended	For the year ended	
		September 30, 2016	As at March 31 2016	
Deferred Tax Liability		-	-	
	(a)	-	-	
Deferred Tax Assets				
Depreciation		-	14,84,712	
Expenditure/provision allowable on payment basis		-	20,15,135	
Preliminary expenses		-	19,17,654	
	(b)	-	54,17,501	
Deferred Tax Asset	(b - a)	-	54,17,501	
2.26 EARNING PER SHARE (EPS)		For the year ended	For the year ended	
		September 30, 2016	March 31, 2016	
Profit/(Loss) after Tax (In Rs.)		(35,34,340)	(10,43,59,072)	
Weighted average number of equity shares for basic EPS (In No.)		10,00,00,000	10,00,00,000	
Add: Weighted average potential equity shares on conversion of optionally convertible preference shares (In No)		-	-	
Weighted average number of equity shares for diluted EPS (In No.)		10,00,00,000	10,00,00,000	
Face value of equity shares (In Rs)		10	10	
Basic earnings per share (In Rs.)		(0.04)	(1.04)	
Diluted earnings per share (In Rs.)		(0.04)	(1.04)	
2.27 RELATED PARTY DISCLOSURE				
In terms of provisions of 'AS 18' Related Party Transactions the disclosures are as under:-				
A. List of Related Parties :- Parties where control exists :				
Holding Company	Patel Engineering Limited			
Wholly Owned Subsidiaries(unless otherwise stated)	Apollo Buildwell Pvt Ltd			
	Arsen Infra Pvt Ltd			
	Bellona Estate Developers Ltd. (BEDL) (Formally Known as Bellona Estate Developers Private Limited) Cease to be Subsidiary Company on and from March 30, 2016			
	Hebe Infracon Pvt Ltd (Winded up on 30.03.2016)			
	Hera Realcon Pvt Ltd (97.13 % Owned Subsidiary Company)			
	Lucina Realtors Pvt Ltd			
	Nirman Constructions Pvt Ltd			
	Praval Developers Pvt Ltd. (Winded up on 30.03.2016)			
	PBSR Developers Private Limited			
	Waterfront Developers Ltd			
	Subsidiary of Nirman Constructions Pvt Ltd.	Azra Land Projects Pvt Ltd		
	Subsidiary of Waterfront Developers Ltd	Le Salines Development Ltd (80% Owned Subsidiary Company)		
	Subsidiary of Le Salines Development Ltd	La Bourgade Development Ltd		
Fellow Subsidiaries	Ville Magnifique Development Ltd			
	Surla Plage Development Ltd			
	Shree-Anant Construction Pvt. Ltd.			
	Zeus Minerals Trading Pvt. Ltd.			
	Patel Concrete & Quarries Pvt. Ltd.			
	Friends Nirman Pvt. Ltd.			
	Energy Design Pvt. Ltd.			
	Patel Lands Ltd.			
	Michigan Engineers Pvt. Ltd.			
	Patel Engineering Infrastructure Ltd.			
	Patel Engineers Pvt Ltd			
	Patel Patron Pvt Ltd			
	Pandora Infra Pvt Ltd			
	Vismaya Constructions P Ltd			
	Bhooma Realities Pvt Ltd			
	Shashvat Land Projects Pvt. Ltd.			
	Patel Energy Resources Ltd.			
	Asi Constructors Inc., USA			
	Patel Engineering Lanka (Pvt) Ltd.			
	Patel Engineering (Singapore) Pte. Ltd.			
Patel Engineering (Mauritius) Ltd.				
Patel Engineering Inc.				
Key Managerial Personnel	Mr. Pravin Malkani (Till December 18, 2014)			
Entities controlled by KMP	DSQ Architects Private Limited (Till December 18, 2014)			
Entities in which company has substantial interest	Hotel Transit Private Limited (Till December 18, 2014)			
	Patel Advance JV - Partnership Firm (till 31st March, 2016)			
	Patel Realty - Ashoka Developers LLP			
	BEDL (Formally Known as Bellona Estate Developers Private Limited) w.e.f. 30th March, 2016			
B. Transactions with Related Parties :-				
Relationship	Nature of Transaction	2016-17	2015-16	
Holding company	Loan Taken During the year	37,12,85,250	49,43,29,937	
	Loan Repaid during the year	31,76,29,395	17,30,65,285	
	Loan Given During the year	-	-	
	Loan received back	-	1,43,55,834	
	Sales of Investments	-	-	
	Land Purchased/(Sold or cancelled)	-	-	

