

100/510/005/

September 1, 2016

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: PATELENG/EQ

Dear Sirs

Sub: Press Release – Patel Engineering's Debt to reduce by more than 50% on Cabinet decision on Arbitration Awards.

Please find enclosed a press release with respect to the aforementioned subject for your information.

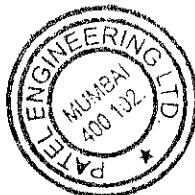
Thanking you,

Yours truly,

For Patel Engineering Ltd.

Shobha Shetty

Shobha Shetty
Company Secretary
Encl: As above



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PRESS RELEASE

**PATEL ENGINEERING'S DEBT TO REDUCE BY MORE THAN 50% ON
CABINET DECISION ON ARBITRATION AWARDS**

Mumbai, September 01, 2016: The Cabinet's decision that requires Government agencies to pay 75 per cent of the arbitral awards is expected to reduce Patel Engineering's debt by more than half. Patel Engineering has won arbitration awards in excess of Rs 2,500 crore. With the recent Cabinet decision, the company will get 75 per cent of this amount immediately which will be utilised to retire debt.

Further, claims approximating to Rs. 5,000 crore are in the arbitration process and are expected to be monetized within next 12 to 18 months based on the Cabinet decision. The same will be utilized to reduce the debt even further. Patel Engineering's total standalone debt as on March 31, 2016 stood at Rs. 4,535 crore approximately.

Mr. Rupen Patel, Managing Director, Patel Engineering Ltd said: "The cabinet's decision on payment of arbitration awards to infrastructure companies will support construction companies to infuse liquidity into the stressed and help create more jobs. We will shortly be able to reduce debt by 55-60 per cent and even further within the next 12-18 months. This additional liquidity will help the Company to strengthen its Balance Sheet and enable to participate in large infrastructure projects."

About Patel Engineering Ltd

An ISO 9001:2000 certified Patel Engineering is an integrated construction company specialising in hydro-power generation, irrigation and urban infrastructure projects. It is the only Indian company with experience in RCC, Micro Tunnelling and Double Take Tap Work. The company has established a significant international presence through its technology centric subsidiaries in US and has executed projects across Arabian Gulf, Sri Lanka, Nepal and Bhutan. With its integrated service, the company is well positioned to benefit from the government's planned investment in the infrastructure sector.

