PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

December 15, 2017

To,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Company Code No. 531120

The National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex,
Mumbai - 400051

Company Code: PATELENG/EQ

Dear Sirs,

Sub: Outcome of Board Meeting held on December 15, 2017

The Board of Directors of the Company in their Meeting held on December 15, 2017 have interalia considered and approved the following:

- Consolidated Audited Financial Results of the Company for the financial year ended March 31, 2017.

  A copy of Consolidated Audited Financial Results along with Audit Report issued by M/s. Vatsaraj & Co. Statutory Auditors and the Statement on Impact of Audit Qualifications on Consolidated Audited Financial Results for financial year ended March 31, 2017 under Regulation 33 of SEBI (LODR) Regulations 2015 are enclosed herewith.

- Offer and Issue of the balance Optionally Convertible Debentures (OCDs) upto Rs. 126 crores on Preferential Basis / Private Placement to the Lenders of the company by conversion of unsustainable Debt as per the applicable laws and extant regulations under the Scheme of S4A and subject to such necessary approvals as may be required.

- Issue of 76,92,740 (Seventy Six Lacs Ninety Two Thousand Seven Hundred and Forty) Equity shares of Re. 1 each to Patel Engineering Employee's Welfare Trust, subject to such necessary approvals, consents as may be required.

  About Patel Engineering Employee Welfare Trust *– Patel Engineering Employee Welfare Trust is a trust setup by the Company to inter alia implement the ESOP Plan and other objectives of the Trust*

- Consequent to the retirement of Mr. Pravin Patel, Chairman of the Company at the ensuing Annual General Meeting, the Board has appointed Mr. Rupen Patel, Managing Director as Chairman and Managing Director of the Company effective from the date of retirement of Mr. Pravin Patel.

- Post retirement, Mr. Pravin Patel will be holding the position of Chairman Emeritus.

The Board Meeting commenced at 04:00 pm and concluded at 07:40 pm.

For Patel Engineering Limited.

Shobha Shetty

Shobha Shetty
Company Secretary
Membership No. A17228

PATEL ENGINEERING LTD.

CA. Dr. B. K. Vatsaraj
B. Com., F.C.A.

CA. Mayur Kisnadwala
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.
Tel No. : +91-22 2265 3931
+91-22 2263 5488

Independent Auditor's Report on Consolidated Year to Date Results of the Company Pursuant to the regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF PATEL ENGINEERING LIMITED

1. We have audited the consolidated annual financial results ('the Statement") of PATEL ENGINEERING LIMITED (the "Company") and its subsidiaries (the company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended 31st March 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015. The Statement has been prepared from the consolidated annual financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on this Statement based on our audit of such consolidated annual financial Statements, which has been prepared in accordance with the Companies (Accounting Standards) Rules, 2006 read with rule 7 of the Companies (Accounts) Rules,2014 in respect of section 133 of Companies Act,2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial statement is free of material misstatement. An audit includes examining on a test basis, evidence

supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our qualified opinion.

3. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of reports of other auditors , this statements

(i) Includes the financial results for the year ended 31st March 2017 of the following entities:

Subsidiary Companies

Sr. No.	Name of the Subsidiary
1	Michigan Engineers Private Limited (Consolidated)
2	Water Front Developers (Consolidated)
3	Patel Eng. Infra Private Limited (Consolidated)
4	Friends Nirman Private Limited
5	Patel Concrete & Quarries Private Limited
6	Zues Minerals Trading Private Limited
7	Bhooma Realities Private Limited
8	Shasvat Land Projects Private Limited
9	Pandora Infra Private Limited
10	Patel Engineers Private Limited
11	Vismaya Constructions Private Limited
12	Patel Patron Private Limited
13	Patel Energy Resource Limited (Consolidated)
14	Energy Design Private Limited
15	Patel Lands Limited
16	Shreeanant Construction Private Limited