	Advance given for Land	-	-
	Amount adjusted against land and other expenses	-	-
	Rent	7,05,600	14,11,200
	Interest Expenses & BG Charges	2,61,581	2,38,90,560
	Interest Income	-	-
	Expenses reimbursed to the company	-	-
	Reimbursement of expenses	-	-
	Contractor Expenses	-	-
Subsidiary Companies			
Apollo Buildwell Pvt Ltd	Loan Given During the year	2,82,29,625	2,73,79,498
	Accrued Interest Written Off during the year	-	7,92,56,179
	Interest Income	-	3,06,04,538
Arsen Infra Pvt Ltd	Loan Given During the year	46,93,194	66,72,999
	Loan received back	-	1,00,000
	Interest Income	38,67,937	41,44,007
	Expenses reimbursed to the company	-	-
	Property Maintenance Expenses	32,54,331	(7,36,487)
	Property Handover Expenses	-	19,50,000
	Reimbursement of expenses	-	-
Bellona Estate Developers Ltd	Loan Given During the year	26,31,006	15,59,25,615
	Loan received back	-	7,30,137
	EPC Advance Adjusted	-	-
	PMC & EPC Contract Income	-	-
	Loan Written off during the year	-	62,04,01,384
Hebe Infracon Pvt Ltd	Loan Given During the year	-	1,14,047
	Loan received back	-	4,98,854
	Interest Income	-	57,424
Hera Realcon Pvt Ltd	Loan Given During the year	94,760	97,133
	Interest Income	29,332	1,02,730
Lucina Realtors Pvt Ltd	Loan Given During the year	210	10,400
	Loan received back	-	6,401
	Interest Income	-	3,998
Nirman Constructions Pvt Ltd	Loan Given During the year	2,41,001	11,72,922
	Loan received back	-	53,23,978
	Interest Income	8,418	2,95,554
	Advance received against Purchase order	-	1,08,27,000
PBSR Developers Private Limited	Loan Given During the year	13,29,25,747	20,25,49,230
	Loan received back	93,69,94,619	28,26,66,401
	Interest Income	10,69,10,440	13,11,12,942
	Expenses reimbursed to the company	-	-
Praval Developers Pvt Ltd.	Loan Given During the year	-	2,94,074
	Loan received back	-	3,21,348
	Interest Income	-	4,673
Waterfront Developers Ltd	Loan Given During the year	12,77,14,258	29,83,39,531
	Loan received back	-	4,14,963
	Interest Income	6,46,18,858	10,64,89,298
	Bank Charges	-	7,583
Entities in which company has substantial interest			
Patel Advance JV	Share in Profit in partnership firm	-	5,48,801
Key Managerial Personnel (KMP)			
Pravin H. Malkani	Remuneraion	-	-
Transaction with Entities Controlled by KMP			
Hotel Transit Private Limited	Hotel Accomodation Expenses	-	-
DSQ Architect Private Limited	Architect Fees	-	-

C. Outstanding Balance in account of Related Parties :-

Nature of Transactions	Holding Company		Subsidiary Companies	
	2016-17	2015-16	2015-16	2014-15
Loan outstanding at the end of the year	37,49,20,507	32,12,64,652	1,70,75,57,000	2,34,86,28,091
Interest Payable	1,15,85,986	2,15,01,504	-	-
Interest Receivable	-	-	13,65,12,415	26,97,92,281

