

CA B. K. Vatsaraj
B. Com, F.C.A.**CA Mayur Kisnadwala**
B. Com, F.C.A.**CA Nitesh K. Dedhia**
B. Com, A.C.A.**Vatsaraj & Co. (Regd.)****CHARTERED ACCOUNTANTS**

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Auditor's Report On Quarterly Consolidated Financial Results and 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 quarterly consolidated financial results of Patel Engineering Ltd for the quarter ended March 31,2012 and the consolidated year to date results for the period April 1, 2012 to March 31,2012 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. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India⁸ and other accounting principles generally accepted in India.

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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 16 subsidiaries 1 Joint Venture included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated financial statements reflect net total assets of Rs 3240.50 Mn as at March 31, 2012; as well as the total revenue of Rs. 14998.83 Mn as at March 31, 2012 and 5 Associates whose Share of Loss is Rs 43.39 Mn. 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 quarterly financial results and the year to date results, to the extent they have been derived from such interim 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 2 subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated financial statements reflect net total assets of Rs 149.51 Mn as at March 31, 2012; as well as the total revenue of Rs. NIL as at March 31, 2012. 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 quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

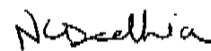
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In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) include the quarterly financial results and year to date of the following entities (list of entities included in consolidation);
- (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/loss⁹ and other financial information for the quarter ended March 31, 2012 as well as the consolidated year to date results for the period from April 1 2011 to March 31, 2012

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.

ForVatsaraj & Co.
Chartered Accountants
FRN: 11327W



CA Nitesh K Dedhia
Partner
M. No. 114893

Place: Mumbai

Date: September 7, 2012


PATEL ENGINEERING LTD.

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

**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR QUARTER AND FOR THE YEAR ENDED
ON MARCH 31, 2012**

₹ in crore

PART I	PARTICULARS				
	QUARTER ENDED			YEAR ENDED	
	31.03.2012 Audited	31.12.2011 Unaudited	31.03.2011 Unaudited	31.03.2012 Audited	31.03.2011 Audited
1. Income from operations					
(a) Income from operations (net)	1,245.38	618.37	1,570.14	3,566.86	3,470.48
(b) Other Operating Income	4.20	1.65	2.96	25.23	11.95
Total Income from Operations (net)	1,249.58	620.02	1,573.10	3,592.09	3,482.43
2. Expenses					
a) Cost of Construction	1,102.64	439.82	1,340.72	2,877.86	2,708.73
b) Employee benefits expense	32.09	27.55	27.17	117.41	114.39
c) Depreciation	27.35	20.54	11.60	89.23	82.04
d) Other Expenses	12.87	38.98	73.07	131.07	178.00
Total Expenses	1,174.95	526.89	1,452.55	3,215.57	3,083.16
3. Profit from operations before Other Income and Finance Costs (1-2)	74.64	93.13	120.55	376.52	399.27
4. Other Income	22.50	23.41	11.86	91.09	87.64
5. Profit before Finance Cost (3+4)	97.13	116.54	132.41	467.61	486.91
6. Finance cost	76.63	81.27	87.33	333.28	296.95
7. Profit from ordinary activities before tax (5-6)	20.50	35.27	45.08	134.33	189.96
8. Tax Expenses	20.57	12.24	12.82	59.75	53.99
9. Net profit after tax (7-8)	(0.07)	23.03	32.26	74.58	135.97
10. Share of profit / (loss) of associates	(1.69)	(1.35)	1.28	(4.39)	1.28
11. Minority Interest in Net (Income)/Loss	2.34	(1.65)	(3.38)	(3.60)	(8.12)
12. Net Profit after taxes, minority interest and share of profit / (loss) of associates (9+10-11)	0.58	20.03	30.16	66.59	129.13
13. Paid up equity share capital of F.V ₹ 1/-	6.98	6.98	6.98	6.98	6.98
14. Reserves excluding Revaluation Reserve as per Balance sheet of Previous accounting year.					1,420.88
15. Basic and diluted EPS of F.V. ₹ 1/- (in ₹) (not annualised)	0.08	2.87	4.32	9.54	18.50

See accompanying notes to the financial results

PART II					
PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011
A PARTICULARS OF SHAREHOLDING					
1. Public Shareholding :					
- Numbers of Shares	3,79,70,601	3,79,71,487	3,79,74,601	3,79,70,601	3,79,74,601
- Percentage of shareholding	54.38%	54.38%	54.38%	54.38%	54.38%
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	3,18,56,550	3,18,55,664	3,18,52,550	3,18,56,550	3,18,52,550
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	45.62%	45.62%	45.62%	45.62%	45.62%

PARTICULARS	3 Months ended
B. INVESTOR COMPLAINTS	31.03.2012
Pending at the beginning of the quarter	-
Received during the quarter	11
Disposed of during the quarter	11
Remaining unresolved at the end of the quarter	-

Notes :

1. The above financial results were reviewed by the Audit Committee and approved and taken on record by the Board at their meeting held on September 7, 2012.

