

CHARTERED ACCOUNTANTS

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**Auditor's Report On Consolidated Year to Date Results of the Company Pursuant to the
Clause 41 of the Listing Agreement**

To,

Board of Directors of Patel Engineering Ltd

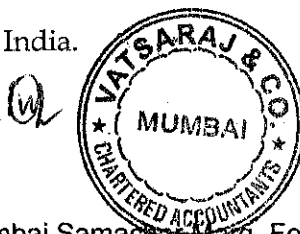
We have audited the consolidated financial results of **Patel Engineering Ltd (the Company)** and its subsidiaries, its jointly controlled entities and its share in its associates for the period from April 1, 2013 to March 31, 2014 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial results are the responsibility of the company's management and accordingly have been prepared by them.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.



We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of 12 subsidiaries and 1 Joint Venture included in the consolidated financial results, whose consolidated financial statements reflect net total assets of Rs 290.32 Crores, total revenue of Rs. 537.74 Crores, Group's share of net profit of Rs. 14.68 crores and net cash flows amounting to Rs. (59.73) crores for the year then ended and 3 Associates companies whose Share of net loss is Rs 5.36 Crores. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statement, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

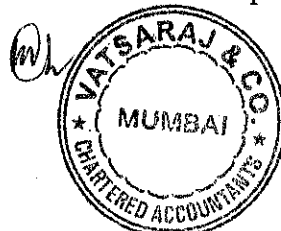
We have placed reliance on the unaudited financial statements as certified by the management of 6 subsidiaries included in the consolidated financial statement, whose consolidated financial statements reflect net total assets of Rs 292.43 Crores, total revenue of Rs. 587.39 Crores, Group's share of net profit of Rs. 20.64 crores and net cash flows amounting to Rs. (13.44) crores for the year then ended and 1 Associate company whose Share of Profit is Rs. Nil, as it is yet to commence the commercial operations.

Without qualifying our opinion, we draw attention to Note 5 to the Consolidated Financial results for the year ended March 31, 2014 regarding impact of loss of Rs. 7.76 crores on the profit on account of Prior Period items.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and upon consideration of reports of other auditors, these consolidated financial results:

- (i) include the financial results of the entities as per Annexure 1;



- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit/loss and other financial information for the consolidated year to date results for the period from April 1 2013 to March 31, 2014.

Further, we also report that we have on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



Place: Mumbai
Date: June 18, 2014

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

A handwritten signature in black ink, appearing to read "Mayur Kisnadwala", written over a horizontal line.

CA Mayur Kisnadwala
Partner
M. No. 33994

Annexure 1 of the Auditors Report

Consolidation of the following entity as per Accounting Standard - 21 "Consolidated Financial Statements"

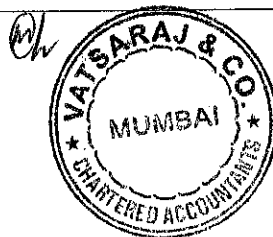
Sr. No.	Name of the Subsidiary
1	Michigan Engineers Pvt. Ltd. (Consolidated)
2	Patel Realty (India) Ltd (Consolidated)
3	Patel Engineering Infrastructure Ltd.
4	Friends Nirman Pvt. Ltd.
5	Patel Concrete & Quarries Pvt. Ltd.
6	Zues Minerals Trading Pvt. Ltd.
7	Pan Realtors Pvt. Ltd.
8	Bhooma Realities Pvt Ltd.
9	Patel Engineering Singapore Pte Ltd (Consolidated)
10	Shasvat Land Projects Pvt. Ltd.
11	Pandora Infra Pvt. Ltd.
12	Patel Engineers Pvt. Ltd. (Consolidated)
13	Vismaya Constryctions Pvt. Ltd.
14	Patel Patron Pvt. Ltd.
15	Patel Engineering Lanka Ltd.
16	Patel Energy Resource Ltd (Consolidated)
17	Patel Lands Ltd
18	Energy Design Pvt Ltd
19	ASI Constructors, Inc (Consolidated)
20	Patel Engineering Mauritius Ltd (Consolidated)
21	Patel Engineering, Inc (Consolidated)

Consolidation of the following entity as per Accounting Standard -27 "Financial Reporting of Interest in Joint Venture"

Sr. No.	Name of the Joint Venture
1	Patel Michigan JV

Consolidation of the following entity as per Accounting Standard - 23 " Accounting for Investment in Associates in Consolidated Financial Statements"

Sr. No.	Name of the Associates
1	Patel KNR Heavy Infrastructure Ltd.
2	Raichur Sholapur Transmission Company Ltd.
3	Patel-KNR Infrastructure Ltd.
4	Terra Land Developers Ltd.