Note:

- a) The Related Party relationship is identified by the Management and relied upon by Auditors
- b) There have been no write offs except those disclosed here in above and no write back in case of related parties during the year

2.28 SEGMENT INFORMATION

The Company operates under single business i.e; "Real Estate Development & allied Activities." As such there are no reportable primary or secondary segments in terms of AS 17 Segmental Reporting"

2.29 Disclosure pursuant to Guidance note on Accounting For Real Estate Transactions

Particulars	September 30, 2016	March 31, 2016
	Method used to determine the project revenue	Percentage Completion
Method used to determine the stage of completion	Technical Certificate	technical certificate
Project revenue recognised during the year	Rs. 67,82,24,007/-	Rs. 33,61,96,281/-
	Year to Date	year to date
	September 30, 2016	March 31, 2016
Cost incurred	4,92,09,29,264	4,63,47,67,394
Profit recognised	1,45,55,30,757	1,50,24,21,475
Advance received	4,72,58,64,029	38,96,29,882
Inventories	37,04,85,088	50,48,58,625
Unbilled revenue	-	3,07,56,748

2.30 CONTINGENT LIABILITIES AND COMMITMENTS

- a) 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 Group Company.
- b) Corporate guarantee given in respect of loan taken by :-
Associate Company Rs. 1,800,000,000/- (PY Rs. 1,800,000,000/-)
Holding Company Rs. 5,401,000,000/- (PY Rs. 11,154,000,000/-)
Others Company Rs. 100,000,000/- (PY Rs. 130,000,000/-) :- Received Counter Idemnity for the same.
- c) Company has provided a "cost overrun undertaking" for its wholly owned Subsidiary BEDL (now Associates w.e.f. March 30, 2016) to a lender.
- d) Company's is under commitment to construct specific area for land owners.
- e) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these case will not adversely effect its financial statement.
- f) The Company had received an order from the learned Commissioner of Service Tax for the period November 2009 to June 2012 demanding service tax amounting Rs 22,03,35,507/- (PY Rs Nil) along with interest (not quantified in the order) and penalty of Rs 18,43,58,846/- (PY Rs Nil). The Company has filed an appeal before the Custom Excise and Service Tax Appellate Tribunal against the said order and based on information with it, believe that future cash outflow for this is remote.
- g) The Company had received Order In Origin dated 31.01.2017 from the learned commissioner of service tax for the period July 2012 to March 2013 demanding service tax amounting Rs. 2,51,80,347/- (PY Rs Nil). The company has filed a reply before the tax authority against the said order and based on information with it, believe that future cash outflow for this is remote.
- h) The Company had received an statement of service tax not levied/not paid in terms of the provisions of section 73 (1A) of the finance act 1994 from the learned Commissioner of Service Tax for the period April 14 to March 2015 demanding service tax (net of service tax collected) amounting Rs .655,76,353/- (PY Rs Nil).
- i) Proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 for the past Assesment years initiated quantum currently not ascertainable, are being contested by the Company.
- j) Notice of Demand under Section 156 of the Income Tax Act , 1961 for A.Y. 2012-13 a sum of Rs. 12,17, 820/-, the company has filed appeal against the order passed by DCIT.
- k) Notice of Demand under Section 156 of the Income Tax Act , 1961 for A.Y. 2013-14 a sum of Rs. 11,15,090/- the company has filed appeal against the order passed by DCIT.
- d) Notice of demand under section 156 of the Income Tax Act , 1961 for A.Y. 2014-15 a sum of Rs. 12,00, 55,000/- the company has filed appeal against the order passed by DCIT.