2. The audited figures of quarter ended March 31, 2012 & March 31, 2011 is the difference between full year audited and nine months unaudited upto December 31, 2011 & December 31, 2010 respectively.

3. 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, 17 Indian subsidiaries and 3 financially controlled integrated joint ventures duly reviewed by the respective Boards. Further, the share of profit/loss of 5 associates, if any, are also included.

4. Compared to the unaudited reviewed annual results published earlier the net profit is reduced on account of a one time write off of Rs. 5.03 cr against impairment of goodwill in one of our wholly owned subsidiaries in Singapore, holding joint venture companies in Indonesia. The said was given effect subsequent to review of accounts. Further, in the standalone financials of the company, net profit as per the audited financial statements is less by 4.8% when compared to reviewed financial statements. The net results of other subsidiaries has no impact on the change in the net profit.

5. Financial results of the overseas subsidiaries are translated into Indian Rupees using the average exchange rates prevailing during the period.

6. The following is the summary of standalone results which has been audited by statutory auditors:-

	Quarter Ended Mar 31, 2012 Audited (₹ in crore)	Quarter Ended Mar 31, 2011 Unaudited (₹ in crore)	Year Ended Mar 31, 2012 Audited (₹ in crore)	Year Ended Mar 31, 2011 Audited (₹ in crore)
Total Income from Operations (net)	948.41	1,138.47	2,549.64	2,537.21
Profit Before Tax	17.16	44.04	95.56	135.66
Profit After Tax	6.67	39.28	60.43	102.21

7. Patel Engineering Limited has two reportable business segments, "Civil Construction" and through its subsidiaries "Real Estate".

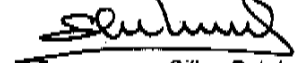
8. ESOP Compensation expenses representing excess of market price of shares on the date of grant of option over the exercise price of option is amortized on a straight line basis over the vesting period. During the year ended March 31, 2012, ESOP Compensation expense of ₹ 0.62 crore (P.Y. ₹ 1.64 crore) has been debited to Profit & Loss Account.

9. The provision for tax is calculated in accordance with the tax laws applicable to the current financial year.

Place : Mumbai

Date : September 7, 2012

for Patel Engineering Ltd



Siloo Patel
Director

PATEL ENGINEERING LIMITED**Patel****CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012**

	As At March 31, 2012 (Rs. Million)	As At March 31, 2011 (Rs. Million)
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	69.83	69.83
(b) Reserves and surplus	15,497.55	14,208.78
2 Minority Interest		
	834.06	704.27
3 Non-current liabilities		
(a) Long-term borrowings	9,505.47	9,651.33
(b) Deferred Tax Liability (Net)	216.03	131.95
(c) Other Long term liabilities	5,028.92	4,721.61
(d) Long-term provisions	14.56	34.70
4 Current liabilities		
(a) Short-term borrowings	15,685.52	14,191.44
(b) Trade payables	9,348.56	7,704.10
(c) Other current liabilities	5,668.04	3,023.17
(d) Short-term provisions	48.00	430.48
TOTAL	61,916.54	54,871.66
II. ASSETS		
1 Non-current assets		
(a) Fixed assets	10,532.09	8,530.20
(b) Non-current investments	985.88	780.35
(c) Long-term loans and advances	7,998.59	4,807.08
(d) Non Current Bank Deposits	14.06	14.53
(e) Non Current Trade Receivables	327.24	578.20
(f) Other Non current asset	122.23	73.30
2 Current assets		
(a) Inventories	18,715.76	20,385.10
(b) Trade receivables	10,272.34	8,143.48
(c) Cash and cash equivalents	3,334.71	2,420.55
(d) Short-term loans and advances	9,613.64	8,956.58
(e) Other current assets	-	182.29
TOTAL	61,916.54	54,871.66

For Patel Engineering, Ltd.

Place : Mumbai

Date : September 7, 2012



Director