



Patel
Since 1949

ANNUAL REPORT 20¹⁶/₁₇ PATEL
ENGINEERING LTD.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pravin Patel, Chairman
Mr. Rupen Patel, Managing Director
Mr. Khizer Ahmed, Independent Director
Mr. Srinivasa Jambunathan, Independent Director
Mr. K. Ramasubramanian, Independent Director
Ms. Geetha Sitaraman, Independent Director
Mr. Chittaranjan Kumar Singh, Whole time Director -Operations
Ms. Kavita Shirvaikar-Whole time Director & CFO
Ms. Sunil Sapre, Whole time Director

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

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

CONSORTIUM LENDERS

ICICI Bank Ltd
Bank of India
Dena Bank
Canara Bank
Bank of Baroda
Industrial Development Bank of India Ltd
Union Bank of India
Corporation Bank
State Bank of Patiala
Axis Bank Ltd
Standard Chartered Bank
Bank of Maharashtra
DBS Bank Ltd
Societe Generale
RBL Bank Ltd
IndusInd Bank Ltd
SREI Equipment Finance Ltd

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited

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

Axis Trustee Services Limited

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

Catalyst Trusteeship Limited

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

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholder,

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

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

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

The current government has undertaken steps by giving faster clearances and removal of hurdles by regular monitoring of projects by key officials. This outlook change by the government has been reflected in NITI Aayog Initiatives, where the



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

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

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

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

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

3. Lodha Developers, one of the prominent builders in Mumbai, has acquired 100% equity of wholly owned subsidiary of the Company, viz Patel Land Developers Limited (PLDL), to whom the company has transferred ~ 5 acres of Jogeshwari property along with its corresponding liability and debt of ₹ 376 crore, in November 2017.
4. Apart from the above, the Company has also entered into Joint Development Agreements and sold certain other non-core land assets in Electronic City, Bengaluru.

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

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

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

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

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

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

The Consolidated Performance of the Company: –

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

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

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

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

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

Yours truly,



Rupen Patel
Managing Director

OUR GLOBAL PRESENCE



COMPARATIVE CONSOLIDATED FINANCIALS

(₹ in million)