PATEL ENGINEERING LTD.
 Regd. Office : Patel Estate Road, Jogeshwari (W) , Mumbai- 400 102
AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED
MARCH 31, 2014

PART I	STANDALONE								CONSOLIDATED	
	QUARTER ENDED				YEAR ENDED				YEAR ENDED	
	31.03.2014 Unaudited	31.12.2013 Unaudited	31.03.2013 Unaudited	31.03.2014 Audited	31.03.2013 Audited	31.03.2014 Audited	31.03.2013 Audited	31.03.2014 Audited	31.03.2013 Audited	31.03.2014 Audited
1. Income from operations										
(a) Income from operations (net)	876.76	512.49	1,187.41	2,688.81	3,060.04	3,687.11	4,068.23			
(b) Other Operating Income	9.57	3.58	22.60	15.15	43.17	14.02	46.65			
Total Income from Operations (net)	886.33	516.07	1,210.01	2,703.96	3,103.21	3,701.13	4,114.88			
2. Expenses										
a) Cost of Construction	709.37	412.24	1,017.26	2,115.12	2,467.00	2,918.40	3,272.16			
b) Employee benefits expense	29.51	23.31	28.05	96.13	79.57	141.57	116.37			
c) Depreciation	13.13	13.03	12.54	54.23	52.55	81.98	77.46			
d) Other Expenses	56.62	15.71	44.54	121.49	115.22	177.59	165.39			
Total Expenses	808.64	464.29	1,102.39	2,386.98	2,714.34	3,319.54	3,631.38			
3. Profit from operations before Other Income and Finance Costs (1-2)	77.68	51.78	107.62	316.98	388.87	381.59	483.50			
4. Other Income	39.40	48.05	53.64	147.91	107.97	115.38	81.75			
5. Profit before Finance Cost (3+4)	117.08	99.83	161.26	464.89	496.84	496.97	565.25			
6. Finance cost	94.15	96.19	136.16	428.63	420.11	437.86	436.93			
7. Profit from ordinary activities before Prior Period Item and tax (5-6)	22.94	3.64	25.10	36.26	76.73	59.11	128.32			
8. Prior Period Items (refer to note # 5)	-	-	-	-	-	7.76	-			
9. Profit after Prior Period Items before tax (7-8)	22.94	3.64	25.10	36.26	76.73	51.35	128.32			
10. Tax Expenses (Current)	6.93	1.18	10.60	11.25	27.51	21.28	51.65			
11. Net profit after tax (9-10)	16.01	2.46	14.50	25.01	49.22	30.07	76.67			
12. Share of profit / (loss) of associates	-	-	-	-	-	(5.36)	(2.43)			
13. Minority interest in Net (Income)/Loss	-	-	-	-	-	(8.35)	(9.23)			
14. Net Profit after taxes, minority interest and share of profit/(loss) of associates (10+11-12)	16.01	2.46	14.50	25.01	49.22	16.36	65.01			
15. Paid up equity share capital of F.V Rs. 1/-	7.62	6.98	6.98	7.62	6.98	7.62	6.98			
16. Reserves excluding Revaluation Reserve as per Balance sheet of Previous accounting year.	2.10	0.35	2.08	3.28	7.05	3.17	9.31			
17. Basic EPS of F.V. Rs. 1/- (in Rs.)	-	-	-	-	-	2.15	9.31			
(a) before Prior period Items	-	-	-	-	-	3.14	9.31			
(b) after Prior period Items	2.08	0.35	2.08	3.25	7.05	2.13	9.31			
18. Diluted EPS of F.V. Rs. 1/- (in Rs.)	-	-	-	-	-	-	-			
(a) before Prior period Items	-	-	-	-	-	-	-			
(b) after Prior period Items	-	-	-	-	-	-	-			

See accompanying notes to the financial results

includes Share Premium of Rs. 36.26 crores and reversal of excess Provision for Tax Rs.98.13 crores.