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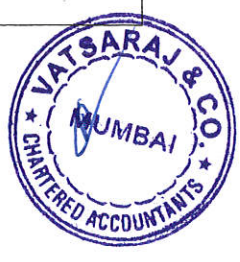
17	Patel KNR Infrastructure Limited
18	PBSR Developers Private Limited
19	Hera Realcon Private Limited
20	Lucina Realtors Private Limited
21	Apollo Buildwell Private Limited
22	Arsen Infra Private Limited
23	Patel Lands Developers Private Limited
24	ASI Constructors, Inc (Consolidated)
25	Patel Engineering Mauritius Limited(Consolidated)
26	Patel Engineering, Inc (Consolidated)
27	Patel Engineering Singapore Pte Limited(Consolidated)
28	Patel Engineering Lanka Limited

Joint Venture

Sr. No.	**Name of the Joint Venture**
1	Patel Michigan JV
2	CICO Patel JV
3	Patel Sew JV
4	Patel KNR JV
5	KNR Patel JV
6	Patel Avantika Deepika BHEL JV
7	Patel Varks JV
8	Patel Soma JV
9	Patel - V Arks - Precision JV
10	Navayuga – Patel-Bhel Consortium
11	AGE Patel JV



12	Patel UEIPLJV

Associates Companies

Sr. No.	Name of the Associates
1	Pan Realtors Private Limited
2	Terra Land Developers Limited
3	ACP Tollways Private Limited
4	Raichur Sholapur Transmission Company Limited

(ii) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regards; and

(iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2017.

4. The Consolidated Financial results of the Company for the year ended March 31st,2017 without qualifying our opinion we draw attention with respect to the erstwhile subsidiary Patel Realty (India) Ltd ("PRIL"), wherein their auditors without qualifying their opinion have drawn attention with respect to:

a) Company's investment and loans and advances in the Mauritius based subsidiary, Waterfront Developers Limited and its subsidiary, thereof (waterfront), where notice dated June 4, 2015 from government of Mauritius for the termination of lease agreement entered on December 11, 2009 with les Salines Development Limited (a subsidiary of Waterfront). In this case, the process of Arbitration has been initiated with the Government of Mauritius. Refer Note No. 10

b) Bellona Estate Developers Limited which ceased to be a subsidiary of the company from 30th March 2016 after invoking of Strategic Debt Restructuring (SDR). The Company has written off Rs. 39.85 Crs as irrecoverable in the current

Financial Year. The management has decided to write off its Investments along with the outstanding loans after adjusting any dues against the same.

5. Note No 9 of the Consolidated Financial results of the company for the year ended March 31st,2017 regarding the subsidiary Patel Energy Resources Limited (PERL) wherein their auditors without qualifying their opinion have drawn attention with respect to :

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

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

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

7. The Consolidated Ind AS financial statements includes the financial statements of 3 joint operations which have not been audited by their auditors, whose financial statements have been prepared and certified by the Management. These financial statements reflect the Net Total Assets ofRs. 25.14Crs as at 31st March 2017,Company's Share in Total revenue after elimination is Rs.47.18 Crs, Total loss (net) after tax of Rs.2.90 Crs , total comprehensive income (net) of Rs. Nil and Net cash outflow amounting to Rs. 2.11 Crs for the year ended on that date, as considered in

VATS RAJ & CO. MUMBAI CHARTERED ACCOUNTANTS

these Consolidated Ind AS financial statements. The separate set of financials of these joint operations for the year ended March 31, 2017, March 31, 2016 and the transition date opening Balance sheet as at 1st April 2015 is in accordance with accounting principle generally accepted in India, including Ind AS. The consequential effects, if any, arising out of the audit of those entities are not ascertainable presently.

8. The Consolidated Ind AS financial statement also includes the financial statement of 9 joint operations which have been audited by other auditors, whose financial statement reflect the Net Total Assets ofRs. 59.63 Crs as at 31st March 2017, Company's Share in Total revenue after elimination is Rs.74.57Crs, Total loss (net) after tax of Rs.0.06 Crs, total comprehensive income (net) of Rs. Nil and Net cash inflow amounting to Rs.5.36Crs for the year ended on that date, as considered in these Consolidated Ind AS financial statements. The Company had prepared separate set of financials of these joint operations for the year ended March 31, 2017, March 31, 2016 and the transition date opening Balance sheet as at 1st April 2015 in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) and which have been audited for the year by the other auditors under generally accepted auditing standards applicable in India. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. Our opinion in so far it relates to the amounts and disclosure in respect of these joint operations is solely based on the report of the other auditors..

