

**CHARTERED ACCOUNTANTS**

First Floor, Fort Chambers,

'C' Block, 65 Tamarind Lane,

Fort, Mumbai - 400 023.

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Independent Auditor's review Report on Standalone Quarterly Financial results and Year to Date results of the Company Pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Patel Engineering Ltd.

1. We have reviewed the accompanying statement of the unaudited standalone financial results ("the Statement") of Patel Engineering Ltd ("the Company") for the quarter ended 30<sup>th</sup> September 2017 and the year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. 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 is 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.

3. The standalone financial results include the financial results of 11 joint operations which have not been reviewed by their auditors, whose financial results reflect the Net Total Assets of Rs. 58.74 Crores as at 30<sup>th</sup> September 2017, Company's Share in Total revenue after elimination is Rs. 17.78 Crores and Rs. 50.25 Crores, Total profit/(loss) (net) after tax of Rs. (0.22) Crores and Rs. 17.45 Crores and total comprehensive income (net) of Rs. Nil and Rs. Nil for the quarter and Six months ended 30<sup>th</sup> September 2017. 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 based solely 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 report on the Statement is not modified in respect of our reliance on the financial information certified by the Management.

4. We did not review the separate financial results of a branch, included in the statement, whose financial results reflect the Net Total Assets of Rs. 408.02 Crores as at 30<sup>th</sup> September 2017, total revenue of Rs. 18.26 Crore and Rs.19.71 Crore, Total profit/(loss) after tax of Rs. 3.28 Crore and Rs. 2.29 Crore and total comprehensive income (net) of Rs. 0.12 and Rs. 0.12 for the quarter and Six months ended 30<sup>th</sup> September 2017. 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.

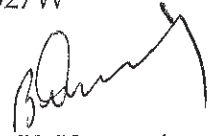
5. Based on our review conducted as stated above and based on the unaudited financial results/ information certified by the management referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid 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 Circular No.



CIR/CFD/FAC/62/2016 dated July 5, 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) 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.

6. We draw attention to Note 7 to the Statement, with respect to a sum of Rs. 58.59 crores for which provision of impairment due to diminution in value of investments of overseas subsidiaries is included in "Other Expenses". Our review report is not modified in respect of this matter.

For Vatsaraj & Co.  
Chartered Accountants  
FRN 111327W



CA Dr. B. K. Vatsaraj  
Partner  
Membership No. 39894

Place: Mumbai

Date: 30<sup>th</sup> December, 2017

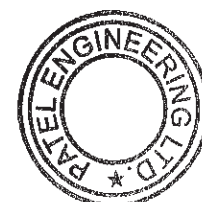
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
ON SEPTEMBER 30, 2017**

Rs in Crores

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2017 Un-audited	30.06.2017 Un-audited	30.09.2016 Unaudited	30.09.2017 Un-audited	30.09.2016 Un-audited	31.03.2017 Audited
1. Revenue from operations	377.89	556.37	729.83	934.26	1,319.47	2925.55
2. Other income	98.56	75.92	92.91	174.48	155.94	370.36
3. Total income	476.45	632.29	822.74	1,108.74	1,475.41	3,295.91
4. Expenses						
a) Cost of material consumed	40.86	63.77	44.08	104.63	102.19	235.54
b) Cost of construction	165.71	345.49	430.86	511.20	825.32	1776.79
c) Purchase of stock in trade	-	-	-	-	3.80	7.61
d) Employee benefits expense	31.22	32.18	27.94	63.40	57.31	128.89
e) Finance cost	163.00	156.31	161.10	319.31	322.71	637.91
f) Depreciation	12.11	10.95	10.77	23.06	20.52	46.01
g) Other expenses	88.48	27.33	98.96	115.81	116.96	247.87
<b>Total expenses</b>	<b>501.38</b>	<b>636.03</b>	<b>773.71</b>	<b>1,137.41</b>	<b>1,448.81</b>	<b>3,080.62</b>
5. Profit/(loss) before exceptional items and tax (3-4)	(24.93)	(3.74)	49.03	(28.67)	26.60	215.29
6. Exceptional item	-	-	-	-	-	107.98
7. Profit/(loss) before tax (5-6)	(24.93)	(3.74)	49.03	(28.67)	26.60	107.31
8. Tax expense / (Credit) :						
a) Current	19.26	2.58	9.54	21.84	9.99	91.91
b) Deferred	(18.14)	(1.60)	(0.37)	(19.74)	(0.29)	(26.43)
9. Profit/(loss) for the period (7-8)	(26.05)	(4.72)	39.86	(30.77)	16.90	41.83
10. Other comprehensive income (OCI)						
A (i) Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	(0.47)	(0.31)	(0.19)	(0.78)	(0.39)	(0.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.16	0.11	0.02	0.27	0.02	0.02
11. Total comprehensive income for the period	(26.36)	(4.92)	39.69	(31.28)	16.53	41.22
12. Earnings per share						
a) Basic (not annualised)	(1.66)	(0.30)	5.19	(1.96)	2.20	4.00
b) Diluted (not annualised)	(1.66)	(0.30)	5.19	(1.96)	2.20	4.00
See accompanying notes to the financial results						