2.31 FOREIGN CURRENCY TRANSACTION

The Earning and Expenditure in foreign currency (On Accural basis):

	For the year ended	For the year ended
	September 30, 2016	As at March 31 2016
a) Earnings in Foreign Exchange		
Interest on Loan to WFDL	5,94,82,081	7,77,41,371
b) Expenditure in Foreign Currency:		
Interest on Loan Patel Engg. Ltd.	-	1,81,16,408
Others	-	2,98,187
	-	1,84,14,595

2.32 Foreign Currency Exposures which are not hedged as at Balance Sheet date :-

Particulars	September 30, 2016		As at March 31 2016	
	USD	INR	USD	INR
Loan Payable			-	-
Interest Payable			-	-
Total			-	-
Loan Receivable	1,13,97,787	77,07,37,734	99,42,288	65,76,10,767
Interest Receivable	8,27,938	5,54,94,058	14,33,499	9,48,15,617
Total	1,22,25,725	82,62,31,792	1,13,75,787	75,24,26,384
Foreign Currency In Hand	-	-	10	625
Foreign Currency In Bank	-	-	1,563	97,734

Particulars	September 30, 2016		As at March 31 2016	
	MUR	INR	MUR	INR
Loan Payable			-	-
Interest Payable			-	-
Total			-	-
Loan Receivable	3,01,12,948	5,46,48,074	2,62,99,518	4,73,39,921
Interest Receivable	21,89,170	39,88,023	38,13,430	68,64,289
Total	3,23,02,118	5,86,36,097	3,01,12,948	5,42,04,210
Foreign Currency In Hand	3,031	5,560	3,031	5,007
Foreign Currency In Bank	-	-	8,035	13,275

Particulars	Foreign Currency	INR	Foreign Currency	INR
Currency in Hand				
AED	-	-	-	-
CNY	-	-	2,198	22,408
OMANI RIAL	-	-	99	15,977

- 2.33 The company is in process of being compliant with section 203 (appointment of Key managerial personnel) of the Companies Act 2013.
- 2.34 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of Rs 3,47,727/- and appropriate disclosure for contingent liabilities is given in Note 2.30.
- 2.35 The Company has 100% investment in Waterfront Developers Ltd (Waterfront) and has granted loans and advances amounting to Rs.74,71,70,424/- till 31st March 2016 . Waterfront has invested in step down subsidiary, Le Salines Development Ltd ("LSDL"). LSDL has undertaken a construction project in Mauritius in the year 2009-10 . LSDL had received a notice dated 4th June 2015 from the Government of Mauritius for the termination of lease agreement entered on December11, 2009 . Management is of the view that as per the lease agreement the only cause where the lease can be terminated is the Non Payment of Lease Rent. In this regard a notice has been sent to the Authorities and Government of Mauritius on 1st July 2016 contesting wrongful termination and further moving to seek compensation. LSDL is confident of resolving the issue with the Government of Mauritius as there is no breach by the LSDL.
- 2.36 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The company didn't have any derivative contract as at Balance Sheet date.
- 2.37 **Prior period income & Expenses:**
Revenue from operations :- Smondo 1 Power Back up Charges Rs. Nil/- (PY. Rs.2,27,40,000/-)
- 2.38 **Exceptional Items:**

Particulars	30th Sep., 2016	2015-16
Advances written off *	-	(69,96,57,563)
Compensation towards delay possession	-	(5,20,07,425)
Liabilities no longer payable written back	-	2,20,840
Provisions no longer required written back	-	46,90,79,673
Total	-	(28,23,64,475)

* The Company has an outstanding loan balance of Rs. 1,173,625,492/- due from BEDL as on March 31, 2016. Now that BEDL is under SDR and majority of shareholding is held by the bankers, the loss of BEDL amounting of Rs. 62,04,01,384/- is not likely to be recoverable by the Co. , hence it has written off the said loss of Rs. 62,04,01,384/- against the loan in the books of account of the company as on March 31, 2016. Further interest accrued but not received of Rs.7,92,56,179/- from another subsidiary is also written off.