9. We did not audit the financial statements of 23 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 393.28 Crs as at 31st March, 2017, total revenues of Rs.929.20 Crs and net cash inflows amounting to Rs.11.58 Crs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of Rs.17.62 Crs for the year ended 31st March,2017, as considered in the consolidated Ind AS financial statements, in respect of 3 associates, whose financial statements/financial information have not been audited. These financial statements/ financial information have been audited by other auditors whose

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have been furnished to us by the Management and our opinion on the consolidation Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the report of the auditors. We did not audit the financial statements of 5 subsidiaries, whose financial statements/financial information reflect total assets of Rs.(35.03) Crs as at 31st March, 2017, total revenues of Rs.Nil and net cash inflows amounting to Rs.(0.30) Crs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of Rs.13.67 Crsfor the year ended 31st March,2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose financial statements/financial information have not been audited. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidation Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

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

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

VATSARAJ & CO. MUMBAI CHARTERED ACCOUNTANTS

Dr. CA B. K. Vatsaraj
Partner
M. No.: 39894

Place: Mumbai
Date: 15th December 2017

PATEL ENGINEERING LTD.

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

CIN:L99999MH1949PLC007039

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED ON MARCH 31, 2017

Rs in Crores

PARTICULARS	YEAR ENDED	
	31.03.2017 Audited	31.03.2016 Audited
1. Revenue from operations	3,883.84	4,040.87
2. Other income	254.12	152.84
3. Total income (1+2)	**4,137.96**	**4,193.71**
4. Expenses		
a) Cost of material consumed	235.54	241.94
b) Cost of construction	2,771.09	2,885.10
c) Purchase of stock in trade	9.83	9.29
d) Employee benefits expense	149.74	137.55
e) Finance cost	579.21	601.61
f) Depreciation	78.04	54.98
g) Other expenses	296.63	350.44
Total expenses	**4,120.08**	**4,280.91**
5. Profit/(loss) before exceptional items and tax (3-4)	17.88	(87.20)
6. Exceptional item (Refer note no. 5)	88.98	129.21
7. Loss before tax (5-6)	(71.10)	(216.41)
8. Tax expense / (Credit) :		
a) Current	57.72	(4.40)
b) Deferred	(25.93)	(15.82)
9. Loss for the year (7-8)	(102.89)	(196.19)
10. Other comprehensive income (OCI)		
A (i) Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans	(0.71)	(0.86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.02	0.02
11. Total comprehensive income for the year (9+10)	(103.58)	(197.03)
Total comprehensive income for the year attributable to:		
12. Non controlling interest	(44.18)	(8.48)
13. Owners of the parent (11- 12)	(59.40)	(188.55)
14. Earnings per share		
a) Basic (not annualised)	(9.83)	(25.55)
b) Diluted (not annualised)	(9.83)	(25.55)
See accompanying notes to the financial results		

PATEL ENGINEERING LTD. MUMBAI 400 102.

PATEL ENGINEERING LTD.

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

CIN:L99999MH1949PLC007039

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED ON MARCH 31, 2017

Notes :

1. The above Consolidated financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on December 15, 2017. The Standalone results of the company were reviewed by the audit committee and approved and taken on record by the Board at their meeting held on July 24, 2017 and reported to Stock exchange on the same day.

2. The Company has chosen the option of publishing standalone results on quarterly basis, therefore, quarterly comparative consolidated financial information is not provided.

3. Patel Engineering Limited (' the Company') and its subsidiaries are together referred to as 'the Group' in the following notes. The Consolidated financial statements are prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013. Results for the year ended 31st March, 2017 are in accordance with Ind AS, which are applicable to the Group for the accounting period beginning on or after 1st April, 2016. Consequently, results for the corresponding year ended 31st March, 2016 have been restated as per the requirements of the said notification to comply with Ind AS to make them comparable.