**Notes :**

- The company has opted for publishing standalone results on quarterly basis.
- The above audited financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on December 30, 2017.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms with regulation 33 of SEBI (LODR) Regulations, 2015 and SEBI Circular dated 5th July, 2016.
- The company has implemented the debt resolution plan under S4A (Scheme for Sustainable Structuring of Stressed Assets) with majority of JLF lenders approval and documentation after Overseeing Committee (OC) under the aegis of RBI approved the scheme on Nov 10, 2017 effective from 8th August, 2017 including NCDs.
- The company has completed transfer / assignment of certain actionable claims for various projects and certain rights to assets along with corresponding liabilities, debt and obligations valuing approximately Rs. 2000 crores to one of it's wholly owned subsidiary, where 51% has been taken by new investor wherein change in management has been effected.
- The company has transferred 5 acres of property in Mumbai, alongwith its corresponding liability and debt to one of it's wholly owned subsidiary, which has subsequently been taken over by a real estate developer.
- Other Expenses includes provision for impairment of certain foreign investments of Rs. 58.59 crores.
- The company is engaged in the Engineering and construction industry which is seasonal in character. The company's margins in the quarterly results vary based on the accrual of cost, recognition of income in different quarters etc. due to the nature of its receipt of claims/awards. In view of this, financial results for the quarter are not comparable with quarterly/annual results.
- Additional disclosure as per regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :
  - Credit rating of the NCDs is currently suspended.



**PATEL ENGINEERING LTD.**  
 Regd. Office : Patel Estate Road, Jogeshwari (W) , Mumbai- 400 102  
 CIN:L99999MH1949PLC007039  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
 ON SEPTEMBER 30, 2017**



b. The Company continue to maintain 100% asset cover based on the valuation report for the secured non convertible debentures issued by it.

	30-Sep-17
c. Debt Equity Ratio	2.36

d. Previous due dates for interest and installment of NCDs.

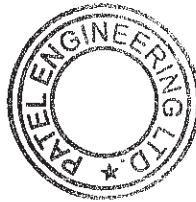
Series of non convertible debentures	Previous due date of interest	Interest paid	Previous due date of installment	Installment paid
11.40% NCDs of Rs. 150 crores	30-Jun-16	No	11-Jul-16	No
10.75% NCDs of Rs. 50 crores	03-Mar-16	Yes	03-Mar-16	No
11.30% NCDs of Rs. 150 crores	17-Sep-17	No	N.A	N.A
9.8% NCDs of Rs. 55 crores	20-Jul-16	No	20-Jul-16	No

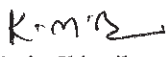
e. Next due dates for interest and installment of NCDs.

Debenture details	Next due date of interest
11.30% NCDs of Rs. 150 crores	17-Dec-17
	30-Sep-17
f. Debt Service Coverage Ratio (EBDIT/(Interest +current maturity of LTD))	0.19
	30-Sep-17
g. Interest Service Coverage Ratio (EBIT/Interest)	0.91
h. Debenture Redemption Reserve	47.50
i. Networth	2,080.24

10. The previous year figures have been regrouped / rearranged/recasted wherever necessary for the purpose of comparison.

Place : Mumbai  
 Date : December 30, 2017



For Patel Engineering Ltd.  
  
