

T. P. Ostwal & Associates LLP

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on Quarterly Financial 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 reviewed the accompanying statement of unaudited standalone financial results (the Statement) of **PATEL ENGINEERING LIMITED** (the "Company") for the quarter ended 30th June 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, read with circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement which 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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. 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 are 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.
4. The Statement includes the financial results of 12 joint operations which have not been reviewed by their auditors, whose financial results reflect the Company's Share in Total revenue after elimination is Rs 25.58 Crores, Total Profit (net) after tax of Rs. 0.63 Crores and total comprehensive income (net) of Rs NIL for the quarter ended 30th June 2018. 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 solely based 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 review report is not modified in respect of this matter.

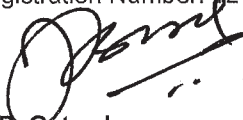


5. We did not review the separate financial results of a branch, included in the statement, whose financial results reflect total revenue of Rs. 112.39 Crore, Total Profit after tax of Rs.49.43 Crore and total comprehensive income (net) of Rs 0.02 Crore for the quarter ended 30th June 2018. This financial results and other information have been reviewed by other auditor whose report has been furnished to us. Our conclusion in so far it relates to the amounts and a disclosure in respect to this branch is solely based on the report of such other auditor. Our review report is not modified in respect of this matter.
6. Based on our review conducted as stated above and based on the unaudited financial results/ information certified by the management and other auditor referred to in paragraph 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian Accounting Standards specified under section 133 of the Companies Act,2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognized 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The comparative financial information of the Company for the quarter ended June 30, 2017, included in these standalone financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 14th August 2017 expressed an unmodified opinion on those financial statements.

For T. P. Ostwal & Associates LLP

Chartered Accountants

Registration Number: 12444W/W100150



T. P. Ostwal

Partner

Membership Number: 30848

Place: Mumbai

Date: August 14, 2018



PATEL ENGINEERING LTD.
Regd. Office : Patel Estate Road, Jogeshwari (W) , Mumbai- 400 102
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
JUNE 30, 2018

Rs. in crore

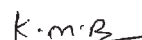
| PARTICULARS | QUARTER ENDED | | | YEAR ENDED |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| | 30.06.2018 Unaudited | 31.03.2018 Unaudited | 30.06.2017 Unaudited | 31.03.2018 Audited |
| 1. Revenue from operations | 555.49 | 468.91 | 556.37 | 2,038.90 |
| 2. Other income | 75.40 | 75.23 | 75.92 | 381.35 |
| 3. Total income | 630.89 | 544.14 | 632.29 | 2,420.25 |
| 4. Expenses | | | | |
| a) Cost of Material Consumed | 51.27 | 58.23 | 63.77 | 207.19 |
| b) Cost of Construction | 380.54 | 271.32 | 345.49 | 1,061.04 |
| c) Employee benefits expense | 34.89 | 42.36 | 32.18 | 138.70 |
| d) Finance cost | 77.39 | 107.41 | 156.31 | 536.24 |
| e) Depreciation | 9.98 | 10.27 | 10.95 | 44.47 |
| f) Other expenses | 23.45 | 47.27 | 27.33 | 176.05 |
| Total Expenses | 577.52 | 536.86 | 636.03 | 2,163.69 |
| 5. Profit/(loss) before exceptional items and tax (3-4) | 53.37 | 7.28 | (3.74) | 256.56 |
| 6. Exceptional item | - | (69.29) | - | 204.30 |
| 7. Profit/(loss) before tax (5-6) | 53.37 | 76.57 | (3.74) | 52.26 |
| 8. Tax expense / (Credit) : | | | | |
| a) Current | 23.82 | (67.90) | 2.58 | 9.88 |
| b) Deferred | (6.62) | 61.48 | (1.60) | (16.70) |
| 9. Profit/(loss) for the period (7-8) | 36.17 | 82.99 | (4.72) | 59.08 |
| 10. Other comprehensive income (OCI) | | | | |
| A (i) Items that will not be reclassified to profit or loss | | | | |
| - Remeasurements of the defined benefit plan | 0.11 | (1.59) | (0.31) | (3.45) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.03) | 0.60 | 0.11 | 1.25 |
| 11. Total comprehensive income for the period | 36.25 | 82.00 | (4.92) | 56.88 |
| 12. Earnings per share | | | | |
| a) Basic (not annualised) | 2.30 | 5.29 | (0.30) | 3.76 |
| b) Diluted (not annualised) | 1.53 | 3.60 | (0.30) | 3.44 |