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PART II	PARTICULARS	STANDALONE				CONSOLIDATED	
		QUARTER ENDED		YEAR ENDED		YEAR ENDED	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014
A PARTICULARS OF SHAREHOLDING							
1. Public Shareholding :							
- Numbers of Shares	37,922,851	37,922,851	37,922,851	37,922,851	37,922,851	37,922,851	37,922,851
- Percentage of shareholding	49.74%	54.31%	54.31%	49.74%	54.31%	49.74%	54.31%
2. Promoters and Promoter group Shareholding							
a) Pledged/Encumbered	-	-	-	-	-	-	-
- Numbers of Shares	-	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-	-
b) Non-encumbered	-	-	-	-	-	-	-
- Numbers of Shares	38,321,474	31,904,300	31,904,300	38,321,474	31,904,300	38,321,474	31,904,300
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	50.26%	45.69%	45.69%	50.26%	45.69%	50.26%	45.69%

PARTICULARS	3 months ended
	31.03.2014
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	7
Disposed of during the quarter	7
Remaining unresolved at the end of the quarter	-

Notes :

- The above Consolidated financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on June 18, 2014. The Standalone results of the company was reviewed by the audit committee and approved and taken on record by the Board at their meeting held on May 30, 2014 and reported to Stock exchange on the same day. This financial are also available on the website of the Company at www.pateleng.com
- The Company has chosen the option of publishing standalone results on quarterly basis, therefore, quarterly comparative consolidated financial information is not provided.
- The consolidated financial statements of the company have been combined on a line-by-line basis after eliminating intra group transactions. The consolidated financial statement includes 5 overseas subsidiaries, 16 Indian subsidiaries, one jointly controlled entity. Further, the share of profit/loss of 3 associates are also included and one associate is yet to commence commercial operations.
- Financial results of the overseas subsidiaries are translated into Indian Rupees using the average exchange rates prevailing during the period and other monetary/ non monetary items are translated at closing rate. Net exchange rate difference is recognized as Foreign Exchange Translation Reserve.
- The Consolidated Audited Accounts of the Company for the FY2012-13 includes the unaudited Management Accounts of ASI Constructors, Inc., USA (ASI). This fact was also reported by the Statutory Auditor in their Report. Subsequently, based on the audited financials of ASI, the Company's share in loss is INR 2.09 crs as against the profit shown of INR 5.67crs (exchange rate of INR 53.03). The net impact being a loss of INR 7.76crs been reflected in the Audited Consolidated Financial statements for FY13-14 as " Prior Period Items".
- The Finance Act, 2009 has amended Section 80IA (4) of the Income Tax Act, 1961 by inserting an explanation to the said section retrospectively from April 1, 2000 purporting to withdraw the benefit hitherto available. The Company has filed a writ petition with The High Court of Mumbai for challenging constitutional validity for insertion of explanation with retrospective effect and writ has been admitted. Recently, the appellate authorities have held that company is eligible for the said deduction on certain projects. Accordingly, the corresponding excess provision for the tax of Rs.98.13 crs has been credited to Reserves.