- 2.39 As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the company. Amount required to be spent for the year worked out to Rs 33,32,431/-. However, during the year, company has not spent any money towards CSR activities specified under Schedule VII of Companies Act 2013.
- 2.40 During the year, company has been providing interest on compounding basis on loan granted to subsidiaries companies.
- 2.41 In the opinion of the Board of Directors, the value of current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, except otherwise mentioned.
- 2.42 Some of the balances of Trade Payables , Trade Receivables , loans/advances/deposits given and taken are subject to confirmation by relevant parties and consequent reconciliation .
- 2.43 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current years classification/disclosure.

For and on behalf of Board
PATEL REALTY (INDIA) LIMITED

Sd/-	Sd/-	Sd/-
Rupen Patel	Priti Patel	M.A. Jayalakshmi
Director	Director	Company Secretary
DIN No: 00029583	DIN No:07447920	

Place : Mumbai
Date : February 14, 2017

Ref: NSE/LIST/103350

February 8, 2017

The Company Secretary
Patel Engineering Limited
Patel Estate Road,
Jogeshwari (West)
Mumbai- 400 102

Kind Attn.: Ms. Shobha Shetty

Dear Madam,

Sub: Observation letter for draft Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective shareholders

We are in receipt of the draft Scheme of Amalgamation and Arrangement of Patel Realty (India) Limited with Patel Engineering Limited and their respective shareholders filed by the Company vide its letter dated November 25, 2016.

Based on our letter reference no Ref: NSE/LIST/98478 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated February 06, 2017, has given following comments:

a. *“The Company shall duly comply with various provisions of the Circular.”*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from February 8, 2017, within which the scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and



- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Ltd.

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

DCS/AMAL/SD/R37/695/2016-17

February 08, 2017

The Company Secretary
Patel Engineering Ltd.
Patel Estate, S V Road, Jogeshwari (West),
Mumbai, Maharashtra- 400102.

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Patel Realty (India) Ltd and Patel Engineering Ltd and their respective Shareholders and Creditors.

We are in receipt of Draft Scheme of Amalgamation between Patel Realty (India) Ltd and Patel Engineering Ltd and their respective Shareholders and Creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated February 06, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager



December 20, 2016

PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 531120

Dear Sir,

Reference: Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors (“Scheme” or “the Scheme”)

Subject: Complaints report pursuant to application under Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) and in terms of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 (“SEBI Circular”)

In continuation of our application dated December 02, 2016 under the aforementioned regulation for the : Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors and pursuant to SEBI Circular, please find enclosed herewith “Complaints Report”, in the prescribed format for your necessary actions.

The Complaints Report will also be uploaded on the website of the Company, i.e. www.pateleng.com as per the requirement of the said Circular.
Request you to take the same on record and oblige.

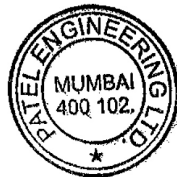
We request you to provide necessary “No Objection” to the Scheme at the earliest so as to enable us to file the same with the National Company Law Tribunal.

Thanking you.

Yours faithfully,

For Patel Engineering Limited

Shobha Shetty
Company Secretary



Encl.: As above

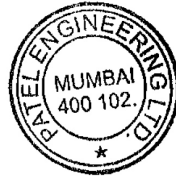
REGD. OFFICE :
Patel Estate Road, Jogeshwari (W), Mumbai - 400 102. India
Phone +91 22 26767500, 26782916 Fax +91 22 26782455, 26781505
E-mail headoffice@pateleng.com www.pateleng.com

Complaints Report**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	nil
2.	Number of complaints forwarded by Stock Exchange	nil
3.	Total Number of complaints/comments received (1+2)	nil
4.	Number of complaints resolved	nil
5.	Number of complaints pending	nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
	NA		

FOR PATEL ENGINEERING LIMITED*Shobha Shetty***Shobha Shetty
Company Secretary****December 20, 2016**

REGD. OFFICE :

