

**PATEL ENGINEERING LTD.**

**CIN : L99999MH1949PLC007039**

**November 14, 2018**

To,

**Bombay Stock Exchange Ltd.,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

**The National Stock Exchange of India Ltd.,**  
Exchange Plaza,  
Bandra - Kurla Complex,  
Mumbai – 400051

**Company Code No. 53 1 120**

**Company Code: PATELENGIEQ**

Dear Sirs,

**Sub: Approval of Financial Results for quarter and half year ended September 30, 2018.**

The Board of Directors of the Company has interalia considered and approved Un-Audited Financial Results of the Company for the quarter and half year ended September 30, 2018.

Enclosed is the Un-Audited Financial Results for the quarter and half year ended September 30, 2018 along with Limited Review Report issued by M/S. T. P. Ostwal & Associates LLP., Statutory Auditors.

The Board Meeting commenced at 04:00 pm and concluded at 06:00pm

You are requested to take the same in your records.

Thanking you,

Yours truly,

**For Patel Engineering Ltd.**

**Shobha Shetty**  
**Company Secretary**  
**Membership No. A1 7228**



REGD. OFFICE

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**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, 2018**



Rs in Crores

PART I						
PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2018 Unaudited	30.06.2018 Unaudited	30.09.2017 Unaudited	30.09.2018 Un-audited	30.09.2017 Un-audited	31.03.2018 Audited
1. Revenue from operations	539.90	555.49	377.89	1,095.39	934.26	2,038.90
2. Other income	55.82	75.40	98.56	131.22	174.48	381.35
3. Total income	595.72	630.89	476.45	1,226.61	1,108.74	2,420.25
4. Expenses						
a) Cost of material consumed	49.51	51.27	40.86	100.78	104.63	207.19
b) Cost of construction	287.34	380.54	165.71	667.88	511.20	1,061.04
c) Purchase of stock in trade	2.30	-	-	2.30	-	-
d) Employee benefits expense	38.94	34.89	31.22	73.83	63.40	138.70
e) Finance cost	78.01	77.39	163.00	155.40	319.31	536.24
f) Depreciation	10.02	9.98	12.11	20.00	23.06	44.47
g) Other expenses	34.14	23.45	88.48	57.59	115.81	176.05
Total expenses	500.26	577.52	501.38	1,077.78	1,137.41	2,163.69
5. Profit / (Loss) before exceptional items and tax (3-4)	95.46	53.37	(24.93)	148.83	(28.67)	256.56
6. Exceptional item (Refer note no. 5)	85.00	-	-	85.00	-	204.30
7. Profit / (Loss) before tax (5-6)	10.46	53.37	(24.93)	63.83	(28.67)	52.26
8. Tax expense / (Credit) :						
a) Current (net)	42.74	23.82	19.26	66.56	21.84	9.88
b) Deferred	(38.19)	(6.62)	(18.14)	(44.81)	(19.74)	(16.70)
9. Profit / (Loss) for the period (7-8)	5.91	36.17	(26.05)	42.08	(30.77)	59.08
10. Other comprehensive income (OCI)						
A (i) Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	0.65	0.11	(0.47)	0.76	(0.78)	(3.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.22)	(0.03)	0.16	(0.25)	0.27	1.25
11. Total comprehensive income for the period	6.34	36.25	(26.36)	42.59	(31.28)	56.88
12. Earnings per share						
a) Basic (not annualised)	0.38	2.30	(1.66)	2.68	(1.96)	3.76
b) Diluted (not annualised)	0.38	1.53	(1.66)	1.95	(1.96)	3.44

**Notes :**

1. The company has opted for publishing standalone results on quarterly basis

2. 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 November 14, 2018.

3. 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 the modified 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).

4. 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 & half year ended September 30, 2018 has caused decrease in income from projects by Rs. 3.50 crore & Rs. 4.79 crore, decrease in cost of sales by Rs. 3.67 crore and Rs. 8.41 crore and increase in profit before tax by Rs. 0.17 crore and Rs. 3.62 crore respectively; 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.

5. In view of IND AS 10 - Events after the reporting period, an amount of Rs. 85 crores is recognised in the financial statement under the head exceptional item by way of provision against corporate guarantee given by the company on behalf of one of its associate company.

6. 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.

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



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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
ON SEPTEMBER 30, 2018**

8. Additional disclosure as per regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

a. Credit rating of the NCDs is currently suspended.

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-18	31-Mar-18
c. Debt Equity Ratio	1.04	1.12

d. During the previous year, S4A scheme of RBI for debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8 2017 was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Post approval, implementation of scheme by Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) are in process.

i. GIC - 10.75% NCD (ISIN INE244B07102) - Post approval of the scheme, the part A principal due was paid as per the scheme. Balance part B debt shall be converted to OCD upon approval from regulatory authorities.

ii. LIC - 11.30% NCD (ISIN INE244B07144) : the previous interest upto Sept 17, 2018 is yet to be paid. Approval for above scheme is received, post implementation of the same, it shall be paid / converted to OCD, as per the scheme with effect from the reference date. The Principal instalment is due on September 17, 2022 and the next interest instalment is due on Dec 17, 2018.

	30-Sep-18	31-Mar-18
e. Debt Service Coverage Ratio (EBDIT/(Interest +current maturity of LTD))	1.41	1.13
	30-Sep-18	31-Mar-18
f. Interest Service Coverage Ratio (EBIT/Interest)	1.41	1.10
g. Debenture Redemption Reserve	25.00	25.00
h. Networth	2,204.03	2,201.14



For Patel Engineering Ltd.