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7. The Allotment Committee at its meeting on March 21, 2014 allotted 69,79,131 Optional Convertible Preference shares(OCPS) to the Promoters of the Company. On March 31, 2014, out of the said OCPS, 64,17,174 OCPS were converted into 64,17,174 Equity shares of Re.1 and allotted @ Rs. 57.5 (including premium of Rs. 56.5). On April 15, 2014, the balance 5,61,957 OCPS were converted into 5,61,957 Equity shares of Re.1 and allotted @ Rs. 57.5 (including premium of Rs. 56.5)in terms of Chapter VII of SEBI (ICDR) Regulation 2009.
8. The Consolidated results of the Company has three reportable business segments, "Civil Construction" and through its subsidiaries "Real Estate" and "Others".
9. The provision for tax is calculated in accordance with the tax laws applicable to the current financial year.
10. There has been an audit adjustment recorded in the audited financial of Patel Engineering Singapore Pte Ltd., a wholly owned subsidiary, for the financial year ended March 31, 2013, thereby reducing the payables to related parties by USD 170,000 (INR 0.93 crores) and increasing Foreign Currency Translation Reserves by said amount, having no impact on profit / loss. The same has not been included in the Consolidated Financial statement of the Company.
11. For the Standalone results figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published Year-to-Date figures upto the third quarter of the current financial year.
12. The previous period figures has been regrouped / rearranged wherever necessary, for the purpose of comparison.

Mumbai
June 18, 2014

for Patel Engineering Ltd

Director

	STANDALONE		CONSOLIDATED	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	7.68	6.98	7.68	6.98
(b) Reserves and surplus	1,606.70	1,451.25	1,785.15	1,620.58
2 Minority Interest	-	-	129.33	98.90
3 Non-current liabilities				
(a) Long-term borrowings	1,241.21	1,140.12	1,880.77	1,397.74
(b) Deferred Tax Liability (Net)	-	0.95	17.15	11.33
(c) Other Long term liabilities	690.77	372.98	543.41	258.60
(d) Long-term provisions	3.24	4.18	4.70	3.67
4 Current liabilities				
(a) Short-term borrowings	2,042.61	1,344.96	2,304.80	1,763.22
(b) Trade payables	511.68	626.00	868.42	998.99
(c) Other current liabilities	612.44	612.17	790.26	861.89
(d) Short-term provisions	1.54	2.28	1.97	1.53
TOTAL	6,717.87	5,561.87	8,333.64	7,023.43
II. ASSETS				
1 Non-current assets				
(a) Fixed assets				
i. Tangible assets	244.95	293.82	639.36	673.78
ii. Intangible assets	1.93	3.38	35.11	40.86
iii. Capital work-in-progress	20.70	18.36	786.20	536.33
	267.58	315.56	1,460.67	1,250.96
(b) Non-current investments	589.65	571.16	133.89	113.11
(c) Deferred Tax Assets (Net)	3.10	-	-	-
(d) Long-term loans and advances	1,205.10	809.50	877.07	533.56
(e) Non Current Bank Deposits	1.84	1.25	1.85	2.73
(f) Non Current Trade Receivables	898.94	68.70	900.08	68.70
(g) Other Non current asset	-	-	28.87	20.47
2 Current assets				
(a) Investment -Current	-	-	-	-
(b) Inventories	2,319.70	1,914.51	3,039.94	2,482.65
(c) Trade receivables	371.93	800.86	539.46	1,042.67
(d) Cash and cash equivalents	107.24	182.55	187.95	340.49
(e) Short-term loans and advances	952.09	896.83	1,162.02	1,168.09
(f) Other current assets	0.70	0.95	1.85	-
TOTAL	6,717.87	5,561.87	8,333.64	7,023.43

for Patel Engineering Ltd

Mumbai
June 18, 2014



Director

PATEL ENGINEERING LTD.

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

**AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED
MARCH 31, 2014**

Rs. in crore

PARTICULARS	YEAR ENDED	
	31.03.2014 Audited	31.03.2013 Audited
1. Segmental Revenue		
a) Civil Construction	3,357.30	3,587.75
b) Real Estate	343.82	518.56
c) Others	0.01	8.56
2. Segment Results		
Profit / (Loss) before Tax and Finance Cost		
a) Civil Construction	420.37	426.22
b) Real Estate	89.11	136.90
c) Others	(12.51)	2.14
Less :- Finance Cost	(437.86)	(436.93)
Prior Period Item	(7.76)	-
Total Profit Before Tax	51.35	128.32
3. Capital Employed		
(Segment Assets - Segment Liabilities)		
a) Civil Construction	4,555.38	3,249.61
b) Real Estate	743.12	592.27
c) Others	827.35	667.01

for Patel Engineering Ltd

Mumbai
June 18, 2014

Director