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
A. FINANCIAL POSITION										
Share Capital	156.99	76.81	76.81	76.81	69.83	69.83	69.83	69.83	59.66	59.66
Reserves & Surplus	21,231.46	17,049.00	18,850.22	17,851.55	16,205.76	15,497.55	14,739.93	13,557.69	10,112.63	8,399.33
Shareholders Funds	21,388.45	17,125.81	18,927.03	17,928.36	16,275.59	15,567.38	14,809.76	13,627.52	10,172.29	8,458.99
Minority Interest	696.19	1,457.36	1,247.37	1,293.29	988.98	834.06	704.27	615.24	215.77	405.41
Deferred Tax Liability (Net)	0	0	139.76	171.54	113.32	216.03	131.95	114.88	148.36	150.94
Loan Funds	50,970.06	54,154.92	51,633.58	44,780.38	34,754.22	28,379.91	24,744.88	18,300.18	12,812.62	9,764.01
Total Funds Employed	73,054.69	72,738.09	71,947.74	64,173.57	52,132.11	44,997.38	40,390.86	32,657.82	28,003.34	20,957.35
Fixed Assets (Net)	14,977.11	14,587.57	16,402.35	14,606.70	12,509.61	10,532.09	8,530.20	7,591.16	5,700.97	6,702.43
Investments	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88	780.35	698.17	504.65	360.81
Deferred Tax Assets (Net)	937.98	301.48	-	-	-	-	-	-	-	-
Net Current Assets & Non Current Assets	55,757.68	56,205.34	53,727.58	48,227.89	38,491.43	33,679.41	30,997.87	24,301.52	21,738.32	13,871.26
Miscellaneous Expenditure	-	-	-	-	-	-	82.44	66.97	59.40	22.85
(To the extent not written off or adjusted)										
Total Application of Funds	73,054.69	72,738.09	71,947.74	64,173.57	52,132.11	44,997.38	40,390.86	32,657.82	28,003.34	20,957.35
B. OPERATING RESULTS										
Income from Operations	38,838.37	40,408.66	34,153.87	37,011.31	41,148.74	35,920.91	34,759.09	31,909.33	24,598.45	18,596.43
Other Income	2,541.16	1,528.39	1,159.22	1,067.37	817.47	910.92	229.75	630.12	144.59	36.87
Total Income	41,379.52	41,937.05	35,313.09	38,078.68	41,966.21	36,831.83	34,988.84	32,539.45	24,743.04	18,633.30
Total Expenditure	41,200.70	42,809.05	35,149.52	37,541.04	40,707.37	35,532.45	33,141.67	29,489.55	22,372.74	16,778.20
Profit before Tax	178.82	-872.01	163.57	537.64	1,258.84	1,299.38	1,847.17	3,049.90	2,370.30	1,855.10
Profit after Tax	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87	1,307.26	2,120.57	1,934.02	1,628.12
Minority Interest and other adjustments	-441.81	-84.77	12.04	83.49	92.27	35.99	81.21	138.96	129.24	109.07
Net Profit	-594.00	-1,885.52	84.69	163.69	650.03	665.88	1,226.05	1,981.61	1,804.78	1,519.05
C. EQUITY SHARE DATA										
Earning per share (₹)	-9.83	-24.30	1.10	2.15	9.31	9.54	17.56	30.96	30.25	24.74
Number of Shares	156,994,691	76,806,282	76,806,282	76,244,325	69,827,151	69,827,151	69,827,151	69,827,151	59,659,090	59,659,090
Dividend %	-	-	-	-	-	30%	100%	200%	175%	150%

Boards' Report

To the Members of Patel Engineering Limited,

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

FINANCIAL HIGHLIGHTS

Standalone and Consolidated Financial Performance

(₹ in millions)

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

Refer Note No. 27 of Financial Statements

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

Consolidated

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

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

₹ 1,028.89 million as against loss of ₹ 1,961.93 million for the previous year.

Standalone

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

Dividend

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

Share Capital

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

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

Finance

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

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

Optionally Convertible Debentures (OCDs)

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

Information on state of affairs of the Company

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

Subsidiaries

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

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

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

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

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

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

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

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

Key Subsidiary / Associate updates

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

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

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

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

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



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

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

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

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

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

Related Party Transactions

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

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

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

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

and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security.

Directors and Key Managerial Persons

i. Independent Director

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

ii. Other Directors / Key Managerial Personnel

- a. During the year under review, Mr. Ashwin Parmar resigned as Whole time Director of the Company effective from April 4, 2016. The Board place on record their appreciation for the services rendered by Mr. Parmar.
- b. Mr. C. K. Singh was appointed by the Board of Directors as Whole time director effective from May 30, 2016 and the same was confirmed/approved by the Members at their meeting held on December 22, 2016.
- c. The Board of Directors at their meeting held on February 14, 2017 had subject to the approval of the members, appointed Mr. Sunil Sapre and Ms. Kavita Shirvaikar as whole time Directors for a period of 5 years w.e.f April 1, 2017. The necessary resolutions in this regard are being placed for the approval of the members at the ensuing AGM.
- d. The Board of Directors at their meeting dated March 31, 2017 appointed Mr. Sunil Shinde as Whole time Director of the Company. Mr. Shinde resigned as Director effective from June 2, 2017 after a very short stint in the Company.
- e. Mr. Pravin Patel retires at the ensuing AGM. The Board of Directors place on record their deep appreciation for the enormous contribution made by Mr. Patel. The company and the Board benefitted immensely from Mr. Patel's vast experience, knowledge and insights of the industry and operations of the Company.

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

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

Remuneration Policy

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

Evaluation of Board

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

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

Internal Financial Controls

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