See accompanying notes to the financial results

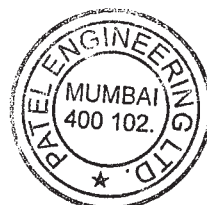
Notes :

- The Company has opted for publishing standalone results on quarterly basis.
- The above financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on August 14, 2018. The statutory auditors have performed a limited review of the results for the quarter ended 30th June, 2018.
- The Ministry of Corporate Affairs vide notification dated 28th March, 2018 has made "Revenue from Contracts with Customers" (IND AS 115) mandatory w.e.f. 1st April, 2018. The Company has applied retrospective approach, as per para C3(b) of IND AS 115, to contracts which were not completed as on 1st April, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April, 2018 in accordance with para C7 of IND AS 115 as an adjustment to the opening balance of retained earnings of Rs. 3.73 crore (net of deferred tax) based on satisfaction of performance obligation (at a point in time).
- Recognition of revenue based on satisfaction of performance obligation (at a point in time), due to application of the IND AS 115, for the quarter ended June 30, 2018 has caused decrease in income from projects by Rs. 1.29 crore, decrease in cost of sales by Rs. 4.74 crore and increase in profit before tax by Rs. 3.45 crore; as compared to the previously permitted percentage of completion method. The comparatives have not been restated and hence are not comparable with previous period figures.
- 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.
- The Previous period figures have been regrouped / rearranged wherever necessary, for the purpose of comparison.

for Patel Engineering Ltd


 Kavita Shirvaikar

Whole Time Director & Chief Financial Officer



Place : Mumbai
 Date : August 14, 2018

PATEL ENGINEERING LTD.

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

CIN:L99999MH1949PLC007039

STANDALONE SEGMENT REPORTING



Rs. in Crore

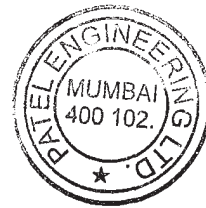
| PARTICULARS | QUARTER ENDED | | | YEAR ENDED |
|--|---------------|---------------|---------------|-----------------|
| | 30.06.2018 | 31.03.2018 | 30.06.2017 | 31.03.2018 |
| | Unaudited | Unaudited | Unaudited | Audited |
| Segment revenue | | | | |
| EPC | 476.59 | 449.63 | 554.92 | 1,863.58 |
| Real estate | 78.90 | 19.28 | 1.45 | 175.32 |
| Total segment revenue | 555.49 | 468.91 | 556.37 | 2,038.90 |
| Segment result | | | | |
| EPC | 3.94 | 76.34 | (2.70) | (8.81) |
| Real estate | 49.43 | 0.23 | (1.04) | 61.07 |
| Total segment result (before exceptional items) | 53.37 | 76.57 | (3.74) | 52.26 |
| Segment assets | | | | |
| EPC | | | | 6,431.72 |
| Real estate | | | | 307.67 |
| Total segment assets | | | | 6,739.39 |
| Segment liabilities | | | | |
| EPC | | | | 4,498.49 |
| Real estate | | | | 14.78 |
| Total segment liabilities | | | | 4,513.27 |

for Patel Engineering Ltd

K.m.B.

Kavita Shirvaikar

Whole Time Director & Chief Financial Officer



Place : Mumbai

Date : August 14, 2018