

Disclosure in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulation, 2014

Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer to the financial statement for the year ended March 31, 2018

Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Diluted EPS for the year ended March 31, 2018 is Rs. 3.44

Details related to ESOS

i) Status of Patel Engineering Employees Stock Option Plan

Date of shareholders' approval	:	September 28, 2007 and subsequent amendments to the Plan approved by the Members /Board of Directors.
Total number of options approved under ESOS by the shareholders	:	1,37,21,640
Vesting requirements	:	The Options granted under the Plan would vest not less than 12 months and not more than 48 months from the grant date. The Nomination and Remuneration Committee in its absolute discretion to vary the Vesting dates as may be deem fit.
Exercise price or pricing formula	:	Price determined by Nomination and Remuneration Committee but no less than the face value of the shares.
Maximum term of options granted	:	7 years from vesting date
Source of shares (primary, secondary or combination)	:	Primary
Variation in terms of options	:	During the year 2017 – 18, there was no variation in the Schemes.

ii) Method used to account for ESOS: Fair Value

iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed - Not applicable

iv) Option movement during the year 2017- 18

Particulars	Details
Number of options outstanding at the beginning of the period	59,64,850
Number of options granted during the year	2,00,000
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil

Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A.
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	59,64,850
Number of options exercisable at the end of the year	NIL

v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock – Not applicable as no options were exercised during the year 2017- 18.

vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted during the year 2017-18.

Senior Managerial Personnel		
Name of Employee	Mr. C. K. Singh	Ms. Kavita Shirvaikar
Designation	Whole Time Director	Whole Time Director & CFO
Number of options granted during the year	1,00,000	1,00,000
Exercise Price –	Re. 1/- per share (Not Exercised)	Re. 1/- per share (Not Exercised)

No employee has received option amounting to 5% / 1% or more of options granted during F.Y. 2017-2018

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

a. Method of Valuation: To calculate the Fair value of Equity-settled share-based payment Black-Scholes-Merton formula has been used which is one of Option-Pricing Models as recommended under Indian Accounting Standard 102 (Ind AS 102).

b. Valuation Assumptions

i. Strike Price: Strike price/ exercise price of share is rupee 1 per share .

ii. Discount Rate: The rate used to discount employee benefit obligations reflects the estimated timing, amount of benefit payments and the currency in which the benefits are to be paid. The Discount Rate as tabulated below which relates to the benchmark rate available on Government Securities (G.Sec.) for the tenure of 1 to 4 years i.e. the expected term of the obligation. The rate is taken as per the deal rate as at 31-01-2018 as suggested under Indian Accounting Standard 102 (Ind AS 102), (Ref: www.fimmda.org)

Years	1	2	3	4
count Rate	6.65%	6.98%	7.16%	7.29%

iii. Expected Number of years to exercise shares: It is assumed that all shares will be exercised immediately after shares are vested for each tranche.

iv. Standard Deviation (Expected Volatility): Volatility is calculated based on closing share price (BSE Data) as downloaded from yahoo finance website, as discussed with company. Volatility is derived from historical data of share price over last 7 years is calculated. Which comes as follows:

Year	Annualised Standard Deviation	Average of last 7 years
2011	53%	
2012	43%	
2013	53%	
2014	58%	
2015	42%	
2016	59%	
2017	40%	50%

Based on above, expected volatility for fair valuation is considered based on average of previous 7 years is considered and mentioned in above table.

- v. Dividend Yield: Company has not declared any dividend for the last several years. The dividend yield assumption is taken as NIL.

Details related to GEBS

Status of Patel Engineering General Employee Benefits Scheme, 2015

Date of shareholders' approval	:	September 28, 2015
Kind of benefits to be granted under the Scheme	:	healthcare benefits, hospital care or benefits, benefits in the event of sickness, accident, disability, death or scholarship funds, education related assistance and such other benefit as the Board of Directors or the Nomination and Remuneration Committee may determine from time to time.
Beneficiaries of the Scheme	:	employees as mentioned in the Scheme and who has completed at least one year of service in the Company and have an annual compensation of Rs. 6,00,000 or below per annum
Total asset of the Scheme	:	nil
Quantum of holding in own shares	:	The Company has appropriated 64,050 equity shares towards Patel Engineering General Employee Benefits Scheme enabling Patel Engineering Employee Welfare Trust to use the benefit out of these shares for welfare of the employees. This is in compliance with Regulation 3(12) of SEBI (Share Based Employee benefits) Regulations, 2014.
Whether the Scheme is in compliance of regulation 26(2) of the regulation	:	Yes
Variation in the scheme	:	Nil

Details related to Trust

Sl. No.	Particulars	Details
a.	Name of the Trust	Patel Engineering Employees Welfare Trust
b.	Details of the Trustee(s)	Ms. Yasmin Patel Mr. Rahul Agarwal Ms. Sadanand Savant
c.	Amount of loan disbursed by company / any company in the group, during the year	-
d.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	-l
e.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	-
f.	Any other contribution made to the Trust during the year	-

Brief details of transactions in shares by the Trust

Si. No.	Particulars	Number of Shares
1.	Number of shares held at the beginning of the year	60,28,900*
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
3.	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
4.	Number of shares held at the end of the year	60,28,900

**this includes 64,050 equity shares appropriated towards Patel Engineering General Employee Benefits Scheme enabling Patel Engineering Employee Welfare Trust to use the benefit out of these shares for welfare of the employees.*

During the F.Y. 2017-2018, no share were acquired by the Trust by way of Secondary Acquisition.

For Patel Engineering Limited

August 14, 2018
Mumbai

Rupen Patel
Chairman & Managing Director
(DIN: 0029583)