Patel Estate Road, Jogeshwarj (W), Mumbai - 400 102. India
Phone +91 22 26767500, 26782915 • Fax +91 22 26782455, 26781505
E-mail headoffice@pateleng.com www.pateleng.com



PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

December 28, 2016

Listing - Compliance Department
National Stock Exchange of India Ltd.
Exchange Plaza,
C-1, Block G, Bandra Kurla Complex,
Bandra (E) , Mumbai – 400 051

NSE Scrip Code: PATELENG EQ

Dear Sir,

Reference: Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors ("Scheme" or "the Scheme")

Subject: Complaints report pursuant to application under Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") and in terms of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("SEBI Circular")

In continuation of our application under the aforementioned regulation for the: Scheme of Amalgamation of Patel Realty (India) Limited with Patel Engineering Limited and their respective Shareholders and Creditors and pursuant to SEBI Circular, please find enclosed herewith "Complaints Report", in the prescribed format for your necessary actions.

The Complaints Report will also be uploaded on the website of the Company, i.e. www.pateleng.com as per the requirement of the said Circular.

Request you to take the same on record and oblige.

We request you to provide necessary "No Objection" to the Scheme at the earliest so as to enable us to file the same with the National Company Law Tribunal.

Thanking you.
Yours faithfully,

For **Patel Engineering Limited**

Shobha Shetty

Shobha Shetty
Company Secretary



Encl.: As above

REGD. OFFICE :

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



PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	nil
2.	Number of complaints forwarded by Stock Exchange	nil
3.	Total Number of complaints/comments received (1+2)	nil
4.	Number of complaints resolved	nil
5.	Number of complaints pending	nil

Part B

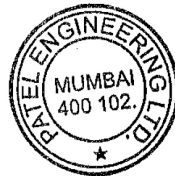
Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
	NA		

For Patel Engineering Limited

Shobha Shetty

Shobha Shetty
Company Secretary

December 28, 2016



REGD. OFFICE :
Patel Estate Road, Jogeshwari (W), Mumbai - 400 102. India
Phone +91 22 26767500, 26782916² Fax +91 22 26782455, 26781505
E-mail headoffice@pateleng.com www.pateleng.com

REPORT PLACED BEFORE THE BOARD OF DIRECTORS OF M/S. PATEL ENGINEERING LIMITED EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The amalgamation of Patel Realty (India) Limited ('PRIL') being the wholly owned subsidiary with Patel Engineering Limited ('the Company' or 'PEL') through a Scheme of Amalgamation ('the Scheme') was approved by the Board of Directors vide board resolution dated 11th November, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing arrangement of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provisions, the Board of Directors have taken into consideration the report prepared by Company Management in relation to the Scheme, which inter-alia includes the following:

1. For the Scheme, the Valuation Report was obtained from M/s Manish P. Jain & Associates, Chartered Accountants who had affirmed that under the circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015, Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the amalgamated company. Since, PRIL is a wholly owned subsidiary of the PEL, no shares will be issued and allotted by PEL pursuant to amalgamation and accordingly, the shares of PRIL held by PEL shall stand cancelled. Thereby, the shareholders of PEL will continue to remain beneficial owners of PRIL in the same proportion in which they held shares in PEL prior to amalgamation. Thus, there would be no change in the shareholding pattern of PEL.

Fairness Opinion was also obtained from M/s Saffron Capital Advisors Private Limited.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), there would not be any dilution in their shareholding in the Company as there would be no issuance of shares by PEL pursuant to the Scheme.
3. Further, no change in the KMP of the Company is expected pursuant to the Scheme becoming effective.