4. Financial results of the overseas subsidiaries are translated into Indian Rupees using the average exchange rates prevailing during the period and other monetary/ non monetary items are translated at closing rate. Net exchange rate difference is recognized as Foreign Exchange Translation Reserve.

5. Exceptional Item includes :

a) Net amount of Rs. 68.12 crores of Patel Engineering Singapore Pte Ltd., a subsidiary of the compnay; towards impairment of doubtful advances.

b) Net amount of Rs. 8.62 crores of Patel KNR Heavy Infrastructure Ltd., an associate of the compnay; towards impairment of investments and loans & advances.

c) Net amount of Rs. 7.00 crores of Patel KNR Infrastructure Ltd., a subsidiary of the compnay; towards impairment of investments.

6. The Consolidated results of the Company has three reportable business segments, "Civil Construction", "Real Estate" and "Others.".

7. Reconciliation of equity and net profit between previous Indian GAAP and Ind AS

a. Equity reconciliations

Particulars	**Year ended 31st March, 2016**
Equity as per Indian GAAP	1,862.30
Add / Less Adjustments :	
Fair value of Corporate guarantee and its amortisation	1.07
Loan processing fees recognised using effective interest method	12.39
Loan to Subsidiary at Fair Value	0.24
Deferred tax impact on Ind AS Adjustments	(4.02)

PATEL ENGINEERING LTD. MUMBAI 400 102.

Actuarial gain/loss on gratuity reclassified to other comprehensive income (Net of Current tax Impact)	6.19
Fair value of Deferred Revenue and Cost (net)	(0.40)
Unwinding of interest component of Convertible Debt Instrument	(2.26)
Liability Component of Convertible Financial Instruments	(10.20)
Decrease in fair value of invesment in unquoted equity instrument	(6.99)
Equity as per Ind AS	1,858.32

b. Net profit reconciliations

Particulars	**Year ended 31st March, 2016**
Loss after tax as per Indian GAAP	**(195.13)**
Add / Less Adjustments :	
Fair value of Corporate guarantee and its amortisation	1.07
Loan processing fees recognised using effective interest method	(2.73)
Loan to Subsidiary at Fair Value	0.24
Deferred tax impact on Ind AS Adjustments	1.00
Actuarial gain/loss on gratuity reclassified to other comprehensive income (Net of Current tax Impact)	0.84
Fair value of Deferred Revenue and Cost (net)	(0.04)
Unwinding of interest component of Convertible Debt Instrument	(1.43)
Net loss before OCI as per Ind AS	(196.19)

8. The provision for tax is calculated in accordance with the tax laws applicable to the current financial year.

9. Patel Energy Resourses Limited (PERL), wholly owned subsidiary of the Company has invested in various SPVs for hydro and thermal power projects which are of long gestation. The management is of the view that no provision is considered necessary at this stage in respect of these investments/loans, considering their long term nature. Based on future and long term potential of the projects, "Going concern" basis of accounting has been adopted for the said subsidiary despite continuous/significant losses.

10. Les Salines Development Ltd ("LSDL"), a step down subsidiary of the company in Mauritius, has a lease on the land taken from Govt. of Mauritius for a period of 99 years.. LSDL had received a notice of termination from the Govt. of Mauritius for the lease on June 4, 2015. 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 case the process of arbitration has been initiated with the Government of Mauritius.

11. The previous period figures have been regrouped / rearranged wherever necessary, for the purpose of comparison.

For Patel Engineering Ltd.

PATEL ENGINEERING LTD. MUMBAI 400 102.

Rupen Patel
Managing Director

Place : Mumbai
Date : December 15, 2017

PATEL ENGINEERING LTD.