 Kavita Shirvaikar  
 Whole Time Director & Chief  
 Financial Officer

STANDALONE STATEMENT OF ASSETS & LIABILITIES AS AT

	Unaudited Sept 30-2017	Audited Mar 31-2017
	(Rs. Cr.)	(Rs. Cr.)
<b>I. ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	275.16	293.24
(b) Capital work-in-progress	3.48	5.29
(c) Other intangible assets	0.19	0.19
(d) Financial assets		
(i) Investments	448.94	495.04
(ii) Trade receivables	788.93	810.15
(iii) Loans	1,094.09	1,011.58
(iv) Other financial assets	11.70	12.61
(e) Deferred tax assets (net)	66.97	47.44
(f) Current tax assets (net)	278.20	270.76
(g) Other non current assets	830.99	779.41
<b>Total non-current assets</b>	<b>3,798.65</b>	<b>3,725.71</b>
<b>2 Current assets</b>		
(a) Inventories	4,457.77	4,258.71
(b) Financial assets		
(i) Trade receivables	201.92	189.88
(ii) Cash and cash equivalents	61.18	52.33
(iii) Other bank balances	0.99	0.13
(iv) Loans	220.63	177.42
(v) Other financial assets	5.66	5.66
(c) Other current assets	487.03	520.66
(d) Assets classified as held for sale	15.00	15.00
<b>Total current assets</b>	<b>5,450.18</b>	<b>5,219.79</b>
<b>TOTAL ASSETS</b>	<b>9,248.83</b>	<b>8,945.50</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	15.70	15.70
(b) Other equity	2,142.04	2,167.31
<b>Total equity</b>	<b>2,157.74</b>	<b>2,183.01</b>
<b>2 Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	570.49	1,195.76
(ii) Trade payables	244.52	236.57
(iii) Other financial liabilities	1.92	1.78
(b) Long-term provisions	4.46	5.68
(c) Other non current liabilities	590.55	627.39
(d) Deferred revenue	11.63	12.58
<b>Total non-current liabilities</b>	<b>1,423.57</b>	<b>2,079.76</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,749.05	2,654.24
(ii) Trade payables	663.08	639.28
(iii) Other financial liabilities	1,773.05	923.64
(b) Short-term provisions	1.06	1.25
(c) Other current liabilities	481.28	464.32
<b>Total current liabilities</b>	<b>5,667.52</b>	<b>4,682.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,248.83</b>	<b>8,945.50</b>

For Patel Engineering Ltd.

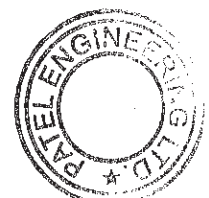
*K.M.B.*

Kavita Shirvaikar

Whole Time Director & Chief Financial  
Officer

Place : Mumbai

Date : December 30, 2017



**PATEL ENGINEERING LTD.**  
 Regd. Office : Patel Estate Road, Jogeshwari (W) , Mumbai- 400 102  
 CIN:L99999MH1949PLC007039  
**STANDALONE SEGMENT REPORTING**



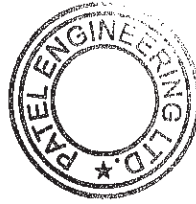
Rs in Crores

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment revenue</b>						
EPC	359.63	554.92	699.97	914.56	1,286.32	2,676.97
Real Estate	18.26	1.45	29.86	19.70	33.15	248.58
<b>Total segment revenue</b>	<b>377.89</b>	<b>556.37</b>	<b>729.83</b>	<b>934.26</b>	<b>1,319.47</b>	<b>2,925.55</b>
<b>Segment Result</b>						
EPC	(31.08)	(2.70)	46.82	(33.78)	26.95	28.86
Real Estate	6.15	(1.04)	2.21	5.11	(0.35)	186.43
<b>Total segment result (before exceptional items)</b>	<b>(24.93)</b>	<b>(3.74)</b>	<b>49.03</b>	<b>(28.67)</b>	<b>26.60</b>	<b>215.29</b>
<b>Segment Assets</b>						
EPC				8,840.81	8,540.33	8,659.21
Real Estate				408.02	556.89	286.30
<b>Total segment assets</b>				<b>9,248.83</b>	<b>9,097.22</b>	<b>8,945.51</b>
<b>Segment Liabilities</b>						
EPC				6,803.28	6,831.24	6,569.88
Real Estate				287.81	381.08	192.62
<b>Total segment liabilities</b>				<b>7,091.09</b>	<b>7,212.32</b>	<b>6,762.50</b>

For Patel Engineering Ltd.

*K.M.B.*

Kavita Shirvaikar  
 Whole Time Director & Chief Financial  
 Officer



Place : Mumbai  
 Date : December 30, 2017