For Patel Engineering Limited

sd/-

Shobha Shetty
Company Secretary

REPORT BY COMPANY MANAGEMENT

As per Section 232(2)(c) of the Companies Act, 2013, a report explaining the effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provisions, the Company Management submits the following report:

1. For the Scheme, the Valuation Report was obtained from M/s Manish P. Jain & Associates, Chartered Accountants who had affirmed that under the circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015, Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the amalgamated company. Since, PRIL is a wholly owned subsidiary of the PEL, no shares will be issued and allotted by PEL pursuant to amalgamation and accordingly, the shares of PRIL held by PEL shall stand cancelled. Thereby, the shareholders of PEL will continue to remain beneficial owners of PRIL in the same proportion in which they held shares in PEL prior to amalgamation. Thus, there would be no change in the shareholding pattern of PEL.

Fairness Opinion was also obtained from M/s Saffron Capital Advisors Private Limited.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), there would not be any dilution in their shareholding in the Company as there would be no issuance of shares by PEL pursuant to the Scheme.
3. Further, no change in the KMP of the Company is expected pursuant to the Scheme becoming effective.

For Patel Engineering Limited

sd/-

Shobha Shetty
Company Secretary

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. PATEL REALTY (INDIA) LIMITED AT ITS MEETING HELD ON FEBRUARY 14, 2017 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The amalgamation of Patel Realty (India) Limited ('PRIL' or 'the Company') being the wholly owned subsidiary with Patel Engineering Limited ('PEL') through a Scheme of Amalgamation ('the Scheme') was approved by the Board of Directors vide board resolution dated 11th November, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing arrangement of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s Manish P. Jain & Associates, Chartered Accountants who had affirmed that under the circular CIR/CFD/CMD/16/2015 issued by Securities and Exchange Board of India dated 30th November, 2015, Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the amalgamated company. Since, PRIL is a wholly owned subsidiary of the PEL, no shares will be issued and allotted by PEL pursuant to amalgamation and accordingly, the shares of PRIL held by PEL shall stand cancelled. Thereby, the shareholders of PRIL i.e. PEL would continue to remain beneficial owners of PRIL in the same proportion in which they held shares in PRIL prior to amalgamation.

Fairness Opinion was also obtained from M/s Saffron Capital Advisors Private Limited.

2. As far as the shareholders of the Company are concerned, PEL is the sole shareholder of PRIL. Pursuant to the amalgamation of PRIL with PEL, the company would cease to exist and PEL would hold the assets, liabilities and the business of PRIL directly. Thus, there would be no dilution of control of PRIL in the hands of its shareholders pursuant to the Scheme and their interest shall remain unaffected.
3. Further, pursuant to the Scheme becoming effective, the Company shall cease to exist and thus the question of any change in the KMP of the Company does not arise.

For Patel Realty (India) Limited

Sd/-

Jayalakshmi Iyer
Company Secretary



Before the National Company Law Tribunal
Bench, at Mumbai

In the matter of the Companies Act, 2013

And

In the matter of Patel Realty (India) Limited ('PRIL' or 'the Transferor Company') and Patel Engineering Limited ('PEL' or 'the Transferee Company')

And

In the matter of Sections 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

Patel Engineering Limited ... the Transferee Company / the Company

PROXY FORM

Folio No./ Client Id / DP Id : _____

I/We, being the member(s) of _____ Equity shares of Patel Engineering Limited hereby appoint:

1. Name _____	2. Name _____	3. Name _____
Address _____	Address _____	Address _____
_____	_____	_____
e-mail id _____	e-mail id _____	e-mail id _____
Signature _____	Signature _____	Signature _____
or failing him	or failing him	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tribunal Convened Meeting of the Company to be held on April 18, 2017 at 03.00 p.m. at Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (West) Mumbai – 400102 and at any adjournment thereof in respect of such resolutions as are indicated below;

Sr. No.	Resolutions	For	Against
1	Arrangement embodied in the Scheme of Amalgamation of Patel Realty (India) Limited ('PRIL' or 'the Transferor Company') with Patel Engineering Limited ('PEL' or 'the Transferee Company' or 'the Company') and their respective shareholders and creditors ('the Scheme').		

Signed this _____ day of _____ 2017.

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Please affix
Revenue
Stamp of
Re. 1

Notes: This Form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

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