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

CIN:L99999MH1949PLC007039

SEGMENT REPORTING

Rs in Crores

PARTICULARS	YEAR ENDED	
	31.03.2017	31.03.2016
	Audited	Audited
Segment revenue		
EPC	3,591.37	3,969.43
Real Estate	292.47	71.44
Others	-	-
Total segment revenue	**3,883.84**	**4,040.87**
Segment Result		
EPC	(160.25)	(96.80)
Real Estate	189.40	22.90
Others	(11.28)	(13.30)
Total segment result (before exceptional items and tax)	**17.88**	**(87.20)**
Segment Assets		
EPC	7,889.44	8,509.45
Real Estate	541.12	571.38
Others	1,245.41	431.63
Total segment assets	**9,675.97**	**9,512.46**
Segment Liabilities		
EPC	6,754.02	6,908.91
Real Estate	225.81	424.53
Others	487.68	320.70
Total segment liabilities	**7,467.51**	**7,654.14**

For Patel Engineering Ltd.

PATEL ENGINEERING LTD. MUMBAI 400 102.

Rupen Patel
Managing Director

Place : Mumbai
Date : December 15, 2017

PATEL ENGINEERING LIMITED

CONSOLIDATED BALANCE SHEET AS AT

	Audited Mar 31-2017 (Rs. Cr.)	Audited Mar 31-2016 (Rs. Cr.)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	597.37	588.43
(b) Capital work-in-progress	868.44	836.70
(c) Other intangible assets	0.20	0.22
(d) Goodwill on consolidation	31.70	33.41
(d) Financial assets		
(i) Investments	138.19	164.37
(ii) Trade receivables	808.41	753.94
(iii) Loans	45.27	25.08
(iv) Other financial assets	12.61	7.53
(e) Deferred tax assets (net)	93.80	30.15
(f) Current tax assets (net)	276.80	328.66
(g) Other non current assets	715.02	623.13
Total non-current assets	3,587.81	3,391.62
2 Current assets		
(a) Inventories	4,855.22	4,700.78
(b) Financial assets		
(i) Trade receivables	253.92	514.04
(ii) Cash and cash equvalents	60.34	62.38
(iii) Other bank balances	0.32	1.81
(iv) Loans	64.26	52.83
(v) Other financial assets	5.66	-
(c) Current tax assets (net)	18.40	5.14
(d) Other current assets	815.05	783.87
(e) Assets classified as held for sale	15.00	-
Total current assets	6,088.17	6,120.85
TOTAL ASSETS	9,675.98	9,512.47
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	15.70	7.68
(b) Other equity	2,123.15	1,704.90
Equity attributable to owners of the parent	2,138.85	1,712.58
Non-controlling interests	69.62	145.74
Total Equity	2,208.47	1,858.32
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,598.77	2,107.45
(ii) Trade payables	240.69	307.44
(iii) Other financial liabilities	1.78	7.99
(b) Long-term provisions	6.61	6.18
(c) Other non current liabilities	444.66	355.54
(d) Deferred revenue	12.58	7.93
Total non-current liabilities	2,305.09	2,792.53
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,739.70	2,824.72
(ii) Trade payables	861.36	788.35
(iii) Other financial liabilities	943.17	571.08
(b) Short-term provisions	1.70	1.62
(c) Other current liabilities	616.49	675.85
Total current liabilities	5,162.42	4,861.62
TOTAL EQUITY AND LIABILITIES	9,675.98	9,512.47

For Patel Engineering Ltd.

PATEL ENGINEERING LTD. MUMBAI 400 102.

Rupen Patel
Managing Director

Place : Mumbai
Date : December 15, 2017

PATEL ENGINEERING LTD.
CIN : L99999MH1949PLC007039

December 15, 2017

To,

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

Company Code No. 531120

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

Company Code: PATELENG/EQ

Dear Sir,

Subject - Declaration in respect of unmodified opinion on Consolidated Financial Statements for Financial year ended on March 31, 2017

With reference to the subject matter, we hereby declare that the Auditor report issued by Vatsaraj & Co. Statutory Auditors on Consolidated Financial Statements for Financial year ended on March 31, 2017 is unmodified.

For Patel Engineering Limited

Rupen Patel
Managing Director
DIN: 00029583

PATEL ENGINEERING LTD. MUMBAI 400 102.