Kavita Shirvaikar

Whole Time Director &amp; Chief Financial Officer

Place : Mumbai

Date : November 14, 2018





PATEL ENGINEERING LIMITED

STANDALONE STATEMENT OF ASSETS & LIABILITIES AS AT



	Un-Audited Sept 30-2018 (Rs. Cr.)	Audited Mar 31-2018 (Rs. Cr.)
<b>I. ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	235.30	248.32
(b) Capital work-in-progress	1.70	1.72
(c) Other intangible assets	0.16	0.21
(d) Financial assets		
(i) Investments	583.00	494.90
(ii) Trade receivables	554.62	561.52
(iii) Loans	839.78	849.02
(iv) Other financial assets	8.37	11.39
(e) Deferred tax assets (net)	109.38	63.92
(f) Current tax assets (net)	52.43	205.82
(g) Other non current assets	599.37	529.74
<b>Total non-current assets</b>	<b>2,984.11</b>	<b>2,966.56</b>
<b>2 Current assets</b>		
(a) Inventories	2,826.17	2,685.23
(b) Financial assets		
(i) Trade receivables	260.52	198.56
(ii) Cash and cash equivalents	109.88	117.65
(iii) Other bank balances	0.05	0.05
(iv) Loans	128.15	162.64
(v) Other financial assets	5.82	5.82
(c) Other current assets	602.27	587.01
(d) Assets classified as held for sale	15.00	15.87
<b>Total current assets</b>	<b>3,947.86</b>	<b>3,772.83</b>
<b>TOTAL ASSETS</b>	<b>6,931.97</b>	<b>6,739.39</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	15.70	15.70
(b) Other equity	2,213.33	2,210.44
<b>Total equity</b>	<b>2,229.03</b>	<b>2,226.14</b>
<b>2 Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	895.81	920.95
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	248.12	247.44
(iii) Other financial liabilities	0.41	0.33
(b) Long-term provisions	5.23	6.08
(c) Other non current liabilities	490.69	329.48
(d) Deferred revenue	3.21	3.79
<b>Total non-current liabilities</b>	<b>1,643.47</b>	<b>1,508.07</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,304.66	1,455.61
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	0.48	0.25
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	790.03	662.53
(iii) Other financial liabilities	128.97	124.03
(b) Short-term provisions	0.49	1.61
(c) Other current liabilities	834.84	761.15
<b>Total current liabilities</b>	<b>3,059.47</b>	<b>3,005.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,931.97</b>	<b>6,739.39</b>



Place : Mumbai  
Date : November 14, 2018

For Patel Engineering Ltd.

*K.M.B.*

Kavita Shirvaikar  
Whole Time Director & Chief Financial Officer



**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
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment revenue</b>						
EPC	535.32	476.59	359.63	1,011.91	914.56	1,863.58
Real Estate	4.58	78.90	18.26	83.48	19.70	175.32
<b>Total segment revenue</b>	<b>539.90</b>	<b>555.49</b>	<b>377.89</b>	<b>1,095.39</b>	<b>934.26</b>	<b>2,038.90</b>
<b>Segment Result</b>						
EPC	(1.92)	3.94	(31.08)	2.03	(33.78)	(8.81)
Real Estate	12.38	49.43	6.15	61.80	5.11	61.07
<b>Total segment result (after exceptional items)</b>	<b>10.46</b>	<b>53.37</b>	<b>(24.93)</b>	<b>63.83</b>	<b>(28.67)</b>	<b>52.26</b>
<b>Segment Assets</b>						
EPC				6,456.13	8,840.81	6,431.72
Real Estate				475.84	408.02	307.67
<b>Total segment assets</b>				<b>6,931.97</b>	<b>9,248.83</b>	<b>6,739.39</b>
<b>Segment Liabilities</b>						
EPC				4,443.79	6,803.28	4,498.47
Real Estate				259.15	287.81	14.78
<b>Total segment liabilities</b>				<b>4,702.94</b>	<b>7,091.09</b>	<b>4,513.25</b>

Place : Mumbai  
Date : November 14, 2018



For Patel Engineering Ltd.

Kavita Shirvaikar  
Whole Time Director & Chief Financial  
Officer



# 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 and half year ended 30<sup>th</sup> September 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 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 express an opinion on these financial results based on our review of such financial statements.
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 Assets of Rs. 94.46 Crores as at September 30, 2018, total revenue after elimination of Rs 90.31 Crores and Rs. 64.73 Crores, Total Profit (net) after tax of Rs. 3.44 Crores and Rs. 2.82 Crores, and total comprehensive income (net) of Rs. NIL and Rs. NIL for the half year and quarter ended 30<sup>th</sup> September 2018, respectively. 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.





# T. P. Ostwal & Associates LLP

CHARTERED ACCOUNTANTS

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5. We did not review the separate financial results of a branch, included in the statement, whose financial results reflect total assets of Rs.475.84 Crores as at September 30, 2018 total revenue of Rs. 136.43 Crore and Rs. 12.96 Crores, Total Profit after tax of Rs. 60.54 Crores and Rs. 11.11 Crores and total comprehensive income (net) of Rs 0.04 Crore and Rs. 0.02 Crores for the half year and quarter ended 30<sup>th</sup> September 2018 respectively. This financial results and other information have been reviewed by the branch 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 branch 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 the branch auditor referred to in paragraph 3 and 4 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 and half year ended September 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 30<sup>th</sup> December, 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:** November 14, 2018

